



AGENDA

Garden Grove City
Council

Tuesday, June 13, 2017

6:30 PM

Community Meeting
Center, 11300 Stanford
Avenue, Garden Grove,
CA 92840

Steven R. Jones

Mayor

Phat Bui

Mayor Pro Tem - District 4

Kris Beard

Council Member - District 1

John R. O'Neill

Council Member - District 2

Thu-Ha Nguyen

Council Member - District 3

Stephanie Klopfenstein

Council Member - District 5

Kim B. Nguyen

Council Member - District 6

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the City Council, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: (714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The City Council may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Council Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the City Council meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the City Council are requested to complete a **pink speaker card** indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications" and should be limited to matters under consideration and/or what the City Council has jurisdiction over. Persons wishing to address the City Council regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the City Council: After being called by the Mayor, you may approach the podium, it is requested that you state your name for the record, and proceed to address the City Council. All remarks and questions should be addressed to the City Council as a whole and not to individual Council Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the City Council shall be called to order by the Mayor. If such conduct continues, the Mayor may order the person barred from addressing the City Council any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the City Council on the same subject matter, the Mayor may request a

spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the City Council's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

ROLL CALL: COUNCIL MEMBER BEARD, COUNCIL MEMBER O'NEILL, COUNCIL MEMBER T. NGUYEN, COUNCIL MEMBER KLOPFENSTEIN, COUNCIL MEMBER K. NGUYEN, MAYOR PRO TEM BUI, MAYOR JONES

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

1. PRESENTATIONS

- 1.a. Community Spotlight: In recognition of Richard Hsieh and Judy Rippe as the Senior Volunteer Man and Woman of the Year, and 2017 Strawberry Ball King and Queen.
- 1.b. Community Spotlight: Recognition of the Garden Grove Strawberry Festival Association for organizing the 2017 Garden Grove Strawberry Festival.

2. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

RECESS

CONDUCT OTHER LEGISLATIVE BODIES' BUSINESS

RECONVENE

3. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Council Member.)

- 3.a. Adoption of a Resolution honoring Richard Hsieh and Judy Rippe for being selected as the Senior Volunteer Man and Woman of the Year, and 2017 Strawberry Ball King and Queen. *(Action Item)*
- 3.b. Approval of an agreement with the City of Anaheim for the administration of the Fiscal Year 2016 Urban Area Security Initiative (U.A.S.I.) Homeland Security Grant Program. (Grant Amount: \$11,244) *(Action Item)*
- 3.c. Approval of Amendment No. 1 to the Consultant Services Agreement with Overland, Pacific & Cutler, Inc. to provide right-of-way consulting and related Real Property professional services.

(Cost: \$8,000) (*Action Item*)

- 3.d. Authorize the issuance of a purchase order to Carmenita Truck Center for one (1) utility truck. (Cost: \$43,700.30) (*Action Item*)
- 3.e. Acceptance of the Gem Theater Roof Repair Project as complete. (*Action Item*)
- 3.f. Adoption of Resolutions initiating proceedings for the levying of Fiscal Year 2017-2018 Assessment for the City of Garden Grove Street Lighting District, Street Lighting District No. 99-1, and Park Maintenance District. (*Action Item*)
- 3.g. Receive and file minutes from the meetings held on May 23, 2017, and June 6, 2017. (*Action Item*)
- 3.h. Approval of warrants. (*Action Item*)
- 3.i. Approval to waive full reading of Ordinances listed. (*Action Item*)

(Motion to approve will include adoption of each Resolution unless otherwise stated.)

4. COMMISSION/COMMITTEE MATTERS

- 4.a. Approval of Fiscal Year 2017-18 Budget and adoption of Resolutions initiating proceedings for the levying of assessments for Fiscal Year 2017-18; approving the Engineer's Report; and setting the time and date to conduct a Public Hearing for the Main Street Assessment District No. 1. (*Action Item*)
(Motion to approve will include adoption of each Resolution unless otherwise stated.)

5. ITEMS FOR CONSIDERATION

- 5.a. Approval of a Monument Policy for establishing criteria and guidelines for the placement of monuments on City property. (*Action Item*)
- 5.b. Approval of Addendum No. 2 to the Agreement with LFA to conduct a two-day Music Festival at Village Green Park on August 5 and August 6, 2017. (*Action Item*)
- 5.c. Adoption of a Resolution approving the HOME Investment Partnership Affordable Housing and Loan Agreement with 10632 Bolsa Ave, LP for the Sycamore Court Housing Project. (*Action Item*)
- 5.d. Approval of a Lease Agreement with Steelcraft Long Beach, LP for real property located at 12900 Euclid Street, Garden Grove. (Revenue: \$8,120 per month) (*Action Item*)
- 5.e. Adoption of a Resolution approving the Garden Grove Tourism Improvement District Advisory Board's 2017-18 Annual Report,

Declaration of Intention to levy assessments for Fiscal Year 2017-18, and setting the time and date to conduct a Public Hearing on the proposed assessment. (*Action Item*)

- 5.f. Award of contract to Siemens Industry, Inc., for on-call traffic signal and street lighting maintenance and repair services. (Cost: \$300,000) (*Action Item*)
- 5.g. Award of contract to Thomco Construction, Inc., for Project No. 7008/6708 Garden Grove Police Department Records Section Remodel and approval of appropriation of bond proceeds. (Cost: \$793,518.76) (*Action Item*)
- 5.h. Award of contract to R.J. Noble Company for Project No. 7229, Westminster Avenue, Buaro Street, Twintree Avenue, Dorothy Avenue, Coleman Place, and Stanrich Place, Roadway Rehabilitation. (Cost: \$1,864,336.25) (*Action Item*)
- 5.i. Consideration of an Ordinance for the Paramedic Tax Override Rate for Fiscal Year 2017-18. (*Action Item*)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ESTABLISHING THE AMOUNT OF MONEY FOR PARAMEDIC SERVICES THAT MUST BE RAISED BY AN AD VALOREM TAX OVERRIDE AND THE SETTING OF THE TAX RATE OF SAID OVERRIDE

6. ORDINANCES PRESENTED FOR SECOND READING AND ADOPTION

- 6.a. Ordinance No. 2880 presented for second reading and adoption
Entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING PLANNED UNIT DEVELOPMENT NO. PUD-006-2017 TO AMEND THE CITY'S OFFICIAL ZONING MAP TO CHANGE THE ZONING FOR THE PORTION OF THE PROJECT SITE THAT IS LOCATED WITHIN THE CITY OF GARDEN GROVE AND TO "PRE-ZONE" THE PROPERTIES TO BE ANNEXED TO RESIDENTIAL PLANNED UNIT DEVELOPMENT ZONING (PUD-006-2017) WITH R-1 (SINGLE-FAMILY RESIDENTIAL) BASE ZONING. (*Action Item*)

- 6.b. Ordinance No. 2881 presented for second reading and adoption
Entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND CHRIST CATHOLIC CATHEDRAL FACILITIES CORPORATION FOR PROPERTY LOCATED ON THE NORTHWEST CORNER OF LEWIS STREET AND GARDEN GROVE BOULEVARD, AT 12901 LEWIS STREET, ASSESSOR'S PARCEL NOS. 231-041-26, 231-041-27, 231-041-28, AND 231-255-01. (*Action Item*)

- 6.c. Ordinance No. 2882 presented for second reading and adoption
Entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-017-2017 AMENDING PORTIONS OF TITLE 9 (ZONING CODE) AND REPEALING CHAPTER 5.85 OF THE GARDEN GROVE MUNICIPAL CODE ADOPTING ACCESSORY DWELLING UNIT REGULATIONS AND MAINTAINING THE BAN ON CANNABIS ACTIVITIES CONSISTENT WITH RECENT CHANGES TO STATE LAW. (*Action Item*)

- 6.d. Ordinance No. 2883 presented for second reading and adoption

Entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-018-2017, A ZONING TEXT AMENDMENT TO PORTIONS OF CHAPTERS 9.04, 9.16, AND 9.18 OF TITLE 9 OF THE GARDEN GROVE MUNICIPAL CODE PERTAINING TO CREMATORIALS, MORTUARIES, FUNERAL HOMES, AND CEMETERIES. (*Action Item*)

7. MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

- 7.a. Discussion and consideration of the Traffic Commission's recommendations regarding recreational and oversized vehicle parking as requested by the City Council. (*Action Item*)
- 7.b. Discussion to consider changing the illuminated Bolsa Avenue street name signs as requested by Council Member T. Nguyen and Mayor Jones.

8. ADJOURNMENT

The next Regular City Council Meeting will be held on Tuesday, June 27, 2017, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

HAPPY BIRTHDAY COUNCIL MEMBER KLOPFENSTEIN

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kimberly Huy
Dept.:	City Manager	Dept.:	Community Services
Subject:	Adoption of a Resolution honoring Richard Hsieh and Judy Rippe for being selected as the Senior Volunteer Man and Woman of the Year, and 2017 Strawberry Ball King and Queen. (<i>Action Item</i>)		
		Date:	6/13/2017

Attached is a Resolution honoring Richard Hsieh and Judy Rippe for being selected as the Senior Volunteer Man and Woman of the Year, the 2017 Strawberry Ball King and Queen recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
2017 Senior Volunteer Man and Woman of the Year (Strawberry Ball King and Queen)	5/24/2017	Cover Memo	Resolution.docx

Resolution
Richard Hsieh and Judy Rippe
Senior Volunteer Man and Woman of the Year
2017 Strawberry Ball King and Queen

WHEREAS, Richard Hsieh and Judy Rippe have enhanced the Garden Grove community with their spirit of service; and

WHEREAS, Born in Taiwan, Richard Hsieh has been an active resident in Garden Grove for over 20 years; and

WHEREAS, Richard was a recipient of the Garden Grove Chamber of Commerce Women's Division Silver Spoon Award; and

WHEREAS, He enjoys helping out at the H. Louis Lake Senior Center registration desk during lunch, assisting staff with program setups, and being the face of the coffee sales window; and

WHEREAS, Judy Rippe was born in Sheboygan, Wisconsin, and has been a resident of Garden Grove for over 40 years; and

WHEREAS, Judy received an award from the Senior Citizens Advisory Council for her outstanding volunteerism; and

WHEREAS, She enjoys helping out with the weekly bingo sales at the Senior Center, volunteering at the lunch desk, and assisting staff with registration during special events; and

WHEREAS, Richard Hsieh and Judy Rippe's service to the City and community of Garden Grove goes beyond words, and is further exemplified by their selection as the Senior Volunteer Man and Woman of the Year, also known as the 2017 Strawberry Ball King and Queen.

NOW, THEREFORE, BE IT RESOLVED, that the City of Garden Grove does hereby commend the achievements of Richard Hsieh and Judy Rippe as the Senior Volunteer Man and Woman of the Year, and the 2017 Strawberry Ball King and Queen.

June 13, 2017

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Todd D. Elgin
Dept.:	City Manager	Dept.:	Police
Subject:	Approval of an agreement with the City of Anaheim for the administration of the Fiscal Year 2016 Urban Area Security Initiative (U.A.S.I.) Homeland Security Grant Program. (Grant Amount: \$11,244) (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

To seek City Council approval to enter into an agreement, to receive \$11,244 of grant funding, with the City of Anaheim (Anaheim) as a Core City for the Anaheim/Santa Ana/Garden Grove urban area to administer the Fiscal Year 2016 Urban Area Security Initiative (U.A.S.I.) Homeland Security Grant Program.

BACKGROUND

The City of Garden Grove has partnered with the Homeland Security Grant Programs, also known as Urban Area Security Initiative (U.A.S.I.) for the past 13 years. During this time the City has received funding for several Police and Fire projects.

DISCUSSION

Funding for these grants is administered by Anaheim for this area. Pursuant to this agreement, Anaheim would be authorized to transfer equipment or services to Garden Grove or to reimburse the City for purchase of equipment or services. This is a renewal of a contract the City has with the Homeland Security Grant Programs, also known as Urban Area Security Initiative (U.A.S.I.).

FINANCIAL IMPACT

There is no impact to the General Fund. If a grant request made to U.A.S.I. is approved, the project will be fully reimbursed through the grant program.

RECOMMENDATION

It is recommended that the City Council:

- Approve grant funding of \$11,244 under the agreement with the City of Anaheim to administer the Fiscal Year 2016 Urban Area Security Initiative (U.A.S.I.) Homeland Security Grant funds; and
- Authorize the City Manager and Chief of Police to sign the Agreement on behalf of the City.

By: James Colegrove, Sergeant

ATTACHMENTS:

Description	Upload Date	Type	File Name
Agreement	5/30/2017	Backup Material	Agreement.pdf

AGREEMENT

SUB-RECIPIENT: CITY OF GARDEN GROVE

City Contract Number _____

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Exhibit B	Certification Regarding Lobbying
Exhibit C	Grant Assurances

AGREEMENT FOR TRANSFER OR PURCHASE OF EQUIPMENT/SERVICES OR FOR
REIMBURSEMENT OF TRAINING COSTS
FOR FY2016 URBAN AREAS SECURITY INITIATIVE (UASI)

BETWEEN
THE CITY OF ANAHEIM
AND CITY OF GARDEN GROVE

THIS AGREEMENT is made and entered into this 1st day of March 2017, by and between the CITY OF ANAHEIM, a municipal corporation (the "CITY"), and CITY OF GARDEN GROVE (the "SUB-RECIPIENT" or "Contractor").

W I T N E S S E T H

WHEREAS, CITY, acting through the Anaheim Police Department in its capacity as a Core City for the Anaheim/Santa Ana Urban Area under the FY16 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY 2016 Urban Areas Security Initiative" from the federal Department Of Homeland Security(DHS), Federal Emergency Management Agency (FEMA), through the State of California Governor's Office of Emergency Services (CalOES), to enhance countywide emergency preparedness (the "grant"), as set forth in the grant guidelines and assurances that are incorporated to this Agreement by reference and located at:

"U.S. Department of Homeland Security "Fiscal Year 2016 Homeland Security Grant Program (HSGP) Notice of Funding Opportunity (NOFO)" https://www.fema.gov/media-library-data/1455569937218-3daa3552913b8affe0c6b5bc3b448635/FY_2016_HSGP_NOFO_FINAL.pdf

California Office of Emergency Services "FY2016 Homeland Security Grant Program: California Supplement to Federal Program Guidance and Application Kit"
<http://www.caloes.ca.gov/GrantsManagementSite/Documents/FY%202016%20HSGP%20State%20Guidance.pdf>

Copies of the grant guidelines shall be retained in the Anaheim/Santa Ana Grant Office.

WHEREAS, this financial assistance is administered by the CITY OF ANAHEIM ("CITY") and is overseen by the California Governor's Office of Emergency Services ("CalOES"); and

WHEREAS, this financial assistance is being provided to address the unique equipment, training, planning, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the Anaheim/Santa Ana Urban Area ("ASAUA") consists of 34 cities in Orange County, including the City of Anaheim and the City of Santa Ana, the County of Orange, Santa Ana Unified School District Police, California State University, Fullerton, University of California, Irvine, Municipal Water District of Orange County, and the Orange County Fire Authority; and

WHEREAS, the Office of Grants Management ("OGM") awarded a FY16 UASI Grant of \$4,344,000 ("Grant Funds") to the CITY OF ANAHEIM, as a Core City, for use in the ASAUA; and

WHEREAS, the CITY has designated the Chief of Police, or his designee and the Anaheim Police Department, Emergency Management Director ("UASI Grant Office") to provide for terrorism prevention and emergency preparedness; and

WHEREAS, the UASI Grant Office now wishes to distribute FY16 UASI Grant Funds throughout the ASAUA, as further detailed in this Agreement ("Agreement") to CITY OF GARDEN GROVE ("SUB-RECIPIENT") and others;

WHEREAS, the CITY and SUB-RECIPIENT are desirous of executing this Agreement as authorized by the City Council and the Chief of Police which authorizes the CITY to prepare and execute the Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The CITY, a municipal corporation, having its principal office at 425 South Harbor Boulevard, Anaheim, CA 92805; and
- B. CITY OF GARDEN GROVE, a municipal corporation, 11222 Acacia Parkway, Garden Grove, CA 92840

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the City of Anaheim shall be, unless otherwise stated in the Agreement:

Chris Pena, Lieutenant
Anaheim Police Department
425 South Harbor Boulevard
Anaheim, CA. 92805
Phone: (714) 765-3833
Fax: (714) 765-1616
cpena@anaheim.net

- 2. The representative of CITY OF GARDEN GROVE shall be:

James Colegrove, Sergeant
CITY OF GARDEN GROVE
11222 Acacia Parkway, Garden Grove, CA 92840
Phone: (714) 741-5414
E-mail: jamesc@ci.garden-grove.ca.us

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

SUB-RECIPIENT is acting hereunder as an independent party, and not as an agent or employee of the CITY OF ANAHEIM. No employee of SUB-RECIPIENT is, or shall be an employee of the CITY OF ANAHEIM by virtue of this Agreement, and SUB-RECIPIENT shall so inform each employee organization and each employee who is hired or retained under this Agreement. SUB-RECIPIENT shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY OF ANAHEIM.

§104. Conditions Precedent to Execution of This Agreement

SUB-RECIPIENT shall provide copies of the following documents to the CITY OF ANAHEIM, unless otherwise exempted.

- A. Grant Assurances in accordance with section 415C of this Agreement attached hereto as Exhibit C and made part hereof.
- B. Certifications Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549 in accordance with Section 415A12 of this Agreement and attached hereto as Exhibit A and made a part hereof.
- C. Certifications and Disclosures Regarding Lobbying in accordance with Section 415C of this Agreement and attached hereto as Exhibit B and made a part hereof. SUB-RECIPIENT shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT.

II
TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on March 1, 2017 and end on March 31, 2019 or upon the final disbursement of all of the Grant Amount (as defined in Section 301) and any additional period of time as is required to complete any necessary close out activities. Said term is subject to the provisions herein.

§202. Use of Grant Funds

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds and in accordance with grant guidelines set forth above; or, b) reimburse SUB-RECIPIENT for purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, services, exercises and training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Anaheim Grant Coordinator and it will be provided.
- B. SUB-RECIPIENT shall provide any reports requested by the CITY regarding the performance of the Agreement. Reports shall be in the form requested by the CITY, and shall be provided in a timely manner.
- C. The Authorized Equipment List (AEL) is a list of the allowable equipment which may be purchased pursuant to this Agreement and is located at <https://www.fema.gov/authorized-equipment-list>, and incorporated to this Agreement by reference. A copy of the AEL shall be retained in the Anaheim/Santa Ana Grant Office. Unless otherwise stated in program guidance any equipment acquired pursuant to this Agreement shall meet all mandatory regulations and/or DHS-adopted standards to be eligible for purchase using grant funds. SUB-RECIPIENT shall provide the CITY a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements. Federal procurement requirements for the FY 16 UASI Grant can be found at 2 Code of Federal Regulations (CFR) Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
2. Shall be consistent with needs as identified in the National Priorities and Core Capabilities, the State Homeland Security Strategy and the Anaheim/Santa Ana Urban Area and Orange County Operational Area Homeland Security Grants Strategy, the Threat Hazard Identification and Risk Assessment (THIRA), the State Preparedness Report; and deployed in conformance with those plans;
3. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
4. Shall be subject to the requirements of Title 2 CFR Part 200.313 and 200.314. For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more.
5. Shall be used by SUB-RECIPIENT in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer useful for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
6. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.
7. Shall be recorded on a ledger. The record shall include: (a) description of the item of Equipment, (b) serial number or other identification number, (c) the source of funding for the property (including FAIN); (d) who holds the title, (e) date of acquisition; (f) the per unit acquisition cost of the Equipment, (g) percentage of federal participation in the project costs for the Federal award under which the property was acquired, (h) location, and (i) use and

condition of Equipment, and (j) ultimate disposition data including the date of disposal and sale price of the property. Records must be retained pursuant to 2 CFR Part 200.313.

8. All equipment obtained under this Agreement shall have an ASUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible.
 9. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every two years. Inventory shall also be taken prior to any UASI, State or Federal monitor visits.
 10. SUB-RECIPIENT shall exercise due care to preserve and safeguard equipment acquired with grant funds from damage or destruction and shall provide regular maintenance and such repairs for said equipment as necessary, in order to keep said equipment continually in good working order. Such maintenance and servicing shall be the sole responsibility of SUB-RECIPIENT, who shall assume full responsibility for maintenance and repair of the equipment throughout the life of said equipment.
- D. Any training paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2016 Homeland Security Grant Program, as set forth above. All training expenses must be pre-authorized by CalOES at <https://w3.calema.ca.gov/WebPage/trainreq.nsf/TrainRequest?OpenForm>. A catalogue of Grantor approved and sponsored training courses is available at <https://cdp.dhs.gov/>.
- E. Any exercise paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2016 Homeland Security Grant Program, as set forth above. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <https://www.fema.gov/media-library/assets/documents/32326>.
- F. Any planning paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2016 Homeland Security Grant Program, as set forth above.
- G. Any organizational activities paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2016 Homeland Security Grant Program, as set forth above.

III PAYMENT

§301. Payment of Grant Funds and Method of Payment

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds; or, b) reimburse SUB-RECIPIENT for the purchase of authorized equipment, exercises, services or training upon receiving prior written

approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, exercises, services or training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Anaheim Grant Coordinator and it will be provided. Funds may be used for planning, exercises, organizational and training activities, and the purchase of equipment as described in Section 202 above.

- B. SUB-RECIPIENT shall provide invoices to the CITY requesting payment and all supporting documentation. Each reimbursement request shall be accompanied by the Reimbursement Request for Grant Expenditures (provided to SUB-RECIPIENT by CITY on compact disc) detailing the expenditures made by SUB-RECIPIENT as authorized by Section 202 above. Each reimbursement request shall be submitted to the Anaheim UASI Grant Office. For equipment for which SUB-RECIPIENT is requesting reimbursement, all appropriate back-up documentation must be attached to the reimbursement form, including invoices, proof of payment, packing slips, and Equipment Reimbursement Worksheet. For training reimbursements, SUB-RECIPIENT must include a copy of any certificates issued or a copy of the class roster verifying training attendees, proof that a CalOES tracking number has been assigned to the course, timesheets and payroll registers for all training attendees, receipts for travel expenses related to the training, and Training Reimbursement Worksheet. For regional project reimbursements, SUB-RECIPIENT must include approval from the lead agency for all submitted invoices.
- C. Payment of final invoice shall be withheld by the CITY until the SUB-RECIPIENT has turned in all supporting documentation and completed the requirements of this Agreement.
- D. It is understood that the CITY makes no commitment to fund this Agreement beyond the terms set forth herein.
- E. Funding for all periods of this Agreement is subject to the continuing availability to the CITY of federal funds for this program. The Agreement may be terminated immediately upon written notice to SUB-RECIPIENT of a loss or reduction of federal grant funds.

IV STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Sub-recipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Sub-recipient as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY. This Agreement shall be enforced and interpreted under the laws of the State of California and the CITY.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only by a written instrument executed by both parties hereto.

§404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine

restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§406. Prohibition Against Assignment or Delegation

SUB-RECIPIENT may not, unless it has first obtained the written permission of the CITY:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§407. Permits

SUB-RECIPIENT and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for SUB-RECIPIENT performance hereunder and shall pay any fees required therefore. SUB-RECIPIENT further certifies to immediately notify the CITY of any suspension, termination, lapses, non renewals or restrictions of licenses, certificates, or other documents.

§408. Nondiscrimination and Affirmative Action

SUB-RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, SUB-RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, pregnancy, denial of medical and family care leave, pregnancy disability leave, or medical condition. SUB-RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

SUB-RECIPIENT shall comply with California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships. If required, SUB-RECIPIENT shall submit an Equal Employment Opportunity Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>,

Any subcontract entered into by the SUB-RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this § 408.

§409. Bonds

SUB-RECIPIENT must purchase a performance bond for any equipment item over \$250,000 or any vehicle (including aircraft or watercraft) financed with homeland security funds. SUB-RECIPIENT must provide a copy of performance bond to CITY no later than the time of reimbursement.

§410. Indemnification

To the fullest extent of the law, SUB-RECIPIENT agrees to indemnify, defend, and hold harmless the City of Anaheim, its officers, agents, employees, representatives and designated volunteers from and against any and all claims, demands, defense costs, or liability of any kind or nature arising out of or resulting from, or any way connected with SUB-RECIPIENT'S acts, errors or omissions in the performance of SUB-RECIPIENT'S services or use of grant funds under the terms of this Agreement.

§411. Conflict of Interest

- A. SUB-RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
 2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
 3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The SUB-RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The SUB-RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Contractor.
- E. Prior to obtaining the CITY'S approval of any subcontract, the SUB-RECIPIENT shall disclose to the CITY any relationship, financial or otherwise, direct or indirect, of the SUB-RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the SUB-RECIPIENT, State of California, and Federal regulations regarding conflict of interest.
- G. The SUB-RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The SUB-RECIPIENT covenants that no member, officer or employee of SUB-RECIPIENT shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

- I. The SUB-RECIPIENT shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "SUB-RECIPIENT" and "sub subcontractor" for "Subcontractor".

§412. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250, et seq.).

§413. Statutes and Regulations Applicable To All Grant Contracts

- A. SUB-RECIPIENT shall comply with all applicable requirements of state, federal, county and SUB-RECIPIENT laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. SUB-RECIPIENT shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB) Circulars

SUB-RECIPIENT shall comply with 2 Code of Federal Regulations (CFR) Part 200 (Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, SUB-RECIPIENT shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; Title 2 Code of Federal Regulations, Part 200, Subpart F Audit Requirements; and any administrative regulation or field memos implementing the Act. When reporting under on the FY16 UASI Grant Program under the Single Audit Act, SUB-RECIPIENT shall use Catalog of Federal Domestic Assistance (CFDA) Program Number 97.067 "Homeland Security Grant Program"; Grant Identification Number 2016-0102; and Identify the City of Anaheim as the Pass-Through.

3. Americans with Disabilities Act

SUB-RECIPIENT hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §§ 12101, et seq., and its implementing regulations. SUB-RECIPIENT will provide reasonable accommodations to allow qualified individuals with disabilities to

have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. SUB-RECIPIENT will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the SUB-RECIPIENT, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than \$100,000 in grant funds or more than \$150,000 in loan funds, SUB-RECIPIENT shall submit to the CITY a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC §1352. A copy of the Certificate is attached hereto as Exhibit B. No funds will be released to SUB-RECIPIENT until the Certification is filed.

SUB-RECIPIENT shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

In accordance with 2 CFR§200.336, at any time during normal business hours and as often as the CITY, the U.S. Comptroller General, and/or the Auditor General of the State of California may deem necessary, SUB-RECIPIENT shall make available for examination all of its records with respect to all matters covered by this Agreement. The CITY, the U.S. Comptroller General and/or the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including SUB-RECIPIENT'S invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

SUB-RECIPIENT agrees to provide any reports requested by the CITY regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of three (3) years after the CITY receives notification of grant closeout from CalOES, and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The CITY may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Orange unless authorization to remove them is granted in writing by the CITY.

7. Subcontracts and Procurement

SUB-RECIPIENT shall comply with the federal and SUB-RECIPIENT standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

SUB-RECIPIENT shall ensure that the terms of this Agreement with the CITY are incorporated into all Subcontractor Agreements. The SUB-RECIPIENT shall submit all Subcontractor Agreements to the CITY for review prior to the release of any funds to the subcontractor. The SUB-RECIPIENT shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

8. Labor

SUB-RECIPIENT shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements, and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

SUB-RECIPIENT shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment. None of the funds shall be used to promote or deter Union/labor organizing

activities. CA Gov't Code Sec. 16645, et seq.

9. Civil Rights

SUB-RECIPIENT shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) which may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

SUB-RECIPIENT shall comply, or has already complied, with the requirements of Titles II and III of the Uniform relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

SUB-RECIPIENT shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d)

evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451, et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401, et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

SUB-RECIPIENT shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271, et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

SUB-RECIPIENT shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801, et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

SUB-RECIPIENT shall comply with the Federal Water Pollution Control Act (33 U.S.C. § 1251-1387) which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

SUB-RECIPIENT shall comply with the Federal Clean Water Act (CWA) (33 U.S.C §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.

SUB-RECIPIENT shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, SUB-RECIPIENT ensures that it is in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000, et seq. and is not impacting the environment negatively.

SUB-RECIPIENT shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

11. Preservation

SUB-RECIPIENT shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1, et seq.).

12. Debarment and Suspension

SUB-RECIPIENT shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and SUB-RECIPIENT shall submit a Certification Regarding Debarment required by Executive Order 12549 and any amendment thereto. Said Certification shall be submitted to the CITY concurrent with the execution of this Agreement and shall certify that neither SUB-RECIPIENT nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department head or agency. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, SUB-RECIPIENT will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government.

13. Drug-Free Workplace

SUB-RECIPIENT shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, 44 CFR Part 67; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§ 8350-8357.

14. Financial Management

SUB-RECIPIENT will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

15. Reporting – Accountability

SUB-RECIPIENT agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of

Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

SUB-RECIPIENT must also comply with statutory requirements for whistleblower protections at 10 U.S.C. §2409, 41 U.S.C. §4712, and 10 U.S.C. §2324, 41 U.S.C. §4304 and §4310 and 31 U.S.C. §6101 et seq.

16. Human Trafficking

SUB-RECIPIENT will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

17. Freedom of Information Act

SUB-RECIPIENT acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. SUB-RECIPIENT should also consult State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

18. California Public Records Act

SUB-RECIPIENT acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities may be subject to the California Public Records Act (California Government Code §§6250-6276.48), which requires inspection and/or disclosure of governmental records to the public upon request, unless exempted by law.

B. Statutes and Regulations Applicable To This Particular Grant

SUB-RECIPIENT shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. SUB-RECIPIENT shall comply with new, amended, or revised

laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Title 44 Code of Federal Regulations (CFR) Part 13; EO 12372; Department of Justice (DOJ) Office of Judicial Programs (OJP) Office of the Comptroller, U.S. Department of Homeland Security, Preparedness Directorate Financial Management Guide; U.S. Department of Homeland Security, Office of Grants and Training, FY 2009 Homeland Security Grant Program – Program Guidance and Application Kit; ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445-2448.

Provisions of 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government- Wide Requirements for a Drug Free Workplace (grants).

2. Travel Expenses

SUB-RECIPIENT as provided herein may be compensated for SUB-RECIPIENT'S reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Travel including in-State and out-of-State travel shall not be reimbursed without prior written authorization from the UASI Grant Office.

SUB-RECIPIENT'S travel and per diem reimbursement costs shall be reimbursed based on the SUB-RECIPIENT'S travel policies and procedures. If SUB-RECIPIENT does not have established

travel policies and procedures, SUB-RECIPIENT'S reimbursement rates shall not exceed the amounts established under 5 U.S.C 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under federal awards (48 CFR 31.205-46(a)).

3. Personally Identifiable Information

SUB-RECIPIENT collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate

4. Hotel and Motel Fire Safety Act of 1990

SUB-RECIPIENT must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

5. Terrorist Financing E.O. 13224

SUB-RECIPIENT must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism.

6. USA Patriot Act of 2001

SUB-RECIPIENT must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

7. Noncompliance

SUB-RECIPIENT understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds, and repayment by SUB-RECIPIENT to CITY of any unlawful expenditures.

C. Compliance With Grant Assurances

To obtain the Grant Funds, the Grantor required an authorized representative of the CITY to sign certain promises regarding the way the Grant Funds would

be spent ("Grant Assurances"), attached hereto as Exhibit C. By signing these Grant Assurances, the CITY became liable to the Grantor for any funds that are used in violation of the grant requirements. SUB-RECIPIENT shall be liable to the Grantor for any funds the Grantor determines SUB-RECIPIENT used in violation of these Grant Assurances. SUB-RECIPIENT shall indemnify and hold harmless the CITY for any sums the Grantor determines SUB-RECIPIENT used in violation of the Grant Assurances.

§414. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of SUB-RECIPIENT as an independent party and not as a CITY employee.

§415. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the SUB-RECIPIENT shall report the fact and disclose the Invention promptly and fully to the CITY. The CITY shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the CITY and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). SUB-RECIPIENT hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the author or the CITY, at the CITY'S

discretion, may copyright the Material. If the CITY declines to copyright the Material, the CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.

2. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. SUB-RECIPIENT shall comply with all applicable requirements in the Code of Federal Regulations related to copyrights and copyright policy.

D. Rights to Data

The Grantor and the CITY shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

SUB-RECIPIENT shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§416. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the CITY to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all SUB-RECIPIENT contracts, including procurement, construction and personal services. This policy applies to all Contractors and Sub-Contractors.

V
DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should SUB-RECIPIENT fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the CITY reserves the right to terminate the Agreement, reserving all rights under state and federal law.

§502. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by SUB-RECIPIENT and any increase or decrease in the amount of compensation which are agreed to by the CITY and SUB-RECIPIENT shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

SUB-RECIPIENT agrees to comply with all future CITY Directives, or any rules, amendments or requirements promulgated by the CITY affecting this Agreement.

VI
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-six (26) pages and three (3) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City and CITY OF GARDEN GROVE have caused this Agreement to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

CITY OF ANAHEIM, a municipal Corporation
of the State of California

By: _____
Linda N. Andal
Clerk of the Council

By: _____
Raul Quezada
Chief of Police

SUB-RECIPIENT
CITY OF GARDEN GROVE
83-8134872

APPROVED AS TO FORM:

By: _____

Printed Name _____

By: _____
Kristin Pelletier
Interim City Attorney

Title _____

APPROVED AS TO FORM

By: Omar Sandoval

Printed Name Omar Sandoval

Title City Atty.

EXHIBIT A

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under the applicable CFR covering New Restrictions on Government-wide Debarment and Suspension (Nonprocurement). The certification shall be treated as a material representation of fact upon which reliance will be placed when the Agency determines to award the covered transaction or cooperative agreement.

As required by Executive Order 12549, Debarment and Suspension, and implemented under the applicable CFR, for prospective participants in covered transactions, as defined in the applicable CFR

A. The applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal State or local) with commission of any of these offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

Authorized Agent Signature

Address: _____

Printed or Typed Name

Title

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EXHIBIT B

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AGREEMENT NUMBER

CONTRACTOR/BORROWER/AGENCY

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

EXHIBIT C

*California Governor's Office of Emergency Services
FY2016 Grant Assurances
(All HSGP Applicants)*

Name of Applicant: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

E-Mail Address: _____

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (CFR) and updates are issued by the Office of Management and Budget (OMB) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required.
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.

(d) The official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, local, or foreign) contract, grant, or agreement, or a public (federal, state, local, or foreign) loan or contract under a public (federal, state, local, or foreign) loan or contract.

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Initials _____

transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs;(42 U.S.C. §§ 12101-12213.);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing;
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- U) California Public Contract Code §10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;
- (k) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (l) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in

employment because of ancestry, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth, or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§ 12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 12898 on the Environmental Justice Act, and Executive Order 11514 on Environmental Quality;
- (f) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to Executive Order 11738;
- (g) Protection of wetlands pursuant to Executive Order 11990;
- (h) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (i) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
- U) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);
- (k) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order Executive Order 11990 which requires preservation of wetlands;
- (l) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (m) The Endangered Species Act of 1973, (P.L. 93-205);
- (n) Wild and Scenic Rivers Act of 1968 (16 U.S.C. §1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air

Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect: (2) procuring a commercial sex act during the period of time that the award is in effect: or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) Comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts.
- (b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job before commencing performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq.).
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving a motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

20. Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Rights Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

HOMELAND SECURITY GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the OHS financial assistance office and the OHS Office of Civil Rights and Civil Liberties (CRCL) by e-mail at crcl@hq.dhs.gov or by mail at U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties Building 410, Mail Stop #0190 Washington, D.C. 20528.

In the event any court or administrative agency makes a finding of discrimination against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the OHS Component financial assistance office and the CRCL office by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

23. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

OHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Award recipients may also find as a useful resource the OHS Privacy Impact Assessments: Privacy Guidance and Privacy

template respectively.

25. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under federal financial assistance awards.

26. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

27. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

28. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942

29. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

30. Non-supplanting Requirements

All Applicants who receive awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

32. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

33. SAFECOM

All Applicants who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

34. Terrorist Financing

All Applicants must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of recipients to ensure compliance with the Order and laws.

35. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the Applicant's currently active grants, cooperative agreements, and procurement contracts from all federal assistance office exceeds \$10,000,000 for any period of time during the period of performance of this federal award, the Applicant must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the terms and conditions of your award.

36. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175-175c.

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts. All recipients are bound by the Department of Homeland Security Standard Terms and Conditions 2016, Version 6.0, hereby incorporated by reference, which can be found at: <https://www.dhs.gov/sites/default/files/publications/Fiscal%20Year%202016%20DHS%20General%20Terms%20and%20Conditions.pdf>

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the said Applicant.

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Maria Stipe
Dept.:	City Manager	Dept.:	City Manager
Subject:	Approval of Amendment No. 1 to the Consultant Services Agreement with Overland, Pacific & Cutler, Inc. to provide right-of-way consulting and related Real Property professional services. (Cost: \$8,000) (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

For the City Council to approve Amendment No. 1 to the Consultant Services Agreement with Overland, Pacific & Cutler, Inc. ("OPC") for right-of-way consulting and related Real Property professional services as they pertain to ongoing development projects.

BACKGROUND

On January 23, 2017, the City Manager approved a Consultant Services Agreement ("Agreement") with OPC in the amount of \$45,000 over a 6-month term. The services provided by OPC include professional right-of-way services in-house and related professional services pertaining to real property during the interim of filling the City's Real Property Agent position.

DISCUSSION

Preparing, updating and providing right-of-way services to the Site C hotel development project and the Brookhurst Triangle project have exhausted the current contract amount. In order for the City to continue to provide proper right-of-way support services for the City's development projects, the Agreement with OPC needs to be amended to provide an additional month.

FINANCIAL IMPACT

Funding is available through the Development Agreement Fund, and is included in

the current Fiscal Year 2016-17 budget.

RECOMMENDATION

It is recommended that the City Council:

- Approve Amendment No. 1 to the Consultant Services Agreement with Overland, Pacific & Cutler, Inc., in the amount of \$8,000, to provide right-of-way consulting and related professional services; and
- Authorize the City Manager to sign the Amendment on behalf of the City.

By: Shawn Park, Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
OPC Amendment 1	5/31/2017	Cover Memo	11134_GGR-040-01_02_City_of_Garden_Grove_-_PSA_Amendment_1_Rev1.docx

CITY OF GARDEN GROVE

AMENDMENT NO.1 TO PROFESSIONAL SERVICES AGREEMENT

This Amendment No. 1 to the Professional Services Agreement made and entered on the 24th day of May 2017 between the **City of Garden Grove**, a municipal corporation ("CITY"), and **Overland Pacific and Cutler**, a California Corporation ("CONSULTANT").

Whereas the CITY and CONSULTANT entered into a Professional Services Agreement dated January 29, 2017 to provide for professional right-of-way consulting services.

Whereas the CITY and CONSULTANT desire to amend the existing Agreement as provided herein.

Section 1.0 Term of the Agreement shall be revised as follows:

The CITY hereby extends the performance period from January 29, 2017 (fully executed date) to June 30, 2017.

Section 3.1. Compensation shall be revised as follows:

The Agreement sum is hereby increased from Forty Five Thousand (\$45,000) to Fifty Three Thousand (\$53,000).

Except as expressly amended hereby, the existing Agreement remains in full force and effect as originally executed.

<p>ATTEST</p> <p>_____ City Clerk</p> <p>DATE: _____</p> <p>APPROVED AS TO FORM:</p> <p>_____ CITY ATTORNEY</p>	<p>CITY OF GARDEN GROVE</p> <p>BY: _____ City Manager</p> <p>DATE: _____</p> <p>OVERLAND PACIFIC & CUTLER</p> <p>BY: _____</p> <p>TITLE: _____</p> <p>DATE: _____</p>
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City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	City Manager	Dept.:	Public Works
Subject:	Authorize the issuance of a purchase order to Carmenita Truck Center for one (1) utility truck. (Cost: \$43,700.30) (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

To secure City Council authorization to purchase one (1) utility truck from Carmenita Truck Center in the amount of \$43,700.30.

BACKGROUND

Public Works is responsible for providing safe and reliable vehicles for all City departments. The Public Works Department currently has one (1) vehicle that meets the City's guidelines for replacement. The replacement was approved through the Fiscal Year 2016/17 budget process.

DISCUSSION

Specifications were prepared and sent to bidders in the Southern California area. Multiple bids were received. Pursuant to Garden Grove Municipal Code Section 2.50.060, and based on the City's Public Works Department recommendations, the results deemed that Carmenita Truck Center was the lowest responsive bid.

Carmenita Truck Center Santa Fe Springs, CA	\$43,700.30
Fairview Ford Sales, Inc. San Bernardino, CA	\$44,397.44
Fairway Ford Placentia, CA	\$47,738.85
Reynolds Buick, Inc. Covina, CA	\$48,237.65

FINANCIAL IMPACT

The financial impact is \$43,700.30 to the Fleet Management Fund. There is no impact to the General Fund. The vehicle being replaced will be sold at public auction.

RECOMMENDATION

It is recommended that the City Council:

- Authorize the Finance Director to issue a purchase order in the amount of \$43,700.30 to Carmenita Truck Center for the purchase of one (1) utility truck.

By: Steve Sudduth, Equipment Lead Worker

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William E. Murray
Dept.: City Manager Dept.: Public Works
Subject: Acceptance of the Gem Theater Roof Repair Project as complete. (*Action Item*) Date: 6/13/2017

OBJECTIVE

To request City Council acceptance of the Gem Theater Roof Repair Project as complete.

BACKGROUND

Western States Roofing, Inc. has completed the project as specified. The job was awarded on October 25, 2106, with the total bid amount of \$63,475. The project consisted of exterior roof repairs to the Gem Theater facility.

DISCUSSION

The following is a financial statement for the final payment to Western States Roofing, Inc.:

Original Contract Price	\$63,475.00
Change Orders	<u>\$ 0</u>
Total	\$63,475.00
Value of Work Completed	\$63,475.00
Less Retention	<u>\$ -3,173.75</u>
Total	\$60,301.25
Previous Payments	\$60,301.25
Amount Due/Final Payment	<u>\$ 3,173.75</u>
Total Project Value To Date	\$63,475.00

FINANCIAL IMPACT

The financial impact of this project is \$63,475. Funds are encumbered in Fiscal Year 2016/17 under Purchase Order 154215.

RECOMMENDATION

It is recommended that the City Council:

- Accept the Gem Theater Roof Repair Project as complete;
- Authorize the City Manager to execute the Notice of Completion of Public Improvement and Work; and
- Authorize the Finance Director to release the retention payment when appropriate to do so.

By: Phil Carter, Facilities Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Notice of Completion	5/31/2017	Cover Memo	NOTICE_OF_COMPLETION.pdf

When Recorded Mail To:

City Clerk
City of Garden Grove
P. O. Box 3070
Garden Grove, CA 92842

NOTICE OF COMPLETION
OF PUBLIC IMPROVEMENT AND WORK

NOTICE IS HEREBY GIVEN that The City of Garden Grove, Orange County, California, has caused a public improvement, to wit:

**ROOF REPAIRS TO GEM THEATER LOCATED AT 12852 MAIN ST. GARDEN GROVE,
CA 92845**

to be constructed upon the property hereinafter described. The contract for furnishing of all plant, labor, services, materials, and equipment, and all utilities and transportation, including power, fuel, and water, and performing all work necessary to construct and complete, in a good and workmanlike manner in strict accordance with the specifications, plans, and drawings therefore on file in the office of the City Clerk of the City of Garden Grove, for the construction, installation and completion of the above-described public improvement and work, was heretofore made and entered into with

WESTERN STATES ROOFING INC.

on the 25TH day of OCTOBER, 2016, and filed for record in the office of the City Clerk of the City of Garden Grove; that the work upon said public improvement has been completed, and that the Public Works Director has notified the Successor Agency that he has made and completed a final inspection of the materials furnished and installed and the work performed in the construction, installation, and completion of said public improvement hereinabove more particularly described and set forth, and has certified in writing to the Successor Agency that all the provisions of the contract and contract documents for the furnishing of all plant, labor, services, materials, and equipment, and the performing of all work necessary for the construction, installation, and completion of said public improvement above described have been fully complied with to his satisfaction as required by the contract document; that final acceptance of the construction, installation, and completion of said public improvement above described was made on the 3rd day of May, 2017; that the nature of the title to said property of said City of Garden Grove is as follows: That is to say, it owns said public improvement in fee except the right-of-way upon which it is constructed, and that it owns an easement upon, over, and along said right-of-way for the purpose of the construction, installation, and completion of said public improvement herein above described and the use thereof after said completion; that the property herein above referred to and on which said public improvement is situated is described as follows, to wit:

**ROOF REPAIRS TO GEM THEATER LOCATED AT 12852 MAIN ST. GARDEN GROVE,
CA 92840**

NAME OF SURETY on Labor and Material Bond is: Indemnity Company of California
P.O. Box 19725
Irvine, CA 92623
Tel No. (800) 223-2451

DATED this 27th day of June 20 17

CITY OF GARDEN GROVE

By _____
City Manager of the City of the
Garden Grove

ATTEST:

City Clerk of the City of Garden Grove

STATE OF CALIFORNIA
COUNTY OF ORANGE

I am the Public Works Director of the City of Garden Grove.

I have read the foregoing Notice of Completion of Public Improvement and Work, and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters, which are therein stated upon my information or belief, and as to those matters I believe to be true.

I certify (or declare), under penalty of perjury, that the foregoing is true and correct.

Executed on June 27, 2017 at Garden Grove, California
(Date) (Place)

Bill Murray, P.E.
Public Works Director

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	City Manager	Dept.:	Public Works
Subject:	Adoption of Resolutions initiating proceedings for the levying of Fiscal Year 2017-2018 Assessment for the City of Garden Grove Street Lighting District, Street Lighting District No. 99-1, and Park Maintenance District. (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

For the City Council to adopt Resolutions initiating proceedings for the levying of FY 2017-18 assessments for (1) the City of Garden Grove Street Lighting District, (2) the City of Garden Grove Street Lighting District No. 99-1, and (3) the City of Garden Grove Park Maintenance District (hereafter collectively referred to as "Districts"); to adopt the Resolution approving the Engineer's Reports for those Districts; and to adopt the Resolutions of Intention for the levying of FY 2017-18 assessments for those Districts.

BACKGROUND

Annually, the City of Garden Grove levies assessments against properties within the city to pay for the installation, maintenance, and servicing of public street lighting and park maintenance. In order to continue the lighting of streets and the maintenance of parks at the current service levels, it is necessary to initiate the proceedings of levying annual assessments per the Landscaping and Lighting Act of 1972.

DISCUSSION

The first step in this process is to adopt the Resolutions initiating proceedings and order the City Engineer to prepare and file reports for the Districts. The Resolutions are included as Attachments "A1," "A2," and "A3." The Preliminary Engineer's Report for each District contains a general synopsis, financial summaries, a diagram showing district boundaries and the methodology used to determine the assessment levels per land use category.

The following table summarizes district costs, assessment levels and general fund contributions to cover each District's balance. The cost for each property owner was calculated based on benefits received from each district.

Fiscal Year 2017-18 District Assessments			
District Name	Total District Costs	Assessment Amount	General Fund Contribution
Street Lighting District	\$1,741,315	\$1,332,978	\$408,337
99-1 Lighting District	\$9,878.59	\$8,628.13	\$1,250.46
Park Maint. District	\$2,328,160	\$706,462	\$1,621,698

The rates for each District for FY 2017-18 are the same rates adopted by the City Council in FY 2016-17. There are no proposed additions or new improvements for FY 2017-18. The second step for City Council is to adopt the Resolution approving the attached City Engineer's Report. This Resolution is included as Attachment "B." The third and final step is the adoption of a Resolution declaring the intention to levy and collect assessments for each District. (Attachments "C1," "C2," and "C3") Per these Resolutions, the Public Hearing date will be set for June 27, 2017.

FINANCIAL IMPACT

The adoption of assessments will raise approximately \$1,332,978 in revenue for the Street Lighting District, \$8,628.13 for Street Lighting District 99-1, and \$706,462 for the Park Maintenance District.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolutions initiating the proceedings and requesting the Engineer to prepare and file a report for: 1) the Street Lighting District ("A1") 2) the Street Lighting District No. 99-1 ("A2"), and 3) the Park Maintenance District ("A3").
- Adopt the attached Resolution approving the Engineer's Report for 1) the Street Lighting District, 2) the Street Lighting District No. 99-1, and 3) the Park Maintenance District ("B").
- Adopt the attached Resolutions of Intention for the Street Lighting District ("C1"), Street Lighting District No. 99-1 ("C2"), and the Park Maintenance District ("C3").

By: Ana V. Neal, Sr. Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
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Resolution "A1"	5/30/2017	Cover Memo	A1_Lighting_InitiatingProcedures_Reso_DRAFT.doc
Resolution "A2"	5/30/2017	Cover Memo	A2_99-1_InitiatingProcedures_Reso_DRAFT.doc
Resolution "A3"	5/30/2017	Cover Memo	A3_Park_InitiatingProcedures_Reso_DRAFT.doc
Resolution "B"	5/30/2017	Cover Memo	B_Eng_Report_Approval_Reso_DRAFT.doc
Resolution "C1"	5/30/2017	Cover Memo	C1_Lighting_ROI_Reso_DRAFT.doc
Resolution "C2"	5/30/2017	Cover Memo	C2_99-1_ROI_Reso_DRAFT.doc
Resolution "C3"	5/30/2017	Cover Memo	C3_Park_ROI_Reso_DRAFT.doc
Engineer's Report - Park Maintenance	6/1/2017	Cover Memo	FY17-18-Park_Maint_Assessment_FINAL.pdf
Engineer's Report - Street Lighting District	6/1/2017	Cover Memo	FY17-18_Lighting_Report_FINAL.pdf
Engineer's Report - Lighting District 99-1	6/1/2017	Cover Memo	FY17-18-99-1_Report-FINAL.pdf

"A1"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2017-18 FISCAL YEAR FOR THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT AND ORDERING THE CITY ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE 4 OF CHAPTER 1 OF SAID ACT

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE FINDS:

The City Council of the City of Garden Grove formed the City of Garden Grove Street Lighting District (formerly the Garden Grove City Landscaping and Lighting District [Resolution No. 6357-83] pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Division 15, Part 2 (Sections 22500 et seq.) of the California Streets and Highways Code (herein "Act").

The Act requires that proceedings for the levy of annual assessments after the formation of an Assessment District shall be initiated by resolution describing any proposed new improvements or any substantial changes in existing improvements, and ordering the City Engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove:

SECTION 1. The City Council of the City of Garden Grove hereby proposes the levy of an annual assessment for the City of Garden Grove Street Lighting District pursuant to the Landscaping and Lighting Act of 1972 for Fiscal Year 2017-18.

SECTION 2. The proposed improvements for Fiscal Year 2017-18 are generally described as the installation, maintenance, and servicing of public street lighting facilities including traffic signals, necessary for the proper maintenance and operation of streets and sidewalks throughout the city.

SECTION 3. The City Council hereby orders the City Engineer to prepare and file with the City Clerk a written report in accordance with Sections 22565 et seq. of the California Streets and Highways Code.

"A2"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2017-18 FISCAL YEAR FOR THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT NO. 99-1 AND ORDERING THE CITY ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE 4 OF CHAPTER 1 OF SAID ACT

The City Council of the City of Garden Grove formed the City of Garden Grove Street Lighting District No. 99-1 pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Division 15, Part 2 (Sections 22500 et seq.) of the California Streets and Highways Code (herein "Act") and Article XIIID of the California Constitution.

The Act requires that proceedings for the levy of annual assessments after the formation of an Assessment District shall be initiated by resolution describing any proposed new improvements or any substantial changes in existing improvements, and ordering the City Engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove:

SECTION 1. The City Council of the City of Garden Grove proposes the levy of an annual assessment for the City of Garden Grove Street Lighting District No. 99-1 pursuant to the Landscaping and Lighting Act of 1972 for Fiscal Year 2017-18.

SECTION 2. The proposed improvements for Fiscal Year 2017-18 are generally described as the maintenance and servicing of public street lighting within the Assessment District.

SECTION 3. The City Council hereby orders the City Engineer to prepare and file with the City Clerk a written report in accordance with Sections 22565 et seq. of the California Streets and Highways Code.

"A3"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2017-18 FISCAL YEAR FOR THE CITY OF GARDEN GROVE PARK MAINTENANCE DISTRICT AND ORDERING THE CITY ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE 4 OF CHAPTER 1 OF SAID ACT

The City Council of the City of Garden Grove formed the City of Garden Grove Park Maintenance District (Resolution No. 7981-97) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Division 15, Part 2 (Sections 22500 et seq.) of the California Streets and Highways Code (herein "Act") and Article XIIID of the California Constitution.

The Act requires that proceedings for the levy of annual assessments after the formation of an Assessment District shall be initiated by Resolution describing any proposed new improvements or any substantial changes in existing improvements, and ordering the City Engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove:

SECTION 1. The City Council of the City of Garden Grove hereby proposes the levy of an annual assessment for the City of Garden Grove Park Maintenance District pursuant to the Landscaping and Lighting Act of 1972 for Fiscal Year 2017-18.

SECTION 2. The proposed improvements may be briefly described as the maintenance of public parks throughout the city.

SECTION 3. The City Council hereby orders the City Engineer to prepare and file with the City Clerk a written report in accordance with Sections 22565 et seq. of the California Streets and Highways Code.

"B"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE CITY ENGINEER'S REPORT REGARDING THE LEVY OF AN ANNUAL ASSESSMENT WITHIN THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT, CITY OF GARDEN GROVE STREET LIGHTING DISTRICT NO. 99-1 AND THE CITY OF GARDEN GROVE PARK MAINTENANCE DISTRICT FOR FISCAL YEAR 2017-18

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES,
DETERMINES, AND ORDERS:

SECTION 1. The City Council of the City of Garden Grove, pursuant to the Landscaping and Lighting Act of 1972, being Division 15, Part 2 (Sections 22500 et seq.) of the California Streets and Highways Code, did by previous resolutions order the City Engineer to prepare and file reports in accordance with Article 4 of Chapter 1 of the Act in connection with the proposed levy of an annual assessment for the City of Garden Grove Street Lighting District, City of Garden Grove Street Lighting District No. 99-1, and the City of Garden Grove Park Maintenance District for Fiscal Year 2017-18.

SECTION 2. The City Engineer has prepared and filed with the City Clerk of the City of Garden Grove and the City Clerk has presented to the City Council such City Engineer's report for the City of Garden Grove Street Lighting District for Fiscal Year 2017-18, City of Garden Grove Street Lighting District No. 99-1 for Fiscal Year 2017-18, and City of Garden Grove Park Maintenance District for Fiscal Year 2017-18.

SECTION 3. The City Council has carefully examined and reviewed the City Engineer's report, and the report is hereby approved as filed.

C1

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT FOR FISCAL YEAR 2017-18 AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

The City Council of the City of Garden Grove adopted Resolution No. [REDACTED], initiating proceedings to levy annual assessments for Fiscal Year 2017-18 within the City of Garden Grove Street Lighting District describing the proposed improvements and ordering the City Engineer to prepare and file a report, pursuant to the provisions of the Landscaping and Lighting Act of 1972, i.e., Division 15, Part 2 (commencing with Section 22500) of the California Streets and Highways Code (herein "Act").

The City Engineer has prepared the report, filed same with the City Clerk and presented same to the City Council, with the City Council examining and approving the report.

Under the Act, before levying and collecting assessments in the Assessment District, the City Council is required to adopt a Resolution declaring its intention to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

SECTION 1. The City Council hereby finds and declares that the public interest and necessity require the installation, maintenance, and servicing of public lighting facilities in the streets of the city as hereinafter described, and the City Council hereby declares its intention to levy and collect assessments for Fiscal Year 2017-18 covering the real property benefited by the improvements, pursuant to the Act.

SECTION 2. The proposed improvements are generally described as follows:

The maintenance and operation of streets and sidewalks throughout the city, namely the installation, maintenance, and servicing of public street lighting facilities including traffic signals.

SECTION 3. The Assessment District is designated as the "City of Garden Grove Street Lighting District." The boundaries of the District are generally coterminous with the boundaries of the city of Garden Grove, and generally include all parcels within the city.

SECTION 4. Reference is hereby made to the City Engineer's report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the Assessment District and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Assessment District.

SECTION 5. An assessment will be levied pursuant to the Act upon all property in the City of Garden Grove Street Lighting District for Fiscal Year 2017-18, subject to assessment under the Act, as described in the City Engineer's report. No assessment shall be imposed upon a federal or state governmental agency or another local agency. The rates of the assessment to be levied for Fiscal Year 2017-18 are not proposed to increase from the rate levied in Fiscal Year 2016-17.

SECTION 6. Notice is hereby given that June 27, 2017 at 6:30 p.m. (or as soon thereafter as the City Council may hear same), in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, is hereby fixed as the time and place for a Public Hearing on the question of the levy of the proposed assessments. Any interested person may file a written protest with the City Clerk, stating all grounds of objection. Protests by property owners must contain a description of the property in which each signer thereof is interested, sufficient to identify the same, and must be delivered to the City Clerk prior to the conclusion of the hearing. In addition, all interested persons shall be afforded the opportunity to hear and be heard at the Public Hearing. The City Council shall consider all oral statements and all written protests or communications made or filed by any interested person.

SECTION 7. The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the city of Garden Grove, California, with the publication being not less than ten (10) days prior to the date herein fixed for the Public Hearing.

"C2"

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT NO. 99-1 FOR FISCAL YEAR 2017-18 AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

The City Council of the City of Garden Grove adopted Resolution No. [REDACTED], initiating proceedings to levy annual assessments for Fiscal Year 2017-18 within the City of Garden Grove Street Lighting District No. 99-1 describing the proposed improvements and ordering the City Engineer to prepare and file a report, pursuant to the provisions of the Landscaping and Lighting Act of 1972, i.e., Division 15, Part 2 (commencing with Section 22500) of the California Streets and Highways Code (herein "Act").

The City Engineer has prepared the report, filed same with the City Clerk and presented same to the City Council, with the City Council examining and approving the report.

Under the Act, before levying and collecting assessments in the Assessment District, the City Council is required to adopt a Resolution declaring its intention to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

SECTION 1. The City Council hereby finds and declares that the public interest and necessity require the maintenance and servicing of public lighting facilities as hereinafter described, and the City Council hereby declares its intention to levy and collect assessments for Fiscal Year 2017-18 covering the real property benefited by the improvements, pursuant to the Act.

SECTION 2. The proposed improvements for Fiscal Year 2017-18 are generally described as the maintenance and servicing of public street lighting within the Assessment District.

SECTION 3. The Assessment District is designated as the "City of Garden Grove Street Lighting District No. 99-1." This District consists of the following areas: the first involving an area easterly of Dale Street between Lampson Avenue and Chapman Avenue and an area west of Fairview Street approximately 900 feet

south of Trask Avenue, the second involving an area on Gail Lane north of Chapman Avenue.

SECTION 4. Reference is hereby made to the City Engineer's report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the Assessment District and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Assessment District.

SECTION 5. An assessment will be levied pursuant to the Act upon all property in the City of Garden Grove Street Lighting District No. 99-1 for Fiscal Year 2017-18, subject to assessment under the Act, as described in the City Engineer's report. Parcels within the District that are owned or used by any county, city, city and county, special district or any other local or regional governmental agency, the State of California, or the United States shall be assessed unless the City demonstrates by clear and convincing evidence that such lots or parcels receive no special benefit from the proposed improvements. The rates of the assessment to be levied for Fiscal Year 2017-18 are not proposed to increase from the rates levied in Fiscal Year 2016-2017.

SECTION 6. Notice is hereby given that June 27, 2017 at 6:30 p.m. (or as soon thereafter as the City Council may hear same), in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, is hereby fixed as the time and place for a Public Hearing on the question of the levy of the proposed assessments. Any interested person may file a written protest with the City Clerk, stating all grounds of objection. Protests by property owners must contain a description of the property, in which each signer thereof is interested, sufficient to identify the same, and must be delivered to the City Clerk of the City prior to the conclusion of the Public Hearing. In addition, all interested persons shall be afforded the opportunity to hear and be heard at the Public Hearing. The City Council shall consider all oral statements and all written protests or communications made or filed by any interested person.

SECTION 7. The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the City of Garden Grove, California, with the publication being not less than ten (10) days prior to the date herein fixed for the Public Hearing.

C3

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAYS CODE) DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE CITY OF GARDEN GROVE PARK MAINTENANCE DISTRICT FOR FISCAL YEAR 2017-18 AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING ON THE LEVY OF THE PROPOSED ASSESSMENTS

The City Council of the City of Garden Grove adopted Resolution No. [REDACTED], initiating proceedings to levy annual assessments for Fiscal Year 2017-18 within the City of Garden Grove Park Maintenance District, describing the proposed improvements and ordering the City Engineer to prepare and file a report pursuant to the provisions of the Landscaping and Lighting Act of 1972, i.e., Division 15, Part 2 (commencing with Section 22500) of the California Streets and Highways Code (herein "Act").

The City Engineer has prepared the report, filed same with the City Clerk and presented same to the City Council with the City Council examining and approving the report.

Under the Act, before levying and collecting assessments in the Assessment District, the City Council is required to adopt a Resolution declaring its intention to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

SECTION 1. The City Council hereby finds and declares that the public interest and necessity require the maintenance of public parks in the city, and the City Council hereby declares its intention to levy and collect assessments for Fiscal Year 2017-18 covering the real property specially benefited by the park maintenance, pursuant to the Act.

SECTION 2. The proposed improvements are generally described as the maintenance of public parks throughout the city.

SECTION 3. The Assessment District is designated as the "City of Garden Grove Park Maintenance District." The boundaries of the District are coterminous with the boundaries of the city of Garden Grove, and generally include all parcels within the city.

SECTION 4. Reference is hereby made to the City Engineer's report, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the Assessment District and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Assessment District.

SECTION 5. An assessment will be levied pursuant to the Act upon all property in the City of Garden Grove Park Maintenance District for Fiscal Year 2017-18, subject to assessment under the Act, as described in the City Engineer's report. Parcels within the District that are owned or used by any county, city, city and county, special district or any other local or regional governmental agency, the State of California, or the United States shall be assessed unless the City demonstrates by clear and convincing evidence that such lots or parcels receive no special benefit from the proposed improvements. The rates of the assessment to be levied for Fiscal Year 2017-18 are not proposed to increase from the rates levied in Fiscal Year 2016-17.

SECTION 6. Notice is hereby given that June 27, 2017 at 6:30 p.m. (or as soon thereafter as the City Council may hear same), in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, is hereby fixed as the time and place for a Public Hearing on the question of the levy of the proposed assessments. Any interested person may file a written protest with the City Clerk stating all grounds of objection. Protests by property owners must contain a description of the property, in which each signer thereof is interested, sufficient to identify the same, and must be delivered to the City Clerk of the City prior to the conclusion of the hearing. In addition, all interested persons shall be afforded the opportunity to hear and be heard at the hearing. The City Council shall consider all oral statements and all written protests or communications made or filed by any interested person.

SECTION 7. The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the city of Garden Grove, California, with the publication being not less than ten (10) days prior to the date herein fixed for the Public Hearing.



ENGINEER'S REPORT

for

**Park Maintenance District
Fiscal Year 2017-18**

for the

**City of Garden Grove
Orange County, California**

May 31, 2017



ENGINEER'S REPORT

CITY OF GARDEN GROVE
PARK MAINTENANCE DISTRICT

FISCAL YEAR 2017-18

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CITY OF GARDEN GROVE

FISCAL YEAR 2017-18

SYNOPSIS

This Report as filed complies with Articles XIIC and XIID of the California Constitution and the Landscaping and Lighting Act of 1972. Also part of this report, but not bound herein, is the assessment roll on file with the City Clerk which indicates each property's City of Garden Grove Park Maintenance District assessment for Fiscal Year 2017-18.

In order to comply with the requirements of Article XIIC and XIID of the California Constitution in the Fiscal Year 1997-98, the City Council ordered an Engineer's Report that complied with the new benefit analysis requirements and submitted the District's assessments to a property owner mailed ballot which passed by a majority vote. The new District was formed to fund park maintenance, as more thoroughly described in this Report.

The Park Maintenance District assessment for the Fiscal Year 2017-18 is proposed to total \$706,462. Under the proposed Fiscal Year 2017-18 Park Maintenance District, the typical homeowner will pay \$13.75, which represents their proportional special benefit for the cost of maintaining community parks. For the Fiscal Year 2017-18, the assessments will be levied at the same rate and method as levied in the Fiscal Year 2016-17. The estimated fund balance at the end of Fiscal Year 2017-18 is expected to be zero.

CITY OF GARDEN GROVE
FISCAL YEAR 2017-18
CURRENT FINANCIAL SUMMARY

	<u>Amount</u>	<u>Total</u>
REVENUES		
Uncommitted Fund Balance (as of July 1)	\$0	
City General Fund Contribution	\$1,621,698	
Operating, Engineering and Incidental Assessment Revenue	\$706,462	
<i>Total Park Maintenance Revenues</i>		\$2,328,160
EXPENSES		
Operating, Engineering and Incidental Expenses	\$2,328,160	
<i>Total Park Maintenance Expenses</i>		(\$2,328,160)
Uncommitted Fund Balance (as of June 30)		\$0
<hr/>		
	Total City Contribution	\$1,621,698
	Total To Assessment	\$706,462

CITY OF GARDEN GROVE
FISCAL YEAR 2017-18
ENGINEER'S REPORT
PREPARED PURSUANT TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, and in accordance with the Resolution of Initiation adopted by the City Council of the City of Garden Grove, State of California, in connection with the proceedings for:

CITY OF GARDEN GROVE
PARK MAINTENANCE DISTRICT

hereinafter referred to as the "Assessment District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

PART A
PLANS AND SPECIFICATIONS

Plans and specifications for the existing and ultimate improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

PART B
ESTIMATE OF COST

An estimate of the costs of the maintenance and/or servicing of the existing and ultimate improvements for Fiscal Year 2017-18, including incidental costs and expenses in connection therewith.

PART C
METHOD OF APPORTIONMENT

The method of apportionment of assessments indicates the proposed assessment of the net amount of the costs and expenses of the maintenance and/or servicing of the existing and ultimate improvements to be assessed upon the several lots and parcels of land within the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels.

PART D
ASSESSMENT DIAGRAM

The Assessment Diagram, which shows the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District, is on file in the Office of the City Clerk and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.


PART E
ASSESSMENT ROLL

An assessment of the estimated cost of maintenance and/or servicing of the existing improvements on each benefited lot or parcel of land within the Assessment District for the fiscal year to which this Report applies are on file in the Office of the City Clerk and incorporated herein by reference.

The undersigned respectfully submits the enclosed report as directed by the City Council. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

DATED: May 31, 2017

Harris & Associates



BY: K. Dennis Klingelhofer, P.E.
R.C.E. No. 50255

PART A

PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Garden Grove, and those which may be subsequently constructed, will be serviced and maintained as generally described as follows:

DESCRIPTION OF IMPROVEMENTS FOR THE CITY OF GARDEN GROVE PARK MAINTENANCE DISTRICT FISCAL YEAR 2017-18

The City currently funds the operation and maintenance of park and recreational improvements, including park and grounds maintenance, for 15 community parks. The City's park system provides for a uniform distribution of green area and recreation facilities throughout the District's boundary. Each property in the District is within close proximity of a park facility and specially benefits from the availability of these improvements.

The existing park and recreational facilities to be maintained and serviced are located in the following parks:

Atlantis Park	Garden Grove Park	Twin Lakes Park
Chapman Sports Complex	Hare School Park	Village Green Park
Civic Center Complex	Lake School Park	West Grove Park
Eastgate Park	Magnolia Park	West Haven Park
Edgar Park	Pioneer Park	Woodbury Park

The District will fund costs in connection with the maintenance and servicing of the park and recreation facilities including, but not limited to, personnel, electrical energy, water, materials, contracting services, and other expenses necessary for the satisfactory operation of these facilities. The facilities are described as follows:

Parks and Recreational Facilities

Park and recreational facilities include, but are not limited to: landscaping, lights, athletic fields, playgrounds, playground equipment, public restrooms, park furniture, site amenities, and appurtenant facilities which are located within the public parks within the boundaries of the Assessment District. The landscaping and lighting are further discussed as follows:

Landscaping and Appurtenant Facilities

Facilities include but are not limited to: Landscaping, planting, shrubbery, trees, irrigation systems, hardscapes, fixtures, sidewalks and appurtenant facilities.

Lighting and Appurtenant Facilities

Facilities include but are not limited to: Poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide lighting.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the park and recreational facilities and appurtenant facilities, including

repair, removal or replacement of all or part of any of the park and recreation facilities or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting and painting of walls and other public improvements to remove or cover graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any other improvements and the furnishing of electric energy for the public lighting facilities, or for the lighting or operation of any other improvements.

The plans and specifications for the improvements, showing and describing the general nature, are on file in the office of the City Engineer and the City Clerk and are by reference herein made a part of this Report.

PART B
ESTIMATE OF COST

The City's budget for the maintenance and servicing of park and recreational facilities details the estimated costs for Fiscal Year 2017-18 as available at the time of preparation of this Report, and includes engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the District proceedings.

OPERATION & MAINTENANCE	
Community Park	\$1,628,160
General Fund Contribution	(\$1,134,108)
Subtotal Operation & Maintenance =	\$494,052
ENGINEERING & INCIDENTALS	
Regular Salaries	\$425,947
Overtime	\$0
Commodities	\$22,251
Equipment Pool Rental	\$120,852
Contractual Services	\$130,950
General Fund Contribution	(\$487,590)
Subtotal Engineering & Incidentals =	\$212,410
Total to Assessment =	\$706,462

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment revenue shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

PART C

METHOD OF APPORTIONMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include the maintenance and servicing of street lights, traffic signals, landscaping and park and recreational facilities.

Section 22573, Landscaping and Lighting Act of 1972 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.

The Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Article XIID Section 4 of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Section 4 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

REASON FOR THE ASSESSMENT

The assessment is proposed to be levied to defray the costs of the servicing and maintenance of parks and recreational improvements and appurtenant facilities, including but not limited to, personnel, electrical energy, utilities such as water, materials, contracting services, and other items necessary for the satisfactory operation of these services.

SPECIAL PARK BENEFIT ANALYSIS

The maintenance and servicing of parks and recreational improvements provide a particular and distinct special benefit to parcels within the District. The desirability of parcels within the District is specifically enhanced by the presence of well-maintained parks and recreational facilities which are available for the use and enjoyment of residents, customers, clients, employees and visitors of the assessed parcels. Having properly maintained parks readily accessible to properties within the District means that the owners and visitors of the assessed parcels may enjoy the benefits of such improvements available for use while the owner avoids the expense of privately installing and maintaining similar improvements. Each parcel within the District is located within reasonable proximity to a park, and therefore benefits from the improvements provided in that park.

In addition, to providing opportunities for recreational use, the property maintenance and servicing of park and recreational facilities improves the aesthetics of nearby parcels through the proper maintenance and servicing of landscaping, reduces pollution and noise in surrounding areas through

the provision of open space and the planting of otherwise barren areas, and reduces property-related crimes (especially vandalism) against properties in the District through the abatement of graffiti. Also, the proper maintenance and servicing of parks which also serve as drainage basins such as Twin Lakes and similar landscaped areas not only facilitates proper drainage (and thereby reduces the potential for flood damage to properties in the District), but also beautifies and makes safer flood control facilities that would otherwise be unsightly and potentially dangerous. All of the above contribute to a specific enhancement of the property values of the parcels within the District.

GENERAL PARK BENEFIT ANALYSIS

In addition to the special benefits received by the parcels in the District, there are general benefits conferred by the maintenance, operation and servicing of park and recreational facilities. In addition to specially benefiting parcels within the District by providing recreational amenities and other property related benefits, the proper maintenance and servicing of park and recreational facilities benefits the public at large.

The general benefit from the park and recreational improvements can be measured by examining the type of facilities used at each park that provide benefit to the public at large. The neighborhood parks provide facilities that, by definition, almost exclusively benefit the surrounding tract neighborhood. In the City's General Plan, a neighborhood park is meant to be located within walking or biking distance of each property in the neighborhood. The cost of maintaining these parks is not included in the Assessment District.

Community parks provide amenities that are farther reaching, servicing a population between 10,000 and 50,000 within a radius of one to two miles. Each parcel within the District is within two miles of a community park, therefore, each parcel receives a special benefit from community parks. Several of the community parks include pools, sports fields, tennis courts and other community amenities. Community parks also have neighborhood park attributes such as passive and active recreation opportunities focused on neighborhood recreational activities.

Each community park has been reviewed to determine the benefit associated with community and neighborhood amenities as defined in the City's General Plan. The cost of maintenance, servicing and operation associated with the community amenities of the community parks is 65% of the total maintenance, servicing and operation costs. Therefore, 65% of each community park is related to community amenities, while the other 35% is related to neighborhood amenities.

In addition, each community park has been examined to determine the number of registrations received by the Park and Recreation Department for individuals or teams outside the District boundaries. The ratio of out-of-District registrations to total registrations is used to determine the portion of each park budget that are of general benefit. This proportion has been determined to be 20% for the neighborhood amenities and 40% for the community amenities. Therefore, the portion of the community park's maintenance, servicing and operation that confers a general benefit to the parcels in the District is 20% of the neighborhood amenities and 40% of the community amenities.

The general benefit associated with the community parks includes the benefit the general public receives from the aesthetic and other environmental improvements associated with open space areas. The general benefit portion of the City's parks should not be funded through the Assessment District and may be funded through the General Fund or other sources. Therefore, the amount that may be funded through the District for any given community park is comprised of two elements: community amenities – 60% of the 65% of a community park's operating budget, and neighborhood amenities –

80% of 35% of the community park's operating budget. The remaining budget confers a general benefit and will be paid from funds other than the District. Based on the above analysis, the amount of park and recreational improvements that may be funded through the District is shown in Table 1 below.

TABLE 1 - FUNDING BY COMMUNITY PARK

Park Name	Total Park Costs	Assessable Neighborhood Amenities (1)	Assessable Community Park Costs (2)	Total Assessable Costs
Atlantis	\$67,136	\$18,798	\$26,183	\$44,981
Garden Grove	\$604,244	\$169,188	\$235,655	\$404,843
Eastgate	\$75,534	\$21,150	\$29,458	\$50,608
West Grove	\$108,341	\$30,335	\$42,253	\$72,588
Magnolia	\$99,026	\$27,727	\$38,620	\$66,347
Woodbury	\$55,371	\$15,504	\$21,595	\$37,099
Village Green	\$105,740	\$29,607	\$41,239	\$70,846
Civic Center	\$204,642	\$57,300	\$79,811	\$137,111
Hare	\$234,986	\$65,796	\$91,644	\$157,440
Pioneer	\$67,136	\$18,798	\$26,183	\$44,981
Edgar	\$100,706	\$28,198	\$39,275	\$67,473
Twin Lakes	\$386,043	\$108,092	\$150,557	\$258,649
West Haven	\$167,846	\$46,997	\$65,460	\$112,457
Chapman Sports	\$40,345	\$11,297	\$15,735	\$27,032
Lake	\$11,066	\$3,099	\$4,316	\$7,415
Total	\$2,328,160	\$651,886	\$907,984	\$1,559,870

(1) The neighborhood amenities portion of the Community Parks is estimated to be 35 percent of the total park costs. The special benefit that may be assessed in the District is 80 percent of the 35 percent associated with neighborhood park amenities (e.g., Twin Lakes: \$386,043 x 35% x 80% = \$108,092).

(2) The community amenities portion of the Community Parks is estimated to be 65 percent of the total park costs. The special benefit that may be assessed in the District is 60 percent of the 65 percent associated with community park amenities (e.g., Twin Lakes: \$386,046 x 65% x 60% = \$150,557).

METHODOLOGY

The benefit from parks can be measured by increased safety, the availability of improvements for recreational use, and other property-related benefits. In order to establish the proportionate share of park benefit to any parcel of land in relation to the total special benefits to be received by parks, it is necessary to establish a benchmark to relate that one parcel to all others. The benchmark is called the Assessment Unit (AU). The District uses the Single Family Residence (SFR) as the benchmark AU. All other land uses will be compared to the benchmark of the Single Family Residence to gain a comparative Assessment Unit based on population and parcel size as described below. Based on citizens' input and engineering judgment regarding the factors involved, it has been determined that park maintenance and servicing benefit primarily stems from increased safety and other property-related benefits. Therefore, the safety portion of the benefit has been assigned two-thirds of the SFR Assessment Unit, and the recreational portion of the benefit has been assigned one-third, to total 1 AU per SFR.

$$\begin{array}{rcccl} \text{Safety Benefit} & + & \text{Recreation Benefit} & = & \text{SFR Benefit} \\ 2/3 \text{ AU} & & 1/3 \text{ AU} & & 1 \text{ AU} \end{array}$$

In comparing the other land uses to the Single Family Residence, two factors are used: population data and parcel size. The benefit from the availability of improvements for recreational use is apportioned to parcels in the District based on the relative population within a given land use as determined by the City of Garden Grove Planning Department. The benefit to parcels from increased safety and other property-related benefits is apportioned to other residential uses based on average parcel size as compared to the Single Family Residence. The benefit to Nonresidential, Nonprofit, Governmental and Vacant properties for increased safety and other property-related benefits is apportioned based on these parcels' specific property size as compared to the typical 7,200 square foot SFR lot.

Multiple Family Residential properties such as apartments, mobile homes and condominiums benefit from the park maintenance and servicing funded by the District. Residents of these types of parcels have the opportunity to use the recreational facilities and benefit from safer parks and the other property-related benefits mentioned above. Because Multiple Family Residential properties have fewer people per dwelling (see Table 2), they receive a proportionally smaller benefit from the improvements and their assessments have been decreased accordingly.

Nonresidential parcels, including commercial and industrial properties, benefit from the proper maintenance and servicing of parks, since such parks attract potential customers, employees, and membership from outside the District, and encourage residents of the City to leave their residences and patronize these establishments. All Nonresidential parcels are assessed according to their parcel square footage for safety benefit resulting from park maintenance and servicing. Using the Single Family Residence as a base, Nonresidential properties receive the same number of AU's as an SFR for every 7,200 square feet of land. Furthermore, Nonresidential parcels less than 7,200 square feet in size are assigned a minimum of 1 AU.

The benefit of recreational amenities is apportioned to parcels in the District based on population data from the City of Garden Grove Planning Department as shown in Table 2 below. This table also shows the weighted amount of benefit that each land use receives from having recreational amenities in close proximity. As it was determined that the recreational amenities made up one-third of the total benefits received, the rounded percentage of each land use's population, as compared to the SFR's population, is then multiplied by one-third.

TABLE 2 - POPULATION DEMOGRAPHICS (RECREATION)

Land Use Description	Population per Unit	Rounded % of SFR	Recreation Benefit (1/3)
Single Family Residential (SFR)	3.51/unit	100%	0.33
Condominium	3.02/unit	85%	0.28
Multiple Family Residential	3.38/unit	95%	0.32
Mobile Home	1.50/unit	40%	0.13
Nonresidential (min. SFR rate)	3.51/7,200 sq. ft.	100%	0.33

The safety associated with well-maintained parks directly benefits properties because businesses and property owners want to be located in safe neighborhoods with safe parks. Safety benefit is appropriately measured based on land area for all of the uses. However, it would be impractical to charge different amounts within the residential land uses. Therefore, the residential properties are applied an assessment unit based on the average parcel size of each land use as shown below in Table 3. The table also shows the weighted amount of benefit that each land use receives from the safety associated with having parks in close proximity. As it was determined that the safety factor made up two-thirds of the total benefits received, the rounded percentage of each land use's population, as compared to the SFR's population, is then multiplied by two-thirds.

TABLE 3 - AVERAGE PARCEL SIZE (SAFETY TO PROPERTY)

Land Use Description	Square Feet per Unit	Rounded % of SFR	Safety Benefit (2/3)
Single Family Residential (SFR)	7,200 sf/unit	100%	0.67
Condominium	3,300 sf/unit	46%	0.30
Multiple Family Residential	2,600 sf/unit	36%	0.24
Mobile Home	3,700 sf/unit	51%	0.34
Nonresidential (min. SFR rate)	7,200 sf/unit	100%	0.67

The weighted benefits received from recreation and safety are then added together to determine the assessment unit for each of the land uses as shown in Table 4 below.

TABLE 4 - ASSESSMENT UNIT CALCULATION

Land Use Description	Recreation Benefit	+	Safety Benefit	=	Assessment Unit
Single Family Residential (SFR)	0.33	+	0.67	=	1.00 AU per parcel
Condominium	0.28	+	0.30	=	0.58 AU per parcel
Multiple Family Residential	0.32	+	0.24	=	0.56 AU per unit
Mobile Home	0.13	+	0.34	=	0.47 AU per unit
Nonresidential (min. SFR rate)	0.33	+	0.67	=	1.00 AU per 7,200 sf

Nonprofit, Government and Vacant parcels receive less benefit than other Nonresidential parcels in the District from the operation, maintenance and servicing of parks in the City and are therefore assessed at lower levels, as discussed below.

Nonprofit parcels receive less benefit than other Nonresidential parcels in the District from the operation, maintenance and servicing of parks in the City for several reasons. Nonprofit parcels function differently than Nonresidential parcels in that they: 1) typically operate fewer days in the week, 2) generally have an inconsistent number of people using the facilities daily, and 3) have a less intensive use than the property size alone would indicate because in general the large Nonprofit parcels in the District contain large green areas that function as open space. Since the Nonprofit parcels receive less safety and recreation benefit than Nonresidential parcels, the Nonprofit parcels are assessed at a lower level than the Nonresidential parcels. Nonprofit parcels are assessed at 0.67 AU for every 7,200 square feet of land, with a minimum assessment of 1 AU, and are only assessed for the first 28,800 square feet.

As a result of the passage of Proposition 218, the assessment methodology for the District has to determine the special benefit that should be attributed to public agency parcels within the District boundary. Section 4 of the Proposition states,

“Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that such publicly owned parcels in fact receive no special benefit.”

Government properties also benefit from the proper maintenance and servicing of parks, since such parks attract potential employees as shown below. Proper maintenance, operation and servicing of parks benefits Government parcels because:

- they reduce property-related crimes against public parcels within the District, especially vandalism, through the abatement of graffiti;
- they improve the aesthetics of public parcels through the proper maintenance and servicing of landscaping and the planting of otherwise barren areas;
- they reduce pollution and noise in surrounding areas throughout the provision of open space;
- having properly maintained parks readily accessible to the public properties means that the public agencies may enjoy the benefits of such improvements available for use while avoiding the expense of privately installing and maintaining similar improvements; and
- spraying and treating of landscaping for disease and weed control reduces the likelihood of insect or weed infestation spreading to the landscaping located on public properties with the District.

However, Government parcels receive less benefit than other Nonresidential parcels in the District from the operation, maintenance and servicing of parks in the City. For instance, a portion of most public properties within the District is used as a park and/or recreation area. Additionally, Government properties generally do not benefit from the resale value of their properties. Consequently, the specific benefit of increased property value that is conferred to other properties in the District is not conferred to Government properties. Therefore, the public parcels are assessed at half the rate of Nonresidential uses, receiving 0.50 AU for every 7,200 square feet of land.

Like Government parcels, Vacant parcels receive a special benefit from the safety improvements due to a decrease in vandalism as a result of the increased desirability of a parcel that is located in areas with a landscaping program. Since there are fewer improvements on a Vacant parcel and people are not using the parcel, the safety benefit to vacant parcels received is lower than other Nonresidential parcels. Therefore, Vacant parcels are assessed at one-quarter the rate of Nonresidential parcels, receiving 0.25 AU for every 7,200 square feet of land.

The assessment unit formulas for Nonprofit, Government and Vacant parcels are shown below in Table 5.

TABLE 5 - AU FORMULA FOR NONPROFIT, GOVERNMENT AND VACANT PARCELS

Land Use Description	Assessment Unit
Nonprofit	0.67 per 7,200 sf (1.00 minimum, 2.68 maximum)
Government	0.50 per 7,200 sf
Vacant	0.25 per 7,200 sf

Table 6 below provides a summary of assessment units for the different land uses for park special benefit.

TABLE 6 - ASSESSMENT UNIT SUMMARY

Land Use Description	Parcels	Dwellings	Square Ft	AU Factor	Total AU's
Single Family Residential	26,503	26,506		1.00 / unit	26,506.000
Condominium	5,914	5,959		0.58 / unit	3,456.220
Multiple Family Residential	1,164	13,395		0.56 / unit	7,501.200
Mobile Home	14	1,559		0.47 / unit	732.730
Nonresidential *	1,545	0	69,544,791	1.00 / 7,200 sf	9,720.191
Nonprofit *	96	0	7,392,812	0.67 / 7,200 sf	204.913
Government	271	0	46,466,294	0.50 / 7,200 sf	3,226.827
Vacant	70	0	891,831	0.25 / 7,200 sf	30.966
Totals	35,577	47,419	124,295,728		51,379.047

* Square feet shown are total square feet. Nonresidential and Nonprofit parcels are assessed a minimum of 1 AU. Nonprofit parcels are only assessed for the first 28,800 square feet, or a maximum of 2.68 AU's.

The rate per AU is calculated by dividing the total budget amount by the total number of AU's:

$$\$706,462 / 51,379.047 \text{ AU's} = \$13.75 / \text{AU}$$

Sample calculations for various land use types are provided in Table 7 below.

Table 7
Sample Calculations for Various Land Uses

Land Use	AU Calculation	Total AUs	2017-18 Asmt @ \$13.75 / AU
Single Family Residential	1 DU x 1 AU/DU =	1.000	\$13.75
Condominium	1 DU x 0.58 AU/DU =	0.580	\$7.98
Multiple Family Residential:			
Duplex	2 DU x 0.56 AU/DU =	1.120	\$15.40
4-plex	4 DU x 0.56 AU/DU =	2.240	\$30.80
10-Unit Apartment	10 DU x 0.56 AU/DU =	5.600	\$77.00
Mobile Home Park:			
30 Spaces	30 DU x 0.47 AU/DU =	14.100	\$193.88
95 Spaces	95 DU x 0.47 AU/DU =	44.650	\$613.94
Nonresidential:		min. 1 AU	
5,000 sf Nonres		1.000	\$13.75
10,000 sf Nonres	10,000 sf x 1 AU/7,200 sf =	1.389	\$19.10
25,000 sf Nonres	25,000 sf x 1 AU/7,200 sf =	3.472	\$47.74
50,000 sf Nonres	50,000 sf x 1 AU/7,200 sf =	6.944	\$95.48
Nonprofit:		min. 1 AU, max. 2.68 AU	
10,000 sf Nonprofit		1.000	\$13.75
15,000 sf Nonprofit	15,000 sf x 0.67 AU/7,200 sf =	1.396	\$19.20
25,000 sf Nonprofit	25,000 sf x 0.67 AU/7,200 sf =	2.326	\$31.98
50,000 sf Nonprofit		2.680	\$36.85
Government:			
10,000 sf Nonres	10,000 sf x 0.50 AU/7,200 sf =	0.694	\$9.54
25,000 sf Nonres	25,000 sf x 0.50 AU/7,200 sf =	1.736	\$23.87
50,000 sf Nonres	50,000 sf x 0.50 AU/7,200 sf =	3.472	\$47.74
Vacant:			
10,000 sf Nonres	10,000 sf x 0.25 AU/7,200 sf =	0.347	\$4.77
25,000 sf Nonres	25,000 sf x 0.25 AU/7,200 sf =	0.868	\$11.94
50,000 sf Nonres	50,000 sf x 0.25 AU/7,200 sf =	1.736	\$23.87

Table 8 below summarizes the total assessments to be levied by land use. The percentage of each land use's assessment in relation to the total assessment is also shown below.

TABLE 8 - SUMMARY OF ASSESSMENTS BY LAND USE

Land Use	Approximate 2017-18 Total Assessments by Land Use	Assessments by Land Use as a % of the Total District Assessments
Residential (Single Family, Multi-Family, Condo and Mobile Home)	\$525,197	74%
Nonresidential (Commercial, Industrial)	\$133,653	19%
Nonprofit (Churches)	\$2,818	0%
Government (Schools, City Property)	\$44,369	6%
Vacant	\$426	0%
Approximate 2017-18 Assessments to Be Collected	\$706,462	100%

Residential properties comprise 74% of the District assessment amount, the remaining property types comprise 26% of the total District assessment amount.

PART D

ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the District is on file in the Office of the City Clerk and incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

A reduced copy of the City of Garden Grove Park Maintenance District Map is provided on the following page.

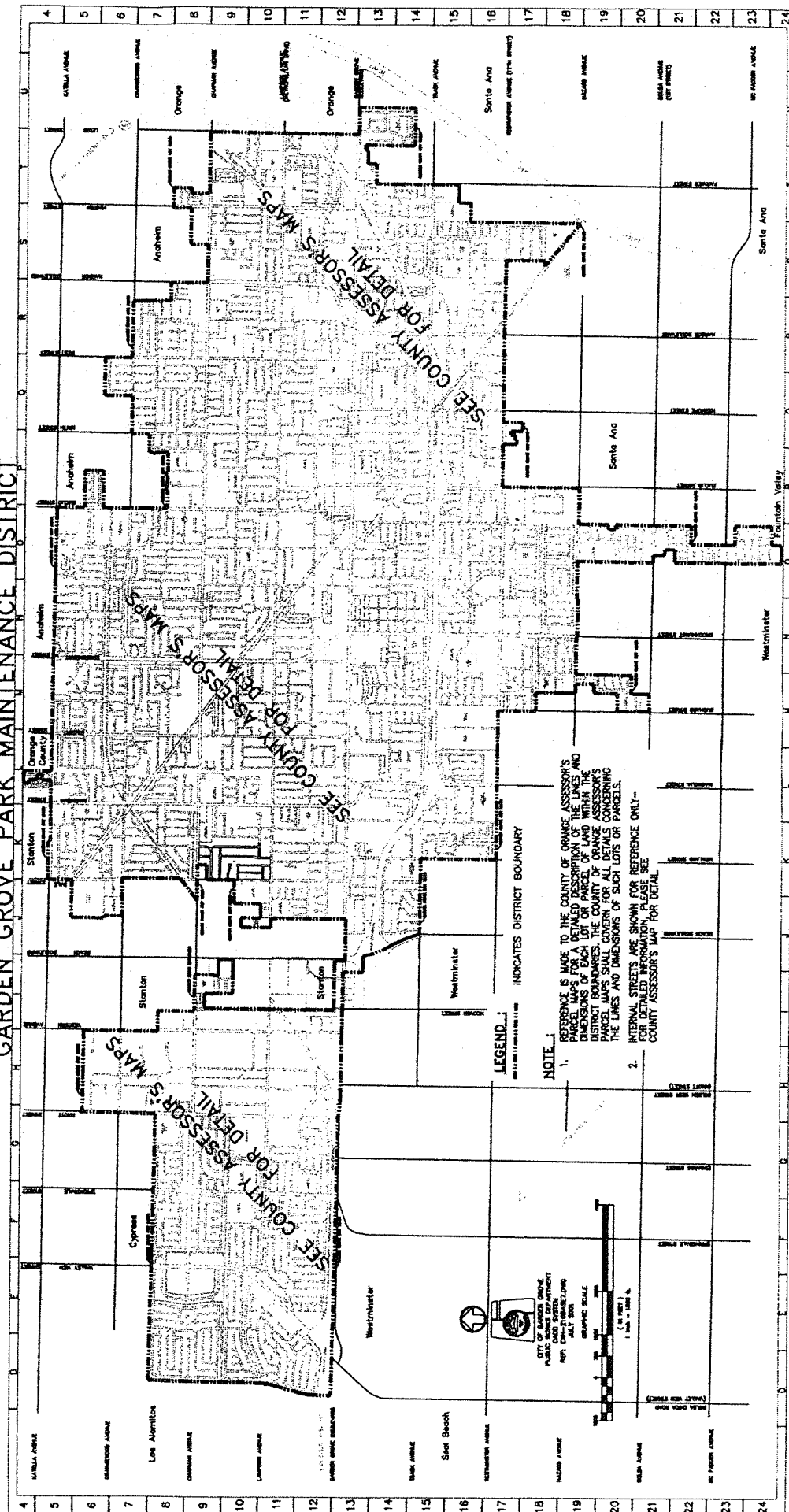
PART E

ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2017-18 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Orange County Assessor's Office, are contained in the Assessment Roll on file in the Office of the City Clerk of the City of Garden Grove, which is incorporated herein by reference.

The description of each lot or parcel is part of the records of the Assessor of the County of Orange and these records are, by reference, made part of this Report.

GARDEN GROVE PARK MAINTENANCE DISTRICT





ENGINEER'S REPORT

for

**Street Lighting District
Fiscal Year 2017-18**

for the

**City of Garden Grove
Orange County, California**

May 31, 2017



ENGINEER'S REPORT
CITY OF GARDEN GROVE
STREET LIGHTING DISTRICT
FISCAL YEAR 2017-18

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CITY OF GARDEN GROVE

FISCAL YEAR 2017-18

SYNOPSIS

This Report as filed complies with the Landscaping and Lighting Act of 1972 (“Act”). Also part of this report, but not bound herein, is the assessment roll on file with the City Clerk which indicates each property’s City of Garden Grove Street Lighting District assessment for Fiscal Year 2017-18.

Following the passage of Proposition 218 in November 1996, the City has continued to levy assessments within the District at the current rate since Proposition 218 allowed certain exemptions for existing assessments. However, any increase in the assessment, including the addition of a CPI escalator, will require that a ballot be mailed to each property owner subject to the assessment, and that a majority of property owners (weighted by assessment amount) returning their ballot must approve of the increase in the assessment. In addition, any other changes needed to comply with the requirements of Proposition 218 would have to be made at that time.

The proposed lighting maintenance assessment for Fiscal Year 2017-18, as described in this Report, is approximately \$1,332,978. The typical homeowner’s assessment will be \$28.71, which is the same as that assessed for lighting prior to the passage of Proposition 218 and last year. The estimated fund balance at the end of Fiscal Year 2017-18 is expected to be zero.

CITY OF GARDEN GROVE
FISCAL YEAR 2017-18
CURRENT FINANCIAL SUMMARY

	Fiscal Year 2017-18	Fiscal Year 2016-17
REVENUE		
Uncommitted Fund Balance (as of July 1)	\$0	\$0
Estimated Assessment Revenue	\$1,332,978	\$1,331,824
General Fund Contribution	<u>\$408,337</u>	<u>\$412,828</u>
<i>Subtotal Est. Revenue</i>	<i>\$1,741,315</i>	<i>\$1,744,652</i>
EXPENSES		
Estimated Operating Expenses	\$1,741,315	\$1,744,652
Capital Improvements	<u>\$0</u>	<u>\$0</u>
<i>Subtotal Est. Expenses</i>	<i>\$1,741,315</i>	<i>\$1,744,652</i>
Estimated Uncommitted Fund Balance (as of June 30)	\$0	\$0

CITY OF GARDEN GROVE

FISCAL YEAR 2017-18

**ENGINEER'S REPORT
PREPARED PURSUANT TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, and in accordance with the Resolution of Initiation adopted by the City Council of the City of Garden Grove, State of California, in connection with the proceedings for:

**CITY OF GARDEN GROVE
STREET LIGHTING DISTRICT**

Hereinafter referred to as the "Assessment District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

**PART A
PLANS AND SPECIFICATIONS**

Plans and specifications for the existing and ultimate improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

**PART B
ESTIMATE OF COST**

An estimate of the costs of the maintenance and/or servicing of the existing and ultimate improvements for Fiscal Year 2017-18, including incidental costs and expenses in connection therewith.

**PART C
METHOD OF APPORTIONMENT**

The method of apportionment of assessments indicates the proposed assessment of the net amount of the costs and expenses of the maintenance and/or servicing of the existing and ultimate improvements to be assessed upon the several lots and parcels of land within the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels.

PART D
ASSESSMENT DIAGRAM

The Assessment Diagram, which shows the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District, is on file in the Office of the City Clerk and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.


PART E
ASSESSMENT ROLL

An assessment of the estimated cost of maintenance and/or servicing of the existing improvements on each benefited lot or parcel of land within the Assessment District for the fiscal year to which this report applies are on file in the Office of the City Clerk and incorporated herein by reference.

The undersigned respectfully submits the enclosed report as directed by the City Council. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

DATED: May 31, 2017

Harris & Associates


BY: K. Dennis Klingelhofer, P.E.

R.C.E. No. 50255

PART A

PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Garden Grove, and those which may be subsequently constructed, will be serviced and maintained as generally described as follows:

DESCRIPTION OF IMPROVEMENTS FOR THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT FISCAL YEAR 2017-18

Street Lighting. The plans for local lighting including alley lighting, and certain arterial lighting, consist of the lamp location list, the Diagram, and the County Assessor's Maps, all of which are on file in the City Clerk's office and are incorporated herein by reference.

The Diagram shows the existing District boundaries and includes all of the areas of the District with existing street lights. The lamp location list is a tabulated listing of every street in the District by street in alphabetical order. Included in the items listed for each lamp is the exact location by street address, number and lamp size. Lamps are not placed in specific zones, unless they clearly only benefit certain parcels (e.g., Main Street lights, which are funded through the Main Street Assessment District No. 1).

The County Assessor's Maps show each parcel, including its parcel number and the dimension of each parcel in the District. Preceding the Assessor's Maps is an information sheet, which gives instructions for finding an individual parcel's street lighting assessments and for finding lamp locations. These maps are available for inspection in the Engineering Services Division of the Public Works Department.

Specifications for street lighting within the District are indicated within a previously executed contract dated July 22, 1958, by and between the City of Garden Grove and Southern California Edison Company, a copy of which is attached by reference to this report.

Traffic Signals and Freeway Lighting. Maps showing the location of traffic signals and freeway lighting within the District, and specifications showing the general nature, location and extent of proposed capital improvements, are on file in the office of the City Clerk and incorporated herein by reference.

PART B ESTIMATE OF COST

The City's budget for the installation, operation, maintenance and servicing of lighting details the estimated costs for Fiscal Year 2017-18 as available at the time of preparation of this report, and includes engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the District proceedings.

	Est. Costs	Allocated Engineering & Incidentals	Contributions from Other Funds	Total to Assessment
Local Lighting Cost				
(from Street Lighting Cost Table)	\$782,532			
Total Local Lighting Cost	\$782,532	\$237,407	(\$289,792)	\$730,147
Alley Lighting Costs				
(from Street Lighting Cost Table)	\$ 1,833.36			
Total Alley Lighting Cost	\$1,833	\$556	(\$906)	\$1,484
Arterial Lighting Cost to All Assessable Properties:				
Arterial Lighting Cost	\$304,158			
Signal Maintenance	\$243,117			
Freeway Underpass Lighting (LS3 Sched. incl. in Arterial Lights above)	\$4,356			
Total Arterial Lighting Cost	\$551,631	\$167,356	(\$117,639)	\$601,347
Total Lighting Costs	\$1,335,996	\$405,319	(\$408,337)	\$1,332,978
Engineering and Incidentals				
0020 Management - Regular Salaries	\$21,100			
3000 Public Works General Administration Regular Salaries	\$32,034			
3210 Street Lighting Regular Salaries	\$216,926			
3210 Overtime	\$1,499			
3210 Commodities	\$2,540			
3210 Insurance / Liability	\$41,945			
3210 Facilities Maint., Finance Mgmt., Operational and General Admin Support	\$62,900			
3210 Contractual Services	\$26,375			
7113 Capital Outlay	\$0			
Total Engineering and Incidentals	\$405,319			
Starting Fund Balance (Fund Balance as of July 1, 2017)	\$0			
General Fund Contribution to balance budget	(\$408,337)			
Estimated Reserve (Fund Balance as of June 30, 2018)	\$0			
Total Estimated 2017-18 Assessment	\$1,332,978			

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

The detail of the estimated cost of operating, maintaining and servicing local and arterial street lighting including alleys and safety lights within the District for Fiscal Year 2017-18 is set forth below:

STREET LIGHTING - EDISON OWNED						
Local Lighting:						
<u>Lamp Size</u>	<u>Number</u>				<u>Cost</u>	
4,000 L	5	@ \$	9.96 x 12 mos.	\$	597.60	
5,800 L	4,277	@	10.65 x 12 mos.		546,600.60	
9,500 L	1,695	@	11.57 x 12 mos.		235,333.80	
	<u>5,977</u>				<u>\$ 782,532.00</u>	\$ 782,532.00
Alley Lighting:						
<u>Lamp Size</u>	<u>Number</u>				<u>Cost</u>	
5,800 L	10	@ \$	10.65 x 12 mos.	\$	1,278.00	
9,500 L	4	@	11.57 x 12 mos.		555.36	
	<u>14</u>				<u>\$ 1,833.36</u>	\$ 1,833.36
Arterial Lighting:						
<u>Lamp Size</u>	<u>Number</u>				<u>Cost</u>	
16,000 L	15	@ \$	14.02 x 12 mos.	\$	2,523.60	
22,000 L	1,227	@	15.79 x 12 mos.		232,491.96	
27,500 L	54	@	17.66 x 12 mos.		11,443.68	
	<u>1,296</u>				<u>\$ 246,459.24</u>	\$ 246,459.24
STREET LIGHTING - CITY OWNED (Arterial)						
<u>Lamp Size</u>	<u>Number</u>				<u>Cost</u>	
5,800 L	62	@ \$	3.01 x 12 mos.	\$	2,239.44	
7,900 L	8	@	6.63 x 12 mos.		636.48	
9,500 L	4	@	3.93 x 12 mos.		188.64	
16,000 L	3	@	6.00 x 12 mos.		216.00	
22,000 L	544	@	7.45 x 12 mos.		48,633.60	
27,500 L	52	@	9.27 x 12 mos.		5,784.48	
	<u>673</u>				<u>\$ 57,698.64</u>	\$ 57,698.64
TOTAL						\$ 1,088,523.24

PART C

METHOD OF APPORTIONMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include the maintenance and servicing of street lights, traffic signals, landscaping and park and recreational facilities.

Section 22573, of the Landscaping and Lighting Act of 1972 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

EXEMPTION FROM ARTICLES XIII C AND XIII D

As a result of the passage of Proposition 218 by Voters on November 5, 1996, Articles XIII C and XIII D were added to the California Constitution. The new procedural and approval process outlined in these articles apply to those districts that do not qualify for an exemption as provided therein. There are several exemptions provided, including: 1) a district that received prior voter approval, 2) a district originated with a petition signed by 100 percent of the property owners in the district, or 3) a district complying with the requirements set forth in Section 5(a) of Article XIII D that states:

"...assessments existing on the effective date of this Article shall be exempt from the procedures and approval process set forth in Section 4 [if they were] imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control."

The street lighting assessment existed in Fiscal Year 1996-97 and funded improvements that are classified as street improvements. Street improvement as defined herein is based on the definitions provided by the Office of the Controller for the State of California in the *Guidelines Relating to Gas Tax Expenditures* published by the Division of Local Government Fiscal Affairs. The state's gas tax program is administered in city agencies, but audited by the Office of the State Controller. The proceeds of the gas tax are statutorily limited to expenditures for streets and roads. Because the funds are restricted to street and road costs, the State Controller has developed "Street Purpose Definitions and Guidelines" based on the *Manual of Uniform Highway Accounting and Financial Management Procedures* developed by the American Association of State Highway Officials. Street improvement, as it relates to this District, is defined as the construction, operation, or maintenance of facilities within the right-of-way used for street or road purposes including but not limited to the following:

- Installation or expansion of the street lighting system including replacement of old equipment with superior equipment, installation of traffic signals at intersections and railroad crossings, replacement of equipment as required for relocations for street purposes, and purchase and installation of traffic signal control equipment.
- Servicing lighting systems and street or road traffic control devices including repainting and repairing traffic signals and lighting standards; and furnishing of power for street and road lighting and traffic control devices.

Therefore, the assessments levied for street improvements as defined above are exempt from the Article XIID procedural and approval process.

SPECIAL BENEFIT ANALYSIS

Local Lighting. The installation, operation, maintenance and servicing of lighting along streets and alleys in close proximity to certain lots or parcels provides a special benefit to such lots or parcels, enhancing their value by providing illumination resulting in: 1) improved security of such lots or parcels, 2) improved ingress and egress from such lots or parcels by illuminating access after sunset, and 3) improved nighttime visibility for the local access of emergency vehicles. In the case of commercial lots or parcels, these local lights, by improving ingress and egress, facilitate the opening and operation of businesses after sunset.

Arterial Lighting. The installation, operation, maintenance and servicing of arterial lighting (including traffic signals, intersection safety lighting, freeway underpass lighting, and lighting on arterial streets) provides a special benefit to each and every assessable lot or parcel within the District, enhancing their value by: 1) improved nighttime visibility for the access of emergency vehicles, and 2) improved safety and traffic circulation to and from parcels citywide.

METHODOLOGY

Local Lighting Assessment

The special benefit from operation, maintenance and servicing of local street lighting within the District only accrues to those parcels within the District located in areas where such lighting is provided. Therefore, parcels without local street lighting are not assessed for the cost of providing such lighting. Generally, a parcel is determined to have local lighting provided if a street light is within approximately 90 feet of the parcel.

The benefit from local lighting can be measured by increased safety to people and property, as well as the increased availability of lighting. In order to establish the proportionate share of local lighting benefit to any parcel of land in relation to the total special benefits to be received by local lighting, it is necessary to establish a benchmark to relate that one parcel to all others. The benchmark is called the Assessment Unit (AU). The District uses the Single Family Residence (SFR) as the benchmark AU. All other land uses will be compared to the benchmark of the Single Family Residence to gain a comparative Assessment Unit based on population and parcel size as described below. For parcels with local lighting, there exists the core benefit of available lighting for every parcel in the District near a street light. This “Availability” benefit is apportioned to parcels with local lighting in the District on a per parcel basis, and has been assigned one-fourth of the SFR Assessment Unit. In addition to this benefit, parcels in the District benefit from improved safety related to people who own or use the parcels in the District (“Safety to People”), which has been assigned one-half of the

SFR Assessment Unit. Parcels also benefit from improved safety related to the parcel itself (“Safety to Property”), which has been assigned one-fourth of the SFR Assessment Unit. The three benefit factors are then added together for a total of 1 AU per SFR.

$$\begin{array}{ccccccc} \text{Safety to People Benefit} & + & \text{Safety to Property Benefit} & + & \text{Availability Benefit} & = & \text{SFR Benefit} \\ \frac{1}{2} \text{ AU} & & \frac{1}{4} \text{ AU} & & \frac{1}{4} \text{ AU} & & 1 \text{ AU} \end{array}$$

Safety to People

Assessment law requires that benefit be apportioned to parcels in the District based on the benefit the land receives. It is not, however, contradictory to relate the benefit property receives to the benefit people owning or using such property receive from improved safety as a result of the District’s improvements. The Safety to People benefit results in a benefit to land, especially in residential properties, because clearly what is good for people improves the property value of the land and the ability to sell homes, rent apartments, or mobile home spaces.

What is good for people is also important to the Nonresidential and Nonprofit properties in the District. Nonresidential properties receive Safety to People benefit from street lighting through the reduction in criminal acts to employees in their parking lots as well as related traffic safety of employees.

Therefore, the Safety to People benefit received by Nonresidential parcels is, at a minimum, that amount received by single family parcels for every portion of the Nonresidential property equal in size to a typical single family parcel. In addition, in order to distribute benefit between the Nonresidential parcels, the individual lot size of each Nonresidential parcel will be used to compute the parcel’s benefit points.

Nonprofit properties benefit from local street lighting through the reduction in criminal acts to members or visitors on property grounds as well as traffic safety to people traveling to and from the property. However, on an ongoing basis, nonprofit properties generally have an inconsistent number of people using the facilities on a day-to-day basis. Unlike an office, warehouse, or retail establishment, a typical nonprofit facility will have one or two days of intense use and more days of less intensive use where a small staff takes care of necessary duties. Therefore, the nonprofit parcels should be assessed at a lower level than other Nonresidential properties, with a minimum assessment equal to a single family residence.

The safety benefit as it relates to safety of the person is apportioned to properties in the District based on the following demographic population information for residential uses as provided by the City of Garden Grove Planning Department. The Nonresidential and Nonprofit uses are related to the residential uses utilizing the Single Family Residential average density of 7,200 square feet as shown on the following Table 1:

TABLE 1 - POPULATION DEMOGRAPHICS (SAFETY TO PEOPLE)

Land Use Description	Population per Unit	Rounded % of SFR	Safety to People Benefit (1/2)
Single Family Residential (SFR)	3.51/unit	100%	0.50
Condominium	3.02/unit	85%	0.43
Multiple Family Residential	3.38/unit	95%	0.45
Mobile Home	1.50/unit	40%	0.20
Nonresidential	3.51/7,200 sq. ft.	100%	0.50
Nonprofit	1.755/7,200 sq. ft.	50%	0.25
Vacant	0/parcel	0%	0.00

Safety to Property

Both Residential and Nonresidential properties, including Commercial, Industrial, Nonprofit and Vacant parcels, receive benefit from local lighting operation, maintenance and servicing related to the protection of buildings, personal property, business equipment, inventory, materials, etc. located on the property. The Safety to Property benefit is apportioned to properties in the District based on relative property size as available from the City of Garden Grove Planning Department for Residential uses and Assessor's Parcel Maps for Nonresidential land uses.

For the Residential uses, an average density has been used to determine the per unit parcel size. The Nonresidential, Nonprofit and Vacant uses are related to the Residential uses utilizing the Single Family Residential average density of 7,200 square feet as shown in Table 2 below:

TABLE 2 - AVERAGE DENSITY PER LAND USE (SAFETY TO PROPERTY)

Land Use Description	Square Feet per Unit	Rounded % of SFR	Safety to Property Benefit (1/4)
Single Family Residential (SFR)	7,200 sf/unit	100%	0.25
Condominium	3,300 sf/unit	46%	0.12
Multiple Family Residential	2,600 sf/unit	36%	0.09
Mobile Home	3,700 sf/unit	51%	0.13
Nonresidential	7,200 sf/unit	100%	0.25
Nonprofit	7,200 sf/unit	100%	0.25
Vacant	7,200 sf/unit	100%	0.25

In determining the benefit for local lighting, larger properties do not necessarily receive benefit in proportion to their larger size, because a large share of the property may not be protected by the light on the street. In addition, these properties would typically have to provide their own privately funded lighting system in order to afford protection to their entire lot. To account for this, Safety to Property benefit points per unit will only be assigned up to 20 dwelling units or 20 times 7,200 square feet (144,000 square feet) for Nonresidential and Vacant properties. However, a lower maximum assessment, based on 5 dwelling units or 36,000 square feet, is appropriate for the nonprofit parcels, because these properties are less susceptible to criminal activity since the services provided on the premises are not for profit.

Table 3 below shows the breakdown of the Assessment Unit benefit points assigned to each land use for those properties located in areas with local street lights.

TABLE 3 - LOCAL LIGHTING BENEFIT FACTORS

Land Use Description	Safety to People	Safety to Property	Availability Benefit	Total AU's
Single Family Residential (SFR)	.50/unit	.25/unit	.25/parcel	1.00/parcel
Condominium	.43/unit	.12/unit	.25/parcel	.79/parcel
Multi-family up to 20 units	.45/unit	.09/unit	.25/parcel	.54/unit + .25/parcel
Multi-family more than 20 units	.45/unit	1.80/parcel	.25/parcel	.45/unit + 2.05/parcel
Mobile Home up to 20 units	.20/unit	.13/unit	.25/parcel	.33/unit + .25/parcel
Mobile Home more than 20 units	.20/unit	2.60/parcel	.25/parcel	.20/unit + 2.85/parcel
Nonresidential minimum 7,200sf *	.50/parcel	.25/parcel	.25/parcel	1.00/parcel
Nonresidential 7,200 to 144,000sf	.50/7,200sf	.25/7,200sf	.25/parcel	.75/7,200sf + .25/parcel
Nonresidential > 144,000sf	.50/7,200sf	5.00/parcel	.25/parcel	.50/7,200sf + 5.25/parcel
Nonprofit minimum 10,800sf *	.50/parcel	.25/parcel	.25/parcel	1.00/parcel
Nonprofit 10,800 to 36,000sf	.25/7,200sf	.25/7,200sf	.25/parcel	.50/7,200sf + .25/parcel
Nonprofit > 36,000sf	.25/7,200sf	1.25/parcel	.25/parcel	.25/7,200sf + 1.50/parcel
Vacant minimum 7,200sf	.00/7,200sf	.25/parcel	.25/parcel	.50/parcel
Vacant 7,200 to 144,000sf	.00/7,200sf	.25/7,200sf	.25/parcel	.25/7,200sf + .25/parcel
Vacant maximum > 144,000sf	.00/7,200sf	5.00/parcel	.25/parcel	5.25/parcel

*Minimum assessment is equal to a single family residence

Table 4 below provides a summary of assessment units for the different land uses for local lighting benefit.

TABLE 4 - LOCAL LIGHTING ASSESSMENT UNIT SUMMARY

Land Use Description	Parcels	Dwellings	Square Ft	Total AU's
Single Family Residential	21,954	21,954	0	21,954.000
Condominium	5,861	5,902	0	4,662.580
Multiple Family Residential	1,066	12,562	0	6,656.770
Mobile Home	12	1,197	0	273.600
Nonresidential *	1,525	0	68,989,031	7,195.259
Nonprofit *	96	0	7,392,812	374.181
Vacant	52	0	775,089	41.827
Totals	30,566	41,615	77,156,932	41,158.217

* Square feet shown are total square feet. Nonresidential and Nonprofit parcels are assessed a minimum of 1 AU.

The rate per AU is calculated by dividing the total budget amount by the total number of AU's:

$$\$730,147 / 41,158.217 \text{ AU's} = \$17.74 / \text{AU}$$

Arterial Lighting

All parcels in the District receive a special benefit from the installation, operation, maintenance and servicing of traffic signals and freeway lighting as well as the operation, maintenance and servicing of safety lighting and street lighting on arterial streets. The arterial lighting, traffic signals, safety lighting, freeway lighting, and capital improvements (Arterial Lighting) are provided throughout the City and all properties in the City may easily access these improvements. In contrast to Local Lighting, Arterial Lighting benefits properties primarily because the properties, and the persons using the properties, are provided safe arterial street access. Therefore, Arterial Lighting benefit will be apportioned to Residential and Nonresidential parcels in the District on a per unit basis taking into account demographic population information.

Nonresidential and Nonprofit parcels rely in large part on the flow of through traffic to attract employees, members and customers, and therefore benefit from Arterial Lighting, at least as much as single family residential parcels. Accordingly, these parcels are assessed the minimum that would be assessed to a 7,200 square foot Residential parcel. Since larger parcels, which attract more employees, members and customers, derive a greater benefit from the traffic signals and safety lighting than smaller parcels, the assessment for a Nonresidential or Nonprofit parcel is calculated based on the square footage of the parcel.

Arterial Lighting benefit is based on the demographic population information shown in Table 1 (Population Demographics) above. All residential uses are related based on the average population for the respective land use. The Nonresidential and Nonprofit land uses have been assigned a minimum single family factor under the premise that regardless of the Nonresidential use, the minimum benefit to the parcel is that of a single family residence.

The single family factor of 1.0 benefit point per unit is assigned to every 7,200 square foot portion of a Nonresidential parcel with every parcel assigned a minimum of 7,200 square feet. The 7,200 square feet is based on the City of Garden Grove Planning Department information regarding typical zoning density for single family houses of six homes per acre as shown in Table 2 (Average Density Per Unit) above.

Nonprofit parcels benefit from safe arterial street access and the flow of through traffic to attract members. Because Nonprofit parcels are typically used less intensively than other Nonresidential uses, they are assessed at a lower rate than the Nonresidential uses. Nonprofit parcels are assessed at one-half the rate of the Nonresidential uses, with a minimum assessment equal to a single family residence.

Vacant properties, which have no people residing on the property, also benefit from arterial lighting because of the convenience associated with emergency vehicle access and other traffic that must use the arterial streets to service the Vacant properties in the District. Therefore, Vacant parcels are assigned a per parcel benefit point. Vacant parcels are assigned 0.25 benefit points per parcel, based on the core benefit attributable to every assessable parcel in the District from Arterial Lighting.

Table 5 below shows the breakdown of the Assessment Units assigned to each land use for all assessable property in the District.

TABLE 5 - ARTERIAL LIGHTING BENEFIT

Land Use Description	Total AU's
Single Family Residential (SFR)	1.00 / unit
Condominium	0.85 / unit
Multiple Family Residential	0.95 / unit
Mobile Home	0.40 / unit
Nonresidential	1.00 / 7,200 sf *
Nonprofit	0.50 / 7,200 sf *
Vacant	0.25 / parcel

*Minimum assessment is equal to a Single Family Residence (SFR)

Table 6 below provides a summary of assessment units for the different land uses for arterial lighting benefit.

TABLE 6 - ARTERIAL LIGHTING ASSESSMENT UNIT SUMMARY

Land Use Description	Parcels	Dwellings	Square Ft	Total AU's
Single Family Residential (SFR)	26,225	26,207	0	26,207.000
Condominium	5,862	5,907	0	5,020.950
Multiple Family Residential	1,149	13,325	0	12,658.750
Mobile Home	14	1,559	0	623.600
Nonresidential *	1,549	0	69,862,910	9,764.374
Nonprofit *	96	0	7,392,812	524.967
Vacant	71	0	928,857	17.750
Totals	34,966	46,998	78,184,579	54,817.391

* Square feet shown are total square feet. Nonresidential and Nonprofit parcels are assessed a minimum of 1 AU.

The rate per AU is calculated by dividing the total budget amount by the total number of AU's:

$$\$601,347 / 54,817.391 \text{ AU's} = \$10.97 / \text{AU}$$

Alley Lighting

Residential properties fronting alleys with local alley lighting are assessed for local alley lighting contiguous to such parcels in addition to any other lighting benefits. These properties receive a special and direct benefit from the local alley lighting. There are currently 58 single family residential parcels receiving this benefit, therefore the rate per parcel is calculated by dividing the total budget amount by the total number of parcels:

$$\$1,484 / 58 \text{ parcels} = \$25.59 / \text{Parcel}$$

Engineering and Incidental Expenses

All parcels within the District benefit from the ongoing operation of the District. Therefore, all parcels assessed in the District receive a share of the administrative costs for the District based on their lighting benefit.

Total Assessment

The total assessment for each parcel is the sum of its assessments for local lighting, alley lighting, arterial lighting, engineering and incidentals, and, if appropriate, its assessment for Main Street Lighting improvements.

PART D

ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District and the area assessed for Main Street Lighting (nonresidential properties on Main Street between Acacia Parkway and Garden Grove Boulevard) is on file in the Office of the City Clerk and incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the fiscal year to which this report applies. The Assessor's maps and records are incorporated by reference herein and made part of this report.

A reduced copy of the City of Garden Grove Street Lighting Maintenance District Map is provided on the following page.

PART E

ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2017-18 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Orange County Assessor's Office, are contained in the Assessment Roll on file in the Office of the City Clerk of the City of Garden Grove, which is incorporated herein by reference.

The description of each lot or parcel is part of the records of the Assessor of the County of Orange and these records are, by reference, made part of this Report.



ENGINEER'S REPORT

for

**Street Lighting District No. 99-1
Fiscal Year 2017-18**

for the

**City of Garden Grove
Orange County, California**

May 31, 2017



ENGINEER'S REPORT
CITY OF GARDEN GROVE
STREET LIGHTING DISTRICT NO. 99-1
FISCAL YEAR 2017-18

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Exhibits

A - Boundary Maps
B - Assessment Roll

CITY OF GARDEN GROVE

FISCAL YEAR 2017-18

INTRODUCTION AND BACKGROUND

This Report is prepared pursuant to the City Council action taken at their regular meeting ordering a Report for the City of Garden Grove Street Lighting District No. 99-1 and the levy of assessments for the Fiscal Year commencing July 1, 2017 and ending June 30, 2018. This Report is prepared in compliance with the requirements of Proposition 218 as stated in Articles XIIC and XIID of the California Constitution (hereinafter referred to as “Articles”), and the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code (hereinafter referred to as “Act”).

This Report presents the annual levy of assessments for the lighting District known as:

**“City of Garden Grove
Street Lighting District No. 99-1”**

Hereinafter referred to as “District”.

Assessments for the District are being levied to provide funding for the following:

1. The operation, maintenance, and servicing of local street lights in close proximity, within approximately 90 feet, to certain lots and parcels which provide a direct special benefit to such lots or parcels.
2. The operation, maintenance, and servicing of arterial street lights which provide a special benefit to all the assessable parcels within the District whether or not such parcels are in close proximity to such lighting.

As a result of Proposition 218 enacting Articles XIIC and XIID of the California Constitution, the City Council has ordered a Report that complies with the special benefit requirements of the Articles. The assessment methodology contained herein incorporates an analysis of general benefit and special benefit as approved by the City Council at the time the District was formed. The assessments to be levied on each property do not exceed the reasonable cost of proportional special benefit conferred on each parcel from the funded operation and maintenance of street light improvements.

The City of Garden Grove currently levies an assessment for street lighting on parcels throughout the City through its Citywide Street Lighting District (hereinafter referred to as “Citywide SLD”). Since the formation of the Citywide SLD, two non-contiguous residential areas have been annexed and incorporated into the City pursuant to LAFCO Annexation No. 141. These two areas were previously provided local and arterial street lighting by the County of Orange. The City is now required to provide resources in order to maintain the current levels of service for both local and arterial lighting for these two areas. Zone 1 is assessed for local and arterial lighting within this District. Zone 2 is assessed for local lighting only in this District, while the arterial lighting is covered by the Citywide SLD.

In addition to LAFCO Annexation No. 141, six owners of residential property, in a contiguous area of the City currently within Citywide SLD and assessed for arterial lighting only, petitioned the City for the installation and maintenance of a single local street lamp to benefit their properties. Therefore, the annual costs of maintaining the local and arterial lighting that benefit these property owners is to be assessed annually through the District.

ZONES OF BENEFIT

The District has two zones of benefit which were established at the time of formation to apportion the cost of the District improvements based on proportional special benefit conferred on each property in the zones. The District provides Zone 1, as described below, both local and arterial lighting benefits and provides Zone 2 local lighting benefit only. Zone 2, as described below, is currently assessed for arterial lighting through the Citywide SLD.

Zone 1

Zone 1 of the District is comprised of property within LAFCO Annexation No. 141 that incorporates into the City boundary two non-contiguous residential areas. The first annexation area includes 290 parcels in the area northeast of the corner of Dale Street and Lampson Avenue. The second annexation area includes 54 parcels on the west side of Fairview Avenue, south of Trask Avenue. These areas are displayed on separate maps as Exhibit A.

Zone 2

Zone 2 includes 6 single-family residential parcels located on Gail Lane, north of Chapman Avenue. This area of the City was without local street lighting, and the property owners of the parcels petitioned the City for the installation, operation, maintenance and servicing of a single local street light on Gail Lane that benefits their properties.

BOUNDARIES OF THE DISTRICT

The boundaries of the City of Garden Grove Street Lighting District No. 99-1 are three non-contiguous residential areas in the City and are shown on the maps on file in the office of the City Engineer and attached as Exhibit A.

CITY OF GARDEN GROVE
FISCAL YEAR 2017-18
ENGINEER'S REPORT
PREPARED PURSUANT TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, and in accordance with the Resolution of Initiation adopted by the City Council of the City of Garden Grove, State of California, in connection with the proceedings for:

CITY OF GARDEN GROVE
STREET LIGHTING DISTRICT NO. 99-1

Hereinafter referred to as the "Assessment District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

PART A
PLANS AND SPECIFICATIONS

Plans and specifications for the existing and ultimate improvements are as set forth on the lists thereof, attached hereto, and are on file in the office of the City Engineer and are incorporated herein by reference.

PART B
ESTIMATE OF COST

An estimate of the costs of the maintenance and/or servicing of the existing and ultimate improvements for Fiscal Year 2017-18, including incidental costs and expenses in connection therewith.

PART C
METHOD OF APPORTIONMENT

The method of apportionment of assessments indicates the proposed assessment of the net amount of the costs and expenses of the maintenance and/or servicing of the existing and ultimate improvements to be assessed upon the several lots and parcels of land within the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels.

PART D
ASSESSMENT DIAGRAM

The Boundary Map and Diagram, which shows the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District, is on file in the offices of the City Engineer and the City Clerk and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the Fiscal Year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

PART E
ASSESSMENT ROLL

An assessment of the estimated cost of maintenance and/or servicing of the existing improvements on each benefited lot or parcel of land within the Assessment District for the Fiscal Year to which this Report applies are on file in the offices of the City Engineer and the City Clerk and incorporated herein by reference.

The undersigned respectfully submits the enclosed Report as directed by the City Council. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

DATED: May 31, 2017

Harris & Associates



BY: K. Dennis Klingelhofer, P.E.
R.C.E. No. 50255

PART A

PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Garden Grove, and those which may be subsequently constructed, will be serviced and maintained as generally described as follows:

DESCRIPTION OF IMPROVEMENTS FOR THE CITY OF GARDEN GROVE STREET LIGHTING DISTRICT NO. 99-1 FISCAL YEAR 2017-18

The improvements to be operated, maintained and serviced by the District are that portion of the local and arterial street lighting system of the City of Garden Grove that confers special benefit to the District parcels. The specific location of both local and arterial street light improvements within the City can be found on the Street Light Inventory Maps maintained by the City and on file in the office of the City Engineer where they are available for inspection.

Article XIID of the California Constitution defines “maintenance and operation expenses” as “the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care and supervision necessary to properly operate and maintain a permanent public improvement”. The District funding includes, but is not limited to, the removal, repair, replacement or relocation of light standards, poles, bulbs, fixtures and all appurtenances, electrical energy, supplies, and engineering and incidental costs relating to the operation and maintenance of the local and arterial lighting benefiting the District parcels.

The local street lighting improvements to be operated, maintained and serviced by the District include all Edison owned street lights within the right-of-way of the local public streets located within the boundaries of the District as displayed in Exhibit A. These lights are all within close proximity to the District parcels and provide special benefit to such parcels.

The arterial street lighting improvements to be operated, maintained and serviced by the District include a reasonable allocation of all Edison-owned street light operation, maintenance and servicing on the major arterial streets within the City that provide special benefit to Zone 1. Arterial lighting for parcels within Zone 2 is currently provided by an assessment through the Citywide SLD and are not part of the District improvements.

PART B ESTIMATE OF COST

The City's budget for the installation, operation, maintenance and servicing of lighting details the estimated costs for Fiscal Year 2017-18 as available at the time of preparation of this Report, and includes engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the District proceedings.

Lighting Cost			Zone 1	Zone 2	Total
<u>Lamp Size</u>	<u>Number</u>				
5,800 lumen bulbs	43	@ \$99.48 per year	\$4,192.08	\$85.55	\$4,277.64
Engineering & Incidentals	(1)		\$818.97	\$16.71	\$835.68
Cost Local Lighting			\$5,011.05	\$102.26	\$5,113.32
Arterial Lighting Cost	(2)		\$3,789.28	\$0.00	\$3,789.28
Less: City Contribution	(3)		(\$1,250.46)	\$0.00	(\$1,250.46)
Engineering & Incidentals	(1)		\$663.00	\$0.00	\$663.00
Cost Arterial Lighting			\$3,201.82	\$0.00	\$3,201.82
Total Lighting Cost			\$8,212.87	\$102.26	\$8,315.14
District Engineering	(4)		\$1,544.22	\$19.23	\$1,563.45
Total 2017-18 District Expense Budget			\$9,757.09	\$121.49	\$9,878.59
Cost per assessed parcel					
		SINGLE FAMILY	\$28.71	\$17.74	
		CONDOS/TOWNHOMES	\$23.33		
		MULTI-FAMILY	Varies		
		VACANT	Varies		

- (1) Engineering and Incidentals include, but are not limited to, City Engineering department maintenance.
- (2) Gail Lane property owners pay for arterial lighting through the Citywide SLD.
- (3) City contribution represents 33% of arterial lighting cost relating to general benefit.
- (4) District engineering includes the cost of compliance with Proposition 218.

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next Fiscal Year .

PART C

METHOD OF APPORTIONMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment Districts by cities for the purpose of providing certain public improvements which include the maintenance and servicing of street lights, traffic signals, landscaping and park and recreational facilities.

Section 22573, Landscaping and Lighting Act of 1972 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment District may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The Act permits the designation of zones of benefit within any individual assessment District if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Article XIID Section 4 of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Section 4 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits.

METHODOLOGY

General Benefit

The City recognizes that a portion of the maintenance, operation and servicing of the City's arterial lighting improvements funded by the District provide a general benefit to the public at large. City traffic studies have shown that 33% of the City traffic flow on arterial streets is related to through traffic from surrounding regional areas. This pass-through traffic is an appropriate measure of the general benefit provided by the maintenance, operation and servicing of arterial lights. Therefore, the City is making a contribution of funds to the District equal to or in excess of the 33% of the estimated arterial lighting costs for the District. This amount is shown in the Estimated District Budget as the "City Contribution".

Special Benefit

Articles XIIC and XIID of the California Constitution define special benefit as "a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. General enhancement of property value does not constitute 'special benefit'." The method of assessment for each Zone analyzes the special benefit each parcel receives from the improvements funded in each Zone. The costs are spread to the individual parcels based on their assigned Assessment Units.

Local Lighting Apportionment

The special benefit from operation, maintenance and servicing of local street lighting within the District only accrues to those parcels within the District located in areas where such lighting is provided. Therefore, parcels without local street lighting are not assessed for the cost of providing such lighting. Generally, a parcel is determined to have local lighting provided if a street light is within approximately 90 feet of the parcel.

The benefit from local lighting can be measured by increased safety to people and property, as well as the increased availability of lighting. In order to establish the proportionate share of local lighting benefit to any parcel of land in relation to the total special benefits to be received by local lighting, it is necessary to establish a benchmark to relate that one parcel to all others. The benchmark is called the Assessment Unit (AU). The District uses the Single Family Residence (SFR) as the benchmark AU. All other land uses will be compared to the benchmark of the Single Family Residence to gain a comparative Assessment Unit based on population and parcel size as described below. For parcels with local lighting, there exists the core benefit of available lighting for every parcel in the District near a street light. This “Availability” benefit is apportioned to parcels with local lighting in the District on a per parcel basis, and has been assigned one-fourth of the SFR Assessment Unit. In addition to this benefit, parcels in the District benefit from improved safety related to people who own or use the parcels in the District (“Safety to People”), which has been assigned one-half of the SFR Assessment Unit. Parcels also benefit from improved safety related to the parcel itself (“Safety to Property”), which has been assigned one-fourth of the SFR Assessment Unit. The three benefit factors are then added together for a total of 1 AU per SFR.

$$\begin{array}{ccccccc} \text{Safety to People Benefit} & + & \text{Safety to Property Benefit} & + & \text{Availability Benefit} & = & \text{SFR Benefit} \\ \frac{1}{2} \text{ AU} & & \frac{1}{4} \text{ AU} & & \frac{1}{4} \text{ AU} & & 1 \text{ AU} \end{array}$$

Safety to People

The Safety to People benefit results in a special benefit to residential parcels because local street lighting improves traffic safety during ingress and egress to the property and creates a deterrent to crime against people on the property. Vacant, non-developable properties within the District are not perceived to receive Safety to People benefit.

The Safety to People benefit is apportioned to properties in the District based on the following demographic population information for residential uses as provided by the City of Garden Grove Planning Department, as shown in Table 1 below.

TABLE 1 - POPULATION DEMOGRAPHICS (SAFETY TO PEOPLE)

Land Use Description	Population per Unit	Rounded % of SFR	Safety to People Benefit (1/2)
Single Family Residential (SFR)	3.51/unit	100%	0.50
Condominium	3.02/unit	85%	0.43
Multiple Family Residential	3.38/unit	95%	0.45
Vacant	0/parcel	0%	0.00

Safety to Property

The Safety to Property benefit results in a special benefit to both residential and vacant non-developable parcels because local lighting operation, maintenance and servicing provides for the protection of buildings and personal property against crimes such as theft and vandalism. The Safety to Property benefit is apportioned to properties in the District based on relative property size as available from the City of Garden Grove Planning Department for residential uses.

For all residential uses, an average density has been used to determine the per unit parcel size. Vacant uses are related to the Residential uses utilizing the Single Family Residential average density of 7,200 square feet as shown in Table 2 below:

TABLE 2 - AVERAGE DENSITY PER LAND USE (SAFETY TO PROPERTY)

Land Use Description	Square Feet per Unit	Rounded % of SFR	Safety to Property Benefit (1/4)
Single Family Residential (SFR)	7,200 sf/unit	100%	0.25
Condominium	3,300 sf/unit	46%	0.12
Multiple Family Residential	2,600 sf/unit	36%	0.09
Vacant	7,200 sf/unit	100%	0.25

In determining the benefit for local lighting, larger properties do not necessarily receive benefit in proportion to their larger size, because a large share of the property may not be protected by the light on the street. In addition, these properties would typically have to provide their own privately funded lighting system in order to afford protection to their entire lot. To account for this, Safety to Property benefit points per unit will only be assigned up to 20 dwelling units or 20 times 7,200 square feet (144,000 square feet) for Vacant properties.

Table 3 below shows the breakdown of the Assessment Unit benefit points assigned to each land use for those properties located in areas with local street lights.

TABLE 3 - LOCAL LIGHTING BENEFIT FACTORS

Land Use Description	Safety to People	Safety to Property	Availability Benefit	Total AU's
Single Family Residential (SFR)	.50/unit	.25/unit	.25/parcel	1.00/parcel
Condominium	.43/unit	.12/unit	.25/parcel	.79/parcel
Multi-family up to 20 units	.45/unit	.09/unit	.25/parcel	.54/unit + .25/parcel
Multi-family more than 20 units	.45/unit	1.80/parcel	.25/parcel	.45/unit + 2.05/parcel
Vacant minimum 7,200sf	.00/7,200sf	.25/parcel	.25/parcel	.50/parcel
Vacant 7,200 to 144,000sf	.00/7,200sf	.25/7,200sf	.25/parcel	.25/7,200sf + .25/parcel
Vacant maximum > 144,000sf	.00/7,200sf	5.00/parcel	.25/parcel	5.25/parcel

Table 4 below provides a summary of assessment units for the different land uses for local lighting benefit.

TABLE 4 - LOCAL LIGHTING ASSESSMENT UNIT SUMMARY

Land Use Description	Parcels	Dwellings	Square Ft	Total AU's
Single Family Residential	284	284		284.000
Condominium	52	52		41.080
Multiple Family Residential	13	26		17.290
Vacant	0		0	0.000
Totals	349	362	0	342.370

The rate per AU is calculated by dividing the total budget amount by the total number of AU's:

$$\$6,075 / 342.370 \text{ AU's} = \$17.74 / \text{AU}$$

Arterial Lighting Apportionment

All parcels in the District receive a special benefit from the installation, operation, maintenance and servicing of traffic signals and freeway lighting as well as the operation, maintenance and servicing of safety lighting and street lighting on arterial streets. The arterial lighting, traffic signals, safety lighting, freeway lighting, and capital improvements (Arterial Lighting) are provided throughout the City and all properties in the City may easily access these improvements. In contrast to Local Lighting, Arterial Lighting benefits properties primarily because the properties, and the persons using the properties, are provided safe arterial street access. Therefore, Arterial Lighting benefit will be apportioned to parcels in the District on a per unit basis taking into account demographic population information.

Vacant properties, which have no people residing on the property, also benefit from arterial lighting because of the convenience associated with emergency vehicle access and other traffic that must use the arterial streets to service the vacant properties in the District. Therefore, Vacant parcels are assigned a per parcel benefit point. Vacant parcels are assigned 0.25 benefit points per parcel, based on the core benefit attributable to every assessable parcel in the District from Arterial Lighting.

Table 5 below shows the breakdown of the Assessment Units assigned to each land use for all assessable property in the District.

TABLE 5 - ARTERIAL LIGHTING BENEFIT

Land Use Description	Total AU's
Single Family Residential (SFR)	1.00 / unit
Condominium	0.85 / unit
Multiple Family Residential	0.95 / unit
Vacant	0.25 / parcel

Table 6 below provides a summary of assessment units for the different land uses for arterial lighting benefit.

TABLE 6 - ARTERIAL LIGHTING ASSESSMENT UNIT SUMMARY

Land Use Description	Parcels	Dwellings	Square Ft	Total AU's
Single Family Residential	284	284		278.000
Condominium	52	52		44.200
Multiple Family Residential	13	26		24.700
Vacant	0		0	
Totals	349	362	0	346.900

The rate per AU is calculated by dividing the total budget amount by the total number of AU's:

$$\$3,804 / 346.900 \text{ AU's} = \$10.97 / \text{AU}$$

District Engineering Costs

District Engineering Costs include legal, assessment engineering, and other engineering related costs necessary to achieve the District's compliance with Article XIIIID of the California Constitution. All parcels in the District benefit from the District Engineering Costs. Each parcel in the zone is allocated a proportionate share of the District Engineering Cost based on its assigned benefit points.

Total Assessment

The total assessment for each parcel is the sum of its assessment for local and arterial lighting. Table 7 below summarizes the Fiscal Year 2017-18 assessment rates for the various land uses in Zones 1 and 2.

	Zone 1				Zone 2
	Single-family Residential	Condos/Townhomes	Multi-family Residential	Vacant	Single-family Residential
Assessment	per parcel	per unit	per unit	per parcel	per parcel
Local	\$17.74	\$14.01	\$9.58 + \$4.44 per parcel	\$4.44 + \$4.44 per parcel	\$17.74
Arterial	\$10.97	\$9.32	\$10.42	\$2.74	N/A
Total	\$28.71	\$23.33	Varies	Varies	\$17.74

PART D

ASSESSMENT DIAGRAM

The Boundary Map and Diagram showing the exterior boundaries of the District and zones of benefit is on file in the offices of the City Engineer and the City Clerk where it is available for public inspection and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the Fiscal Year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

A reduced copy of the City of Garden Grove Street Lighting District No. 99-1 Map is provided as Exhibit A of this Report.

PART E

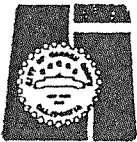
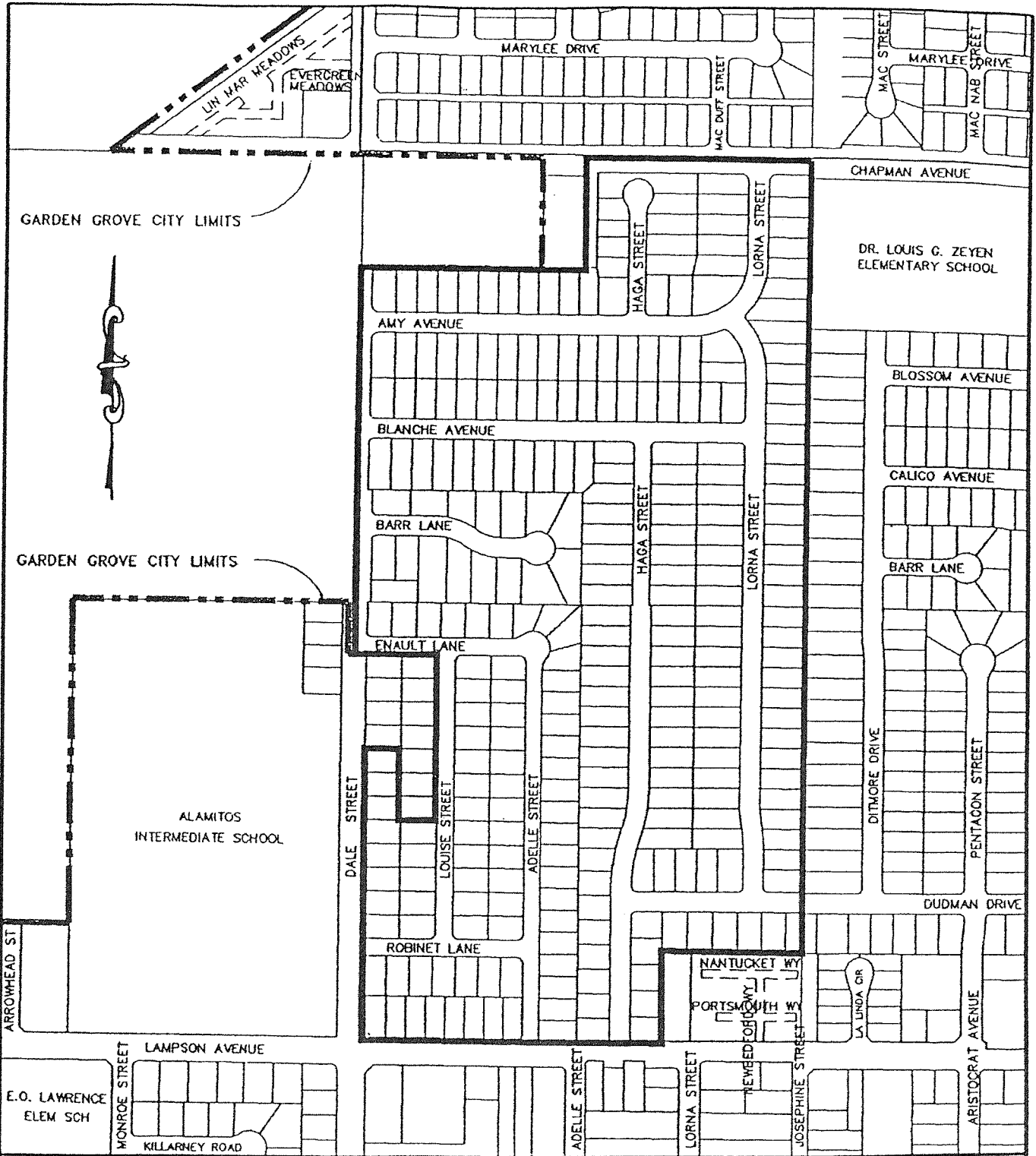
ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2017-18 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Orange County Assessor's Office, are contained in the Assessment Roll as Exhibit B of this Report and is on file in the offices of the City Engineer and the City Clerk, which is incorporated herein by reference.

The description of each lot or parcel is part of the records of the Assessor of the County of Orange and these records are, by reference, made part of this Report.

EXHIBIT A

**City of Garden Grove
Street Lighting District No. 99-1
Boundary Maps**



City Of Garden Grove
Department Of Public Works

STREET LIGHTING
DISTRICT No. 99-1
ZONE 1

R/W NO:

SCALE: 1"=400'

PROJECT NO. :
210

APPROVED BY :
CITY ENGINEER

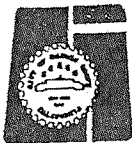
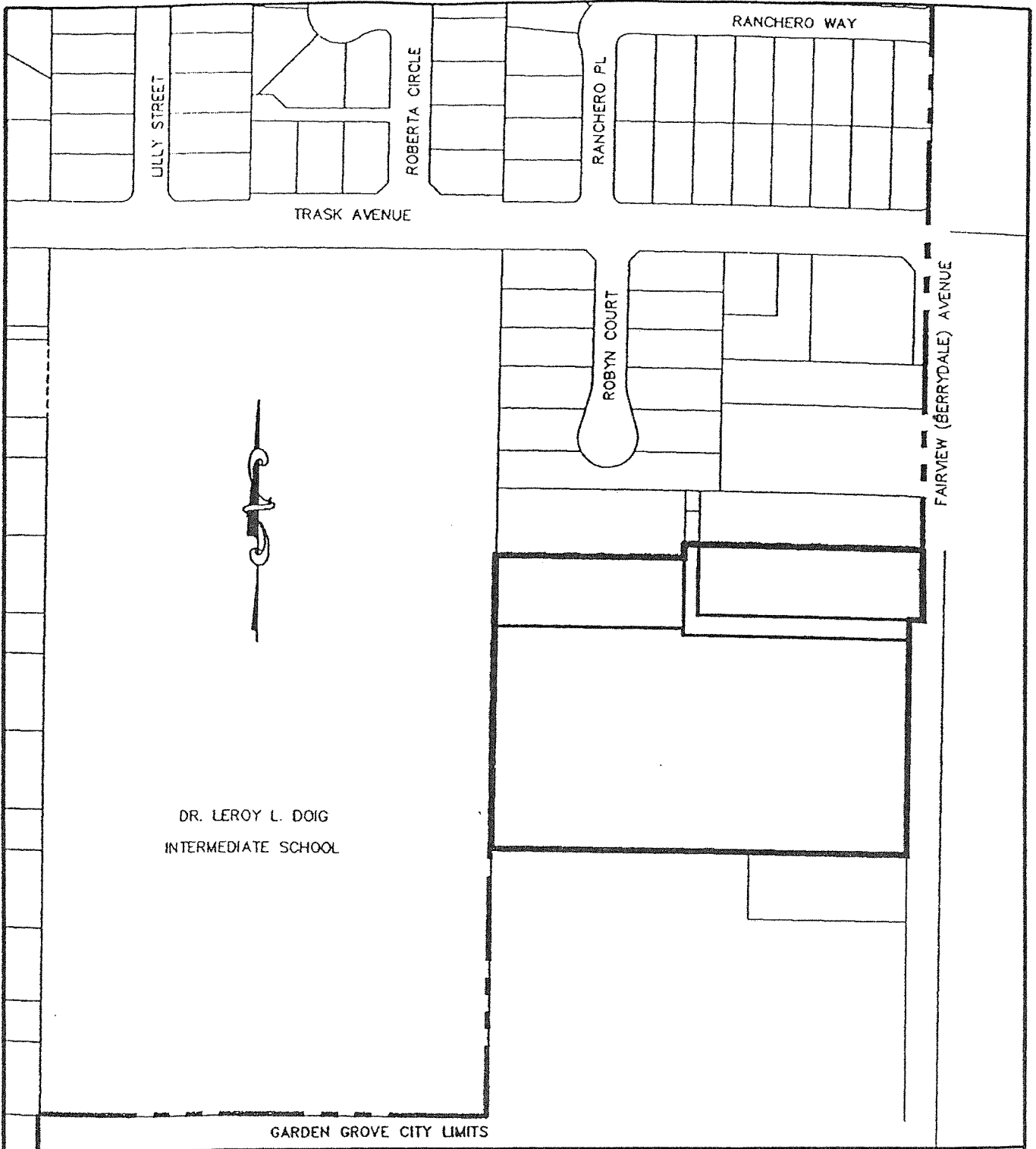
THIS IS NOT A SURVEY BUT IS COMPILED FROM EXISTING RECORDS

DWG NO. :
A-XXXX

PREPARED BY :
T.A.

DRAWN BY:
M.B.

CHECKED BY:
J.S.



City Of Garden Grove
Department Of Public Works

STREET LIGHTING
DISTRICT No. 99-1
ZONE 1

R/W NO:

SCALE: 1"=200'

PROJECT NO. :
210

APPROVED BY :

CITY ENGINEER

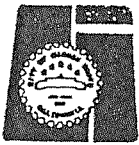
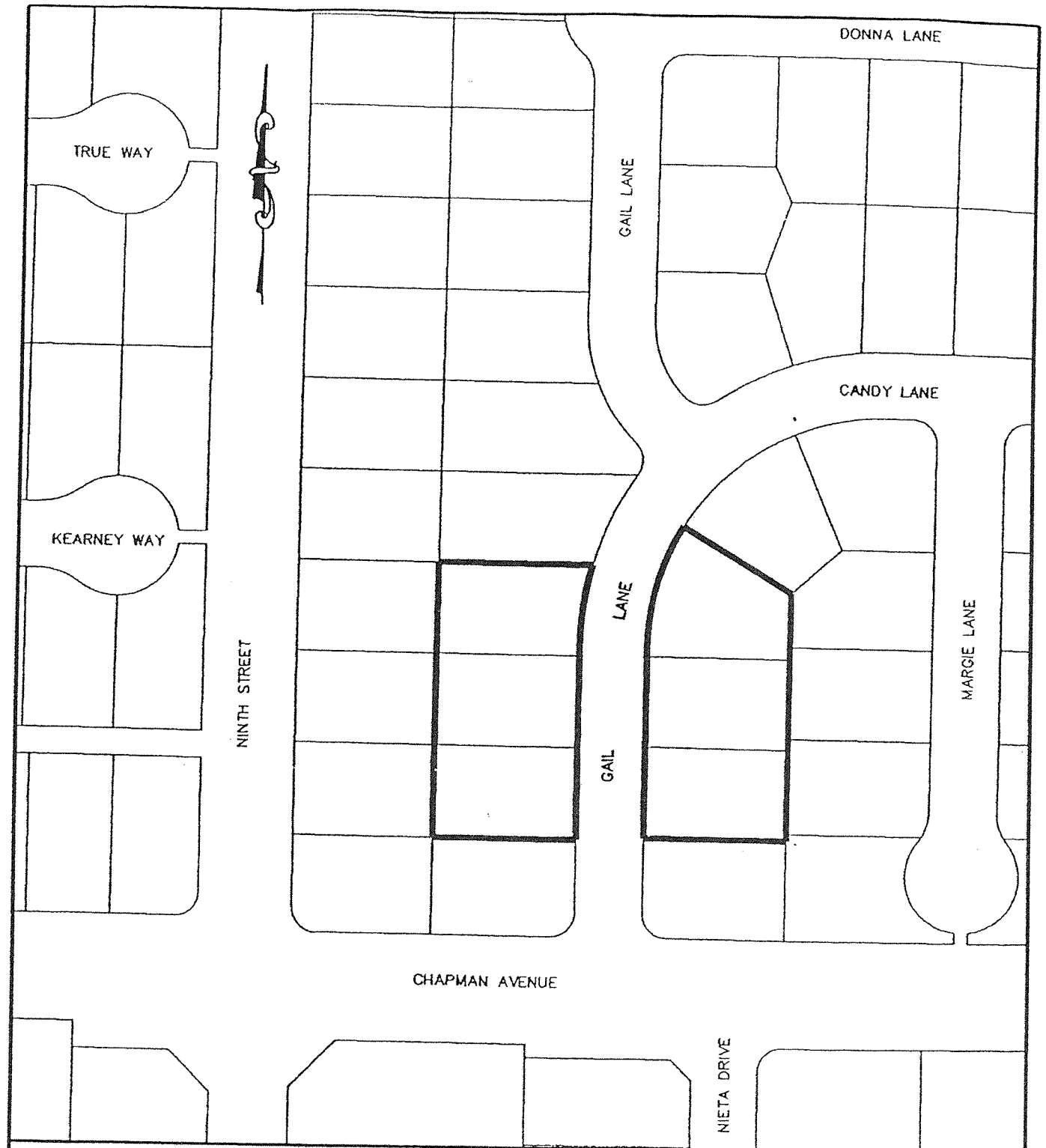
THIS IS NOT A SURVEY BUT IS COMPILED FROM EXISTING RECORDS

DWG NO. :
A-XXXX

PREPARED BY :
T.A.

DRAWN BY:
M.B.

CHECKED BY:
J.S.



City Of Garden Grove
Department Of Public Works

DWG NO. : A-XXXX
PREPARED BY : T.A.
DRAWN BY: M.B.
CHECKED BY: J.S.

STREET LIGHTING
DISTRICT No. 99-1
ZONE 2

R/W NO:	PROJECT NO. : 210
SCALE: 1"=100'	APPROVED BY : _____ CITY ENGINEER

THIS IS NOT A SURVEY BUT IS COMPILED FROM EXISTING RECORDS

EXHIBIT B

**City of Garden Grove
Street Lighting District No. 99-1
Assessment Roll – Fiscal Year 2017-18**

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
09032303	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032304	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032305	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032417	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032418	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032419	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
6 Parcels		Subtotal Zone 2	6	0	6.000	0.000	\$106.44	\$0.00	\$106.44
10165212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
10165301	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165302	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165303	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165304	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165305	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165306	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165307	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165308	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165309	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165310	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165311	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165312	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165313	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165314	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165315	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165316	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165317	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165318	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165319	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165320	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165321	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
09032303	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032304	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032305	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032417	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032418	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
09032419	2	RES	1	-	1.000	-	\$17.74	\$0.00	\$17.74
6 Parcels		Subtotal Zone 2	6	0	6.000	0.000	\$106.44	\$0.00	\$106.44
10165212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
10165301	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165302	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165303	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165304	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165305	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165306	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165307	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165308	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165309	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165310	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165311	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165312	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165313	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165314	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165315	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165316	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165317	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165318	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165319	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165320	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165321	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
10165322	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165323	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165324	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165325	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165326	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165327	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165328	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165329	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165330	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165331	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165332	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165333	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165334	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165335	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165336	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165337	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165338	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
10165339	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
21504106	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504107	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504108	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504109	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504110	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504111	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504112	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504113	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504114	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504115	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504116	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504117	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504118	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21504119	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504120	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504121	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504122	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504123	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504124	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504125	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504126	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504127	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504128	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504129	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504130	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504131	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504132	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504133	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504134	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504201	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504202	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504203	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504204	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504205	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504206	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504207	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504208	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504209	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504210	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504211	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504213	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504214	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504215	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21504216	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504217	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504218	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504301	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504302	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504303	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504304	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504305	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504306	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504307	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504308	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504309	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21504310	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505101	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21505102	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21505103	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21505104	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505105	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505106	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505107	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505108	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505109	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505110	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505111	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505112	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505113	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505114	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505115	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505116	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505117	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505118	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21505201	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505202	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505203	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505204	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505205	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505206	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505207	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505208	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505209	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505210	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505211	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505213	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505214	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505215	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505216	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505217	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21505218	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21505219	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505220	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505221	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505222	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505223	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505224	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505225	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505226	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505227	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505228	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505229	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505230	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505231	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21505232	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505233	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505234	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505235	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505301	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505302	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505303	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505304	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505305	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505306	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505307	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505308	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505309	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505310	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505311	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505312	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505313	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505314	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505315	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505316	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505401	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505402	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505403	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505404	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505405	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505406	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505407	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505408	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505409	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505410	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21505413	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21508101	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508102	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508103	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508104	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508105	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508106	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508107	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508108	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508109	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508110	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508111	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508112	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508113	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508114	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508115	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508116	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508117	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508118	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508119	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508120	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508121	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508122	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508123	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508124	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508125	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508126	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508127	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508201	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508202	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508203	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508204	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

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**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21508205	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508206	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508207	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508208	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508209	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508210	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508211	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508213	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508214	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508215	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508216	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508217	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508218	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508219	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508220	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508221	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508222	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508223	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508224	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508308	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508309	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508310	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508311	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508312	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508313	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508314	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508315	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508316	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508317	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508318	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21508319	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508320	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508401	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508402	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508403	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508404	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508405	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508406	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508407	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21508409	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508410	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508411	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508412	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508413	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508414	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508415	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21508416	1	APT	2	-	1.330	1.900	\$23.59	\$20.84	\$44.43
21511101	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511102	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511103	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511104	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511105	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511106	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511107	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511108	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511109	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511110	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511201	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511202	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511203	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511204	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

EXHIBIT B

05/31/17

**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21511205	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511206	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511207	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511208	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511209	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511301	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511302	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511303	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511304	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511701	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511702	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511703	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511704	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511705	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511706	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511707	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511708	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511709	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511710	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21511711	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512101	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512102	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512103	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512104	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512105	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512106	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512107	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512108	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512109	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512110	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512201	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
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APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
21512202	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512203	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512204	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512205	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512206	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512207	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512208	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512209	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512210	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512211	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512212	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512213	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512214	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512215	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512216	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512217	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512218	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512219	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512220	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512301	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512302	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512303	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512304	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512305	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512306	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512307	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512308	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512309	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
21512310	1	RES	1	-	1.000	1.000	\$17.74	\$10.97	\$28.71
93113432	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113433	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33

Landuse Key: APT - Apartment CONDO - Condominium RES - Single Family Residential VACANT - Vacant

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**City of Garden Grove
Street Lighting District No. 99-1
Preliminary Assessment Roll
Fiscal Year 2017-18**

APN	Zone	Land Use	Units	Lot Sq Ft	Local Lt AU's	Arterial Lt AU's	Local Lt Asmt	Arterial Lt Asmt	FY 2017-18 Total Asmt
93113434	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113435	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113436	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113437	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113438	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113439	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113440	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113441	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113442	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113443	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
93113444	1	CONDO	1	-	0.790	0.850	\$14.01	\$9.32	\$23.33
343	Parcels	Subtotal Zone 1	356	0	336.370	346.900	\$5,966.91	\$3,805.22	\$9,772.13

DISTRICT TOTALS:

349	Parcels	TOTALS:	362	0	342.370	346.900	\$6,073.35	\$3,805.22	\$9,878.57
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City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy

Dept.: City Manager Dept.: City Clerk

Subject: Receive and file minutes Date: 6/13/2017
from the meetings held on
May 23, 2017, and June 6,
2017. (*Action Item*)

Attached are Minutes from the meetings held on May 23, 2017, and June 6, 2017, recommended to be received and filed as submitted or amended.

ATTACHMENTS:

Description	Upload Date	Type	File Name
May 23, 2017, Minutes	6/6/2017	Backup Material	cc-min_05_23_2017.pdf
June 6, 2017, Minutes	6/7/2017	Backup Material	cc-min_06_06_2017.pdf

MINUTES

GARDEN GROVE CITY COUNCIL

Regular Meeting

Tuesday, May 23, 2017

Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 6:36 p.m., Mayor Jones convened the meeting in the Council Chamber.

ROLL CALL PRESENT: (7) Mayor Jones, Council Members Beard,
O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen

ABSENT: (0) None

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

COMMUNITY SPOTLIGHT: RECOGNITION OF FIRE CAPTAIN MARK WEISS, FIRE
ENGINEER MIKE RIETH, AND FIREFIGHTER/PARAMEDIC ANDREW ROACH FOR
GOING ABOVE AND BEYOND THE CALL OF DUTY (F: 52.3)

ORAL COMMUNICATIONS

Speakers: Tony Flores, John Wildsmith, Charles Mitchell, Gloria Bram, Beatrice
Jones

RECESS

At 6:55 p.m., Mayor Jones recessed the meeting.

RECONVENE

At 7:10 p.m., Mayor Jones reconvened the meeting with all Council Members
present.

ADOPTION OF A PROCLAMATION HONORING THE 15TH ANNIVERSARY OF THE BUENA CLINTON YOUTH AND FAMILY CENTER (F: 83.1)(XR: 73.20A)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

A Proclamation be honored for the 15th anniversary of the Buena Clinton Youth and Family Center.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

ADOPTION OF A RESOLUTION AUTHORIZING THE APPROPRIATION AND EXPENDITURE OF FUNDS OR USE OF GIFTS DONATED TO THE CITY (F: 60.1)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

Resolution No. 9417-17 entitled: A Resolution of the City Council of the City of Garden Grove authorizing the appropriation and expenditure of funds or use of gifts donated to the City for the purposes for which they were donated, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

APPROVAL OF A FIRST AMENDMENT TO THE AGREEMENT WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY FOR PARTICIPATION IN WATER CONSERVATION REBATE PROGRAMS (F: 112.5)

This matter was considered later in the meeting.

AWARD OF CONTRACT TO SOUTHERN CALIFORNIA LANDSCAPE, INC., TO INSTALL A DECOMPOSED GRANITE FITNESS TRAIL AT EASTGATE PARK
(F: 55-Southern California Landscape, Inc.)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

A contract be awarded to Southern California Landscape, Inc., for the installation of a quarter-mile fitness trail at Eastgate Park, in the amount not to exceed \$146,000; and

The City Manager, or his designee, be authorized to sign the contract on behalf of the City, including making minor modifications as appropriate and necessary.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO FAIRVIEW FORD SALES INCORPORATED FOR ONE (1) UTILITY TRUCK (F: 60.4)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

The Finance Director be authorized to issue a purchase order in the amount of \$37,070.44, to Fairview Ford Sales Incorporated for the purchase of one utility truck.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO COASTLINE EQUIPMENT COMPANY FOR ONE (1) HEAVY DUTY EQUIPMENT TRAILER (F: 60.4)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

The Finance Director be authorized to issue a purchase order in the amount of \$50,876.59, to Coastline Equipment Company for the purchase of one heavy duty equipment trailer.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

AWARD OF CONTRACT TO NICHOLS CONSULTING ENGINEERS TO PROVIDE A CITY-WIDE PAVEMENT MANAGEMENT PROGRAM FOR FISCAL YEARS 2017/18 THROUGH 2020/21 (F: 55-Nichols Consulting Engineers)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

A contract be awarded to Nichols Consulting Engineers, in the amount of \$127,312, for a city-wide Pavement Management Program for a period of three years from full execution of the agreement, with an option to extend said agreement an additional one year for a total performance period of four years; and

The City Manager be authorized to execute the agreement, and make minor modifications as appropriate thereto, on behalf of the City.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETING HELD ON MAY 9, 2017 (F: Vault)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

The minutes from the meeting held on May 9, 2017, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

WARRANTS (F: 60.5)

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

Payroll Warrants 181093 through 181137; Direct Deposits D311528 through DD312227; and Wires W2358 through W2361; be approved as presented in the warrant register submitted, and have been audited for accuracy and funds are available for payment thereof by the Finance Director; and

Regular Warrants 622953 through 623381; Wires W1855 through W1868; be approved as presented in the warrant register submitted, and have been audited for accuracy and funds are available for payment thereof by the Finance Director.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

APPROVAL TO WAIVE FULL READING OF ORDINANCES LISTED

It was moved by Council Member Beard, seconded by Council Member O'Neill that:

Full reading of Ordinances listed be waived.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

APPROVAL OF A FIRST AMENDMENT TO THE AGREEMENT WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY FOR PARTICIPATION IN WATER CONSERVATION REBATE PROGRAMS (F: 112.5)

Following City Council discussion, it was moved by Council Member Beard, seconded by Council Member O'Neill that:

The Amendment to the First Agreement with the Municipal Water District of Orange County (MWDOC) for the City's participation in the Water Conservation Rebate Programs, be approved;

The Mayor be authorized to execute the Amendment on behalf of the City and to make minor modifications as appropriate thereto; and

The Finance Director be authorized to approve payment, in the amount not to exceed \$3,996, to participate in the Water Conservation Rebate Programs to MWDOC.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

PUBLIC HEARING – ADOPTION OF RESOLUTIONS ADOPTING A MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM; APPROVING GENERAL PLAN AMENDMENT NO. GPA-001-2017; AND AUTHORIZING A REQUEST TO INITIATE PROCEEDINGS FOR THE LEWIS STREET REORGANIZATION WITH THE CITY OF ORANGE; INTRODUCTION AND FIRST READING OF ORDINANCES APPROVING PLANNED UNIT DEVELOPMENT NO. PUD-006-2017 AND DEVELOPMENT AGREEMENT NO. DA-006-2017 TO FACILITATE A PROPOSED 70 UNIT SMALL LOT SUBDIVISION AT 12901 LEWIS STREET (F: 20.GPA-001-2017)(XR: 116.PUD-006-2017)(XR: 106.DA-006-2017)

Following staff presentation and City Council discussion:

Mayor Jones declared the Public Hearing open and asked if anyone wished to address the City Council on the matter.

Speakers: John Danvers, Nicholas Dibs

With no further response from the audience, Mayor Jones closed the Public Hearing.

It was moved by Council Member O'Neill, seconded by Council Member Bui that:

Resolution No. 9418-17 entitled: A Resolution of the City Council of the City of Garden Grove adopting a Mitigated Negative Declaration and an Associated Mitigation Monitoring and Reporting Program for the Lewis Street Reorganization between the City of Garden Grove and the City of Orange (RO 17-01) and the Residential Project (GPA-001-2017, PUD-006-2017, TT-17927-2017, SP-028-2017, and DA-006-2017), be adopted;

Resolution No. 9419-17 entitled: A Resolution of the City Council of the City of Garden Grove authorizing initiation of proceedings and requesting the Orange County Local Agency Formation Commission (LAFCO) to take proceedings for the annexation to the City of Garden Grove and the Garden Grove Sanitary District of territory to be detached from the City of Orange known as the Lewis Street Reorganization (RO 01-17), be adopted;

The City Manager be authorized to take all actions and execute all documents necessary to initiate and process an application with LAFCO for Lewis Street Reorganization (RO 01-17) and to negotiate a property tax exchange agreement;

The City Clerk be authorized to execute a certificate of acceptance of all property interests to be transferred from the City of Orange to the City of Garden Grove pursuant to Lewis Street Reorganization (RO 01-17);

Resolution No. 9420-17 entitled: A Resolution of the City Council of the City of Garden Grove approving General Plan Amendment No. GPA-001-2017 to amend the City of Garden Grove's General Plan Land Use Map to modify the General Plan Land Use designation of the portion of the project site that is located within the city of Garden Grove from Civic/Institutional to Low Density Residential and to include the properties to be annexed under the General Plan Land Use designation of Low Density Residential, be adopted;

Ordinance No. 2880 entitled: An Ordinance of the City Council of the City of Garden Grove approving Planned Unit Development No. PUD-006-2017 to amend the City's official zoning map to change the zoning for the portion of the project site that is located within the city of Garden Grove and to "pre-zone" the properties to be annexed to residential Planned Unit Development

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

PUBLIC HEARING – INTRODUCTION AND FIRST READING OF AN ORDINANCE
APPROVING AMENDMENT NO. A-018-2017 TO AMEND TITLE 9 OF THE MUNICIPAL
CODE TO UPDATE THE DEFINITIONS, OPERATING CONDITIONS, AND
DEVELOPMENT STANDARDS PERTAINING TO CREMATORIUMS, MORTUARIES,
FUNERAL HOMES, AND CEMETARIES (F: 115.A-018-2017)

Following staff presentation and City Council discussion:

Mayor Jones declared the Public Hearing open and asked if anyone wished to address the City Council on the matter.

Speakers: None

With no response from the audience, Mayor Jones closed the Public Hearing.

It was moved by Council Member Beard, seconded by Council Member Bui that:

The Ordinance is categorically exempt from the California Environmental Quality Act pursuant to Title 14, California Code of Regulations, Section 15061(b)(3); and

Ordinance No. 2883 entitled: An Ordinance of the City Council of the City of Garden Grove approving Amendment No. A-018-2017, a zoning text amendment to portions of Chapters 9.04, 9.16, and 9.18 of Title 9 of the Garden Grove Municipal Code pertaining to crematoriums, mortuaries, funeral homes, and cemeteries, be passed to second reading.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

AWARD OF A 60-MONTH LEASE AND MAINTENANCE CONTRACT TO SO CAL OFFICE
TECHNOLOGIES FOR 27 MULTI-FUNCTION COPIERS
(F: So Cal Office Technologies)

Following staff presentation and City Council discussion:

It was moved by Council Member K. Nguyen, seconded by Council Member Klopfenstein that:

A 60-month lease and maintenance contract be awarded to So Cal Office Technologies for 27 Xerox multi-function copiers in the amount of \$644,869.55; and

The City Manager be authorized to sign the lease and maintenance contract on behalf of the City, and make minor modifications as appropriate thereto.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

APPROVAL OF THE FIRST AMENDMENT TO THE AGREEMENT WITH THE COUNTY OF ORANGE TO PROVIDE FORENSIC SERVICES
(F: 55-County of Orange-Sheriff Coroner)

Council Member Beard stated that although he is employed by the County of Orange, he does not work for the Orange County Sheriff's Department and there is no conflict for him to vote on this matter.

Following staff presentation and City Council discussion:

It was moved by Council Member O'Neill, seconded by Council Member Bui that:

The Amendment to the Agreement with the County of Orange to provide forensic services to the City, in the amount of \$525,153, for Fiscal Year 2017/2018, be approved; and

The Mayor be authorized to execute the Agreement on behalf of the City.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER

ADOPTION OF A RESOLUTION OPPOSING STATE ASSEMBLY BILL 22 AS REQUESTED BY THE CITY COUNCIL (F: 67.2)

Following City Attorney Sandoval's presentation and City Council discussion that included a revision to the Resolution, it was moved by Council Member Klopfenstein, seconded by Council Member T. Nguyen that:

Resolution No. 9421-17 entitled: A Resolution of the City Council of the City of Garden Grove opposing Assembly Bill 22 and any legislation, which would allow communist party members to work for the state government, be adopted.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

DISCUSSION REGARDING PROPOSED SERVICE AUGMENTATIONS TO THE CITY'S
PARAMEDIC PROGRAM AS REQUESTED BY CITY MANAGER STILES (F: 61.2)

Following staff presentation and City Council discussion, it was moved by Council Member O'Neill, seconded by Council Member Klopfenstein that:

This report be approved and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

MATTERS FROM THE MAYOR, CITY COUNCIL MEMBERS, AND CITY MANAGER
(Continued)

Council Member Beard announced the Strawberry Festival this weekend and wished everyone well on the upcoming Memorial Day. He commented on attending the annual ICSC RECon in Las Vegas, noting that it is the world's largest retail real estate convention with nearly 40,000 attendees representing retail and real estate interests. He commended Community and Economic Development Director Lisa Kim and her staff for doing a fine job representing the City at the convention. He noted that September 17, 2017, is Constitution Day, a day commemorating the formation and signing of the Constitution of the United States in 1787, which is a day dedicated to all Americans.

Council Member Beard moved to list a Resolution recognizing Constitution Day at a City Council meeting either prior to or on the September 12, 2017, meeting agenda, and was seconded by Council Member Bui. (F: 46.5)

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K.
Nguyen, Jones
Noes: (0) None

Council Member O'Neill expressed his appreciation for the Veterans and their sacrifices, noting his family members who have served in the armed forces through the generations. He stated that he will be attending a Memorial Day event at the Magnolia Memorial Park on Monday the 29th at 10:00 a.m. He commented on the Ground Breaking Ceremony the Mayor and Council Members attended for Fire Station 6 and he is looking forward to the Ribbon Cutting Ceremony.

Council Member T. Nguyen thanked the Veterans for their service and expressed remembrance for fallen heroes.

Council Member K. Nguyen thanked Veterans for their service. She announced the 15th Anniversary Quinceanera Celebration on June 1, 2017, from 4:30 p.m. to 7:30 p.m. at the Buena Clinton Youth and Family Center located in District 6 at 12661 Sunswept Avenue, noting that along with games, music, entertainment, and sponsors, IMobile Clinic will be at the event, which offers free vision care to underserved youth.

Council Member Klopfenstein wished all a Happy Memorial Day weekend and expressed her excitement for the upcoming Strawberry Festival. She noted that Vector Control has developed maps indicating hot spots for mosquitoes by district. The map is available to the public in print, and she is hoping to have the map posted to the City's website soon. Currently, Garden Grove has not tested positive for the West Nile Virus; however, surrounding communities have. Vector Control will have a booth at the Strawberry Festival; and she has met with Vector Control's District Manager, staff, and Senator Nguyen to discuss ways to alert and prepare the public if aerial spraying were to become necessary.

Council Member Bui expressed his gratitude to the men and women in uniform for their service. We are indebted to them so that we can enjoy freedom, as well as to their families, and most notably the Gold Star Mothers for their ultimate sacrifice of losing sons and daughters.

City Manager Stiles encouraged everyone to reflect and celebrate the upcoming Memorial Day weekend. The Strawberry Festival begins on Friday, May 26, 2017, with cake cutting at 6:00 p.m. on Main Street; Saturday, May 27th the Strawberry Stomp 5K will begin at 8:00 a.m. and the parade at 10:00 a.m. He further commented on the ICSC RECon in Las Vegas noting interest expressed for developing Harbor Boulevard with the expansion of the Convention Center in Anaheim; as well as potential development on Valley View Street. He was encouraged by discussions regarding the former Albertsons Grocery Store at Katella Avenue and Euclid Street, the former Vons Pavilions on Chapman Avenue west of Brookhurst Street, and bridging Little Saigon with hospitality uses. He expressed

his appreciation on behalf of himself and Lisa Kim and her staff for having a City Council Member attend ICSC, as it empowers and ensures that the staff is moving forward in the appropriate direction in support of meeting the City's stated goals.

Mayor Jones stated that prior to going into Closed Session, he will be adjourning the meeting in memory of Kirk Tietjen, a retired employee with the City's Public Works Department who was instrumental with the City of Garden Grove being named Tree City U.S.A. for 14 consecutive years, as well as his work during his career with the City keeping the flood channels clean and free of debris.

CONVENE CLOSED SESSION

At 9:10 p.m., Mayor Jones announced that the City Council was going into Closed Session in the Founders Room to discuss the following matter:

Conference with Legal Counsel – Anticipated Litigation
Pursuant to Government Code Section 54956.9(d)(4):
One potential case

ORAL COMMUNICATIONS FOR CLOSED SESSION

Speakers: None

ADJOURN CLOSED SESSION

At 9:20 p.m., Mayor Jones adjourned Closed Session.

RECONVENE REGULAR MEETING

At 9:21 p.m., Mayor Jones reconvened the meeting in the Council Chamber with all Council Members present.

CLOSED SESSION REPORT

City Attorney Sandoval announced that the City Council authorized the City Attorney to commence abatement action for property located at 8605 Mac Kay Road, Garden Grove.

ADJOURNMENT

At 9:22 p.m., Mayor Jones adjourned the meeting in memory of Kirk Tietjen. The next City Council Meeting will be held on Tuesday, June 13, 2017, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy, CMC
City Clerk

Tuesday, June 6, 2017
Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Teresa Pomeroy
Dept.:	City Manager	Dept.:	City Clerk
Subject:	Approval of warrants. (<i>Action Item</i>)	Date:	6/13/2017

Attached are the warrants recommended for approval.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Warrants	6/8/2017	Cover Memo	CC_Warrants_6-13-17.pdf

181138	KEITH T VELOTTA	5313.98	181139	TIMOTHY E THRONE	246.88
181140	SVETLANA MOURE	108.80	181141	PHILIP J SEYMOUR	104.48
181142	CHARLES W STARNES	2458.04	181143	- 181184	0.00
181185	STEPHANIE L KLOPFENSTEIN	131.36	181186	JUDITH A MOORE	1844.55
181187	DIANE BELAIR	1526.42	181188	AMANDA M POLLOCK	1178.89
181189	JO ANNE M CHUNG	2158.94	181190	THOMAS E BUTTERS	2590.21
181191	CHRIS M VERES	2171.12	181192	ERIC M ESPINOZA	645.21
181193	ROBERT R MOUNGEY	290.87	181194	MICHAEL F ROCHA	1833.95
181195	SUSAN VITALI	732.83	181196	KEVIN L RAY	647.78
181197	ADRIANNA M RODRIGUEZ	653.56	181198	JAVIER RODRIGUEZ	992.20
181199	DANIEL C MOSS	1769.91	181200	YUKIYOSHI NAKAGAWA	1396.23
181201	AUSTIN H POWELL	1679.53	181202	MELVIN P REED	1719.31
181203	SOMELIA K GOUNTOUNA	1489.26	181204	ANA E PULIDO	2845.07
181205	STEPHANIE AMBRIZ	220.82	181206	VALERIA J BARON	207.57
181207	MELISSA L BELL	142.29	181208	ALYSSA B BERRY	148.59
181209	DEANNA M CHUMACERO	1193.06	181210	STEVEN E GOMEZ	316.40
181211	BRIANNA D HOLT	126.31	181212	JESUS PEREZ	831.33
181213	PHILIP J SEYMOUR	367.47	181214	PRESCILIANA TORRES	697.28
181215	LUKE A STARK	214.69	181216	ISAAC DAVILA	465.64
181217	JULIAN TAPIA	419.47	181218	EFRAIN A JIMENEZ JR	1840.96
181219	SHAYLEN L MAO	1876.01	181220	PATRICK J MUSCHETTO	1840.96
181221	RANDY L TUCKER	1711.87	181222	JOAN M CEPLIUS	814.96
181223	O.C.E.A. GENERAL	2425.56	181224	O.C.E.A.	1177.19
181225	COMMUNITY HEALTH CHARITI	50.00	181226	GARDEN GROVE POLICE ASSO	1470.00
D311849	MOURE, SVETLANA	-1125.70	D312226	KRIS C BEARD	210.84
D312227	PHAT T BUI	1.75	D312228	STEVEN R JONES	108.35
D312229	DIEDRE THU HA NGUYEN	194.06	D312230	KIM B NGUYEN	191.04
D312231	JOHN R O'NEILL	206.35	D312232	PAMELA M HADDAD	1432.86
D312233	SHAWN S PARK	1851.64	D312234	SCOTT C STILES	6243.43
D312235	MARIA A STIPE	4848.98	D312236	MEENA YOO	1860.68
D312237	DENISE KEHN	1955.56	D312238	MARITZA PIZARRO	1527.29
D312239	TERESA L POMEROY	2674.46	D312240	LIZABETH C VASQUEZ	1663.11
D312241	SHAUNA J CARRENO	1883.50	D312242	TERESA G CASEY	1259.97
D312243	VIRGINIA DELGADO	1328.18	D312244	DANNY HUYNH	3185.02
D312245	VILMA C KLOESS	1735.49	D312246	IVY LE	1748.04
D312247	TAMMY LE	1471.64	D312248	LINDA MIDDENDORF	3012.65
D312249	ROSALINDA MOORE	1231.42	D312250	MARIA A NAVARRO	2101.47
D312251	PHUONG VIEN T NGUYEN	2360.64	D312252	QUANG NGUYEN	2229.91
D312253	TINA T NGUYEN	1956.45	D312254	THYANA T PHI	2105.58
D312255	MARIA RAMOS	1986.18	D312256	TANYA L TO	1571.30
D312257	CUONG K TRAN	1941.38	D312258	ELAINE TRUONG	1271.28
D312259	THANH-NGUYEN VO	1619.73	D312260	SYLVIA GARCIA	1929.35
D312261	KINGSLEY C OKEREKE	4959.19	D312262	HEIDI M JANZ	1893.42
D312263	CHRISTI C MENDOZA	515.71	D312264	ANN CAO EIFERT	2677.82
D312265	DEBORAH A POWELL	1511.26	D312266	MARGARITA A ABOLA	1692.00
D312267	MARISA ATIN RAMOS	794.26	D312268	ELLIS EUN ROK CHANG	2456.44
D312269	JANET J CHUNG	1851.05	D312270	CLAUDIA FLORES	3019.31
D312271	RHONDA C KAWELL	2865.95	D312272	ROBERT W MAY	1276.24

**** PAGE TOTAL = 142374.34

D312273	SHAWNA A MCDONOUGH	1387.67	D312274	ALEXANDER TRINIDAD	2182.64
D312275	LIGIA ANDREI	1300.02	D312276	ARIANA B BAUTISTA	1491.31
D312277	KAREN J BROWN	714.54	D312278	CORINNE L HOFFMAN	2196.70
D312279	JEFF N KURAMOTO	2079.09	D312280	CHELSEA E LUKAS	1446.24
D312281	EDWARD E MARVIN JR	1611.37	D312282	ANGELA M MENDEZ	1611.52
D312283	MONICA A NEELY	2728.11	D312284	JENNIFER L PETERSON	1689.04
D312285	ANH PHAM	1416.32	D312286	EVA RAMIREZ	1370.42
D312287	JAIME F CHAVEZ	1430.78	D312288	GARY F HERNANDEZ	1478.55
D312289	NEAL M MANALANSAN	1415.02	D312290	SANDRA E SEGAWA	3038.58
D312291	ALANA R CHENG	2185.09	D312292	LISA L KIM	3908.11
D312293	JAYME K AHLG	2195.16	D312294	SAEED R AMIRAZIZI	3315.97
D312295	MICHAEL G AUSTIN	2343.76	D312296	TODD C HARTWIG	2167.04
D312297	AARON J HODSON	1879.34	D312298	JERROLD R HOLSTEIN	875.25
D312299	DONALD E LUCAS	2513.70	D312300	DANIEL A WINDHAM	2324.98
D312301	ISABELLA C ZANDVLIET	1860.82	D312302	CHRISTOPHER CHUNG	2292.15
D312303	PAUL GUERRERO	2741.44	D312304	HUONG Q LY	500.19
D312305	LEE W MARINO	3346.40	D312306	MARIA L MEDRANO	1860.17
D312307	MARIA C PARRA	2260.09	D312308	ERIN WEBB	2716.58
D312309	GREG BLODGETT	2513.73	D312310	MONICA COVARRUBIAS	2496.51
D312311	GRACE E LEE	2186.27	D312312	AMEENAH ABU-HAMDIYYAH	1677.82
D312313	JULIE A ASHLEIGH	1731.83	D312314	RITA M CRAMER	1889.99
D312315	RALPH V HERNANDEZ	2012.45	D312316	JIMMY NGUYEN	1710.39
D312317	ROY N ROBBINS	2597.10	D312318	NIDA R WATKINS	2389.27
D312319	ALLISON D WILSON	1701.69	D312320	MICHAEL C BOS	2133.50
D312321	DANIEL J CANDELARIA	4000.23	D312322	KAMYAR DIBAJ	177.29
D312323	NICOLAS C HSIEH	2775.29	D312324	ROSEMARIE JACOT	1895.23
D312325	NAVIN B MARU	3180.22	D312326	MICHAEL F SANTOS	2176.58
D312327	MARK P UPHUS	3082.03	D312328	JOSE A VASQUEZ	1855.77
D312329	ANA G VERGARA NEAL	2072.72	D312330	DAI C VU	3365.64
D312331	KHANG L VU	2828.95	D312332	JOSHUA J ARIONUS	1530.79
D312333	JAN BERGER	1787.53	D312334	ROBERT P BERMUDEZ	2649.57
D312335	TIM P CANNON	2596.58	D312336	MYUNG J CHUN	2874.25
D312337	RYAN H DAVIS	416.04	D312338	RONALD W DIEMERT	1745.00
D312339	CHRIS N ESCOBAR	2730.86	D312340	JASON A FERTAL	1592.56
D312341	ALEJANDRO GONZALEZ	2788.69	D312342	MICHAEL J GRAY	1071.78
D312343	LARRY GRIFFIN	1540.92	D312344	ROBERT ALAN HAENDIGES	2660.19
D312345	RYAN S HART	1555.91	D312346	ROBERT M HIGGINBOTHAM	1166.54
D312347	EDWARD A HUY	2289.59	D312348	VIDAL JIMENEZ	1798.48
D312349	SAMUEL K KIM	3595.69	D312350	BRENDA L LAI	389.21
D312351	SHAN L LEWIS	1586.25	D312352	REBECCA PIK KWAN LI	2954.59
D312353	SCOTT T LOWE	2536.86	D312354	DAVID MA AE	1404.89
D312355	TYLER MEISLAHN	1680.66	D312356	JESSE K MONTGOMERY	1888.66
D312357	STEVEN J MOYA JR	1764.07	D312358	BASIL G MURAD	2766.46
D312359	KIRK L NATLAND	647.14	D312360	CORNELIU NICOLAE	2268.29
D312361	ANDREW I ORNELAS	1447.68	D312362	DAVID A ORTEGA	1814.93
D312363	CELESTINO J PASILLAS	2346.55	D312364	WILLIAM F PEARSON	2002.76
D312365	LES A RUITENSCHILD	3051.11	D312366	JONATHAN RUIZ	3905.67
D312367	MODESTO R SALDANA	1758.69	D312368	ALEXIS SANTOS	1348.31

*** PAGE TOTAL = 198278.41

D312369	ADRIAN M SARMIENTO	3072.49	D312370	ALBERT TALAMANTES JR	728.67
D312371	MINH K TRAN	2166.73	D312372	ALEJANDRO VALENZUELA JR	1035.17
D312373	ALEJANDRO N VALENZUELA	1438.06	D312374	KATHLEEN N VICTORIA	835.35
D312375	RONALD J WOLLAND	1442.38	D312376	VICTOR K YERGENSEN	2436.81
D312377	ALICE K FREGOSO	1651.89	D312378	RAQUEL K MANSON	2331.29
D312379	CAROLYN E MELANSON	1611.73	D312380	WILLIAM E MURRAY JR	5856.93
D312381	EMILY H TRIMBLE	1411.42	D312382	ALFRED J AGUIRRE	2342.47
D312383	ANTHONY U AGUIRRE	497.77	D312384	RODOLPHO M BECERRA	1628.83
D312385	HELEN L CAMDEN	564.77	D312386	EDGAR A CANO	589.38
D312387	ALBERT J CARRISOZA	1706.95	D312388	MARRAY R CHAPMAN	438.69
D312389	GABRIELA R CONTRERAS	1798.47	D312390	JULIE T COTTON	891.51
D312391	VINCENT L DE LA ROSA	1684.81	D312392	HECTOR M ESPINOZA	1461.14
D312393	ROBERT J FRANCO	634.47	D312394	MAURICIO S GARCIA	2138.50
D312395	GLORIA GAW	1854.20	D312396	RICHARD R GOSSELIN	4360.93
D312397	HERMILO HERNANDEZ	1355.17	D312398	DARNELL D JERRY	568.37
D312399	KEANU M KALOLO	1863.66	D312400	BRENT KAYLOR	2314.24
D312401	BEN A KOSKY	1510.91	D312402	MARK W LADNEY	2072.33
D312403	RAUL LEVVA	2946.69	D312404	ANTONIO R MARTIN	2212.43
D312405	ROBERT P MCLOGAN	499.35	D312406	KEVIN E MEJIA	627.37
D312407	RIGOBERTO MENDEZ	1793.92	D312408	JON A MIHAILA	617.96
D312409	STEVEN T ORTIZ	2723.99	D312410	RICHARD L PINKSTON	1612.02
D312411	BRADEY J POINDEXTER	584.89	D312412	STEVE J TAVANU'U	2018.48
D312413	STEPHANIE A WASINGER	789.67	D312414	JOSE L BELTRAN	424.17
D312415	JEFFREY G CANTRELL	1798.76	D312416	THOMAS C COUNTS	8.93
D312417	JAMES CUNNINGHAM	1866.98	D312418	EARNEST L DOMINGUEZ	759.62
D312419	JULIA ESPINOZA	1057.48	D312420	ALBERT R EURS II	1957.68
D312421	CECELIA A FERNANDEZ	1068.13	D312422	CONRAD A FERNANDEZ	890.14
D312423	JORGE GONZALEZ	1017.79	D312424	MICHAEL R GREENE	1730.35
D312425	RONALD D GUSMAN	840.30	D312426	GLORIA A HARO	1083.03
D312427	ERIC W JOHNSON	944.97	D312428	URIEL MACIAS	790.01
D312429	LUIS Y MENDOZA AGUILAR	883.84	D312430	KHUONG NGUYEN	1083.03
D312431	VIRGINIA NICHOLS	612.51	D312432	ALEJANDRO ORNELAS	887.17
D312433	WILLIAM R PICKRELL	2286.23	D312434	CHRISTOPHER L RELEFORD	1486.44
D312435	DELFRADO C REYES	1083.03	D312436	RAFAEL ROBLES	1131.39
D312437	RODERICK THURMAN	1465.20	D312438	EVARISTO VERA	1501.83
D312439	RICHARD L WILLIAMS	1546.56	D312440	ANSELMO AGUIRRE	1982.55
D312441	CHRISTOPHER L ALLEN	1910.47	D312442	PHILLIP J CARTER	2180.46
D312443	RICK L DUVAL	2490.48	D312444	AARON R HANSEN	1446.71
D312445	PATRICIA CLAIR HAYES	2741.98	D312446	HUY HOA HUYNH	1916.13
D312447	BRYAN D KWIATKOWSKI	1500.31	D312448	BRANDON S NUNES	518.80
D312449	CHRISTOPHER B PRUDHOMME	349.92	D312450	ROLANDO QUIROZ	1326.01
D312451	TODD R REED	1897.93	D312452	ESTEBAN H RODRIGUEZ	510.21
D312453	RONALD E SANDIFORTH	1905.71	D312454	LUIS A TAPIA	1999.32
D312455	MICHAEL W THOMPSON	2694.13	D312456	SANTIAGO TRISTAN JR	629.85
D312457	WILLIAM J WHITE	2147.13	D312458	JEREMY J GLENN	444.12
D312459	JESSE GUZMAN	2566.66	D312460	BRETT A MEISLAHN	1651.44
D312461	MARK E MONSON	2107.38	D312462	STEPHEN D SUDDUTH	1382.00
D312463	TIMOTHY WALLINGFORD	3468.93	D312464	HILLARD J WILLIAMS	1085.36

**** PAGE TOTAL = 147782.82

D312465	ALBERT J HOLMON III	3148.20	D312466	ALLEN L SERNA	2170.17
D312467	VICTOR T BLAS	2190.73	D312468	FRANK X DE LA ROSA	1743.14
D312469	ERVIN DUBRUL	1646.57	D312470	JOSE GOMEZ	1729.86
D312471	BRENT W HAYES	3122.10	D312472	FRANK D HOWENSTEIN	2044.03
D312473	ALLEN G KIRZHNER	2581.63	D312474	KEON DONTRAY NELSON	1793.75
D312475	STEPHEN PORRAS	2275.36	D312476	JESSE VIRAMONTES	2028.09
D312477	JOHN ZAVALA	2027.61	D312478	VERONICA AVILA	488.55
D312479	JEFFREY P DAVIS	2012.42	D312480	NOELLE N KIM	1614.41
D312481	MISSY M MENDOZA	406.61	D312482	MARIE L MORAN	2242.51
D312483	KRISTY H THAI	1999.97	D312484	EDWARD D AMBRIZ GARCIA	222.34
D312485	SARAH M BAIRD	187.84	D312486	GABRIELA E BALANDRAN	97.14
D312487	JOSUE BARREIRO MENDOZA	367.11	D312488	NICHOLAS J BARRETT	80.85
D312489	ALEXIS R BAUTISTA-MOYANO	97.14	D312490	ALEJANDRA CAMARENA	176.65
D312491	RACHEL M CAMARENA	1678.04	D312492	RENE CAMARENA	1536.12
D312493	MARTI CARROLL	952.43	D312494	VICTORIA M CASILLAS	2393.15
D312495	CYNTHIA A CHEW	1698.85	D312496	GISELL L CRUZ	525.24
D312497	KENNETH E CUMMINGS	382.46	D312498	KEVIN J CUMMINGS	314.67
D312499	JEANETTE A DEMENECES	886.46	D312500	GRISSELL V EVERASTICO	345.15
D312501	JARED D GARCIA	198.73	D312502	VANESSA L GARCIA	256.17
D312503	JACOB R GRANT	2210.84	D312504	ASHLY L HANNAH	177.14
D312505	CAROLINA HONSTAIN	374.53	D312506	KELLY L HOWENSTEIN	427.57
D312507	KIMBERLY HUY	4206.47	D312508	ANA C IZQUIERDO	549.41
D312509	MARITZA JIMENEZ	311.49	D312510	JOHNNY LUNA	350.39
D312511	ELAINE M MA'AE	2004.62	D312512	JESUS MEDINA	1606.43
D312513	JUAN MEDINA	1826.21	D312514	NICHOLAS M MEDINA	326.59
D312515	MONSERRAT MENDOZA ALVARE	333.09	D312516	JOHN A MONTANCHEZ	3046.31
D312517	BRIANNA M MOORE	1006.66	D312518	KIRSTEN K NAKAISHI	104.89
D312519	GINA D NECCO	474.89	D312520	JACOB J NEELY	376.89
D312521	NOEL N NICHOLAS	1353.46	D312522	JENNIFER GODDARD NYE	2262.90
D312523	GABRIELA O'CADIZ-HERNAND	2362.54	D312524	LORI OCHOA	1691.52
D312525	CHRISTIAN PANGAN	465.50	D312526	JANET E PELAYO	2593.66
D312527	KATIE L PHAM	39.33	D312528	ARIELLE PICKRELL	461.04
D312529	SUGEIRY REYNOSO	2254.59	D312530	PAIGE L ROBINSON	538.47
D312531	MARINA Y ROMERO	1563.72	D312532	MONICA K ROMO	162.66
D312533	LARISSA E SANTOS	189.90	D312534	DANA MARIE SAUCEDO	2251.09
D312535	EMERON J SCHLUMBERGER	878.41	D312536	KRISTOF A SIERRA	229.65
D312537	MIRANDA M TORRES	291.50	D312538	KENNETH P TRAVIS III	455.18
D312539	CLAUDIA VALDIVIA	2596.53	D312540	JEFFREY VAN SICKLE	1895.83
D312541	GABRIELA VARELA	385.93	D312542	JOSEFINA L VELAZQUEZ	274.68
D312543	DAISY O VENCES	393.25	D312544	JOSHUA VENCES	278.24
D312545	PAUL E VICTORIA	1364.67	D312546	DAVID M WILMES	121.39
D312547	CHERYLE LYNN EICHEL	813.82	D312548	SVETLANA MOURE	108.80
D312549	THOMAS R SCHULTZ	2476.47	D312550	RANDY ABRAHAMSON	5218.77
D312551	ALBERTO ACOSTA	3162.34	D312552	ANTHONY R ACOSTA	6593.32
D312553	JOHN D BARANGER III	1718.12	D312554	LUCAS B BAUER	3089.23
D312555	BRADLEY D BELL	3628.76	D312556	JERRY R BRENEMAN	3082.48
D312557	GUY BROWN	2234.02	D312558	JOSE J CAMBEROS	2970.28
D312559	DANIEL L CLEARWATER	3401.02	D312560	YVES G CLERMONT	2856.66

**** PAGE TOTAL = 138086.40

D312561	JOE W CRAWFORD	3204.68	D312562	TIMOTHY A CRAWFORD	6735.57
D312563	JUSTIN D DOYLE	3231.09	D312564	MICHAEL G ECKHARDT JR	3193.08
D312565	DAVID W EDNOFF	4556.74	D312566	STEVE P FELINER	5345.41
D312567	JAMES L GABBARD	4324.18	D312568	DREW R GARCIA	2396.60
D312569	JEFF W HANNA	6275.91	D312570	MATTHEW R HENSHAW	7747.93
D312571	MICHAEL L JACOBS	2654.85	D312572	WILLIAM R JAEGER	1524.43
D312573	SCOTT A KUHLMAN	2698.95	D312574	NICHOLAS A LERARIO	1775.06
D312575	COREY L LINDSAY	1880.64	D312576	NORMAN M LOVELY	4593.28
D312577	JOHN M MARQUEZ JR	2313.79	D312578	CHEYNE C MAULE	4503.41
D312579	TERRY A MCGOVERN JR	3872.42	D312580	SHANE D MELLE	2024.85
D312581	TRAVIS M MELLE	4203.96	D312582	MARK A MICKELSEN	6451.15
D312583	SON L NGUYEN	2868.37	D312584	THANH Q NGUYEN	4321.85
D312585	FREDERICK N NIBLO	4059.46	D312586	BRENT C PARDOEN	2848.51
D312587	MICHAEL KURT RIETH	2450.48	D312588	WADE E RUHMAN	4833.51
D312589	DENNIS L RUZICKA	4763.51	D312590	NICK R SCHAEFER	2298.09
D312591	SCOTT A SCHERER	4127.10	D312592	JEFFREY T SPARGUR	4246.09
D312593	MORRIS B SPELL	4991.03	D312594	WILLIAM S STROHM	3765.15
D312595	JUSTIN D TRAYER	2312.74	D312596	CHRISTOPHER B TRENHOLM	2089.62
D312597	JUSTIN TRUHILL	3425.29	D312598	MARIO G VALDERRAMA	2812.85
D312599	DAVID S WALDSCHMIDT	3260.32	D312600	MARK S WEISS	2767.41
D312601	PAUL J WHITTAKER	3522.36	D312602	JOSEPH A WINGERT JR	6793.65
D312603	JASON R BLOWGREN	1707.14	D312604	MYLES A BURROUGHS	661.08
D312605	DAVID M CARLSON	3556.00	D312606	PARKER W CARY	2959.28
D312607	JOSHUA A FELDMAN	4319.33	D312608	TIMOTHY D FISHER	5024.34
D312609	GARRET M FURUTA	2277.41	D312610	SHANE S HOWEY	1823.95
D312611	PETER M HUBER	2210.58	D312612	JORDAN R JEMIOLA	2820.01
D312613	JAYCEN R JUSTUS	2172.62	D312614	MATTHEW C KLEIBACKER	3136.21
D312615	ANTHONY L KNAACK	1946.04	D312616	JOSHUA D LEE	2468.87
D312617	DANIEL J MOORE	4359.34	D312618	GRANT A NOBLE	1114.38
D312619	ERIC S NORRIN	3389.79	D312620	ANTHONY J PAGE	2097.10
D312621	ERIC M PALOMO	2557.91	D312622	ANDREW J ROACH	3098.76
D312623	RICHARD RONSTADT	2559.63	D312624	DAVID C SANCHEZ	1786.45
D312625	TIMOTHY N STOWE	1757.09	D312626	ERIC THORSON	3533.95
D312627	RYAN D VAN WIE	5601.03	D312628	GREGORY D WILLIAMS	4409.26
D312629	JEREMIE E YORKE	2956.91	D312630	NATHAN T BRADY	4282.15
D312631	BRYSON T DAHLHEIMER	1717.53	D312632	DAVID W DEPAUW	1053.91
D312633	LISA S GUARDI	806.87	D312634	DON T NGUYEN	2031.69
D312635	NICHOLAS S SEELEY	214.69	D312636	JOSEPH I VALENZUELA	71.56
D312637	TIMOTHY S SAWYER	2617.34	D312638	TODD D ELGIN	4927.46
D312639	CAROLE A KANEGAE	2236.16	D312640	WILLIAM ALLISON	3051.65
D312641	KRISTEN A BACKOURIS	1490.11	D312642	SHARON S BAEK	1533.95
D312643	GENA M BOWEN	1378.42	D312644	JESENIA CAMPOS	1695.65
D312645	THOMAS R DARE	4353.74	D312646	HELENA ELISOUSOU	2313.75
D312647	ROBERT D FOWLER	3479.56	D312648	AI KELLY HUYNH	1763.93
D312649	CINDY S NAGAMATSU HANLON	2464.37	D312650	JEFFREY C NIGHTENGALE	3446.59
D312651	REYNA ROSALES	1441.53	D312652	CLAUDIA ALARCON	2807.31
D312653	PEDRO R ARELLANO	3070.53	D312654	TIMOTHY R ASHBAUGH	2274.14
D312655	ALFREDO R AVALOS	3078.66	D312656	CARLOS BAUTISTA JR	2319.81

**** PAGE TOTAL = 296292.89

D312657	RYAN S BERLETH	1757.61	D312658	SUMMER A BOGUE	1852.01
D312659	RYAN V BUSTILLOS	3417.87	D312660	ROBERT W CAMPBELL	3310.97
D312661	JEROME L CHEATHAM	3337.04	D312662	ADAM B COUGHRAN	3263.47
D312663	GARY L COULTER	5662.38	D312664	NATHANIEL D COX	2139.62
D312665	BRIAN D DALTON	1928.67	D312666	CHARLIE DANIELEY III	1673.68
D312667	NICHOLAS A DE ALMEIDA LO	2099.60	D312668	KEVIN DINH	2619.17
D312669	KARI A FLOOD	1968.68	D312670	MICHAEL E GERDIN	2804.43
D312671	JOSEPH P GROSS JR	2288.59	D312672	TROY HALLER	3367.73
D312673	ALLAN S HARRY	3835.95	D312674	BRIAN HATFIELD	2714.77
D312675	WILLIAM T HOLLOWAY	3961.64	D312676	GERALD F JORDAN	2382.14
D312677	KRISTOFER D KELLEY	5573.16	D312678	TIMOTHY P KOVACS	3078.43
D312679	AUSTIN C LAVERTY	2009.88	D312680	CHRISTOPHER LAWTON	2802.30
D312681	RAFAEL LOERA JR	2630.18	D312682	JON D LOFQUIST	2253.44
D312683	MATTHEW P MARCHAND	3096.90	D312684	BRYAN J MEERS	2363.64
D312685	JEREMY N MORSE	4075.26	D312686	MITCHEL S MOSSER	3709.04
D312687	AARON S NELSON	3753.45	D312688	ADAM C NIKOLIC	3047.81
D312689	JASON S PERKINS	3235.32	D312690	PHILLIP H PHAM	2075.67
D312691	DOUGLAS A PLOARD	3112.54	D312692	JOHN E REYNOLDS	3400.57
D312693	CHRISTOPHER M SHELIGREN	2318.00	D312694	GAREY D STAAL	3006.72
D312695	VINCENTE J VAICARO	2949.49	D312696	EDGAR VALENCIA	2916.45
D312697	DANIEL J VILLEGAS	1686.22	D312698	JONATHAN B WAINWRIGHT	2341.76
D312699	CHRISTOPHER A WASINGER	1686.22	D312700	ADAM D ZMIJA	3372.27
D312701	MARCOS R ALAMILLO	3258.27	D312702	BOBBY B ANDERSON	2569.44
D312703	JOHN F BANKSON	3140.46	D312704	JOSHUA K BEHZAD	4531.89
D312705	JOSHUA D BRANNON	2443.01	D312706	VANESSA M BRODEUR	1879.61
D312707	JUAN C CENTENO	4917.27	D312708	DAVID Y H CHANG	2438.66
D312709	BRIAN M CLASBY JR	2649.26	D312710	CHASEN P CONTRERAS	2023.55
D312711	JARED R DOYLE	3378.70	D312712	AMIR A EL-FARRA	3289.94
D312713	JOSHUA N ESCOBEDO	2150.60	D312714	GEORGE R FIGUEREDO	3240.57
D312715	ROGER A FLANDERS	805.04	D312716	ROBERT J GIFFORD	2767.91
D312717	SEAN M GLEASON	2593.35	D312718	ALDO U GUERECIA	2443.85
D312719	MICHAEL J JOHNSON	3166.23	D312720	ARION J KNIGHT	3813.96
D312721	RAPHAEL M LEE	102.31	D312722	DEREK M LINK	2939.27
D312723	CHARLES H LOFFLER	2917.29	D312724	MARK A LORD	2547.03
D312725	TAYLOR A MACY	2085.92	D312726	GIANLUCA F MANIACI	3283.29
D312727	MARIO MARTINEZ JR	3401.79	D312728	NATHAN D MORTON	2460.48
D312729	PATRICK W MURPHY	1885.73	D312730	RUDOLPH J NEGRON	2274.87
D312731	JEFFREY C NGUYEN	2821.49	D312732	STEVEN TRUJILLO ORTIZ	1875.39
D312733	OMAR F PEREZ	2074.23	D312734	SINDY RAMIREZ OROZCO	2031.34
D312735	JOHN E RANEY	3404.22	D312736	RYAN R RICHMOND	2289.26
D312737	CHRISTIN E ROGERS	2672.23	D312738	ERIC T RUZIECKI	2388.69
D312739	SEAN M SALAZAR	5716.64	D312740	LINO G SANTANA	4247.45
D312741	PHILIP E SCHMIDT	3661.14	D312742	CHARLES W STARNES	3172.34
D312743	ROBERT M STEPHENSON III	3031.23	D312744	ARTHUR F TINTLE JR	3489.29
D312745	JOHN J YERGLER	2720.06	D312746	KATHERINE M ANDERSON	6346.84
D312747	PAUL W ASHBY	3850.23	D312748	THOMAS A CAPPS	3251.44
D312749	MICHAEL K ELHAMI	4025.31	D312750	PATRICK E GILDEA	5243.46
D312751	DANNY J MIHALIK	2995.57	D312752	RON A REYES	4418.18

**** PAGE TOTAL = 285472.08

D312753	ROCKY F RUBALCABA	2655.71	D312754	ROYCE C WIMMER	2682.63
D312755	JUAN L DELGADO JR	3013.24	D312756	CHRISTOPHER M EARLE	2434.64
D312757	BENJAMIN M ELIZONDO	2415.02	D312758	OTTO J ESCALANTE	4546.19
D312759	GEORGE KAISER	2948.17	D312760	PETER M KUNKEL	4037.23
D312761	NICHOLAS A LAZENBY	2639.53	D312762	LUIS F RAMIREZ	2947.73
D312763	PETER HOANG VI	2276.17	D312764	JEFFREY A BROWN	2831.46
D312765	DONALD J HUTCHINS	2971.38	D312766	JASON L JOHNSON	2915.85
D312767	ERICK LEYVA	3098.24	D312768	RYAN M LUX	2176.91
D312769	RAUL MURILLO JR	3043.36	D312770	JOSHUA T OLIVO	2970.80
D312771	COURTNEY P ALLISON	2152.87	D312772	LISA A BELTHIUS	449.33
D312773	RANDY G CHUNG	625.03	D312774	DANIEL S EDWARDS	1030.89
D312775	CRAIG A HERRICK	64.19	D312776	PATRICK R JULIENNE	1022.35
D312777	VERONICA NELSON	791.59	D312778	JOHN O OJEISEKHOB	171.17
D312779	JOSEPH D VARGAS	122.24	D312780	TRAVIS J WHITMAN	4377.67
D312781	CARL J WHITNEY	2667.30	D312782	DANIEL ALVAREZ	409.17
D312783	KRYSTAL L N JEANG	373.71	D312784	HAN NA PARK	149.13
D312785	FELICIA H PEREZ	362.18	D312786	KEIRA LONG	1731.82
D312787	ROBERT E BOWERS	1543.88	D312788	KAREN D BRAME	821.34
D312789	KENNETH L CHISM	1652.33	D312790	CHARLES M CLINE JR	1086.12
D312791	JAMES E COLEGROVE	3159.11	D312792	PAUL E DANIELSON	1153.82
D312793	ROBERT M DONAHUE JR	1156.52	D312794	RUSSELL B DRISCOLL	461.04
D312795	LARRY J EBELT	1556.90	D312796	MICHAEL FEHER	1351.97
D312797	KORY C FERRIN	3009.80	D312798	JAMES D FISCHER	774.83
D312799	VICTORIA M FOSTER	1294.34	D312800	NICKOLAS K JENSEN	1939.28
D312801	KENNETH E MERRILL	519.86	D312802	BRADLEY D STENE	1654.76
D312803	JOHN J STEPANOVICH	637.93	D312804	PATRICK M THRASHER	1149.87
D312805	MICHAEL J VISCOMI	4124.47	D312806	SCOTT D WATSON	883.23
D312807	ROBERT L BOGUE JR	3607.10	D312808	FLOR DE LIS ELIZONDO	1011.64
D312809	GARY E ELKINS	2062.95	D312810	JOHN A FLAWS	2194.45
D312811	JASON S FULTON	1888.89	D312812	JAMES C HOLDER	3089.82
D312813	ROBERT J KIVLER	1682.68	D312814	VICTORIA L LAWTON	2315.96
D312815	EDUARDO C LEIVA	3601.15	D312816	RAQUEL D MATA	811.22
D312817	REBECCA S MEEKS	3335.39	D312818	MICHELLE L OLMSTEAD	996.61
D312819	DAVID C YOUNG	3824.10	D312820	MARIA A ALCARAZ	1675.21
D312821	CARISSA L BRUNICK	1111.43	D312822	TAMMY L CHAURAN-HAIRGROV	1512.81
D312823	VERONICA FRUTOS	1060.89	D312824	DAVID L GEORGE	1793.80
D312825	JENNIFER A GERACI	1404.61	D312826	JOAN L HIGHTOWER	1702.28
D312827	PINKY C HINGCO	1993.53	D312828	SUSAN C HUANG	2050.96
D312829	RORY K JANOSHA	834.75	D312830	SHELBY KEUILIAN	1535.33
D312831	ALLYSON T LE	1452.56	D312832	ANGELA LEDESMA	1931.29
D312833	MARIA C MCFARLANE	1959.25	D312834	BRITNNEE D MCGOWEN	1387.99
D312835	TRINA T NGUYEN	1632.42	D312836	DEBRA J NICHOLS	1835.87
D312837	DIANA L O'BRIEN	943.99	D312838	ASHLEY C ROJAS	1544.30
D312839	JENNIFER V ROMBOUGH	1524.86	D312840	ASHLEY T SEROTA	1808.07
D312841	KIMBRA S VELLANOWETH	1818.37	D312842	KRISTIN M WEISS	1749.04
D312843	SHANNON M YELENSKY	1687.39	D312844	JENNIFER A DIX	2084.67
D312845	DEBBY L FEISE	1885.49	D312846	KATHERINE M FRANCISCO	1683.52
D312847	AMANDA B GARNER	1990.47	D312848	ARCHIE GUZMAN	1978.65

**** PAGE TOTAL = 177032.06

D312849	ROBERT D LUX	2022.25	D312850	MELISSA MENDOZA-CAMPOS	1847.33
D312851	MICHAEL A MOSER	1679.50	D312852	BRANDY J PARK	2178.41
D312853	CRISTINA V PAYAN	1548.56	D312854	JENNIFER M RODRIGUEZ	1824.37
D312855	TANYA L SAMOFF	2171.82	D312856	SUSAN A I SEYMOUR	2096.45
D312857	NICOLE D SHORROW	1655.70	D312858	DANNY J SOSEBEE	1562.47
D312859	MARSHA D SPELLMAN	2772.22	D312860	SPENCER T TRAN	1874.93
D312861	SANTA WARDLE	976.98	D312862	CHERYL L WHITNEY	2396.76
D312863	RICHARD A ALVAREZ-BROWN	2840.52	D312864	EVAN S BERESFORD	2321.02
D312865	RAY E BEX	2869.58	D312866	RICHARD O BURILLO	3776.29
D312867	DANIEL A CAMARA	2319.90	D312868	JOHN CASACCIA II	4004.23
D312869	HAN J CHO	2998.80	D312870	SCOTT A COLEMAN	2559.12
D312871	AARON J COOPMAN	2453.75	D312872	RICHARD E DESBIENS	1386.12
D312873	STEPHEN C ESTLOW	1022.35	D312874	MICHAEL D FARLEY	2512.22
D312875	JAMES D FRANKS	2397.74	D312876	PETE GARCIA	1801.11
D312877	STEVEN H HEINE	1336.87	D312878	JOSE D HERRERA	3021.51
D312879	THI A HUYNH	2399.38	D312880	JOSEPH L KOLANO	2480.32
D312881	LEA K KOVACS	2753.55	D312882	DAVID LOPEZ	2248.88
D312883	STEVEN W LUKAS	1499.39	D312884	LUIS A PAVAN	1801.44
D312885	TERRA M RAMIREZ	931.56	D312886	ORLONZO REYES	3389.87
D312887	PAUL M TESSIER	2383.59	D312888	TUONG-VAN NGUYEN VU	2130.22
D312889	DENNIS WARDLE	2602.71	D312890	RONALD A DOSCHER	2108.45
D312891	ERIC A QUINTERO	2095.74	D312892	MARY C CERDA	1818.95
D312893	NICOLE L CHUNG	1996.03	D312894	NICHOLAS G FRANC	1655.12
D312895	SUSAN A HOLSTEIN	2269.01	D312896	LIANE Y KWAN	2677.76
D312897	JANY H LEE	3131.14	D312898	SHERILL A MEAD	2007.49
D312899	LUCIA MEDINA-WHITTAKER	722.73	D312900	CAITLYN M STEPHENSON	1540.55
D312901	LAURA J STOVER	6258.31	D312902	FRANA K CASSIDY	1565.38
D312903	ANNA L GOLD	1536.52	D312904	HIEN Q PHAM	1558.01
D312905	KATRENA J SCHULZE	398.57	D312906	MATTHEW T SWANSON	1212.81
D312907	ANTHONY VALENZUELA	1305.88	D312908	CANDY G WILDER	1734.10
D312909	STEVEN F ANDREWS	1400.09	D312910	TERENCE S CHANG	1987.57
D312911	VERNA L ESPINOZA	1658.17	D312912	CESAR GALLO	2145.83
D312913	CHARLES D KALIL	1555.91	D312914	GEOFFREY A KLOESS	2566.56
D312915	RACHOT MORAGRAAN	3117.39	D312916	NOEL J PROFFITT	3094.06
D312917	ANAND V RAO	4774.76	D312918	JOSEPH M SCHWARTZ	2275.43
D312919	ROD T VICTORIA	2164.07	D312920	TERREL KEITH WINSTON	3203.44
D312921	POLICE ASSN	15856.68	D312922	GG FIRE FIGHTERS 2005	21026.88
D312923	SOUTHLAND CU	6241.00	D312924	SO CAL CU	88195.00
W2362	GREAT WEST LIFE 457 #340	102380.35	W2363	GREAT WEST LIFE OBRA#340	1398.42
W2364	INTERNAL REVENUE SERVICE	344202.18	W2365	EMPLOYMENT DEVELOPMENT D	91901.69
W2366	GREAT WEST LIFE OBRA	-1983.73			

**** PAGE TOTAL = 827604.09

TOTAL CHECK PAYMENTS	48	55,087.81
TOTAL DIRECT DEPOSITS	700	1,619,936.37
TOTAL WIRE PAYMENTS	5	537,898.91
GRAND TOTAL PAYMENTS	753	2,212,923.09

Checks #181138 thru #181226, and Direct Deposits #D311849 thru #D312924, and wire #W2362 thru #W2366 presented in the Payroll Register submitted to the Garden Grove City Council 13 JUN 2017, have been audited for accuracy and funds are available for payment thereof.

Kingsley C Okereke
 KINGSLEY C OKEREKE - FINANCE DIRECTOR

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
523334	SHEVLIN, TIM	REV & VOID	-100.00 *
619850	DEPARTMENT OF MOTOR VEHICLES MAIL SUPPORT SERVICES, MS A 194	REV & VOID	-101.35 *
622708	TRAN, TAN MANH	REV & VOID	-408.00 *
622804	VISCOMI, MICHAEL	REV & VOID	-527.20 *
623016	VOID WARRANT		
623285	NICHOLSON PIPES & DRUMS	REV & VOID	-400.00 *
623339	ROSS CREATIONS SOUND STAGE & LIGHTING	REV & VOID	-300.00 *
W1844	CALIFORNIA STATE DISBURSEMENT UNIT	REV & VOID	-4,067.37 *
623382	DJE SOUND AND LIGHTING, INC.	TRUST FUND EXPEND	2,861.53 *
623383	NICHOLSON PIPES & DRUMS	OTHER PROF SERV	400.00 *
623384	SHEVLIN, TIM	OTHER PROF SERV	100.00 *
623385	ROSS CREATIONS SOUND STAGE & LIGHTING	OTHER PROF SERV	300.00 *
623386	REGENTS, UC STUDENT RECREATION CENTER	OTHER PROF SERV	669.00 *
623387	SAFeway INC	OTHER FOOD ITEMS	56.96 *
623388	STATE CONTROLLER'S OFFICE DEPARTMENTAL ACCOUNTING OFFICE	PD ADMIN CITATION	61.00 *
623389	TIME WARNER CABLE	NETWORK COMMUNICT	2,700.00 *
623390	UNION BANK	LODGING	714.21
		OTHER CONF/MTG EXP	508.49
		DUES/MEMBERSHIPS	75.00
		TUITION/TRAINING	1,890.00
			3,187.70 *
623391	UNION BANK	POSTAGE	6.65

PAGE TOTAL FOR "*" LINES = 4,432.27

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623392	VISCOMI, MICHAEL	OTHER PROF SERV	790.00
623393	JENSEN, NICKOLAS	CONTR SVC REIMB	-30.00
623394	NINA HUYNH	L/S/A TRANSPORTATION	700.84
623395	LYNN LAI	LODGING	2,457.93
623396	NGUYEN, TUAN HOANG	OTHER CONF/MTG EXP	273.19
623397	ANTHONY JORDAN FERNANDEZ	TRAVEL ADVANCE-P.D.	4,198.61 *
623398	ALAN'S LAWN AND GARDEN CENTER INC.	TRAVEL ADVANCE-P.D.	886.38 *
623399	MAYFLOWER DISTRIBUTING CO	FOOD	584.62 *
		FOOD	795.00 *
		FOOD	303.00 *
		RENT SUBSIDY	3,157.00 *
		OTHER PROF SERV	39.00 *
		MOTOR VEH PARTS	4,843.75 *
		TRUST FUND EXPEND	42.59
		OTHER PROF SUPPLIES	42.58
			85.17 *
623400	CITY OF ANAHEIM DIVISION OF COLLECTION	MAINT OF REAL PROP	210.00 *
623401	ANAHEIM HOUSING AUTHORITY COMMUNITY DEV.	MOBILITY INSP FEE	225.00 *
623402	DE PAR, INC. DBA ENTHALPY ANALYTICAL, INC.	OTHER PROF SERV	1,786.00 *
623403	AUTO PARTS DISTRIBUTOR	MOTOR VEH PARTS	19,859.86 *
623404	BARR AND CLARK, INC.	OTHER PROF SERV	640.00 *
623405	BIG RON'S AUTO BODY & PAINT, INC.	REPAIRS-FURN/MACH/EQ	1,446.61 *
623406	BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES	2,808.23 *
623407	CSG CONSULTANTS, INC.	OTHER PROF SERV	4,909.88 *
623408	SUPPLYWORKS	WHSE INVENTORY	5,266.46 *

PAGE TOTAL FOR "*" LINES = 52,044.57

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623409	CLEANSTREET	STREET SWEEPING SERV	52,456.12 *
623410	CPACINC.COM	MONITORED MINOR EQ	340.03 *
623411	L.N.CURTIS & SONS DEPT 34921	SAFETY EQ/SUPPLIES	56.13 *
623412	DIAMOND ENVIRONMENTAL SERVICES	NON-SPEC CONTR SERV	401.64 *
623413	ENERGY RES. CONS. & DEV. COMM.	INTEREST COSTS	1,816.18
		LONG TERM DEBT	22,385.24
			24,201.42 *
623414	EWING IRRIGATION PRODUCTS, INC.	PIPES/APPURTENANCES	501.92 *
623415	EXCLUSIVE AUTO DETAIL	MOTOR VEHICLE MAINT	276.00 *
623416	FEDERAL EXPRESS CORP	DELIVERY SERVICES	29.45 *
623417	FORD OF ORANGE	MOTOR VEH PARTS	344.19 *
623418	THE SHERWIN-WILLIAMS CO DBA FRAZEE PAINTS	PAINT/DYE/LUBRICANTS	44.73 *
623419	GANAHL LUMBER COMPANY	LUMBER	293.16 *
623420	CITY OF GARDEN GROVE	CITY WATER SERVICES	101.34 *
623421	GOLDEN BELL PRODUCTS, INC.	REPAIRS-FURN/MACH/EQ	13,728.00 *
623422	GOMEZ, JOSE	DUES/MEMBERSHIPS	88.00 *
623423	GRAFFITI PROTECTIVE COATINGS, INC.	MAINT-SERV CONTRACTS	7,067.39
		TRAFFIC SIGNAL MAINT	136.64
			7,204.03 *
623424	GRANDMA'S HOUSE OF HOPE	OTHER PROF SERV	3,689.01 *
623425	HAENDIGES, ROBERT	DUES/MEMBERSHIPS	98.00 *
623426	HAZ EQUIPMENT RENTAL	FACT:CAC EXP	55.44 *

PAGE TOTAL FOR "*" LINES = 103,908.61

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623427	HILCO FASTENER WAREHOUSE	MOTOR VEH PARTS	22.41 *
623428	HILL'S BROS LOCK & SAFE INC	MAINT OF REAL PROP	433.48
		OFFICE SUPPLIES/EXP	84.00
		OTHER MINOR TOOLS/EQ	13.68
			531.16 *
623429	INTERVAL HOUSE	OTHER PROF SERV	2,242.19 *
623430	DANGELO CO	WHSE INVENTORY	147.83 *
623431	KELLY PAPER	PAPER/ENVELOPES	192.60
		REPRO SUPPLIES	46.30
			238.90 *
623432	KEYSER/MARSTON ASSOCIATES INC	OTHER PROF SERV	2,552.50 *
623433	KNORR SYSTEMS, INC.	OTHER MAINT ITEMS	254.94 *
623434	LAWSON PRODUCTS, INC.	MOTOR VEH PARTS	872.49 *
623435	MC MASTER-CARR SUPPLY CO	HARDWARE	44.76 *
623436	FIS ACCOUNTING DEPT	BANK FEES-CRDT CD	17,943.02 *
623437	MR. D'S AUTOMOTIVE	MOTOR VEHICLE MAINT	85.00 *
623438	NATIONAL CONSTRUCTION RENTALS	OTHER RENTALS	20.80 *
623439	CABCO YELLOW, INC.	L/S/A TRANSPORTATION	15,548.00 *
623440	OFFICE DEPOT, INC	OFFICE SUPPLIES/EXP	1,594.58 *
623441	ORANGE COUNTY CONSERVATION CORP	OTHER PROF SERV	7,523.25 *
623442	O.C. HOUSING AUTHORITY ACCTG DEPT.	MOBILITY INSP FEE	3,300.00 *
623443	ORANGE COUNTY STRIPING SERV	MAINT-SERV CONTRACTS	1,875.92 *
623444	ORANGE COUNTY WELDING, INC.	MAINT OF REAL PROP	3,200.00 *
623445	PENCO ENGINEERING, INC.	ENGINEERING SERVICES	19,045.00 *

PAGE TOTAL FOR "*" LINES = 77,042.75

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623446	PEST OPTIONS, INC.	TREE TRIMMING SERV	917.25 *
623447	PRIME TRUCK TIRE SERVICE	MOTOR VEHICLE MAINT	210.00 *
623448	RCS INVESTIGATIONS & CONSULTING	OTHER PROF SERV	3,850.00 *
623449	SHI INTERNATIONAL CORP	COMMUNICATION EQ	8,446.59 *
623450	REPORTING SYSTEMS INC DBA EMERGENCY REPORTING	TUITION/TRAINING	1,844.91 *
623451	SIEMENS INDUSTRY, INC.	MAINT-SERV CONTRACTS	777.00 *
623452	RICOH USA, INC DBA RICOH LEGAL DOC SERV	MAINT-SERV CONTRACTS	7.98 *
623453	NEWHOPE P & L, INC. DBA NEWHOPE PAINT & COATINGS	REPAIRS-FURN/MACH/EQ	7,695.00 *
623454	SAFETY 1st PEST CONTROL, INC	MAINT OF REAL PROP	725.00 *
623455	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	126.50 *
623456	SIMPSON CHEVROLET OF GG	MOTOR VEH PARTS	433.70 *
623457	SOUTHERN CALIFORNIA GAS CO ML 711D	MAINT-SERV CONTRACTS	575.00 *
623458	SPECTRUM GAS PRODUCTS, INC.	MEDICAL SUPPLIES	89.00 *
623459	STATE INDUSTRIAL PRODUCTS	WHSE INVENTORY	1,664.82
		OTHER MAINT ITEMS	1,190.98
			2,855.80 *
623460	SUN BADGE COMPANY	UNIFORMS	492.01 *
623461	SUNBELT RENTALS	HEAVY EQUIP RENTAL	531.53 *
623462	TOXGUARD FLUID TECHNOLOGIES	GREASE/LUBE OIL	360.88 *
623463	TRUCK & AUTO SUPPLY INC. TrucParCo	MOTOR VEH PARTS	738.57 *
623464	TURBO DATA SYSTEMS, INC.	OTHER PROF SERV	6,620.18 *
623465	TURNOUT MAINTENANCE COMPANY	FIRE TURNOUTS REPAIR	257.50 *
623466	UNIFIRST CORP	LAUNDRY SERVICES	799.41 *

PAGE TOTAL FOR "*" LINES = 38,353.81

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623467	UNITED PARCEL SERVICE	DELIVERY SERVICES	160.47 *
623468	UC REGENTS-UC IRVINE MED CTR OF CA-ATTN: R CRAVEN-ROUTE #183	MEDICAL SUPPLIES	2,966.88 *
623469	VILLAGE NURSERIES	SEEDS/PLANTS	787.70 *
623470	VULCAN MATERIALS COMPANY WESTERN DIVISION	ASPHALT PRODUCTS	192.60 *
623471	GRAINGER	WHSE INVENTORY OTHER MINOR TOOLS/EQ	255.58 180.91 436.49 *
623472	WATERLINE TECHNOLOGIES, INC.	LABORATORY CHEMICALS	656.25 *
623473	WAXIE SANITARY SUPPLY	WHSE INVENTORY	800.58 *
623474	WEST COAST ARBORISTS INC	TREE TRIMMING SERV	4,440.00 *
623475	FERGUSON ENTERPRISES, INC #1350	PIPES/APPURTENANCES	268.75 *
623476	WESTCOAST MUFFLER	REPAIRS-FURN/MACH/EQ	765.37 *
623477	WESTERN OIL SPREADING SERVICES	ASPHALT PRODUCTS	102.65 *
623478	WINNERS CIRCLE TROPHY COMPANY	AWARDS/TROPHIES	153.01 *
623479	WOODRUFF, SPRADLIN & SMART A PROFESSIONAL CORP	LEGAL FEES	72,386.52 *
623480	ZOLL MEDICAL CORP	MEDICAL SUPPLIES	1,146.19 *
623481	TILLEY CRANE INSPECTION SERVICE	MOTOR VEHICLE MAINT	1,497.00 *
623482	DTNTech MARKETING	OTHER PROF SERV	317.72 *
623483	FACTORY MOTOR PARTS CO BIN 139107	MOTOR VEH PARTS	149.46 *
623484	S&S WORLDWIDE INC	OTHER REC/CULT SUPP	1,355.05 *
623485	LEVEL 27 MEDIA	OTHER REC/CULT SUPP	1,999.77 *
623486	BEE REMOVERS	OTHER PROF SERV	175.00 *
623487	LADNEY, MARK	TUITION/TRAINING	111.24

PAGE TOTAL FOR "*" LINES = 90,757.46

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623488	RIO HONDO COLLEGE ATTN: ACCOUNTING	OTHER MINOR TOOLS/EQ	109.70
623489	ADVANCED CAR CARE INC		220.94 *
623490	O'REILLY AUTO PARTS	TUITION/TRAINING	53.00 *
623491	IMPERIAL SPRINKLER SUPPLY INC	WHSE INVENTORY	2,705.70 *
623492	NATURE'S GROWERS NURSERY	MOTOR VEH PARTS	141.31 *
623493	VERITIV OPERATING COMPANY	WHSE INVENTORY	2,780.41 *
623494	SWEET HOMES DEVELOPMENT	SEEDS/PLANTS	59.26 *
623495	NGUYEN-THAO LUONG	WHSE INVENTORY	135.55 *
623496	CREATIVE BRAIN LEARNING	PROP/EV REFUND	2,921.00 *
623497	CHARITABLE VENTURES OF ORANGE COUNTY	DEPOSIT REFUNDS	20.00 *
623498	RADIAL-AVCOMM LLC DBA AVCOMM	INSTRUCTOR SERVICES	1,975.05 *
623499	CHIEF SIGN COMPANY, INC.	FACT: TRAINING	180.00 *
623500	LEVEL 4 HARDWARE, LLC	COMMUNICATION EQ	457.25 *
623501	BATTERY SYSTEMS INC.	MAINT SUPP-TRAFF SIG	650.00 *
623502	BOYS TOWN CALIFORNIA, INC.	NETWORKING SUPPLIES	8,684.92 *
623503	TEAM OF ADVOCATES FOR SPECIAL KIDS	MOTOR VEH PARTS	1,362.65 *
623504	DANA LARSEN DBA LARSEN INDUSTRIES	OTHER PROF SERV	7,815.20 *
623505	LABSOURCE, INC.	OTHER PROF SERV	1,366.47 *
623506	THE ORANGE COUNTY HUMANE SOCIETY	HARDWARE	1,265.08 *
623507	SOCAL SALES & MARKETING	WHSE INVENTORY	2,080.00 *
		OTHER PROF SERV	24,166.66 *
		OTHER MOTOR VEH SUPP	327.80 *

PAGE TOTAL FOR "*" LINES = 59,368.25

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623508	ALLIANCE ENVIRONMENTAL GROUP	MAINT OF REAL PROP	14,755.25 *
623509	KGUYEN, KIM	LODGING	294.72 *
623510	FOSTER, MICHAEL	BUS OPER TAX REFUND	25.50 *
623511	FAIR HOUSING FOUNDATION	OTHER PROF SERV	3,441.60 *
623512	FASTENAL INDUSTRIAL CONSTRUCTION SUPPLY	WHSE INVENTORY	127.75 *
623513	WEST COUNTY TIRE & AUTO INC.	WHSE INVENTORY	4,512.67 *
623514	HF&H CONSULTANTS, LLC	OTHER PROF SERV	3,702.50 *
623515	YO-FIRE SUPPLIES	WHSE INVENTORY	7,194.25 *
623516	CORELOGIC SOLUTIONS, LLC	SOFTWARE	394.50 *
623517	EXTEND	MAINT-SERV CONTRACTS MINOR FURN/EQUIP	520.80 3,857.59 4,378.39 *
623518	SOUTHERN COMPUTER WAREHOUSE, INC	MINOR FURN/EQUIP	1,412.39 *
623519	STOMMEL INC DBA LEHR AUTO	MOTOR VEHICLE MAINT	462.00 *
623520	CRAFCO INC. DEPT #2279	ASPHALT PRODUCTS	6,206.40 *
623521	SOUTH COAST A.Q.M.D.	PERMITS/OTHER FEES	250.94 *
623522	LACEY CUSTOM LINENS, INC.	LAUNDRY SERVICES	211.24 *
623523	AIR BALANCE CO., INC.	MAINT OF REAL PROP	1,200.00 *
623524	DOUG'S DOWNTOWN GRILL	FOOD	294.16 *
623525	SOUTH COAST AQMD	PERMITS/OTHER FEES	479.21 *
W1869	CALIFORNIA STATE DISBURSEMENT UNIT	WAGE ATTACHMENT	3,622.91 *
W1870	ANAHEIM/ORANGE COUNTY VISITOR & CONVENTION BUREAU	AMT DUE VCB	167,751.59 *

PAGE TOTAL FOR "*" LINES = 216,650.60

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 05/30/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W1871	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PENSION PAYMENT	934,301.75 *
W1872	SUNTRUST	INTEREST COSTS	2,824.89
		LONG TERM DEBT	23,809.42
			26,634.31 *
W1873	UNION BANK-COMM CUSTOMER SERV UNIT, GOVT ACCOUNTS	BANK FEES	3,031.10 *
W1874	UNION BANK-COMM CUSTOMER SERV UNIT, GOVT ACCOUNTS	BANK FEES	3,250.05 *
W1875	AGENCY WIRE		
W1876	UNION BANK-COMM CUSTOMER SERV UNIT, GOVT ACCOUNTS	BANK FEES	4,945.20 *

PAGE TOTAL FOR "*" LINES = 976,229.78

FINAL TOTAL 1,618,788.10 *

DEMANDS #623382 - 623525 AND WIRES W1844 - W1876 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL MAY 30, 2017, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF


KINGSLEY C. OKEREKE - FINANCE DIRECTOR

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623526	15915 LA FORGE ST WHITTIER LLC	RENT SUBSIDY	2,985.00 *
623527	2012 NHAN HOANG REVOCABLE TRST	RENT SUBSIDY	1,492.00 *
623528	2555 WEST WINSTON ROAD, LP PEBBLE COVE APARTMENTS	RENT SUBSIDY	2,959.00 *
623529	8080 BEVER PLACE-NEGBA LLC C/O LRS	RENT SUBSIDY	365.00 *
623530	ADAMS, WILLIAM C/O KK & ASSOCIATES	RENT SUBSIDY	905.00 *
623531	ADRIATIC APTS C/O MANAGER	RENT SUBSIDY	819.00 *
623532	ADVANCED GROUP 01-75, A CA LTD C/O CRESTWOOD APARTMENTS	RENT SUBSIDY	1,801.00 *
623533	AEGEAN APARTMENTS C/O STERLING PROPERTY MGMT	RENT SUBSIDY	3,410.00 *
623534	AGUIAR, MARIA	RENT SUBSIDY	150.00 *
623535	ALPINE APTS	RENT SUBSIDY	5,781.00 *
623536	AMERICAN FAMILY HOUSING	RENT SUBSIDY	3,062.00 *
623537	ANAHEIM REVITALIZATION II PART	RENT SUBSIDY	601.00 *
623538	ANAHEIM REVITALIZATION PARTNERS LP	RENT SUBSIDY	942.00 *
623539	AOU, CHUNG NAN	RENT SUBSIDY	1,311.00 *
623540	ARROYO DEVELOPMENT PARTNERS,LL C/O MPMS	RENT SUBSIDY	1,004.00 *
623541	ATTIA, EIDA A	RENT SUBSIDY	314.00 *
623542	AUDUONG, PAUL	RENT SUBSIDY	306.00 *
623543	AYERS, MARILISA BRADFORD	RENT SUBSIDY	705.00 *
623544	BACH & JASON NGUYEN INVESTMENT LLC	RENT SUBSIDY	1,159.00 *
623545	BAHIA VILLAGE MOBILEHOME PARK	RENT SUBSIDY	1,695.00 *
623546	BAROT, JITENDRA P	RENT SUBSIDY	1,107.00 *
623547	BARRY SAYWITZ PROP TWO,LP	RENT SUBSIDY	5,112.00 *

PAGE TOTAL FOR "*" LINES = 37,985.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623548	BEACH CREEK APARTMENTS C/O C&R MANAGEMENT COMPANY	RENT SUBSIDY	1,084.00 *
623549	BERTINA PANG LOH CHANG C/O HALLMARK PROPERTY MGMT	RENT SUBSIDY	240.00 *
623550	BHATT, N C	RENT SUBSIDY	1,384.00 *
623551	BIDWELL, KIM OANH	RENT SUBSIDY	1,316.00 *
623552	BRE PARAGON MF INVESTMENT LP	RENT SUBSIDY	830.00 *
623553	BRIAR CREST / ROSE CREST	RENT SUBSIDY	2,487.00 *
623554	BROWN, SHARON OR NORMAN	RENT SUBSIDY	2,236.00 *
623555	BUENA PARK SUNRISE APTS LP	RENT SUBSIDY	947.00 *
623556	BUI JR, RICHARD	RENT SUBSIDY	3,360.00 *
623557	BUI JR, RICHARD	RENT SUBSIDY	318.00 *
623558	BUI, BINH N.	RENT SUBSIDY	1,917.00 *
623559	BUI, HOA T.	RENT SUBSIDY	3,126.00 *
623560	BUI, JIMMY QUOC	RENT SUBSIDY	3,524.00 *
623561	BUI, LAI	RENT SUBSIDY	660.00 *
623562	BUI, LAN HUYNH NGOC	RENT SUBSIDY	955.00 *
623563	BUI, MINH Q	RENT SUBSIDY	1,451.00 *
623564	BUI, PHAT	RENT SUBSIDY	1,697.00 *
623565	BUI, SON MINH	RENT SUBSIDY	1,895.00 *
623566	BUI, SON VAN	RENT SUBSIDY	1,386.00 *
623567	BUI, TINH TIEN	RENT SUBSIDY	242.00 *
623568	BUI, VU DINH	RENT SUBSIDY	777.00 *
623569	BUI,NGA GIANG	RENT SUBSIDY	902.00 *

PAGE TOTAL FOR "*" LINES = 32,734.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623570	CAI-NGUYEN, THU T	RENT SUBSIDY	1,290.00 *
623571	CALIFORNIA APTS	RENT SUBSIDY	510.00 *
623572	CALKINS, RONALD	RENT SUBSIDY	1,070.00 *
623573	CAMBRIDGE HEIGHTS, LP	RENT SUBSIDY	1,009.00 *
623574	CAO, PHUOC GIA	RENT SUBSIDY	848.00 *
623575	CASA MADRID	RENT SUBSIDY	1,473.00 *
623576	CDN INVESTNETS, INC	RENT SUBSIDY	1,969.00 *
623577	CEDAR CREEK APARTMENT HOMES	RENT SUBSIDY	762.00 *
623578	CHAMBERLAIN, DAVID T.	RENT SUBSIDY	1,995.00 *
623579	CHANG, WARREN	RENT SUBSIDY	911.00 *
623580	CHANTECLAIR APTS	RENT SUBSIDY	892.00 *
623581	CHELSEA COURT APTS	RENT SUBSIDY	1,217.00 *
623582	CHEN, SHIAO-YUNG	RENT SUBSIDY	6,096.00 *
623583	CHEN, T C	RENT SUBSIDY	31,186.00 *
623584	CHEN, DAVID	RENT SUBSIDY	1,615.00 *
623585	CHERRY WEST PROPERTIES	RENT SUBSIDY	1,077.00 *
623586	CHEUNG, STEPHEN	RENT SUBSIDY	1,145.00 *
623587	CHUNG, NICHOLAS	RENT SUBSIDY	914.00 *
623588	CINCO TRAN, LLC	RENT SUBSIDY	2,532.00 *
623589	CITRUS GROVE, LP	RENT SUBSIDY	546.00 *
623590	CLIFF MANOR C/O L'ABRI MANAGEMENT	RENT SUBSIDY	487.00 *
623591	CO, PONCH C/O HUNTINGTON WEST PROPERTIES	RENT SUBSIDY	829.00 *

PAGE TOTAL FOR "*" LINES = 60,373.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623592	CONCEPCION, RODRIGO C/O LOTUS PROPERTY SERVICES	RENT SUBSIDY	829.00 *
623593	CONCORD MGMT LLC	RENT SUBSIDY	737.00 *
623594	CORNER CAPITAL INVESTMENTS C/O DROUIN REALTY	RENT SUBSIDY	707.00 *
623595	COURTYARD VILLAS	RENT SUBSIDY	8,801.00 *
623596	CRESTWOOD ON 7, LLC	RENT SUBSIDY	2,372.00 *
623597	CROSS CREEK	RENT SUBSIDY	2,333.00 *
623598	CURTIS PROPERTIES, INC	RENT SUBSIDY	1,161.00 *
623599	DAISY VI ASSOCIATES LTD	RENT SUBSIDY	5,135.00 *
623600	DANG, ANNIE	RENT SUBSIDY	1,086.00 *
623601	DANG, DAVID	RENT SUBSIDY	1,827.00 *
623602	DAO, JOSEPH N	RENT SUBSIDY	999.00 *
623603	DAO, THY MAI	RENT SUBSIDY	1,322.00 *
623604	DE MIRANDA MANAGEMENT	RENT SUBSIDY	2,754.00 *
623605	DEERFIELD APARTMENTS	RENT SUBSIDY	88.00 *
623606	DEERING II FAMILY L.P. C/O EMPIRE PROPERTY MANAGEMENT	RENT SUBSIDY	2,532.00 *
623607	DENVER HOUSING AUTHORITY	RENT SUBSIDY	1,170.20 *
623608	DEWYER, CLARA J.	RENT SUBSIDY	973.00 *
623609	DINH, KIM	RENT SUBSIDY	901.00 *
623610	DINH, QUYEN	RENT SUBSIDY	762.00 *
623611	DINH, THU V.	RENT SUBSIDY	865.00 *
623612	DINH, THANH	RENT SUBSIDY	1,287.00 *
623613	DO, AI HANG NGUYEN	RENT SUBSIDY	1,689.00 *

PAGE TOTAL FOR "*" LINES = 40,330.20

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623614	DO, BRANDON BINH	RENT SUBSIDY	1,755.00 *
623615	DO, DOMINIC HAU	RENT SUBSIDY	1,580.00 *
623616	DO, KIEN TRONG	RENT SUBSIDY	1,946.00 *
623617	DO, MINH C.	RENT SUBSIDY	2,970.00 *
623618	DO, MY-PHUONG	RENT SUBSIDY	999.00 *
623619	DO, THUAN	RENT SUBSIDY	623.00 *
623620	DO, TIM	RENT SUBSIDY	1,597.00 *
623621	DOAN, DINH T	RENT SUBSIDY	1,411.00 *
623622	DOAN, HUY	RENT SUBSIDY	1,186.00 *
623623	DONNER, HELMUT	RENT SUBSIDY	1,641.00 *
623624	DUC NGUYEN AND PAULINE NGUYEN, LLC	RENT SUBSIDY	991.00 *
623625	DUCATO GARDENS, LLC C/O J FRENCH	RENT SUBSIDY	708.00 *
623626	DUNN, DAVID C C/O JLE PROPERTY MGMT	RENT SUBSIDY	2,235.00 *
623627	DUONG, HAI DINH	RENT SUBSIDY	1,231.00 *
623628	DUONG, LAN	RENT SUBSIDY	1,284.00 *
623629	DUONG, LOM	RENT SUBSIDY	1,355.00 *
623630	DUONG, THUY	RENT SUBSIDY	1,073.00 *
623631	DUONG, CHI THI	RENT SUBSIDY	1,699.00 *
623632	DYO, GLADYS C/O LION PROPERTIES	RENT SUBSIDY	486.00 *
623633	EASTWIND PROPERTIES, LLC	RENT SUBSIDY	2,119.00 *
623634	EDLUND, DANIEL T C/O WETHERGAGE MGMT	RENT SUBSIDY	1,008.00 *
623635	EL CAMINO LU, LLC	RENT SUBSIDY	808.00 *

PAGE TOTAL FOR "*" LINES = 30,705.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623636	EL PASEO	RENT SUBSIDY	998.00 *
623637	EL PUEBLO APTS	RENT SUBSIDY	186.00 *
623638	ELDEN EAST APARTMENTS	RENT SUBSIDY	1,013.00 *
623639	EMERALD COURT APARTMENTS ATTN: LEASING OFFICE	RENT SUBSIDY	1,048.00 *
623640	EMERALD GARDENS APT	RENT SUBSIDY	1,300.00 *
623641	ENGEL, TERRY C	RENT SUBSIDY	255.00 *
623642	ERILEX FAMILY L.P. C/O MARK WEINER,MANAGER	RENT SUBSIDY	1,203.00 *
623643	EUCLID PARK APTS	RENT SUBSIDY	1,348.00 *
623644	FBC APARTMENTS	RENT SUBSIDY	783.00 *
623645	FIELDS, FLOYD H	RENT SUBSIDY	250.00 *
623646	FINCH, WENDY	RENT SUBSIDY	965.00 *
623647	FOUNTAIN GLEN AT ANAHEIM HILLS	RENT SUBSIDY	1,162.00 *
623648	FRANCISCAN GARDENS APTS- ATTN: MANAGER	RENT SUBSIDY	16,287.00 *
623649	FULLWOOD, DALE A	RENT SUBSIDY	760.00 *
623650	GANZ, KARL	RENT SUBSIDY	891.00 *
623651	GARCIA, ALBINO	RENT SUBSIDY	3,265.00 *
623652	GARDEN GROVE HOUSING AUTHORITY-ESCROW ACCT	RENT SUBSIDY	6,232.00 *
623653	GARDEN TERRACE ESTATES	RENT SUBSIDY	722.00 *
623654	GARZA, CAROL	RENT SUBSIDY	781.00 *
623655	GEORGIAN APTS	RENT SUBSIDY	988.00 *
623656	GIA VU, INC	RENT SUBSIDY	1,915.00 *
623657	GIGI APARTMENTS	RENT SUBSIDY	1,696.00 *

PAGE TOTAL FOR "*" LINES = 44,048.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623658	GLENHAVEN MOBILODGE	RENT SUBSIDY	175.00 *
623659	GOMEZ, HENRY S.	RENT SUBSIDY	1,365.00 *
623660	GR8 FAMILY HOMES, LLC	RENT SUBSIDY	1,074.00 *
623661	GRANDE APARTMENTS LP	RENT SUBSIDY	604.00 *
623662	GREEN LANTERN VILLAGE CALIFORNIA MHEMGT CO	RENT SUBSIDY	361.00 *
623663	GREEN LOTUS GROUP, LLC	RENT SUBSIDY	1,560.00 *
623664	GREENFIELDSIDE, LLC	RENT SUBSIDY	993.00 *
623665	VOID WARRANT		
623666	GROVE PARK L.P.	RENT SUBSIDY	55,004.00 *
623667	Grove Park LLC	RENT SUBSIDY	3,639.00 *
623668	GULMESOFF, JIM	RENT SUBSIDY	4,717.00 *
623669	GUSTIN, TIMOTHY M	RENT SUBSIDY	712.00 *
623670	HA OF SNOHOMISH COUNTY	RENT SUBSIDY	1,778.86 *
623671	HA, MANH MINH	RENT SUBSIDY	843.00 *
623672	HALL & ASSOCIATES, INC.	RENT SUBSIDY	3,964.00 *
623673	HAN, LINDA	RENT SUBSIDY	1,679.00 *
623674	HANSEN, RICHARD D	RENT SUBSIDY	1,147.00 *
623675	HARA, KULJIT	RENT SUBSIDY	703.00 *
623676	HARA, STEVE C/O WESTERN INTL PROP	RENT SUBSIDY	2,880.00 *
623677	HARBOR GROVE LUXURY APARTMENTS C/O RENTAL OFFICE	RENT SUBSIDY	24,407.00 *
623678	HAUPT PROPERTIES LLC C/O DROUIN REALTY	RENT SUBSIDY	856.00 *
623679	HAWAII COUNTY HOUSING AGENCY	RENT SUBSIDY	777.78 *

PAGE TOTAL FOR "*" LINES = 109,239.64

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623680	HERITAGE VILLAGE ANAHEIM	RENT SUBSIDY	936.00 *
623681	HIROMOTO, JANE	RENT SUBSIDY	1,478.00 *
623682	HMZ RESIDENTIAL PARK LP	RENT SUBSIDY	973.00 *
623683	HO, PAULINE	RENT SUBSIDY	2,036.00 *
623684	HO, THOMAS P	RENT SUBSIDY	962.00 *
623685	HOANG, JAMES	RENT SUBSIDY	3,085.00 *
623686	HOANG, LAN T	RENT SUBSIDY	1,777.00 *
623687	HOANG, LIEN	RENT SUBSIDY	1,909.00 *
623688	HOANG, LONG	RENT SUBSIDY	982.00 *
623689	HOANG, TRACY	RENT SUBSIDY	1,045.00 *
623690	HOANG, NHAN TIEN	RENT SUBSIDY	1,118.00 *
623691	HOFFMAN, NICK	RENT SUBSIDY	688.00 *
623692	HOLTZMAN, ROSEMARY LC	RENT SUBSIDY	892.00 *
623693	HOPPE, SALLY	RENT SUBSIDY	1,011.00 *
623694	HOUSING AUTHORITY OF PORTLAND	RENT SUBSIDY	769.13 *
623695	HUNTINGTON WESTMINSTER APT, LLC	RENT SUBSIDY	1,193.00 *
623696	HUSS, DON	RENT SUBSIDY	856.00 *
623697	HUYNH, CHEN THI	RENT SUBSIDY	2,939.00 *
623698	HUYNH, JENNIFER	RENT SUBSIDY	1,418.00 *
623699	HUYNH, KIET	RENT SUBSIDY	2,657.00 *
623700	HUYNH, MINH HUY	RENT SUBSIDY	1,324.00 *
623701	HUYNH, NATALIE N	RENT SUBSIDY	1,830.00 *

PAGE TOTAL FOR "*" LINES = 31,878.13

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623702	HUYNH, PHILIP	RENT SUBSIDY	744.00 *
623703	HUYNH, RICHARD T	RENT SUBSIDY	1,895.00 *
623704	HUYNH, LONG BAO	RENT SUBSIDY	1,260.00 *
623705	HUYNH, NGHIA TRUNG	RENT SUBSIDY	1,382.00 *
623706	HUYNH, TRANG	RENT SUBSIDY	1,863.00 *
623707	J.D. PROPERTY MANAGEMENT, INC	RENT SUBSIDY	1,697.00 *
623708	JANESKI, JERRY	RENT SUBSIDY	1,212.00 *
623709	JEANNE JURADO TRUSTEE C/O ELITE MANAGEMENT	RENT SUBSIDY	948.00 *
623710	JOHNSON, LINDA	RENT SUBSIDY	2,650.00 *
623711	JOMARC PROPERTIES LTD	RENT SUBSIDY	6,015.00 *
623712	JU, LIN J	RENT SUBSIDY	2,979.00 *
623713	K & K INVESTMENTS, LP	RENT SUBSIDY	1,215.00 *
623714	KAPYSKI, ANDREI	RENT SUBSIDY	1,054.00 *
623715	KATELLA MOBILE HOME ESTATES	RENT SUBSIDY	519.00 *
623716	KCM INVESTMENTS LLC	RENT SUBSIDY	1,307.00 *
623717	KDF HERMOSA LP	RENT SUBSIDY	4,262.00 *
623718	KDF MALABAR LP C/O VPM INC	RENT SUBSIDY	17,449.00 *
623719	KDF QV LP	RENT SUBSIDY	1,017.00 *
623720	KDF SEA WIND LP	RENT SUBSIDY	1,488.00 *
623721	KEITH AND HOLLY CORPORATION	RENT SUBSIDY	2,451.00 *
623722	KENSINGTON GARDENS	RENT SUBSIDY	1,487.00 *
623723	KHEANG, SETH S	RENT SUBSIDY	1,823.00 *

PAGE TOTAL FOR "*" LINES = 56,717.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623724	KIM, SON H	RENT SUBSIDY	3,021.00 *
623725	KING COUNTY HOUSING AUTHORITY	RENT SUBSIDY	2,108.79 *
623726	KING, BERNARD	RENT SUBSIDY	1,108.00 *
623727	KITSELMAN, KENT M	RENT SUBSIDY	977.00 *
623728	KLEIN, MARTIN C/O ORANGE COUNTY PROPERTY MGT	RENT SUBSIDY	719.00 *
623729	KNK PROPERTIES C/O EDWARD KUO	RENT SUBSIDY	6,847.00 *
623730	KOLSY, M I	RENT SUBSIDY	715.00 *
623731	KOTLYAR, ALISA	RENT SUBSIDY	916.00 *
623732	KPKK, LLC	RENT SUBSIDY	813.00 *
623733	KUNZMAN, WILLIAM	RENT SUBSIDY	1,275.00 *
623734	KUO, EDWARD	RENT SUBSIDY	1,629.00 *
623735	KUO, EDWARD C/O BUENA GROVE	RENT SUBSIDY	901.00 *
623736	LA PALMA APTS L.P.	RENT SUBSIDY	884.00 *
623737	LAGUNA STREET APARTMENTS, LLC	RENT SUBSIDY	843.00 *
623738	LAM, ANDRE	RENT SUBSIDY	2,014.00 *
623739	LAM, CAM THI T	RENT SUBSIDY	720.00 *
623740	LAM, HOLLY AND STEVE	RENT SUBSIDY	2,009.00 *
623741	LAM, THONG KIM	RENT SUBSIDY	1,788.00 *
623742	LAMY OANH LLC	RENT SUBSIDY	1,128.00 *
623743	LARDERUCCIO, SAL	RENT SUBSIDY	1,168.00 *
623744	LAS FLORES APARTMENTS	RENT SUBSIDY	863.00 *
623745	LAU, STEPHEN	RENT SUBSIDY	1,793.00 *

PAGE TOTAL FOR "*" LINES = 34,239.79

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623746	LE FAMILY TRUST C/O PHONG THANH LE	RENT SUBSIDY	2,205.00 *
623747	LE MORNINGSIDE, LLC	RENT SUBSIDY	1,196.00 *
623748	LE, BILL B.Q.	RENT SUBSIDY	1,062.00 *
623749	LE, DANIEL	RENT SUBSIDY	976.00 *
623750	LE, DON	RENT SUBSIDY	622.00 *
623751	LE, DONALD	RENT SUBSIDY	886.00 *
623752	LE, HIEP THI	RENT SUBSIDY	1,604.00 *
623753	LE, JIMMY T	RENT SUBSIDY	1,911.00 *
623754	LE, JOHN TOAN	RENT SUBSIDY	1,548.00 *
623755	LE, KIM CHI THI	RENT SUBSIDY	1,896.00 *
623756	LE, LAN V.	RENT SUBSIDY	1,846.00 *
623757	LE, LANH VAN	RENT SUBSIDY	1,111.00 *
623758	LE, LYAN	RENT SUBSIDY	945.00 *
623759	LE, MY C/O CALIFORNIA NETWORK REALTY	RENT SUBSIDY	677.00 *
623760	LE, NGA	RENT SUBSIDY	1,292.00 *
623761	LE, NGAT THI	RENT SUBSIDY	4,545.00 *
623762	LE, NGHIA V	RENT SUBSIDY	1,293.00 *
623763	LE, NGOC-MAI T	RENT SUBSIDY	1,431.00 *
623764	LE, PHU THI NOC	RENT SUBSIDY	779.00 *
623765	LE, TINA M	RENT SUBSIDY	999.00 *
623766	LE, TRACEY	RENT SUBSIDY	1,167.00 *
623767	LE, TRUNG ANH	RENT SUBSIDY	707.00 *

PAGE TOTAL FOR "*" LINES = 30,698.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623768	LE, VICTOR	RENT SUBSIDY	1,382.00 *
623769	LE, VIET Q.	RENT SUBSIDY	982.00 *
623770	LE, YENNHI	RENT SUBSIDY	1,923.00 *
623771	LE,ANH NGOC	RENT SUBSIDY	279.00 *
623772	LE,BAO GIA	RENT SUBSIDY	896.00 *
623773	LE,KIM Q	RENT SUBSIDY	1,034.00 *
623774	LE,XAN NGOC	RENT SUBSIDY	908.00 *
623775	LE-MUNZER, HOABINH	RENT SUBSIDY	888.00 *
623776	LEE, DAVID OR TRINH	RENT SUBSIDY	851.00 *
623777	LIAO,ALICE	RENT SUBSIDY	1,915.00 *
623778	LIM, HONG S	RENT SUBSIDY	1,940.00 *
623779	LIN, DAVID	RENT SUBSIDY	2,088.00 *
623780	LOS CABALLEROS REAL ESTATE &FS	RENT SUBSIDY	987.00 *
623781	LOTUS GARDENS C/O L'ABRI MANAGEMENT	RENT SUBSIDY	8,442.00 *
623782	LOTUS GARDENS C/O L'ABRI MANAGEMENT	RENT SUBSIDY	2,064.00 *
623783	LOUIE, CINDY W	RENT SUBSIDY	1,040.00 *
623784	LUONG, TRA THI-PHUONG	RENT SUBSIDY	1,884.00 *
623785	LUU, ALAN	RENT SUBSIDY	2,954.00 *
623786	LUU, TUAN V	RENT SUBSIDY	1,270.00 *
623787	LY, THANH	RENT SUBSIDY	1,663.00 *
623788	LY, TUYEN X	RENT SUBSIDY	2,204.00 *
623789	MACDONALD, WILLIAM T	RENT SUBSIDY	3,275.00 *

PAGE TOTAL FOR "*" LINES = 40,869.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623790	MADJE-STAMPER PATRICIA A MADJE	RENT SUBSIDY	4,371.00 *
623791	MAGIC LAMP MOBILE HOME PARK	RENT SUBSIDY	972.00 *
623792	MAGNOLIA PLAZA	RENT SUBSIDY	661.00 *
623793	MAH, LARRY	RENT SUBSIDY	794.00 *
623794	MAL, ANN N	RENT SUBSIDY	2,077.00 *
623795	MAL, FRANK	RENT SUBSIDY	1,853.00 *
623796	MAI-NGUYEN, HANH T	RENT SUBSIDY	1,070.00 *
623797	MAMMEN, TERRY	RENT SUBSIDY	3,965.00 *
623798	MANNIL, SUPUNNEE	RENT SUBSIDY	2,160.00 *
623799	MARQUIS APTS, LLC C/O BEACH FRONT PROP. MGMT INC	RENT SUBSIDY	2,783.00 *
623800	MAX & MIN PROPERTIES, LLC C/O AMPAC MANAGEMENT GROUP, INC	RENT SUBSIDY	3,401.00 *
623801	MAYER, LEOPOLD	RENT SUBSIDY	1,541.00 *
623802	MAYFIELD II, ARTHUR	RENT SUBSIDY	1,713.00 *
623803	MAZENKO, FRANCINE	RENT SUBSIDY	1,003.00 *
623804	MC GOFF, JOHN	RENT SUBSIDY	1,066.00 *
623805	MCCOWN, A R	RENT SUBSIDY	1,130.00 *
623806	MEAGHER, ELMER	RENT SUBSIDY	1,775.00 *
623807	MEHTA, JAGDISH P	RENT SUBSIDY	893.00 *
623808	MERCY HOUSING CA XXVIII, LP	RENT SUBSIDY	522.00 *
623809	MEYSENBERG, MAURICE F.	RENT SUBSIDY	898.00 *
623810	MICKEY LESTER TRUST B	RENT SUBSIDY	2,122.00 *
623811	MIDWAY CAPITAL PARTNERS	RENT SUBSIDY	999.00 *

PAGE TOTAL FOR "*" LINES = 37,769.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623812	MILLER, RONALD	RENT SUBSIDY	1,107.00 *
623813	MIRACLE MILE PROPERTIES, LP	RENT SUBSIDY	1,264.00 *
623814	MIYAMOTO, JEAN C/O MONTEREY PROPERTY	RENT SUBSIDY	303.00 *
623815	MOHLER, BYRON OR CHRISTINE COY - MANAGER	RENT SUBSIDY	1,040.00 *
623816	MONARCH POINTE	RENT SUBSIDY	1,250.00 *
623817	MONARK, LP	RENT SUBSIDY	1,279.00 *
623818	MONTEBELLO, ANTHONY	RENT SUBSIDY	937.00 *
623819	MONTECITO VISTA APT HOMES	RENT SUBSIDY	1,076.00 *
623820	MY MONTECITO	RENT SUBSIDY	516.00 *
623821	NEW HORIZONVIEW, LLC	RENT SUBSIDY	2,007.00 *
623822	NEW KENYON APARTMENTS LLC	RENT SUBSIDY	1,507.00 *
623823	NEWPORT SR. VILLAGE	RENT SUBSIDY	1,750.00 *
623824	NGHIEM, DANIEL	RENT SUBSIDY	9,113.00 *
623825	NGHIEM, THANH XUAN	RENT SUBSIDY	1,920.00 *
623826	NGO, ANDREW	RENT SUBSIDY	421.00 *
623827	NGO, DANNY	RENT SUBSIDY	1,087.00 *
623828	NGO, HONG DIEP LE	RENT SUBSIDY	942.00 *
623829	NGO, KIM	RENT SUBSIDY	1,134.00 *
623830	NGO, MARY	RENT SUBSIDY	4,673.00 *
623831	NGO, MIMI T	RENT SUBSIDY	1,219.00 *
623832	NGO, HOA KIM	RENT SUBSIDY	2,010.00 *
623833	NGUYEN, AN KIM	RENT SUBSIDY	895.00 *

PAGE TOTAL FOR "*" LINES = 37,450.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623834	NGUYEN, ANH	RENT SUBSIDY	468.00 *
623835	NGUYEN, ANH-DAO	RENT SUBSIDY	909.00 *
623836	NGUYEN, ANTHONY	RENT SUBSIDY	1,036.00 *
623837	NGUYEN, BACH THI	RENT SUBSIDY	1,019.00 *
623838	NGUYEN, BICHLE T	RENT SUBSIDY	3,999.00 *
623839	NGUYEN, BINH NGOC	RENT SUBSIDY	1,685.00 *
623840	NGUYEN, BRYAN	RENT SUBSIDY	1,804.00 *
623841	NGUYEN, CHARLIE	RENT SUBSIDY	1,246.00 *
623842	NGUYEN, CHRISTINE	RENT SUBSIDY	1,796.00 *
623843	NGUYEN, CHRISTOPHER	RENT SUBSIDY	1,115.00 *
623844	NGUYEN, D DUY MD	RENT SUBSIDY	989.00 *
623845	NGUYEN, DENISE LOAN THU	RENT SUBSIDY	1,363.00 *
623846	NGUYEN, FRANK M	RENT SUBSIDY	1,476.00 *
623847	NGUYEN, HANH V	RENT SUBSIDY	1,398.00 *
623848	NGUYEN, HOA THI	RENT SUBSIDY	917.00 *
623849	NGUYEN, HOAN VAN	RENT SUBSIDY	1,420.00 *
623850	NGUYEN, HOC VAN	RENT SUBSIDY	3,696.00 *
623851	NGUYEN, HUAN NGOC	RENT SUBSIDY	1,593.00 *
623852	NGUYEN, HUNG	RENT SUBSIDY	1,661.00 *
623853	NGUYEN, HUNG THANH	RENT SUBSIDY	472.00 *
623854	NGUYEN, HUNG X	RENT SUBSIDY	1,140.00 *
623855	NGUYEN, JOHN QUANG	RENT SUBSIDY	1,595.00 *

PAGE TOTAL FOR "*" LINES = 32,797.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623856	NGUYEN, KHANH DANG	RENT SUBSIDY	697.00 *
623857	NGUYEN, KHOI	RENT SUBSIDY	1,286.00 *
623858	NGUYEN, LE THUY	RENT SUBSIDY	1,051.00 *
623859	NGUYEN, LOAN THANH	RENT SUBSIDY	949.00 *
623860	NGUYEN, LUONG	RENT SUBSIDY	961.00 *
623861	NGUYEN, MAI C/O WESTERN INTERNATIONAL PROP	RENT SUBSIDY	1,227.00 *
623862	NGUYEN, MICHAEL Q	RENT SUBSIDY	1,368.00 *
623863	NGUYEN, MICHELLE M	RENT SUBSIDY	1,329.00 *
623864	NGUYEN, MY THI	RENT SUBSIDY	1,297.00 *
623865	NGUYEN, NGHIA	RENT SUBSIDY	1,646.00 *
623866	NGUYEN, NICOLE U	RENT SUBSIDY	1,425.00 *
623867	NGUYEN, PETER L OR MAI, HAI T. C/O 999 INVESTMENT REALTY, INRENT SUBSIDY	RENT SUBSIDY	1,263.00 *
623868	NGUYEN, QUAN	RENT SUBSIDY	1,939.00 *
623869	NGUYEN, QUANG M	RENT SUBSIDY	1,047.00 *
623870	NGUYEN, STEVE	RENT SUBSIDY	1,262.00 *
623871	NGUYEN, STEVE T	RENT SUBSIDY	2,599.00 *
623872	NGUYEN, STEVEN	RENT SUBSIDY	837.00 *
623873	NGUYEN, STEVEN	RENT SUBSIDY	1,072.00 *
623874	NGUYEN, STEVENS	RENT SUBSIDY	1,212.00 *
623875	NGUYEN, TAM N	RENT SUBSIDY	1,181.00 *
623876	NGUYEN, TAN QUAN	RENT SUBSIDY	793.00 *
623877	NGUYEN, THANH VAN C/O WESTERN INTERNATIONAL PROP	RENT SUBSIDY	2,803.00 *

PAGE TOTAL FOR "*" LINES = 29,244.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623878	NGUYEN, THANH-NHAN	RENT SUBSIDY	1,611.00 *
623879	NGUYEN, THIEN THI	RENT SUBSIDY	1,203.00 *
623880	NGUYEN, THOMAS	RENT SUBSIDY	1,500.00 *
623881	NGUYEN, THU-ANH	RENT SUBSIDY	1,868.00 *
623882	NGUYEN, THUYHUONG THI	RENT SUBSIDY	480.00 *
623883	NGUYEN, TIENG KIM	RENT SUBSIDY	1,722.00 *
623884	NGUYEN, TIMMY	RENT SUBSIDY	242.00 *
623885	NGUYEN, TRACY TRUC	RENT SUBSIDY	894.00 *
623886	NGUYEN, TU THANH	RENT SUBSIDY	1,497.00 *
623887	NGUYEN, TUAN HOANG	RENT SUBSIDY	1,787.00 *
623888	NGUYEN, TUAN NGOC	RENT SUBSIDY	1,771.00 *
623889	NGUYEN, TUNG XUAN	RENT SUBSIDY	1,454.00 *
623890	NGUYEN, TUYET TRINH	RENT SUBSIDY	1,111.00 *
623891	NGUYEN, TUYET TRINH	RENT SUBSIDY	1,052.00 *
623892	NGUYEN, VAN	RENT SUBSIDY	442.00 *
623893	NGUYEN, VAN HUY	RENT SUBSIDY	1,664.00 *
623894	NGUYEN, VU C/O BMH PROPERTY MANAGEMENT	RENT SUBSIDY	1,209.00 *
623895	NGUYEN, CANG	RENT SUBSIDY	1,070.00 *
623896	NGUYEN, CUONG CHI	RENT SUBSIDY	2,536.00 *
623897	NGUYEN, HAN	RENT SUBSIDY	660.00 *
623898	NGUYEN, HUYEN T.T.	RENT SUBSIDY	3,027.00 *
623899	NGUYEN, LAN-NGOC	RENT SUBSIDY	1,199.00 *

PAGE TOTAL FOR "*" LINES = 29,999.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623900	NGUYEN, LANI LAN T	RENT SUBSIDY	884.00 *
623901	NGUYEN, MICHELLE	RENT SUBSIDY	2,561.00 *
623902	NGUYEN, NICOLE UYEN	RENT SUBSIDY	589.00 *
623903	NGUYEN, PAUL	RENT SUBSIDY	1,213.00 *
623904	NGUYEN, PAULINE KIMPHUNG	RENT SUBSIDY	1,005.00 *
623905	NGUYEN, SHERRY LIEU	RENT SUBSIDY	1,591.00 *
623906	NGUYEN, THANH	RENT SUBSIDY	3,064.00 *
623907	NGUYEN, THANH-NGHIA	RENT SUBSIDY	123.00 *
623908	NGUYEN, THANH-TUYEN	RENT SUBSIDY	1,157.00 *
623909	NGUYEN, TIM C/O PARK PACIFIC	RENT SUBSIDY	571.00 *
623910	NGUYEN, TON SANH	RENT SUBSIDY	641.00 *
623911	NGUYEN, TRACY	RENT SUBSIDY	1,485.00 *
623912	NGUYEN, TUNG	RENT SUBSIDY	2,177.00 *
623913	NGUYEN, WIN	RENT SUBSIDY	1,088.00 *
623914	NGUYEN, XUAN YEN	RENT SUBSIDY	873.00 *
623915	NGUYEN-TU, THUY-TIEN	RENT SUBSIDY	2,122.00 *
623916	NHAN, VU	RENT SUBSIDY	1,510.00 *
623917	NORMANDY APARTMENTS, LLC	RENT SUBSIDY	887.00 *
623918	NORTHWOOD PLACE	RENT SUBSIDY	3,411.00 *
623919	OLSEN, MARIEL J	RENT SUBSIDY	1,213.00 *
623920	ORANGE COUNTY COMMUNITY HOUSING CORP	RENT SUBSIDY	24,871.00 *
623921	ORANGE TREE APTS-RENTAL OFFICE	RENT SUBSIDY	15,790.00 *

PAGE TOTAL FOR "*" LINES = 68,826.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623922	OZAKI, SUIKO	RENT SUBSIDY	890.00 *
623923	PAHU, BRADRAKUNAR L	RENT SUBSIDY	762.00 *
623924	PALM VISTA APTS - RENTAL OFFICE --	RENT SUBSIDY	1,006.00 *
623925	PALMYRA SENIOR APARTMENTS	RENT SUBSIDY	844.00 *
623926	PARISIAN APARTMENTS, LP	RENT SUBSIDY	1,140.00 *
623927	PARK, JIN	RENT SUBSIDY	1,211.00 *
623928	PARK, CHONG PIL	RENT SUBSIDY	1,054.00 *
623929	PATEL, SMITA DIPAK	RENT SUBSIDY	1,112.00 *
623930	PATUMMADITH, SUWAPANG	RENT SUBSIDY	1,120.00 *
623931	PAVILION PARK SENIOR 1 HOUSING PARTNERS, LP	RENT SUBSIDY	1,287.00 *
623932	PHAM, BINH Q	RENT SUBSIDY	1,265.00 *
623933	PHAM, CAROLINE	RENT SUBSIDY	840.00 *
623934	PHAM, CHAU N.	RENT SUBSIDY	1,003.00 *
623935	PHAM, CHIEN DINH	RENT SUBSIDY	1,592.00 *
623936	PHAM, DAVID DUNG	RENT SUBSIDY	2,571.00 *
623937	PHAM, DUNG TIEN	RENT SUBSIDY	1,387.00 *
623938	PHAM, HOANG	RENT SUBSIDY	2,364.00 *
623939	PHAM, LIEN	RENT SUBSIDY	1,040.00 *
623940	PHAM, MINH VAN	RENT SUBSIDY	1,025.00 *
623941	PHAM, NGHIA	RENT SUBSIDY	1,235.00 *
623942	PHAM, QUYEN	RENT SUBSIDY	758.00 *
623943	PHAM, QUYNH GIAO	RENT SUBSIDY	555.00 *

PAGE TOTAL FOR "*" LINES = 26,061.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623944	PHAM, QUYNH GIAO	RENT SUBSIDY	1,225.00 *
623945	PHAM, RICHARD	RENT SUBSIDY	736.00 *
623946	PHAM, TAP VAN	RENT SUBSIDY	442.00 *
623947	PHAM, TIM	RENT SUBSIDY	2,595.00 *
623948	PHAM, TUAN A.	RENT SUBSIDY	1,055.00 *
623949	PHAM, TUNG	RENT SUBSIDY	1,262.00 *
623950	PHAM, UYEN DAI L	RENT SUBSIDY	2,026.00 *
623951	PHAM, VAN LOAN THI	RENT SUBSIDY	931.00 *
623952	PHAM, VANTHI	RENT SUBSIDY	1,289.00 *
623953	PHAM, VERONIQUE	RENT SUBSIDY	1,108.00 *
623954	PHAM, VU	RENT SUBSIDY	1,038.00 *
623955	PHAM, XUANNHA T	RENT SUBSIDY	997.00 *
623956	PHAM, HELEN	RENT SUBSIDY	927.00 *
623957	PHAM, KHANG	RENT SUBSIDY	994.00 *
623958	PHAM, LOAN ANH THI	RENT SUBSIDY	924.00 *
623959	PHAN, TAMMY	RENT SUBSIDY	1,243.00 *
623960	PHAN, VIET TU	RENT SUBSIDY	681.00 *
623961	PHAN, VIVIAN	RENT SUBSIDY	993.00 *
623962	PHAN, DON	RENT SUBSIDY	1,365.00 *
623963	PHAN, THUY-TIEN	RENT SUBSIDY	1,096.00 *
623964	PHO, MUOI	RENT SUBSIDY	2,240.00 *
623965	PHUNG, THICH VAN	RENT SUBSIDY	1,352.00 *

PAGE TOTAL FOR "*" LINES = 26,519.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623966	PINCEK, DAVID C/O ORANGE COUNTY PROP MGMT	RENT SUBSIDY	812.00 *
623967	PINEMEADOWS APARTMENTS ATTN: LEASING OFFICE	RENT SUBSIDY	2,246.00 *
623968	PLAZA WOODS, LLC	RENT SUBSIDY	3,593.00 *
623969	PLYMOUTH HRA	RENT SUBSIDY	617.63 *
623970	POKAL, SAILESH C/O HUNTINGTON WEST PROPERTIES	RENT SUBSIDY	861.00 *
623971	PORTILLO, OSCAR OR ANISA	RENT SUBSIDY	1,383.00 *
623972	PP TT, LLC	RENT SUBSIDY	1,794.00 *
623973	QUAN, DERRICK WILLIAM	RENT SUBSIDY	1,125.00 *
623974	QUAN, VAN-LAN	RENT SUBSIDY	894.00 *
623975	RAMIREZ, RAYMOND	RENT SUBSIDY	1,407.00 *
623976	RANCHO ALISAL	RENT SUBSIDY	1,957.00 *
623977	RATANJEE, D M	RENT SUBSIDY	1,660.00 *
623978	RAYMOND AND LYNN RUAIS	RENT SUBSIDY	670.00 *
623979	REO INTERNATIONAL CORPORATION	RENT SUBSIDY	1,298.00 *
623980	ROANOKE INC	RENT SUBSIDY	1,150.00 *
623981	ROBERTA APTS LP	RENT SUBSIDY	1,312.00 *
623982	ROCEL PROPERTIES MGMT INC	RENT SUBSIDY	344.00 *
623983	S.E. AMSTER	RENT SUBSIDY	901.00 *
623984	SABUNJIAN, MIHRAN	RENT SUBSIDY	6,010.00 *
623985	SACRAMENTO HOUSING	RENT SUBSIDY	322.55 *
623986	SALSOL PROPERTIES, LLC	RENT SUBSIDY	1,413.00 *
623987	SAN BERNARDINO HOUSING AUTH	RENT SUBSIDY	905.06 *

PAGE TOTAL FOR "*" LINES = 32,675.24

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623988	SAN DIEGO HOUSING COMMISSION	RENT SUBSIDY	716.18 *
623989	SAN MARCO APTS	RENT SUBSIDY	559.00 *
623990	SAN MARINO VILLAS APTS	RENT SUBSIDY	809.00 *
623991	SANTA ANA HOUSING AUTHORITY	RENT SUBSIDY	7,814.06 *
623992	SARGENT, PAT	RENT SUBSIDY	1,076.00 *
623993	SCHLEIFER, JILL ANN C/O ORANGE COUNTY PROP MGMT INC.	RENT SUBSIDY	2,156.00 *
623994	SCHWERTMAN, CELESTE	RENT SUBSIDY	1,244.00 *
623995	SCOTT G JOE C/O VP PROPERTY MANAGEMENT	RENT SUBSIDY	1,003.00 *
623996	SERRANO WOODS, LP	RENT SUBSIDY	1,096.00 *
623997	SHREEVES PROPERTIES, LLC C/O ORANGE COUNTY PROP MGMT	RENT SUBSIDY	5,247.00 *
623998	SIGEL, IRV D C/O GERARD PROPERTIES	RENT SUBSIDY	743.00 *
623999	SIL0 NORTHEAST, LLC	RENT SUBSIDY	1,804.00 *
624000	SILVERSTEIN, IRVIN C/O SMI PROPERTIES	RENT SUBSIDY	850.00 *
624001	SILVERSTEIN, MARILYN	RENT SUBSIDY	889.00 *
624002	SPRINGSIDE, LLC	RENT SUBSIDY	9,059.00 *
624003	STANTON GROUP THREE, LLC	RENT SUBSIDY	2,351.00 *
624004	STEWART PROPERTIES	RENT SUBSIDY	856.00 *
624005-624006	VOID WARRANTS		
624007	SUMAC APARTMENT LLC	RENT SUBSIDY	394.00 *
624008	SUN, SHU C/O SOPHIA FERRELL	RENT SUBSIDY	2,538.00 *
624009	SUNNYGATE, LLC	RENT SUBSIDY	3,409.00 *
624010	TA, DAVID	RENT SUBSIDY	1,227.00 *

PAGE TOTAL FOR "*" LINES = 45,840.24

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624011	TA, THAI T.	RENT SUBSIDY	1,338.00 *
624012	TA, VINH	RENT SUBSIDY	1,722.00 *
624013	TAHAMI, ALI	RENT SUBSIDY	1,500.00 *
624014	TALLEN, LLC	RENT SUBSIDY	3,289.00 *
624015	TAMERLANE APARTMENTS	RENT SUBSIDY	1,717.00 *
624016	TAMERLANE ASSOCIATES LLC C/O MPMS INC	RENT SUBSIDY	2,125.00 *
624017	TERESINA APARTMENTS	RENT SUBSIDY	1,087.00 *
624018	THACH, HENRY	RENT SUBSIDY	1,812.00 *
624019	THE CORINTHIAN APARTMENTS	RENT SUBSIDY	821.00 *
624020	THE FLORENTINE APTS	RENT SUBSIDY	922.00 *
624021	THE HUNTINGTON WESTMINSTER	RENT SUBSIDY	7,175.00 *
624022	THE KNOLLS	RENT SUBSIDY	158.00 *
624023	THE MEDITERRANEAN APTS	RENT SUBSIDY	872.00 *
624024	THE ROSE GARDEN APTS	RENT SUBSIDY	4,815.00 *
624025	THOMSON EQUITIES	RENT SUBSIDY	909.00 *
624026	THOMSON EQUITIES C/O BILL MAC DONALD	RENT SUBSIDY	2,602.00 *
624027	TLHA PALM LLC	RENT SUBSIDY	1,824.00 *
624028	TOPADVANCED, LLC	RENT SUBSIDY	2,035.00 *
624029	TRAN, ALINE	RENT SUBSIDY	1,307.00 *
624030	TRAN, ANDREW	RENT SUBSIDY	1,427.00 *
624031	TRAN, ANH TUYET T	RENT SUBSIDY	1,041.00 *
624032	TRAN, ANNIE N	RENT SUBSIDY	765.00 *

PAGE TOTAL FOR "*" LINES = 41,263.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624033	TRAN, BAC	RENT SUBSIDY	1,047.00 *
624034	TRAN, CATHY	RENT SUBSIDY	976.00 *
624035	TRAN, EDWARD T	RENT SUBSIDY	1,128.00 *
624036	TRAN, FREDERICK M	RENT SUBSIDY	1,179.00 *
624037	TRAN, HIEP OR TRAN, JACLYN	RENT SUBSIDY	3,596.00 *
624038	TRAN, HO VAN	RENT SUBSIDY	4,815.00 *
624039	TRAN, HOA THU	RENT SUBSIDY	1,151.00 *
624040	TRAN, HUNG QUOC	RENT SUBSIDY	876.00 *
624041	TRAN, JIM DUC	RENT SUBSIDY	1,491.00 *
624042	TRAN, JOSEPH QUANG	RENT SUBSIDY	696.00 *
624043	TRAN, KEVIN THANH	RENT SUBSIDY	893.00 *
624044	TRAN, KIM	RENT SUBSIDY	1,836.00 *
624045	TRAN, KIM VAN	RENT SUBSIDY	1,196.00 *
624046	TRAN, LINDA L	RENT SUBSIDY	1,750.00 *
624047	TRAN, LUCIA THUY	RENT SUBSIDY	1,075.00 *
624048	TRAN, MY T	RENT SUBSIDY	801.00 *
624049	TRAN, NGOC LAN THI	RENT SUBSIDY	1,187.00 *
624050	TRAN, NHUT NGUYEN	RENT SUBSIDY	1,912.00 *
624051	TRAN, SHELLY	RENT SUBSIDY	894.00 *
624052	TRAN, SON THANH	RENT SUBSIDY	743.00 *
624053	TRAN, TAM MINH	RENT SUBSIDY	1,310.00 *
624054	TRAN, THERESA T	RENT SUBSIDY	830.00 *

PAGE TOTAL FOR "*" LINES = 31,382.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624055	TRAN, TIEN	RENT SUBSIDY	739.00 *
624056	TRAN, TRI	RENT SUBSIDY	1,271.00 *
624057	TRAN, TRUNG H.	RENT SUBSIDY	1,125.00 *
624058	TRAN, TUNG	RENT SUBSIDY	1,243.00 *
624059	TRAN, VAN	RENT SUBSIDY	777.00 *
624060	TRAN, VICTORIA	RENT SUBSIDY	839.00 *
624061	TRAN,HAU	RENT SUBSIDY	1,207.00 *
624062	TRAN-NGUYEN, LIEN KIM	RENT SUBSIDY	872.00 *
624063	TRG FULLERTON AFFORDABLE LP / VENTANA APARTMENTS	RENT SUBSIDY	623.00 *
624064	TRIEU, HONG QUANG C/O FOCUS PROPERTY SERVICES	RENT SUBSIDY	960.00 *
624065	TRINH, HAI	RENT SUBSIDY	1,652.00 *
624066	TRINH, THANH-MAI	RENT SUBSIDY	1,782.00 *
624067	TRINH, TRANG N	RENT SUBSIDY	872.00 *
624068	TRINH, TUAN	RENT SUBSIDY	1,474.00 *
624069	TRUONG, BAY LE	RENT SUBSIDY	1,069.00 *
624070	TRUONG, DUNG T	RENT SUBSIDY	487.00 *
624071	TRUONG, HANH NGOC	RENT SUBSIDY	1,010.00 *
624072	TRUONG, THUAN BICH	RENT SUBSIDY	994.00 *
624073	TRUONG, THUAN BICH	RENT SUBSIDY	2,912.00 *
624074	TRUONG,QUYEN MY	RENT SUBSIDY	1,182.00 *
624075	TRUONG,SON BICH	RENT SUBSIDY	1,448.00 *
624076	TSAU, LI-CHIN	RENT SUBSIDY	2,025.00 *

PAGE TOTAL FOR "*" LINES = 26,563.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624077	TU BI THIEN TAM	RENT SUBSIDY	2,280.00 *
624078-624079	VOID WARRANTS		
624080	TUDOR GROVE C/O GOLDEN REMCO INC	RENT SUBSIDY	59,535.00 *
624081	TURI, ANGELO S	RENT SUBSIDY	2,287.00 *
624082	TUSTIN SOUTHERN APTS - OFFICE	RENT SUBSIDY	1,337.00 *
624083	V.N. TIWARI & S. TIWARI AS TRUSTEES OF KASHI TRUST	RENT SUBSIDY	9,927.00 *
624084	VAN, MINH XUONG c/o KEVIN VAN	RENT SUBSIDY	750.00 *
624085	VAZQUEZ,ARTURO ENRIQUEZ	RENT SUBSIDY	2,608.00 *
624086	VERSAILLES APTS	RENT SUBSIDY	3,179.00 *
624087	VILLA CAPRI ESTATES	RENT SUBSIDY	920.00 *
624088	VILLAGE PROPERTY MGMT	RENT SUBSIDY	11,402.00 *
624089	VILLAGE PROPERTY MGMT	RENT SUBSIDY	924.00 *
624090	VINH,THUA	RENT SUBSIDY	244.00 *
624091	VIRAMONTES, ARTHUR E	RENT SUBSIDY	733.00 *
624092	VISTA DEL SOL APTS	RENT SUBSIDY	1,019.00 *
624093	VO, CUONG B GALERIA PASEOS MALL	RENT SUBSIDY	833.00 *
624094	VO, KHANH MAI	RENT SUBSIDY	4,023.00 *
624095	VO, KIMCHI	RENT SUBSIDY	1,670.00 *
624096	VO, LAN KHAI THI	RENT SUBSIDY	1,187.00 *
624097	VO, LE	RENT SUBSIDY	1,433.00 *
624098	VO, NAM T	RENT SUBSIDY	608.00 *
624099	VO, TIN TRUNG	RENT SUBSIDY	807.00 *

PAGE TOTAL FOR "*" LINES = 107,706.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624100	VOLE, TINA NG	RENT SUBSIDY	2,840.00 *
624101	VPM MANAGEMENT	RENT SUBSIDY	892.00 *
624102	VU, DAVID	RENT SUBSIDY	690.00 *
624103	VU, LEO M	RENT SUBSIDY	1,745.00 *
624104	VU, LONG DUC	RENT SUBSIDY	762.00 *
624105	VU, MARY ANN	RENT SUBSIDY	683.00 *
624106	VU, NAM H	RENT SUBSIDY	846.00 *
624107	VU, TAN DUY	RENT SUBSIDY	1,105.00 *
624108	VU, THAI	RENT SUBSIDY	1,361.00 *
624109	VU, DANNY	RENT SUBSIDY	548.00 *
624110	WALDEN APTS	RENT SUBSIDY	3,662.00 *
624111	WALDEN GLEN APTS	RENT SUBSIDY	933.00 *
624112	WAN, HO PONG	RENT SUBSIDY	819.00 *
624113	WASHINGTON COUNTY HRA	RENT SUBSIDY	1,248.90 *
624114	WEGENER, STELLA	RENT SUBSIDY	901.00 *
624115	WEISER, IRVING	RENT SUBSIDY	2,497.00 *
624116	WEISSER INVESTMENTS	RENT SUBSIDY	6,298.00 *
624117	WEST, NEIL E	RENT SUBSIDY	946.00 *
624118	WESTCHESTER PARK LP	RENT SUBSIDY	1,285.00 *
624119	WESTLAKE APARTMENTS LLC	RENT SUBSIDY	5,755.00 *
624120	WESTMINSTER HOUSING PARTNER LP	RENT SUBSIDY	7,045.00 *
624121	WICK, CINDY OR ED	RENT SUBSIDY	912.00 *

PAGE TOTAL FOR "*" LINES = 43,773.90

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624122	WILLOWICK ROYAL-MANAGER OFFICE	RENT SUBSIDY	331.00 *
624123	WILSHIRE CREST	RENT SUBSIDY	913.00 *
624124	WINDMILL APARTMENTS C/O BEACH FRONT PROPERTY MGMT	RENT SUBSIDY	9,979.00 *
624125	WINDSOR TOWNE LP	RENT SUBSIDY	729.00 *
624126	WINDSOR-DAWSON LP	RENT SUBSIDY	5,249.00 *
624127	WINDWOOD KNOLL APARTMENTS	RENT SUBSIDY	2,678.00 *
624128	WONG, THOMAS	RENT SUBSIDY	6,044.00 *
624129	WOODBURY SQUARE	RENT SUBSIDY	1,258.00 *
624130	YIANG, VINCE	RENT SUBSIDY	1,076.00 *
624131	YOUNG, HENRY H	RENT SUBSIDY	842.00 *
624132	ZHAO, GEORGE	RENT SUBSIDY	971.00 *
W623525	13251 NEWLAND LLC C/O ERICA STIDHAM	RENT SUBSIDY	6,847.00 *
W623526	19822 BROOKHURST, LLC	RENT SUBSIDY	2,171.00 *
W623528	7632 21ST ST LP WESTMINSTER SENIOR APTS	RENT SUBSIDY	3,369.00 *
W623529	ACACIA VILLAGE C/O DOUGLAS HOFER	RENT SUBSIDY	51,581.00 *
W623534	ALLARD APARTMENT, LLC	RENT SUBSIDY	7,955.00 *
W623535	ALTAMIRANO, CHIN MEI CHU	RENT SUBSIDY	3,120.00 *
W623539	AP HIGA-HIGA, LLC	RENT SUBSIDY	4,926.00 *
W623542	AUGUSTA GROUP INVESTMENTS, LLC	RENT SUBSIDY	689.00 *
W623543	AYNEM INVESTMENTS, LP C/O A & M PROP	RENT SUBSIDY	15,305.00 *
W623544	BACH, PHAN	RENT SUBSIDY	1,558.00 *
W623545	BAKER RANCH AFFORDABLE LP C/O SOLARI ENTERPRISES, INC	RENT SUBSIDY	3,750.00 *

PAGE TOTAL FOR "*" LINES = 131,341.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623548	BEHRENS PROPERTIES, LLC	RENT SUBSIDY	1,498.00 *
W623549	BERTAN, JAIME OR MAGALI	RENT SUBSIDY	3,509.00 *
W623551	BOZARJIAN, RICHARD	RENT SUBSIDY	28,106.00 *
W623552	BREA WOODS SENIOR APTS, LLC	RENT SUBSIDY	375.00 *
W623557	BUI, BACH	RENT SUBSIDY	1,005.00 *
W623558	BUI, DUNG	RENT SUBSIDY	1,081.00 *
W623560	BUI, KIMBERLY	RENT SUBSIDY	2,118.00 *
W623563	BUI, MONICA	RENT SUBSIDY	2,720.00 *
W623566	BUI, THUAN	RENT SUBSIDY	3,064.00 *
W623567	BUI, TRIET THO-MINH	RENT SUBSIDY	2,920.00 *
W623569	BURLEY, DAVID M C/O PARK PACIFIC	RENT SUBSIDY	991.00 *
W623570	CALA GRASIO APTS	RENT SUBSIDY	1,514.00 *
W623573	CAO, MYTRANG	RENT SUBSIDY	2,204.00 *
W623574	CAO, XUAN	RENT SUBSIDY	1,223.00 *
W623575	CASA MADRID APTS C/O BEACH FRONT PROPERTY MGMT	RENT SUBSIDY	5,515.00 *
W623577	CERVANTES JR, ARTEMIO	RENT SUBSIDY	612.00 *
W623578	CHAN, KOU LEAN	RENT SUBSIDY	6,344.00 *
W623580	CHAU, ALICE	RENT SUBSIDY	4,580.00 *
W623581	CHEN, DENNIS KYNSAN	RENT SUBSIDY	2,399.00 *
W623586	CHIANG, LI-YONG	RENT SUBSIDY	13,242.00 *
W623590	CLIFTON, KATHLEEN P	RENT SUBSIDY	902.00 *
W623591	COAST TO COAST INVESTMENT GROUP, LLC	RENT SUBSIDY	4,461.00 *

PAGE TOTAL FOR "*" LINES = 90,383.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623593	CONTINENTAL GARDENS APTS	RENT SUBSIDY	24,251.00 *
W623594	COURTYARD FULLERTON AR L.P. DBA COURTYARD APTS - OFFICE	RENT SUBSIDY	971.00 *
W623596	CROCKETT, JACK	RENT SUBSIDY	3,652.00 *
W623597	CURTIS FAMILY TRUST C/O SPURR & ASSOCIATES, INC	RENT SUBSIDY	6,718.00 *
W623598	DAC, NGHIA HO OR PHAN VE TU	RENT SUBSIDY	2,899.00 *
W623599	DAM, BINH DINH	RENT SUBSIDY	1,418.00 *
W623600	DANG, CHINH VAN	RENT SUBSIDY	1,541.00 *
W623602	DAO, MINH	RENT SUBSIDY	3,330.00 *
W623603	DAO, TU VAN	RENT SUBSIDY	10,563.00 *
W623608	DINH, KATHLEEN	RENT SUBSIDY	5,757.00 *
W623609	DINH, LONG T	RENT SUBSIDY	2,887.00 *
W623612	DNK PROPERTY LLC	RENT SUBSIDY	11,844.00 *
W623615	DO, KENNETH	RENT SUBSIDY	1,738.00 *
W623618	DO, NANCY	RENT SUBSIDY	850.00 *
W623619	DO, THUY THI	RENT SUBSIDY	2,770.00 *
W623620	DO, TINA	RENT SUBSIDY	6,531.00 *
W623621	DOAN, DUNG VAN	RENT SUBSIDY	4,670.00 *
W623622	DONG, MINH TRANG	RENT SUBSIDY	12,599.00 *
W623623	DSN INVESTMENT GROUP, LLC	RENT SUBSIDY	10,583.00 *
W623626	DUNNETT, DAVID F	RENT SUBSIDY	3,522.00 *
W623627	DUONG, HONG MANH	RENT SUBSIDY	823.00 *
W623628	DUONG, MINH B	RENT SUBSIDY	4,255.00 *

PAGE TOTAL FOR "*" LINES = 124,172.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623631	DUONG, HUNG Q	RENT SUBSIDY	1,072.00 *
W623634	EHLE, GERALD	RENT SUBSIDY	863.00 *
W623637	EL RAY PARTNERS, LLC C/O SCHROEDER MANAGEMENT CO.	RENT SUBSIDY	8,258.00 *
W623638	ELIAS CAPITAL GROUP, LLC C/O LIDO PROPERTY MGMT	RENT SUBSIDY	1,917.00 *
W623639	EMERALD FIELD, LLC	RENT SUBSIDY	6,462.00 *
W623643	FAIRFAX COUNTY DEPT OF HOUSING	RENT SUBSIDY	12,782.58 *
W623646	FOREVERGREEN EXPANSION, LLC	RENT SUBSIDY	2,967.00 *
W623648	FRECHTMAN, WILLIAM	RENT SUBSIDY	3,888.00 *
W623651	GARCIA, NORMA OR WILLIAM	RENT SUBSIDY	1,763.00 *
W623652	GARDEN GROVE HOUSING ASSOCIATE	RENT SUBSIDY	6,189.00 *
W623655	GERMAIN, AARON & CASSANDRA	RENT SUBSIDY	1,249.00 *
W623656	GIACALONE, BRIGITTE	RENT SUBSIDY	877.00 *
W623663	GREEN, WILLIAM C/O G REYES	RENT SUBSIDY	1,099.00 *
W623664	GREENHOUSE APARTMENTS	RENT SUBSIDY	1,087.00 *
W623669	HA OF DEKALB COUNTY	RENT SUBSIDY	4,269.96 *
W623670	HA, KHIEM Q	RENT SUBSIDY	1,816.00 *
W623671	HAI, CHENG	RENT SUBSIDY	1,843.00 *
W623674	HANSON, CLIFTON & BRENDA	RENT SUBSIDY	2,250.00 *
W623677	HAU, STEVEN	RENT SUBSIDY	1,799.00 *
W623679	HELMS, CHARLES	RENT SUBSIDY	2,741.00 *
W623680	HILLIARD, SHERRY OR RICHARD	RENT SUBSIDY	730.00 *
W623682	HO, HENRY HOI	RENT SUBSIDY	6,473.00 *

PAGE TOTAL FOR "*" LINES = 72,395.54

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623684	HO, TIM	RENT SUBSIDY	3,266.00 *
W623689	HOANG, LANG	RENT SUBSIDY	931.00 *
W623692	HONG, GEORGE	RENT SUBSIDY	1,291.00 *
W623694	HSU, CHANG-HUA LIU	RENT SUBSIDY	4,615.00 *
W623697	HUYNH, DUONG P	RENT SUBSIDY	2,080.00 *
W623698	HUYNH, KELVIN	RENT SUBSIDY	1,056.00 *
W623699	HUYNH, LOAN	RENT SUBSIDY	1,850.00 *
W623700	HUYNH, MINH T MAI	RENT SUBSIDY	814.00 *
W623703	HUYNH, SCOTT THANH OR LE, KIM DONG T	RENT SUBSIDY	4,817.00 *
W623706	INTERNATIONAL BUSINESS INVESTMENT GROUP, LLC	RENT SUBSIDY	10,899.00 *
W623709	JOHNSON, NATHAN D.	RENT SUBSIDY	11,719.00 *
W623711	JTK & ASSOCIATES	RENT SUBSIDY	1,127.00 *
W623712	JUNG SUN NOH C/O CROWN INVESTMENT REALTY	RENT SUBSIDY	9,709.00 *
W623713	KAID MALINDA INVESTMENT INC	RENT SUBSIDY	3,068.00 *
W623715	KAY VEE, LLC	RENT SUBSIDY	918.00 *
W623720	KEH, LU-YONG	RENT SUBSIDY	3,567.00 *
W623721	KELLEY, ROBERT	RENT SUBSIDY	3,303.00 *
W623722	KHA, CAM MY	RENT SUBSIDY	4,546.00 *
W623723	KIM, JONG WAN C/O CROWN INVESTMENT REALTY	RENT SUBSIDY	4,487.00 *
W623724	KIM, HARRY H C/O CROWN INV REALTY	RENT SUBSIDY	1,076.00 *
W623725	KING INVESTMENT GROUP, INC C/O BERNARD KING	RENT SUBSIDY	5,526.00 *
W623728	KLUNK, MARILYN c/o SHEPHERD PROPERTIES	RENT SUBSIDY	3,391.00 *

PAGE TOTAL FOR "*" LINES = 84,056.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623736	LAGUNA HILLS TRAVELODGE LLC ATTN: OFFICE	RENT SUBSIDY	26,019.00 *
W623737	LAKESIDE ASSOCIATION	RENT SUBSIDY	6,907.00 *
W623739	LAM, HAI	RENT SUBSIDY	9,548.00 *
W623741	LAM, DU Y M	RENT SUBSIDY	12,851.00 *
W623742	LANDA, SALVADOR	RENT SUBSIDY	886.00 *
W623751	LE, HIEN QUANG	RENT SUBSIDY	1,261.00 *
W623752	LE, HONG PHUC THI	RENT SUBSIDY	1,531.00 *
W623754	LE, KIM ANH THI	RENT SUBSIDY	945.00 *
W623756	LE, LANH C	RENT SUBSIDY	1,453.00 *
W623757	LE, LY PHUONG	RENT SUBSIDY	1,168.00 *
W623758	LE, MICHAEL	RENT SUBSIDY	1,746.00 *
W623763	LE, NGUYEN NHU	RENT SUBSIDY	975.00 *
W623764	LE, STEPHANIE THU	RENT SUBSIDY	8,202.00 *
W623767	LE, TRUNG T	RENT SUBSIDY	1,006.00 *
W623775	LEDUC, MONIQUE	RENT SUBSIDY	1,689.00 *
W623776	LEUNG, ROGER	RENT SUBSIDY	3,990.00 *
W623779	LIN, EEL-YU	RENT SUBSIDY	11,548.00 *
W623782	LOTUS PROPERTIES	RENT SUBSIDY	4,136.00 *
W623783	LUONG, ALAN D	RENT SUBSIDY	2,416.00 *
W623786	LUVIE CORPORATION	RENT SUBSIDY	5,945.00 *
W623787	LY, TRANH	RENT SUBSIDY	1,497.00 *
W623788	LY, XUAN GRACE LINH	RENT SUBSIDY	1,985.00 *

PAGE TOTAL FOR "*" LINES = 107,704.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623795	MAI, CHUCK	RENT SUBSIDY	4,845.00 *
W623798	MARIPOSA PROPERTIES	RENT SUBSIDY	892.00 *
W623799	MAUREEN APARTMENTS NO.2 LP ATTN: GILBERTO GONZALEZ, MGR	RENT SUBSIDY	887.00 *
W623805	MCGRATH, GRACE OR GERALD	RENT SUBSIDY	1,950.00 *
W623806	MEAK, MANH	RENT SUBSIDY	1,030.00 *
W623811	MIKE & KATHY LEE LP	RENT SUBSIDY	2,807.00 *
W623820	N&V DEVELOPMENT, LLC	RENT SUBSIDY	18,666.00 *
W623822	NEW TCNY LLC RETIREMENT PLAN & TRUST	RENT SUBSIDY	1,842.00 *
W623823	NGHIEM, DALE XUAN	RENT SUBSIDY	886.00 *
W623829	NGO, LOC T	RENT SUBSIDY	899.00 *
W623831	NGO, VINCE K	RENT SUBSIDY	1,163.00 *
W623833	NGUYEN, ANDREW Q	RENT SUBSIDY	1,554.00 *
W623835	NGUYEN, ANNIE	RENT SUBSIDY	1,364.00 *
W623839	NGUYEN, BRIAN BAO-KHA	RENT SUBSIDY	5,846.00 *
W623840	NGUYEN, CALVIN H	RENT SUBSIDY	1,458.00 *
W623841	NGUYEN, CHI HUYEN	RENT SUBSIDY	1,855.00 *
W623843	NGUYEN, CUONG C/O LUKE NGUYEN	RENT SUBSIDY	2,831.00 *
W623844	NGUYEN, DAVID / HA, LOAN T	RENT SUBSIDY	1,618.00 *
W623845	NGUYEN, DUONG	RENT SUBSIDY	5,463.00 *
W623847	NGUYEN, HAO & HUONG T	RENT SUBSIDY	2,312.00 *
W623848	NGUYEN, HOA THI OR NGUYEN, JOSEPH	RENT SUBSIDY	4,522.00 *
W623855	NGUYEN, HUE THI	RENT SUBSIDY	1,134.00 *

PAGE TOTAL FOR "*" LINES = 65,824.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623854	NGUYEN, HUONG THY OR PHAM, TIEN D	RENT SUBSIDY	1,855.00 *
W623855	NGUYEN, KENNETH	RENT SUBSIDY	1,937.00 *
W623857	NGUYEN, LANIE	RENT SUBSIDY	8,699.00 *
W623858	NGUYEN, LINDA	RENT SUBSIDY	1,998.00 *
W623859	NGUYEN, LONG HUYEN DAC	RENT SUBSIDY	4,753.00 *
W623860	NGUYEN, LYNDIA	RENT SUBSIDY	55.00 *
W623861	NGUYEN, MAN M	RENT SUBSIDY	3,137.00 *
W623862	NGUYEN, MICHAEL THANG	RENT SUBSIDY	1,823.00 *
W623863	NGUYEN, MIMI	RENT SUBSIDY	1,074.00 *
W623864	NGUYEN, MYRA D	RENT SUBSIDY	13,328.00 *
W623866	NGUYEN, PETER	RENT SUBSIDY	3,736.00 *
W623867	NGUYEN, PHUONG MY THI	RENT SUBSIDY	10,703.00 *
W623869	NGUYEN, SON DINH	RENT SUBSIDY	1,161.00 *
W623876	NGUYEN, THAI DUC	RENT SUBSIDY	1,545.00 *
W623877	NGUYEN, THANH-LE	RENT SUBSIDY	1,566.00 *
W623879	NGUYEN, THINH QUOC	RENT SUBSIDY	2,828.00 *
W623881	NGUYEN, THUAN C	RENT SUBSIDY	2,407.00 *
W623883	NGUYEN, TIEP	RENT SUBSIDY	1,803.00 *
W623888	NGUYEN, TUNG QUOC	RENT SUBSIDY	1,766.00 *
W623893	NGUYEN, VANANH & DO, SOAN P	RENT SUBSIDY	1,116.00 *
W623894	NGUYEN, XUAN THI	RENT SUBSIDY	1,427.00 *
W623895	NGUYEN, DUNG VAN	RENT SUBSIDY	2,696.00 *

PAGE TOTAL FOR "*" LINES = 71,413.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623897	NGUYEN, HUY	RENT SUBSIDY	1,711.00 *
W623898	NGUYEN, JAMES	RENT SUBSIDY	884.00 *
W623900	NGUYEN, LEYNA T	RENT SUBSIDY	2,612.00 *
W623901	NGUYEN, MINH NGOC	RENT SUBSIDY	1,124.00 *
W623904	NGUYEN, PERRY	RENT SUBSIDY	1,060.00 *
W623908	NGUYEN, THINH THI	RENT SUBSIDY	7,401.00 *
W623914	NGUYEN-SHEPARDSON, CAY THI	RENT SUBSIDY	3,735.00 *
W623916	NHIEU, CUONG C.	RENT SUBSIDY	248.00 *
W623922	P & J PROPERTY MANAGEMENT	RENT SUBSIDY	1,006.00 *
W623923	PALM ISLAND	RENT SUBSIDY	11,939.00 *
W623926	PARK PLACE APTS LLP	RENT SUBSIDY	5,946.00 *
W623928	PATEL DILIP M	RENT SUBSIDY	4,687.00 *
W623931	PETITE ELISE, LLC	RENT SUBSIDY	5,779.00 *
W623936	PHAM, DAVID LINH	RENT SUBSIDY	1,703.00 *
W623937	PHAM, HIEU	RENT SUBSIDY	1,439.00 *
W623938	PHAM, LAN VAN	RENT SUBSIDY	5,294.00 *
W623940	PHAM, MINH VAN	RENT SUBSIDY	590.00 *
W623941	PHAM, QUANG DUY	RENT SUBSIDY	1,897.00 *
W623945	PHAM, SON THAI	RENT SUBSIDY	1,822.00 *
W623946	PHAM, THANH QUOC	RENT SUBSIDY	3,949.00 *
W623947	PHAM, TRINH	RENT SUBSIDY	1,988.00 *
W623948	PHAM, HAI MINH	RENT SUBSIDY	8,087.00 *

PAGE TOTAL FOR "*" LINES = 74,901.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W623958	PHAN, OANH	RENT SUBSIDY	5,008.00 *
W623959	PHAN, THANH T	RENT SUBSIDY	611.00 *
W623963	PHARN, ART S	RENT SUBSIDY	2,800.00 *
W623964	PHUNG, JENNIFER	RENT SUBSIDY	1,453.00 *
W623966	PINE TREE PROPERTY, LLC	RENT SUBSIDY	3,092.00 *
W623967	PLANO HOUSING AUTHORITY	RENT SUBSIDY	4,190.78 *
W623971	POWELL, LEO OR DEBORAH	RENT SUBSIDY	3,512.00 *
W623972	PRINCE NEW HORIZON VILLAGE	RENT SUBSIDY	5,283.00 *
W623974	RAGASOL, EDWARD C/O LIDO PROPERTY MGMT	RENT SUBSIDY	358.00 *
W623977	RAVENWOOD PROPERTIES, LLC	RENT SUBSIDY	1,887.00 *
W623978	REED, ROGER LEE	RENT SUBSIDY	1,920.00 *
W623979	REYES, RAYMOND	RENT SUBSIDY	1,226.00 *
W623982	ROMO, JULIETA	RENT SUBSIDY	2,193.00 *
W623995	SCULLIN, ALFRED L C/O PARK PACIFIC	RENT SUBSIDY	3,824.00 *
W623999	SILVER COVE APARTMENTS, LP ATTN: MANAGER OFFICE	RENT SUBSIDY	1,005.00 *
W624001	SPH ENTERPRISES LLC	RENT SUBSIDY	10,998.00 *
W624002	STANLEY A SIROTT, TRUST	RENT SUBSIDY	2,202.00 *
W624004	STRATTFORD MAGNOLIA, LLC	RENT SUBSIDY	5,788.00 *
W624006	STUART DRIVE/ROSE GARDEN APTS C/O RENTAL OFFICE	RENT SUBSIDY	74,755.00 *
W624008	SUNGROVE SENIOR APTS	RENT SUBSIDY	18,178.00 *
W624009	SUNRISE VILLAGE PROPERTIES, LLC	RENT SUBSIDY	12,885.00 *
W624026	TDT WASHINGTON, LLC	RENT SUBSIDY	2,872.00 *

PAGE TOTAL FOR "*" LINES = 166,040.78

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W624018	THE BERNTH FAMILY TRUST	RENT SUBSIDY	4,461.00 *
W624020	THE GROVE SENIOR APARTMENTS	RENT SUBSIDY	30,721.00 *
W624026	TIET, THAO PHUONG	RENT SUBSIDY	6,606.00 *
W624027	TON, TAP THAT	RENT SUBSIDY	49,454.00 *
W624028	TRAN'S APARTMENTS	RENT SUBSIDY	4,315.00 *
W624030	TRAN, ANDREW	RENT SUBSIDY	3,017.00 *
W624032	TRAN, ANTON	RENT SUBSIDY	967.00 *
W624034	TRAN, CHUONG V.	RENT SUBSIDY	2,774.00 *
W624036	TRAN, HENRY	RENT SUBSIDY	993.00 *
W624038	TRAN, HOA	RENT SUBSIDY	1,231.00 *
W624039	TRAN, HOANG N	RENT SUBSIDY	1,498.00 *
W624040	TRAN, JANE	RENT SUBSIDY	1,575.00 *
W624042	TRAN, JOSEPHINE	RENT SUBSIDY	1,627.00 *
W624045	TRAN, LAY THI	RENT SUBSIDY	1,180.00 *
W624046	TRAN, LUAN D.	RENT SUBSIDY	2,040.00 *
W624047	TRAN, MARY	RENT SUBSIDY	352.00 *
W624048	TRAN, NGOC THI	RENT SUBSIDY	998.00 *
W624050	TRAN, RYAN	RENT SUBSIDY	1,329.00 *
W624052	TRAN, SONNY	RENT SUBSIDY	2,517.00 *
W624054	TRAN, THERESA T	RENT SUBSIDY	2,230.00 *
W624055	TRAN, TIM	RENT SUBSIDY	1,197.00 *
W624056	TRAN, TRI M	RENT SUBSIDY	1,053.00 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W624057	TRAN, TU	RENT SUBSIDY	3,079.00 *
W624060	TRAN, DANNY	RENT SUBSIDY	2,063.00 *
W624061	TRAN, THAO DUC	RENT SUBSIDY	3,444.00 *
W624062	TRANG, TOM	RENT SUBSIDY	2,184.00 *
W624064	TRIEU, NANCY	RENT SUBSIDY	1,949.00 *
W624071	TRUONG, KHOA BUU	RENT SUBSIDY	1,113.00 *
W624075	TSAI, CAROLINE	RENT SUBSIDY	3,834.00 *
W624082	V W PROPERTY	RENT SUBSIDY	3,806.00 *
W624083	VALLEY VIEW SENIOR APTS C/O G & K MGMT CO, INC	RENT SUBSIDY	9,236.00 *
W624084	VANG, ANH K	RENT SUBSIDY	843.00 *
W624092	VJ SURGICAL, LLC	RENT SUBSIDY	3,546.00 *
W624093	VO, JEFF	RENT SUBSIDY	1,093.00 *
W624097	VO, LOC ANH	RENT SUBSIDY	1,077.00 *
W624100	VORA, NIPA D	RENT SUBSIDY	2,620.00 *
W624101	VU, DAT	RENT SUBSIDY	15,248.00 *
W624102	VU, DEAN	RENT SUBSIDY	2,630.00 *
W624103	VU, LINH DUY	RENT SUBSIDY	1,367.00 *
W624106	VU, PHAT D	RENT SUBSIDY	4,038.00 *
W624108	VU, VINCE HUNG	RENT SUBSIDY	4,205.00 *
W624109	VUONG, TRI NGHIEP	RENT SUBSIDY	5,327.00 *
W624111	WALKMAN, SID D	RENT SUBSIDY	1,384.00 *
W624122	WANG, SUZY	RENT SUBSIDY	6,568.00 *

PAGE TOTAL FOR "*" LINES = 80,654.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/01/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W624116	WESSELN, HENRY B	RENT SUBSIDY	876.00 *
W624120	WESTPARK APTS	RENT SUBSIDY	3,203.00 *
W624127	WONDERFUL IDEA, LLC	RENT SUBSIDY	16,713.00 *
W624128	WONG, THOMAS G.	RENT SUBSIDY	1,576.00 *
W624129	YAU, DEBBIE C.	RENT SUBSIDY	762.00 *
W624131	ZASLAVSKY, ALEXANDER OR EUGENIA	RENT SUBSIDY	3,510.00 *

PAGE TOTAL FOR "*" LINES = 26,640.00

FINAL TOTAL 2,385,344.46 *

DEMANDS #623526 - 624132 AND DIRECT DEPOSITS W623525 - W624131 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL JUNE 1, 2017, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF


KINGSLEY C. OKEREKE - FINANCE DIRECTOR

DIRECT DEPOSITS \$1,187,589.32

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
623085	CONTINENTAL CONCRETE CUTTING	REV & VOID	-21,234.00 *
623240	M. GANNON ECKHARDT	REV & VOID	-345.00 *
623494	SWEET HOMES DEVELOPMENT	REV & VOID	-2,921.00 *
624133	C.A.P.F. CALIF ASSOC PROF FIREFIGHTERS	DISABILITY INSURANCE	1,911.00 *
624134	C.L.E.A. CALIF LAW ENFORCEMENT ASSOC	DISABILITY INSURANCE	3,091.75 *
624135	STATE OF CALIF-FRANCHISE TAX BOARD	WAGE ATTACHMENT	335.00 *
624136	CENTENO, JUAN	TRAVEL ADVANCE-P.D.	159.90 *
624137	CHEW, CYNTHIA	MED TRUST REIMB	60.00 *
624138	ELGIN*, TODD D.	MED TRUST REIMB	289.26 *
624139	ENTERPRISE RIDESHARE EAN SERVICES, LLC	OTHER RENTALS	1,151.67 *
624140	FIGUERO, GEORGE	TRAVEL ADVANCE-P.D.	448.40 *
624141	FOWLER, ROBERT D	TRAVEL ADVANCE-P.D.	331.76 *
624142	LEDESMA, ANGELA	MILEAGE REIMB	484.44 *
624143	LEE, GRACE	DEP CARE REIMB	192.30 *
624144	LOFFLER, CHARLES	TRAVEL ADVANCE-P.D.	448.40 *
624145	MARYLAND CHILD SUPPORT ACCOUNT	WAGE ATTACHMENT	343.38 *
624146	PARDOEN, BRENT	MED TRUST REIMB	984.40 *
624147	PHI, THYANA	DEP CARE REIMB	129.23 *
624148	LEGAL SHIELD	LEGAL	1,399.40 *
624149	CO. OF ORANGE	WAGE ATTACHMENT	461.54 *
624150	TELEPACIFIC COMMUNICATIONS	NETWORK COMMUNICT	1,134.52 *

PAGE TOTAL FOR "*" LINES = -11,143.65

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624151	TEX-WIL INC. DBA RICHARD JONES PIT BBQ	FOOD	2,020.97 *
624152	VELOTTA, KEITH	MED TRUST REIMB	323.97 *
624153	CO. OF ORANGE	WAGE ATTACHMENT	134.31 *
624154	WHITNEY, CARL	TRAVEL ADVANCE-P.D.	16.00 *
624155	VALDIVIA, CLAUDIA	MED TRUST REIMB	50.00
		DEP CARE REIMB	380.82
			430.82 *
624156	CSULB FOUNDATION	TUITION/TRAINING	1,168.00 *
624157	HODSON, AARON	DEP CARE REIMB	138.46 *
624158	CO. OF ORANGE	WAGE ATTACHMENT	276.92 *
624159	PLAYERS CHOICE	AWARDS/TROPHIES	167.22 *
624160	LEVEL 27 MEDIA	ADVERTISING	425.96 *
624161	DELL MARKETING LP C/O DELL USA LP	MONITORED MINOR EQ	2,480.97 *
624162	ORANGE COUNTY SHERIFF/ LEVYING OFFICER CENTRAL DIV	WAGE ATTACHMENT	60.45 *
624163	INTERNAL REVENUE SERVICE	WAGE ATTACHMENT	37.50 *
624164	STANDARD INSURANCE CO. RAS EXECUTIVE BENEFITS	DISABILITY INSURANCE	1,151.04 *
624165	TRANSAMERICA EMPLOYEE BENEFITS	LIFE INS PREMIUM	6,680.50 *
624166	CARAVAN CANOPY INT'L, INC	OTHER MINOR TOOLS/EQ	1,378.12 *
624167	M. GANNON ECKHARDT	MED TRUST REIMB	55.00 *
624168	ORANGE COUNTY SHERIFF'S DEPT	TUITION/TRAINING	134.00 *
624169	VN-US IMMIGRATION & SERVICES	ADVERTISING	1,112.40 *
624170	METROLINK TRAINS	WAGE ATTACHMENT	1,022.75
		L/S/A TRANSPORTATION	330.00
			1,352.75 *

PAGE TOTAL FOR "*" LINES = 19,545.36

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624171	CREATE A PARTY INC DBA CREATE A PARTY RENTALS	OTHER PROF SERV	272.50 *
624172	STANDARD INSURANCE COMPANY	DISABILITY INSURANCE	24,588.68 *
624173	UNITED STATES TREASURY	WAGE ATTACHMENT	130.00 *
624174	LIZ VASQUEZ	DEP CARE REIMB	77.08 *
624175	INFOSEND, INC.	POSTAGE	5,836.70
		PRINTING	174.27
		OTHER PROF SERV	746.01
		PAPER/ENVELOPES	753.81
			7,510.79 *
624176	CO. OF ORANGE	WAGE ATTACHMENT	831.00 *
624177	ISRAEL NIETO DBA AG ENTERTAINMENT	OTHER PROF SERV	300.00 *
624178	OCC BUILDERS INC	FEE REFUND	55.00
		ISSUANCE FEE REFUND	35.00
		BLDG PERMIT REFUND	850.17
		BSASRF STATE FEE	3.00
		FEE REFUND	39.00
		STRONG MOTION-COMM	21.00
		PC FEE REFUND	80.00
		PLAN CK FEE REFUND	80.00
		ELECTRL P/C FEES REF	80.00
		FEE REFUND	65.00
		PLAN CK FEE REFUND	713.13
		PERMIT REFUND	44.42
		GENERAL PLAN	88.83
			2,154.55 *
624179	PAYAN, CRISTINA	MED TRUST REIMB	243.40 *
624180	LOS SANCHEZ	FOOD	1,700.00 *
624181	TRIMBLE, EMILY	MED TRUST REIMB	260.00 *
624182	PETTY CASH-SPEC INVESTIGATIONS	OTHER	9,855.00 *
624183	FOWLER, ROBERT D	TRAVEL ADVANCE-P.D.	-643.48
		L/S/A TRANSPORTATION	303.88

PAGE TOTAL FOR "*" LINES = 47,923.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624184	SO CALIF GAS CO	SUBSISTENCE	342.00
		LODGING	828.50
			830.90 *
624185	KURAMOTO, JEFF	GAS-WATER PROD	900.23 *
		L/S/A TRANSPORTATION	249.55
		LODGING	308.18
		OTHER CONF/MTG EXP	35.00
		REGISTRATION FEES	275.00
			867.73 *
624186	SABROSO! MEXICAN GRILL, INC	CATERING SERVICES	1,999.99 *
624187	AT&T	TELEPHONE	1,543.38 *
624188	AT&T	TELEPHONE	2,329.80 *
624189	FRONTIER COMMUNICATIONS	TELEPHONE/BEEPERS	670.76 *
624190-624191	VOID WARRANTS		
624192	SO CALIF EDISON CO	ELECTRICITY	119,030.11 *
624193	SO CALIF GAS CO	NATURAL GAS	17,344.27 *
624194	TIME WARNER CABLE	CABLE	681.28 *
624195	ELGIN*, TODD D.	MED TRUST REIMB	100.00 *
624196	ELHAMI, MICHAEL	TRAVEL ADVANCE-P.D.	872.97 *
624197	EXCLUSIVE AUTO DETAIL	MOTOR VEHICLE MAINT	1,867.00 *
624198	GARCIA, PETE	TRAVEL ADVANCE-P.D.	199.50 *
624199	GARDEN GROVE SECURED STORAGE	LAND/BLDG/ROOM RENT	480.00 *
624200	HERNANDEZ, GARY	MED TRUST REIMB	125.00 *
624201	i.i. FUELS, INC	MV GAS/DIESEL FUEL	20,107.56 *
624202	KIM, LISA	MED TRUST REIMB	880.00 *

PAGE TOTAL FOR "*" LINES = 170,830.48

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624203	LEE, GRACE	DEP CARE REIMB	192.30 *
624204	PAULUS ENGINEERING, INC.	SEWER REPAIR/MAINT	366,654.42 *
624205	PHI, THYANA	DEP CARE REIMB	129.23 *
624206	RECOGNITION SERVICES, INC.	PINS/MEMENTOS	580.00 *
624207	RUITENSCHILD, LES	DEP CARE REIMB	431.60 *
624208	TYCO INTEGRATED SECURITY LLC	MAINT-SERV CONTRACTS	4,804.87 *
624209	U.S. BEHAVIORAL HEALTH PLAN, CA DEPT# 75889	NON-SPEC CONTR SERV	1,649.20 *
624210	U.S. POSTAL SERVICE (HASLER)	POSTAGE	20,000.00 *
624211	WARDLE, DENNIS*	TRAVEL ADVANCE-P.D.	199.50 *
624212	VALDIVIA, CLAUDIA	DEP CARE REIMB	169.18 *
624213	DIBAJ, KAMYAR	DEP CARE REIMB	2,307.60 *
624214	HODSON, AARON	DEP CARE REIMB	138.46 *
624215	CSMFO	TUITION/TRAINING	120.00 *
624216	MARATHON ENGINEERING CORP	OTHER MAINT ITEMS	1,860.00 *
624217	OCSO FINANCIAL MNGT DIV	SEWER FEES	18,322.68 *
624218	ORANGE COUNTY SHERIFF'S DEPT	TUITION/TRAINING	70.00 *
624219	CAMARENA, RENE	MED TRUST REIMB	145.41 *
624220	DANNY MIHALIK	TRAVEL ADVANCE-P.D.	792.47 *
624221	COMMUNITY ACTION PARTNERSHIP OF OC	DEPOSIT REFUNDS	500.00 *
624222	HARBOR JUSTICE CENTER	BAIL BOND DEP REFUND	317.00 *
624223	LIZ VASQUEZ	DEP CARE REIMB	77.08 *
624224	BRICKS 4 KIDZ	FACT:FOST/ADOPT	210.00 *

PAGE TOTAL FOR "*" LINES = 419,671.00

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624225	NICOLAE, CORNELIU	MED TRUST REIMB	996.06 *
624226	ZENDEJAS, ABIGAIL	DEPOSIT REFUNDS	500.00 *
624227	MUNOZ, AHILDA	DEPOSIT REFUNDS	1,000.00 *
624228	JUMPZONE PARTY RENTALS	FACT: PROGRAM EXP	354.00 *
624229	PEREZ, LUCILA	DEPOSIT REFUNDS	1,000.00 *
624230	SANTIAGO-MILLAN, SERGIO	DEPOSIT REFUNDS	500.00 *
624231	CASTRO, PATRICIA	DEPOSIT REFUNDS	500.00 *
624232	IOANE ANTONIO	DEPOSIT REFUNDS	500.00 *
624233	15915 LA FORCE ST WHITTIER LLC	WAGE ATTACHMENT	-835.80
		RENT SUBSIDY	2,985.00
			2,149.20 *
624234-624235	VOID WARRANTS		
624236	HOME DEPOT CREDIT SERVICES	WHSE INVENTORY	30.08
		OTHER RENTALS	48.25
		OTHER BLD/EQ/ST SERV	129.26
		TREES	369.07
		FERTILIZER	52.60
		MOTOR VEH PARTS	179.18
		PAINT/DYE/LUBRICANTS	284.13
		JANITORIAL SUPPLIES	109.65
		ELECTRICAL SUPPLIES	144.23
		HSHLD EQUIP/SUPPLIES	108.15
		PIPES/APPURTENANCES	313.47
		AIR COND SUPPLIES	4.29
		OTHER MAINT ITEMS	800.35
		GEN PURPOSE TOOLS	176.71
		SAFETY EQ/SUPPLIES	35.44
		OTHER MINOR TOOLS/EQ	1,895.14
		LUMBER	453.56
		HARDWARE	228.72
		AGGREGATES/MASONRY	36.40
		OTHER CONST SUPPLIES	48.55
		SIGNS/FLAGS/BANNERS	31.14

PAGE TOTAL FOR "*" LINES = 7,499.26

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624237	AT&T	TELEPHONE	5,478.37 *
624238	AT&T	TELEPHONE	3,127.92 *
624239	FRONTIER COMMUNICATIONS	TELEPHONE/BEEPERS	185.34 *
624240	CITY OF GARDEN GROVE	WATER	514.27 *
624241	MCI COMM SERVICE	TELEPHONE	304.94 *
624242-624244	VOID WARRANTS		33.65 *
624245	SO CALIF EDISON CO	ELECTRICITY	28,795.52 *
624246	SO CALIF GAS CO	NATURAL GAS	11,471.36 *
624247	TIME WARNER CABLE	CABLE	71.96 *
624248	ACA COMPLIANCE SERVICES INC DBA CIMPLX COMPLIANCE SERVICES	OTHER PROF SERV	1,290.75 *
624249	ADMINSURE	SELF-INS ADMN	16,445.00 *
624250	APP-ORDER, LLC	OTHER PROF SERV	340.00 *
624251	ABSOLUTE INTERNATIONAL SECURITY	OTHER PROF SERV	3,087.34 *
624252	ADAMSON POLICE PRODUCTS	HARDWARE	80.93 *
624253	ALAN'S LAWN AND GARDEN CENTER INC.	MOTOR VEH PARTS	2,550.51 *
624254	ALL CITY MANAGEMENT SERVICES, INC.	CROSSING GUARD SERV	10,266.30 *
624255	AMTECH ELEVATOR SERVICES	MAINT-SERV CONTRACTS	731.87 *
624256	ANAHEIM REGIONAL MEDICAL CENTER	MEDICAL SERVICES	2,250.00 *
624257	ASH-BURKE, ALLISON	OTHER PROF SERV	900.00 *
624258	ATHENS TECHNICAL SPECIALISTS, INC.	MAINT SUPP-TRAFF SIG	688.77 *
624259	AUTO PARTS DISTRIBUTOR	MOTOR VEH PARTS	1,149.56 *

PAGE TOTAL FOR "*" LINES = 89,764.36

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624260	BARR AND CLARK, INC.	OTHER PROF SERV	320.00 *
624261	BENDRITE SHEET METAL, INC.	AIR COND SUPPLIES	2,040.79 *
624262	BOLSA NURSERY	TREES	56.33 *
624263	BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES	8,218.04 *
624264	BROWNELLS, INC.	OTHER MINOR TOOLS/EQ	1,054.05 *
624265	RUSSELL SIGLER INC.	AIR COND SUPPLIES	701.39 *
624266	CSG CONSULTANTS, INC.	OTHER PROF SERV	38,545.00 *
624267	C.WELLS PIPELINE MATERIALS INC.	WHSE INVENTORY	698.22 *
624268	CAMERON WELDING SUPPLY	MOTOR VEH PARTS	917.08
		AIR COND SUPPLIES	36.98
		OTHER REC/CULT SUPP	44.27
			998.33 *
624269	CASCADE FIRE EQUIPMENT	SAFETY EQ/SUPPLIES	732.70 *
624270	CHEM PRO LABORATORY, INC	MAINT-SERV CONTRACTS	360.00 *
624271	CIVILTEC ENGINEERING INC	ENGINEERING SERVICES	17,027.50 *
624272	SUPPLYWORKS	REPAIRS-FURN/WACH/EQ	104.27
		JANITORIAL SUPPLIES	110.81
			215.08 *
624273	CLEANSTREET	OTHER MAINT ITEMS	332.50 *
624274	COMMUNITY VETERINARY HOSPITAL	TRUST FUND EXPEND	626.75 *
624275	CONTINENTAL CONCRETE CUTTING	OTHER MAINT ITEMS	31,523.00
		GEN PURPOSE TOOLS	1,184.00
			32,707.00 *
624276	CONTROLLED MOTION SOLUTIONS, INC.	OTHER MAINT ITEMS	3.15 *
624277	CORA CONSTRUCTORS, INC.	WTR/SWR CONST CONTR	210,430.37 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624278	COUNTRY CITY TOWING	TOWING SERVICES	380.00 *
624279	CRON & ASSOCIATES TRANSCRIPTION, INC.	OTHER PROF SERV	2,921.44 *
624280	L.N.CURTIS & SONS	SAFETY EQ/SUPPLIES	62.45 *
624281	DAISY VI ASSOCIATES LTD	RENT SUBSIDY	719.00 *
624282	DENNIS GRUBB & ASSOCIATES, LLC	OTHER PROF SERV	400.00 *
624283	DIAMOND ENVIRONMENTAL SERVICES	OTHER MAINT ITEMS	299.55 *
624284	DOCUMEDIA GROUP	OFFICE SUPPLIES/EXP	381.12 *
624285	DOOLEY ENTERPRISES, INC.	GUNS/AMMUNITION	25,975.83 *
624286	DUNN-EDWARDS CORPORATION	PAINT/DYE/LUBRICANTS	41.34 *
624287	EWING IRRIGATION PRODUCTS, INC.	PIPES/APPURTENANCES OTHER MAINT ITEMS	100.92 124.54 225.46 *
624288	JOHN B EWLES INC	TRASH/CLEANING SERV	380.00 *
624289	EXCLUSIVE AUTO DETAIL	MOTOR VEHICLE MAINT	402.00 *
624290	EXPERIAN INFO SOLUTIONS INC	OTHER PROF SERV	78.64 *
624291	FARMER BROTHERS CO.	FOOD SERV SUPPL	432.92 *
624292	FEDERAL EXPRESS CORP	DELIVERY SERVICES	368.26 *
624293	FORD OF ORANGE	MOTOR VEH PARTS	1,114.49 *
624294	THE SHERWIN-WILLIAMS CO DBA FRAZEE PAINTS	PAINT/DYE/LUBRICANTS	488.49 *
624295	FRYE SIGN CO	MOTOR VEHICLE MAINT MOTOR VEH PARTS	985.00 175.00 1,160.00 *
624296	GPSIT	MAINT-SERV CONTRACTS	160.00 *
624297	GANAHL LUMBER COMPANY	LUMBER	221.66

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624298	REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC	HARDWARE	185.53 407.19 *
		AMT DUE GG DISPSL REFUSE COLL SERV	29,757.24 9,813.09 39,570.33 *
624299	GOLDEN OFFICE TRAILERS INC	LAND/BLDG/ROOM RENT	862.00 *
624300	GOMEZ, JOSE	SAFETY EQ/SUPPLIES	204.88 *
624301	GREEN'S DISCOUNT GLASS & SCREENS	OTHER CONST SUPPLIES	228.43 *
624302	HILCO FASTENER WAREHOUSE	HARDWARE	46.83 *
624303	HILL'S BROS LOCK & SAFE INC	MAINT OF REAL PROP OTHER MAINT ITEMS	118.02 222.81 340.83 *
624304	CALIBER BODYWORKS, INC. DBA CALIBER COLLISION CENTERS	REPAIRS-FURN/MACH/EQ	6,375.33 *
624305	APPLE ONE EMPLOYMENT SVS	TEMP AIDE SERVICES	6,174.30 *
624306	JAY'S CATERING	FOOD	1,226.57 *
624307	JOHNSTONE SUPPLY	AIR COND SUPPLIES OTHER MINOR TOOLS/EQ	743.42 73.53 816.95 *
624308	KILMER, WAGNER & WISE PAPER COMPANY, INC.	PAPER/ENVELOPES	252.79 *
624309	KOA CORPORATION	ENGINEERING SERVICES	12,967.76 *
624310	L-3 COMMUNICATIONS MOBILE-VISION, INC	MOTOR VEH PARTS	135.77 *
624311	LAWSON PRODUCTS, INC.	MOTOR VEH PARTS	867.08 *
624312	LEE, GRACE	TRAVEL ADVANCE L/S/A TRANSPORTATION SUBSISTENCE	-228.00 77.00 228.00 77.00 *
624312	LEON'S TRANSMISSION SERVICES INC	REPAIRS-FURN/MACH/EQ	1,932.32 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624314	LIFECOM SAFETY SERVICE & SUPPLY	GEN PURPOSE TOOLS	65.00 *
624315	LOS ANGELES TIMES	BOOKS/SUBS/CASSETTES	181.93 *
624316	LUDWIG, DAWNA	INSTRUCTOR SERVICES	2,040.78 *
624317	MAULE, CHEYNE	L/S/A TRANSPORTATION	54.25 *
624318	MC MASTER-CARR SUPPLY CO	HARDWARE	26.97 *
624319	F. EARL MELLOTT & ASSOC INC	MAINT-SERV CONTRACTS	3,930.00 *
624320	MERCHANTS BLDG MAINT LLC	MAINT-SERV CONTRACTS	1,629.76 *
624321	METASOURCE LLC	OTHER PROF SERV	943.18 *
624322	MR. D'S AUTOMOTIVE	MOTOR VEHICLE MAINT	354.75 *
624323	NATIONAL CONSTRUCTION RENTALS	OTHER RENTALS	250.69 *
624324	VOID WARRANT		
624325	OFFICE DEPOT, INC	OFFICE SUPPLIES/EXP	3,034.14 *
624326	NIAGARA PLUMBING	PIPES/APPURTENANCES	309.35
		OTHER MAINT ITEMS	53.79
			363.14 *
624327	R.J. NOBLE COMPANY	OTHER MAINT ITEMS	488.76 *
624328	OCEAN BLUE ENVIRONMENTAL SERVICES, INC.	HAZMAT REMOVAL	905.80
		OTHER MAINT ITEMS	651.00
			1,556.80 *
624329	OPPERMAN & SONS TRUCK	MOTOR VEH PARTS	140.35 *
624330	ORANGE COUNTY NEWS	ADVERTISING	780.75 *
624331	ORANGE COUNTY SANDBAGGER	PROJECT REAPPROP	3,878.62 *
624332	THE PM GROUP	PRINTING	3,701.22 *
624333	PACIFIC ROOFER DAY & NIGHT PLUMBING	MAINT-SERV CONTRACTS	1,150.00 *

PAGE TOTAL FOR "*" LINES = 24,571.09

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624334	PARKHOUSE TIRE INC	WHSE INVENTORY	1,554.11 *
624335	PENCO ENGINEERING, INC.	OTHER PROF SERV	1,400.00 *
624336	POWERTRON BATTERY CO	ELECTRICAL SUPPLIES	290.93 *
624337	PRIME TRUCK TIRE SERVICE	MOTOR VEHICLE MAINT	1,130.00 *
624338	R.H.F. INC.	REPAIRS-FURN/MACH/EQ	245.00 *
624339	RADI'S CUSTOM UPHOLSTERY	MOTOR VEH PARTS	2,525.00 *
624340	REFLEX TRAFFIC SYSTEMS, INC.	OTHER PROF SERV	31,900.00 *
624341	RED WING SHOE STORE	SAFETY EQ/SUPPLIES	151.69 *
624342	THE ORANGE COUNTY REGISTER	BOOKS/SUBS/CASSETTES	123.42 *
624343	PROACTIVE WORK HEALTH SERVICES	MEDICAL SERVICES INSTRUCTOR SERVICES	4,031.00 624.00 4,655.00 *
624344	SIEMENS INDUSTRY, INC.	MAINT-SERV CONTRACTS	17,737.75 *
624345	DATA TICKET, INC	OTHER PROF SERV	345.00 *
624346	NEWHOPE P & L, INC. DBA NEWHOPE PAINT & COATINGS	OTHER MAINT ITEMS	1,800.00 *
624347	S.C. YAMAMOTO, INC.	OTHER PROF SERV SEEDS/PLANTS	2,150.00 270.00 2,420.00 *
624348	SABP INC SABP REPROGRAPHICS	DUPLICATING	57.72 *
624349	SAFETY 1st PEST CONTROL, INC	OTHER MAINT ITEMS	600.00 *
624350	SAXE-CLIFFORD, PH.D., SUSAN	MEDICAL SERVICES	900.00 *
624351	SCHAEFFER, NICK	LODGING	390.24 *
624352	SHOETERIA	SAFETY EQ/SUPPLIES	318.14 *
624353	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	157.50 *

PAGE TOTAL FOR "*" LINES = 68,701.50

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624354	SIMPSON CHEVROLET OF GG	MOTOR VEH PARTS OTHER MAINT ITEMS	728.57 523.61 1,252.18 *
624355	SMITH PIPE & SUPPLY COMPANY, INC	WHSE INVENTORY	214.55 *
624356	SOUTH COAST EMERGENCY VEHICLE SERVICES	MOTOR VEH PARTS	448.73 *
624357	SOUTHERN CALIFORNIA GAS CO ML 711D	MOTOR VEH PARTS	18,904.86 *
624358	SOUTHERN COUNTIES LUBRICANTS LLC.	WHSE INVENTORY	1,184.61 *
624359	SPARKLETT'S	BOTTLED WATER	424.07 *
624360	STRADLING, YOCCA, CARLSON & RAUTH	LEGAL FEES	9,916.00 *
624361	SUN BADGE COMPANY	UNIFORMS	204.41 *
624362	SUNBELT RENTALS	REPAIRS-FURN/MACH/EQ	568.55 *
624363	TT TECHNOLOGIES, INC	WHSE INVENTORY	1,937.90 *
624364	THOMAS HOUSE TEMPORARY SHELTER	OTHER PROF SERV	6,466.46 *
624365	TIME WARNER CABLE	CABLE TV SERVICE	277.06 *
624366	TIRE CENTERS, LLC	TIRES/TUBES	2,967.83 *
624367	HONEYWELL (FORMER TOTAL FIRE GROUP)	SAFETY EQUIP	298.96 *
624368	TOXGUARD FLUID TECHNOLOGIES	GREASE/LUBE OIL	533.28 *
624369	TRUCK & AUTO SUPPLY INC. TrucParCo	MOTOR VEH PARTS	1,977.10 *
624370	TURNOUT MAINTENANCE COMPANY	FIRE TURNOUTS REPAIR	1,291.46 *
624371	TYCO INTEGRATED SECURITY LLC	MAINT-SERV CONTRACTS	536.42 *
624372	U.S. ARMOR CORP.	UNIFORMS	3,660.69 *
624373	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	OTHER MAINT ITEMS	427.50 *
624374	UNIFIRST CORP	LAUNDRY SERVICES	1,713.40 *

PAGE TOTAL FOR "*" LINES = 55,206.02

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624375	VALLEY POWER SYSTEMS, INC.	OTHER MAINT ITEMS	1,371.45 *
624376	VISION MARKING DEVICES	OFFICE SUPPLIES/EXP	77.16 *
624377	GRAINGER	WHSE INVENTORY	702.48
		ELECTRICAL SUPPLIES	31.61
		AIR COND SUPPLIES	635.69
		SAFETY EQ/SUPPLIES	165.89
		OTHER MINOR TOOLS/EQ	154.71
		HARDWARE	23.86
		FURN/MACH/EQUIP REPL	227.90
			1,942.14 *
624378	WALTERS WHOLESALE ELECTRIC	REPAIRS-FURN/MACH/EQ	401.82
		MAINT SUPP-TRAFF SIG	92.24
		OTHER MINOR TOOLS/EQ	67.95
			562.01 *
624379	WATERLINE TECHNOLOGIES, INC.	LABORATORY CHEMICALS	1,305.56 *
624380	WAXIE SANITARY SUPPLY	WHSE INVENTORY	1,949.16 *
624381	WEST COAST SAND & GRAVEL	AGGREGATES/MASONRY	527.26 *
624382	WESTERN EXTERMINATOR	OTHER MAINT ITEMS	525.00 *
624383	CITY OF WESTMINSTER	PISTOL RANGE RENTAL	600.00 *
624384	WOODRUFF, SPRADLIN & SMART A PROFESSIONAL CORP	LEGAL FEES	8,721.50 *
624385	ZUMASYS, INC.	MAINT-SERV CONTRACTS	3,906.00 *
624386	SAFARILAND, LLC	OTHER PROF SUPPLIES	797.39 *
624387	MORALES, HUGO	OTHER PROF SERV	480.00 *
624388	CHEMSEARCH	LUMBER	357.91 *
624389	AGUINAGA GREEN	OTHER AGR SUPPLIES	495.65 *
624390	GRAY, MIKE	SAFETY EQ/SUPPLIES	150.00 *
624391	FACTORY MOTOR PARTS CO	MOTOR VEH PARTS	239.00 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624392	PERFECTO PRODUCTS, INC C.W. COX COMPANY	OTHER MINOR TOOLS/EQ	107.71 *
624393	PROFESSIONAL COLLISION	MOTOR VEHICLE MAINT	1,583.40 *
624394	HANDY HOSE SERVICES ADVANTAGE HOSE SERVICES LLC	REPAIRS-FURN/MACH/EQ	150.95 *
624395	S&S WORLDWIDE INC	OTHER REC/CULT SUPP	623.13 *
624396	CHEMEX INDUSTRIES	JANITORIAL SUPPLIES	561.76 *
624397	CAPPO INC.	REGISTRATION FEES	395.00 *
624398	COMMERCIAL AQUATIC SERVICES	OTHER PROF SERV	1,006.00 *
624399	MAAE, DAVID	SAFETY EQ/SUPPLIES	89.40 *
624400	ORANGE COUNTY FARM SUPPLY CO.	OTHER AGR SUPPLIES	120.87 *
624401	GRACELAND COLLEGE CENTER SKILLPATH SEMINARS	OTHER EDUCATION EXP	1,432.00 *
624402	MCCALL'S METER SALES & SERVICE	REPAIRS-FURN/MACH/EQ	937.50 *
624403	NGUYEN, NGUYET	TENANT UTILITY REIMB	2.00 *
624404	TRAFFIC MANAGEMENT INC	OTHER MAINT ITEMS	494.15
		SIGNS/FLAGS/BANNERS	220.89
			715.04 *
624405	RAGING WATERS	ADMN/ENTRANCE FEE	1,264.45
		OTHER FOOD ITEMS	709.58
			1,974.03 *
624406	STOWERS, LEW	OTHER PROF SERV	300.00 *
624407	VICTORIA, EVA	OTHER MAINT ITEMS	537.22 *
624408	STATEWIDE TRAFFIC SAFETY AND SIGNS INC	WHSE INVENTORY	175.71 *
624409	ZAP MANUFACTURING, INC.	SIGNS/FLAGS/BANNERS	952.62 *
624410	O'REILLY AUTO PARTS	MOTOR VEH PARTS	1,533.30 *
624411	CELLEBRITE USA INC	FURN/MACH/EQUIP REPL	7,017.50 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624412	MEJIA, MARY A	TENANT UTILITY REIMB	22.00 *
624413	THORPE, DON	TRUST FUND EXPEND	636.00 *
624414	OIL PRICE INFORMATION SERVICE	PERMITS/OTHER FEES	396.90 *
624415	COSTAR GROUP, INC.	OTHER PROF SERV	431.35 *
624416	911 VEHICLE	REPAIRS-FURN/MACH/EQ	10,596.72 *
624417	M. GANNON ECKHARDT	TUITION/TRAINING	245.00 *
624418	DIRECTV	CABLE TV SERVICE	143.23 *
624419	JOE DINH	OTHER PROF SERV	250.00 *
624420	QUANG VAN	OTHER PROF SERV	250.00 *
624421	RADIAL-AVCOMM LLC DBA AVCOMM	COMMUNICATION EQ	169.72 *
624422	GUTIERREZ, MARIA	PROP/EV REFUND	2,921.00 *
624423	TAYLOR, ANNA LAVINE	TENANT UTILITY REIMB	34.00 *
624424	MACH, LAM V	TENANT UTILITY REIMB	1.00 *
624425	SCHORR METALS, INC.	HARDWARE	133.91 *
624426	MARIA PARRA	TUITION REIMB	1,488.11 *
624427	GMS AUTOGLASS	MOTOR VEH PARTS	274.17 *
624428	SIERRA PACIFIC ELECTRICAL CONTRACTING	MAINT-SERV CONTRACTS	2,129.75 *
624429	VARIDESK, LLC	MINOR OFFICE FURN/EQ	457.95 *
624430	BLACK&WHITE EMERGENCY VEHICLES	OTHER BLD/EQ/ST SERV	125.00 *
624431	AMERINATIONAL COMMUNITY SERVICES, INC.	OTHER PROF SERV	161.50
		NSP HOME IMP GRANT	48.60
			210.10 *
624432	SECOND HARVEST FOOD BANK OF ORANGE COUNTY, INC.	DON-MPFRC PEP ACC	250.00 *

PAGE TOTAL FOR "*" LINES = 21,165.91

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624433	BATTERY SYSTEMS INC.	MOTOR VEH PARTS	106.05 *
624434	ECOLINE INDUSTRIAL SUPPLY INC	JANITORIAL SUPPLIES	841.59 *
624435	TRAN, AMY	TENANT UTILITY REIMB	27.00 *
624436	SUPERCO SPECIALITY PRODUCTS	WHSE INVENTORY	780.11 *
624437	NGUYEN, BECKY	TENANT UTILITY REIMB	100.00 *
624438	WRIGLEY, JAMES LAWRENCE	TENANT UTILITY REIMB	34.00 *
624439	ISERI, ALEXANDER	VIDEO PRODUCTION EXP OTHER PROF SERV	240.00 962.50 1,202.50 *
624440	DEPARTMENT OF JUSTICE	LIFESCAN FEE-DOJ	768.00 *
624441	NANOOK'S EMBROIDERY	OTHER CLOTHING ITEMS	57.65 *
624442	NAPA AUTO PARTS	MOTOR VEH PARTS	79.29 *
624443	ONSCENE SOLUTIONS, LLC	HARDWARE	1,885.13 *
624444	LEE A STOCKWELL	OTHER PROF SERV	200.00 *
624445	MARK BEDOR	OTHER PROF SERV	1,125.00 *
624446	CROSSBOW INC DBA ARROWHEAD ROCKDRILL CO INC	FURN/MACH/EQUIP REPL	8,620.00 *
624447	PEREZ, MARIA ISELA	TENANT UTILITY REIMB	87.00 *
624448	FIRST IN PRODUCTS, INC.	MEDICAL SUPPLIES	41.27 *
624449	SOUHELIA GOUNTOUMA	MINOR FURN/EQUIP	188.45 *
624450	VALLEY POWER SYSTEMS, INC.	OTHER MAINT ITEMS	804.68 *
624451	YO-FIRE SUPPLIES	MOTOR VEH PARTS OTHER MAINT ITEMS	1,501.25 775.37 2,276.62 *
624452	TARGETSOLUTIONS, INC.	MAINT-SERV CONTRACTS	7,600.00 *

PAGE TOTAL FOR "*" LINES = 26,824.34

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624453	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	100.00 *
624454	DAI VU	CELL PHONE/BEEPER	322.21 *
624455	VOID WARRANT		
624456	GRP2 UNIFORMS, INC KEYSTONE UNIFORMS, OC	UNIFORMS	11,097.43 *
624457	B&H PHTO- VIDEO, INC.	PHOTO/BLUEPRINT SUPP	816.95
		AUDIO/VISUAL SUPP	47.30
			864.25 *
624458	JOEY WINGERT	TUITION/TRAINING	200.00 *
624459	YUBICO INC	14/15 SLESF	1,954.50 *
624460	BRIAN BISHOP	OTHER PROF SERV	250.00 *
624461	MAYER PRINTERS	PAPER/ENVELOPES	915.88 *
624462	AUTONATION FORD TUSTIN	REPAIRS-FURN/MACH/EQ	211.60 *
624463	USA BLUE BOOK	LABORATORY CHEMICALS	1,106.12 *
624464	CRAFCO INC.	ASPHALT PRODUCTS	5,333.63 *
624465	VU, KIM CUC THI	TENANT UTILITY REIMB	29.00 *
624466	MIRANDA, PARISS A	TENANT UTILITY REIMB	27.00 *
624467	LE, GIAP PHU	TENANT UTILITY REIMB	20.00 *
624468	LOVELADY, KORI ELLEN	TENANT UTILITY REIMB	27.00 *
624469	LY, NANCY	TENANT UTILITY REIMB	16.00 *
624470	LIEBERT CASSIDY WHITMORE	LEGAL FEES	4,420.00 *
624471	PSI	REPAIRS-FURN/MACH/EQ	8,700.00 *
624472	SOUTH COAST A.Q.M.D.	PERMITS/OTHER FEES	690.33 *
624473	FAILSAFE TESTING	OTHER PROF SERV	1,891.75 *

PAGE TOTAL FOR "*" LINES = 38,176.70

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
624474	PRINT MASTERS 85	ADVERTISING	322.67 *
624475	VALDIVIA-ALVAREZ, CLAUDIA	MILEAGE REIMB	67.78 *
624476	VICKY NGUYEN	OTHER PROF SERV	216.00 *
624477	OCC BUILDERS INC ATTN: SHAUWKI HAASEN	BLDGS/IMPROVEMENTS	17,436.30 *
624478	LYNN LAI	FOOD	244.00 *
624479	COUNTY OF ORANGE TREASURER-TAX COLLECTOR	NETWORKING SERVICES	1,115.00
		OTHER PROF SERV	356,875.00
			357,990.00 *
624480	KAIDENCE ADVISORS, LLC	SEWER FEES	3,243.63 *
624481	OCTMA C/O CORPORAL STACY SMITH	DUES/MEMBERSHIPS	100.00 *
624482	NAME YOUR GAME, INC.	UNIFORMS	538.31 *
624483	ANYTIME WORLD WIDE	OTHER PROF SUPPLIES	560.47 *
624484	SOUTH COAST WATER DISTRICT	TUITION/TRAINING	1,145.08 *
624485	DINH, PHUONG T	TENANT UTILITY REIMB	183.00 *
624486	PRADO FAMILY SHOOTING RANGE	PISTOL RANGE RENTAL	350.00 *
624487	HERNANDEZ, OLGA	DEPOSIT REFUND	20,622.21 *
624488	ARIZONA PIPELINE	DEPOSIT REFUND	1,200.00
		WATER REFUND	-116.07
			1,083.93 *
624489	JTB SUPPLY CO INC	MAINT SUPP-TRAFF SIG	2,537.91 *
624490	JOE SCHWEHR	OTHER PROF SERV	1,540.00 *
624491	LOS SANCHEZ	FOOD	900.00 *
624492	FLEMING ENVIRONMENTAL INC.	MAINT-SERV CONTRACTS	4,842.95 *
624493	IRVINE PIPE & SUPPLY INC	OTHER MAINT ITEMS	326.06 *

PAGE TOTAL FOR "*" LINES = 414,250.30

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 06/13/17

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W1878	CALIFORNIA STATE DISBURSEMENT UNIT	WAGE ATTACHMENT	4,067.37 *
W1879	LINCOLN FINANCIAL GROUP	LIFE INS PREMIUM	7,684.92 *
W1880	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PENSION PAYMENT	7,581.73 *
W1881	VISION SERVICE PLAN	VISION INSURANCE	7,213.38 *
W1882	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PENSION PAYMENT	962,854.46 *

PAGE TOTAL FOR "*" LINES = 989,401.86

FINAL TOTAL 2,850,154.41 *

DEMANDS #624133 - 624493 AND WIRES W1878 - W1882 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL JUNE 13, 2017, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF

Kingsley C. Okereke
KINGSLEY C. OKEREKE - FINANCE DIRECTOR

181227	MICHELLE N ESTRADA-MONSA	1698.41	181228	CAROL E BECKLES	50.00
181229	STEPHANIE L KLOPFENSTEIN	279.18	181230	STEVE R SOLORIO	45.52
181231	JUDITH A MOORE	1844.55	181232	DIANE BELAIR	1526.42
181233	AMANDA M POLLOCK	1178.89	181234	JO ANNE M CHUNG	2158.94
181235	THOMAS E BUTTERS	1950.33	181236	CHRIS M VERES	2159.77
181237	ERIC M ESPINOZA	645.21	181238	ROBERT R MOUNGEY	290.87
181239	MICHAEL F ROCHA	1833.95	181240	KEVIN L RAY	481.82
181241	ADRIANNA M RODRIGUEZ	593.76	181242	JAVIER RODRIGUEZ	973.89
181243	DANIEL C MOSS	1563.30	181244	YUKIYOSHI NAKAGAWA	1396.23
181245	AUSTIN H POWELL	1679.53	181246	SOUHELIA K GOUNTOUNA	1489.26
181247	ANA E PULIDO	3202.76	181248	STEPHANIE AMBRIZ	392.21
181249	VALERIA J BARON	484.37	181250	MELISSA L BELL	302.49
181251	ALYSSA B BERRY	286.93	181252	DEANNA M CHUMACERO	1109.83
181253	STEVEN E GOMEZ	448.10	181254	BRIANNA D HOLT	306.95
181255	JESUS PEREZ	587.27	181256	PHILIP J SEYMOUR	143.24
181257	BREANA C VARGAS	49.17	181258	LUKE A STARK	71.56
181259	MICHAEL J JENSEN	2698.92	181260	ISAAC DAVILA	380.37
181261	JULIAN TAPIA	490.03	181262	RANDY L TUCKER	1089.31
181263	JOAN M CEPLIUS	814.96	181264	HINA J AHMAD	232.90
181265	O.C.E.A. GENERAL	2425.56	181266	O.C.E.A.	1177.19
181267	COMMUNITY HEALTH CHARITI	50.00	181268	GARDEN GROVE POLICE ASSO	1490.00
D312923	KRIS C BEARD	355.42	D312924	PHAT T BUI	1.57
D312925	STEVEN R JONES	256.18	D312926	DIEDRE THU HA NGUYEN	326.88
D312927	KIM B NGUYEN	323.86	D312928	JOHN R O'NEILL	354.17
D312929	PAMELA M HADDAD	1432.86	D312930	SHAWN S PARK	1851.64
D312931	SCOTT C STILES	6243.43	D312932	MARIA A STIPE	4848.98
D312933	MEENA YOO	1860.68	D312934	DENISE KEHN	1955.56
D312935	MARITZA PIZARRO	1657.99	D312936	TERESA L POMEROY	2674.46
D312937	LIZABETH C VASQUEZ	1663.11	D312938	SHAUNA J CARRENO	1883.50
D312939	TERESA G CASEY	1320.09	D312940	VIRGINIA DELGADO	1581.66
D312941	DANNY HUYNH	3937.61	D312942	VILMA C KLOESS	1735.49
D312943	IVY LE	1748.04	D312944	TAMMY LE	1471.64
D312945	LINDA MIDDENDORF	2415.65	D312946	ROSALINDA MOORE	1231.42
D312947	MARIA A NAVARRO	2101.47	D312948	PHUONG VIEN T NGUYEN	2360.64
D312949	QUANG NGUYEN	2229.91	D312950	TINA T NGUYEN	1956.45
D312951	THYANA T PHI	2105.58	D312952	MARIA RAMOS	1986.18
D312953	TANYA L TO	1571.30	D312954	CUONG K TRAN	1941.38
D312955	ELAINE TRUONG	1271.28	D312956	THANH-NGUYEN VO	1619.73
D312957	SYLVIA GARCIA	1945.00	D312958	KINGSLEY C OKEREKE	4959.19
D312959	HEIDI M JANZ	1893.42	D312960	CHRISTI C MENDOZA	515.71
D312961	ANN CAO EIFERT	2677.82	D312962	DEBORAH A POWELL	1511.26
D312963	MARGARITA A ABOLA	1692.00	D312964	MARISA ATIN RAMOS	1496.11
D312965	ELLIS EUN ROK CHANG	2456.44	D312966	JANET J CHUNG	1851.05
D312967	CLAUDIA FLORES	3019.31	D312968	RHONDA C KAWELL	2372.50
D312969	ROBERT W MAY	1276.24	D312970	SHAWNA A MCDONOUGH	1387.67
D312971	ALEXANDER TRINIDAD	2182.64	D312972	LIGIA ANDREI	1300.02
D312973	ARIANA B BAUTISTA	1491.31	D312974	KAREN J BROWN	403.44
D312975	SUE J GULLEY	85.42	D312976	CORINNE L HOFFMAN	2317.35

**** PAGE TOTAL = 141183.66

D312977	JEFF N KURAMOTO	2079.09	D312978	CHELSEA E LUKAS	1446.24
D312979	EDWARD E MARVIN JR	1611.37	D312980	ANGELA M MENDEZ	1611.52
D312981	MONICA A NEELY	3957.67	D312982	JENNIFER L PETERSON	1689.04
D312983	ANH PHAM	1416.32	D312984	EVA RAMIREZ	1370.42
D312985	JAIME F CHAVEZ	1430.78	D312986	GARY F HERNANDEZ	1478.55
D312987	NEAL M MANALANSAN	1415.02	D312988	SANDRA E SEGAWA	3038.58
D312989	ALANA R CHENG	2185.09	D312990	LISA L KIM	3908.11
D312991	JAYME K AHLO	2195.16	D312992	SAEED R AMIRAZIZI	3315.97
D312993	MICHAEL G AUSTIN	2343.76	D312994	DAVID A DENT	1966.94
D312995	TODD C HARTWIG	2167.04	D312996	AARON J HODSON	1879.34
D312997	JERROLD R HOLSTEIN	810.10	D312998	DONALD E LUCAS	2513.70
D312999	DANIEL A WINDHAM	2324.98	D313000	ISABELLA C ZANDVLIET	2814.36
D313001	CHRISTOPHER CHUNG	2292.15	D313002	PAUL GUERRERO	2346.80
D313003	HUONG O LY	459.56	D313004	LEE W MARINO	3346.40
D313005	MARIA L MEDRANO	1860.17	D313006	MARIA C PARRA	2260.09
D313007	ERIN WEBB	2716.58	D313008	GREG BLODGETT	2513.73
D313009	MONICA COVARRUBIAS	2496.51	D313010	GRACE E LEE	2186.27
D313011	AMEENAH ABU-HAMDIYYAH	1677.82	D313012	JULIE A ASHLEIGH	1731.83
D313013	RITA M CRAMER	1889.99	D313014	RALPH V HERNANDEZ	2012.45
D313015	JIMMY NGUYEN	1710.39	D313016	ROY N ROBBINS	2597.10
D313017	NIDA R WATKINS	2389.27	D313018	ALLISON D WILSON	1701.69
D313019	MICHAEL C BOS	2133.50	D313020	DANIEL J CANDELARIA	4000.23
D313021	KAMYAR DIBAJ	177.29	D313022	NICOLAS C HSIEH	2775.29
D313023	ROSEMARIE JACOT	1895.23	D313024	NAVIN B MARU	3180.22
D313025	MICHAEL F SANTOS	2176.58	D313026	MARK P UPHUS	3082.03
D313027	JOSE A VASQUEZ	2027.64	D313028	ANA G VERGARA NEAL	2072.72
D313029	DAI C VU	3365.64	D313030	KHANG L VU	3080.27
D313031	JOSHUA J ARIONUS	1725.89	D313032	JAN BERGER	1890.63
D313033	ROBERT P BERMUDEZ	3190.33	D313034	TIM P CANNON	2596.58
D313035	MYUNG J CHUN	2874.25	D313036	RYAN H DAVIS	416.04
D313037	RONALD W DIEMERT	1744.99	D313038	CHRIS N ESCOBAR	2164.18
D313039	JASON A FERTAL	2466.92	D313040	ALEJANDRO GONZALEZ	1949.58
D313041	MICHAEL J GRAY	1071.73	D313042	LARRY GRIFFIN	2385.31
D313043	ROBERT ALAN HAENDIGES	2333.65	D313044	RYAN S HART	1987.62
D313045	ROBERT M HIGGINBOTHAM	1166.54	D313046	EDWARD A HUY	2798.06
D313047	VIDAL JIMENEZ	2001.77	D313048	SAMUEL K KIM	3595.69
D313049	BRENDA L LAI	480.99	D313050	SHAN L LEWIS	1603.65
D313051	REBECCA PIK KWAN LI	2954.59	D313052	SCOTT T LOWE	2536.86
D313053	DAVID MA'AE	1766.72	D313054	TYLER MEISLAHN	1680.66
D313055	JESSE K MONTGOMERY	1827.91	D313056	STEVEN J MOYA JR	1764.07
D313057	BASIL G MURAD	2710.61	D313058	KIRK L NATLAND	713.88
D313059	CORNELIU NICOLAE	2268.29	D313060	ANDREW I ORNELAS	1447.68
D313061	DAVID A ORTEGA	4034.17	D313062	CELESTINO J PASILLAS	2346.55
D313063	WILLIAM F PEARSON	3087.10	D313064	LES A RUITENSCHILD	3372.26
D313065	JONATHAN RUIZ	2091.91	D313066	MODESTO R SALDANA	1758.69
D313067	ALEXIS SANTOS	1348.31	D313068	ADRIAN M SARMIENTO	2100.62
D313069	ALBERT TALAMANTES JR	753.89	D313070	MINH K TRAN	2521.27
D313071	ALEJANDRO VALENZUELA JR	1035.17	D313072	ALEJANDRO N VALENZUELA	1690.49

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D313073	KATHLEEN N VICTORIA	835.35	D313074	RONALD J WOLLAND	1442.38
D313075	VICTOR K YERGENSEN	3008.60	D313076	ALICE K FREGOSO	1651.89
D313077	RAUEL K MANSON	2331.29	D313078	CAROLYN E MELANSON	1611.73
D313079	WILLIAM E MURRAY JR	5856.93	D313080	EMILY H TRIMBLE	1411.42
D313081	ALFRED J AGUIRRE	2930.45	D313082	ANTHONY U AGUIRRE	398.76
D313083	RODOLPHO M BECERRA	1628.83	D313084	HELEN L CAMDEN	343.36
D313085	EDGAR A CANO	626.09	D313086	ALBERT J CARRISOZA	1621.08
D313087	MARRAY R CHAPMAN	468.76	D313088	GABRIELA R CONTRERAS	2042.78
D313089	JULIE T COTTON	746.49	D313090	VINCENT L DE LA ROSA	1684.81
D313091	HECTOR M ESPINOZA	1461.14	D313092	ROBERT J FRANCO	586.09
D313093	MAURICIO S GARCIA	2138.49	D313094	GLORIA GAW	1854.20
D313095	RICHARD R GOSSELIN	2991.87	D313096	HERMILO HERNANDEZ	1355.17
D313097	DARNELL D JERRY	515.01	D313098	KEANU M KALOLO	1632.26
D313099	BRENT KAYLOR	2314.24	D313100	BEN A KOSKY	1510.91
D313101	MARK W LADNEY	2072.33	D313102	RAUL LEYVA	3882.73
D313103	ANTONIO R MARTIN	3008.53	D313104	ROBERT P MCLOGAN	395.46
D313105	KEVIN E MEJIA	674.28	D313106	RIGOBERTO MENDEZ	1793.92
D313107	JON A MIHAILA	127.78	D313108	STEVEN T ORTIZ	1706.93
D313109	RICHARD L PINKSTON	1612.02	D313110	BRADLEY J POINDEXTER	524.95
D313111	STEVE J TAVANU'U	2018.48	D313112	SUSAN VITALI	884.76
D313113	STEPHANIE A WASINGER	426.49	D313114	JOSE L BELTRAN	560.27
D313115	JEFFREY G CANTRELL	1798.76	D313116	THOMAS C COUNTS	492.75
D313117	JAMES CUNNINGHAM	1866.98	D313118	EARNEST L DOMINGUEZ	938.64
D313119	JULIA ESPINOZA	1101.99	D313120	ALBERT R EURS II	1957.68
D313121	CECELIA A FERNANDEZ	1068.13	D313122	CONRAD A FERNANDEZ	890.14
D313123	JORGE GONZALEZ	1017.79	D313124	MICHAEL R GREENE	1730.35
D313125	RONALD D GUSMAN	840.30	D313126	GLORIA A HARO	1119.64
D313127	ERIC W JOHNSON	944.96	D313128	URIEL MACIAS	776.14
D313129	LUIS Y MENDOZA AGUILAR	883.85	D313130	KHUONG NGUYEN	1101.35
D313131	VIRGINIA NICHOLS	810.90	D313132	ALEJANDRO ORNELAS	887.17
D313133	WILLIAM R PICKRELL	2286.23	D313134	CHRISTOPHER L RELEFORD	1232.18
D313135	DELFRADO C REYES	1083.03	D313136	RAFAEL ROBLES	1131.39
D313137	RODERICK THURMAN	1465.20	D313138	EVARISTO VERA	1501.83
D313139	RICHARD L WILLIAMS	1692.74	D313140	ANSELMO AGUIRRE	1719.07
D313141	CHRISTOPHER L ALLEN	1659.10	D313142	PHILLIP J CARTER	2180.46
D313143	RICK L DUVAL	1986.03	D313144	AARON R HANSEN	1381.37
D313145	PATRICIA CLAIR HAYES	2118.70	D313146	HUY HOA HUYNH	1916.13
D313147	BRYAN D KWIATKOWSKI	1490.14	D313148	BRANDON S NUNES	569.38
D313149	CHRISTOPHER B PRUDHOMME	349.92	D313150	ROLANDO QUIROZ	1326.01
D313151	TODD R REED	1866.17	D313152	ESTEBAN H RODRIGUEZ	585.69
D313153	RONALD E SANDIFORTH	1905.71	D313154	LUIS A TAPIA	2035.70
D313155	MICHAEL W THOMPSON	2391.45	D313156	SANTIAGO TRISTAN JR	629.85
D313157	WILLIAM J WHITE	1865.82	D313158	JEREMY J GLENN	444.13
D313159	JESSE GUZMAN	2096.99	D313160	BRETT A MEISLAHN	1705.81
D313161	MARK E MONSON	2107.38	D313162	MELVIN P REED	1613.64
D313163	STEPHEN D SUDDUTH	1382.00	D313164	TIMOTHY WALLINGFORD	3634.17
D313165	HILLARD J WILLIAMS	1085.36	D313166	ALBERT J HOLMON III	3148.20
D313167	ALLEN L SERNA	2170.17	D313168	VICTOR T BLAS	2233.01

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D313169	FRANK X DE LA ROSA	1914.98	D313170	ERVIN DUBRUL	1601.35
D313171	JOSE GOMEZ	1729.86	D313172	BRENT W HAYES	2495.05
D313173	FRANK D HOWENSTEIN	2116.79	D313174	ALLEN G KIRZHNER	2867.03
D313175	KEON DONTRAY NELSON	2281.69	D313176	STEPHEN PORRAS	5052.31
D313177	JESSE VIRAMONTES	1469.39	D313178	JOHN ZAVALA	4225.09
D313179	VERONICA AVILA	488.55	D313180	JEFFREY P DAVIS	2012.42
D313181	NOELLE N KIM	1614.41	D313182	MISSY M MENDOZA	327.17
D313183	MARIE L MORAN	2242.51	D313184	KRISTY H THAI	1999.97
D313185	EDWARD D AMBRIZ GARCIA	197.08	D313186	SARAH M BAIRD	482.74
D313187	GABRIELLA E BALANDRAN	181.07	D313188	JOSUE BARREIRO MENDOZA	493.46
D313189	NICHOLAS J BARRETT	80.85	D313190	ALEXIS R BAUTISTA-MOYANO	172.23
D313191	DYLAN J BOGGAN	262.91	D313192	ALEJANDRA CAMARENA	340.09
D313193	RACHEL M CAMARENA	4458.86	D313194	RENE CAMARENA	1536.12
D313195	MARTI CARROLL	1487.69	D313196	VICTORIA M CASILLAS	1635.65
D313197	CYNTHIA A CHEW	1892.25	D313198	GISELL L CRUZ	686.95
D313199	KENNETH E CUMMINGS	710.70	D313200	KEVIN J CUMMINGS	295.00
D313201	JEANETTE A DEMENECEES	1086.97	D313202	GRISELL V EVERASTICO	319.58
D313203	JARED D GARCIA	167.82	D313204	VANESSA L GARCIA	198.73
D313205	JACOB R GRANT	1728.45	D313206	ASHLY L HANNAH	265.32
D313207	KIMBERLY K HOLER	305.96	D313208	CAROLINA HONSTAIN	374.53
D313209	KELLY L HOWENSTEIN	470.64	D313210	KIMBERLY HUY	4206.47
D313211	ANA C IZQUIERDO	425.72	D313212	MARITZA JIMENEZ	284.99
D313213	MARISSA D LOPEZ	20.76	D313214	JOHNNY LUNA	541.17
D313215	ELAINE M MA'AE	2004.62	D313216	JESUS MEDINA	1606.43
D313217	JUAN MEDINA	1826.21	D313218	NICHOLAS M MEDINA	326.59
D313219	MONSERRAT MENDOZA ALVARE	217.29	D313220	JOHN A MONTANCHEZ	3046.31
D313221	BRIANNA M MOORE	1006.66	D313222	KIRSTEN K NAKAISHI	183.56
D313223	GINA D NECCO	426.71	D313224	JACOB J NEELY	376.89
D313225	NOEL N NICHOLAS	1320.60	D313226	JENNIFER GODDARD NYE	2262.90
D313227	GABRIELA O'CADIZ-HERNAND	2602.88	D313228	LORI OCHOA	1980.95
D313229	CHRISTIAN PANGAN	423.27	D313230	JANET E PELAYO	2593.66
D313231	KATIE L PHAM	78.67	D313232	ARIELLE PICKRELL	494.18
D313233	JENAVIE QUINTERO	49.17	D313234	SUGFIRY REYNOSO	2254.59
D313235	PAIGE L ROBINSON	408.02	D313236	MARINA Y ROMERO	1563.72
D313237	MONICA K ROMO	128.16	D313238	LARISSA E SANTOS	225.23
D313239	DANA MARIE SAUCEDO	2274.62	D313240	EMERON J SCHLUMBERGER	869.38
D313241	ARLENE D SERNA	351.26	D313242	KRISTOF A SIERRA	488.42
D313243	REBECCA S SMITH	39.01	D313244	SARAH L SMITH	169.13
D313245	NICOLE PATRICIA SOTO	705.82	D313246	MIRANDA M TORRES	176.65
D313247	PRESCILLIANA TORRES	812.33	D313248	KENNETH P TRAVIS III	383.50
D313249	CLAUDIA VALDIVIA	2596.53	D313250	JEFFREY VAN SICKLE	1895.83
D313251	JOSEFINA L VELAZQUEZ	381.07	D313252	DAISY O VENCES	352.36
D313253	JOSHUA VENCES	234.08	D313254	PAUL E VICTORIA	1145.69
D313255	DAVID M WILMES	111.28	D313256	CHERYLE LYNN EICHEL	529.93
D313257	SVETLANA MOURE	108.80	D313258	THOMAS R SCHULTZ	2950.26
D313259	RANDY ABRAHAMSON	4860.59	D313260	ALBERTO ACOSTA	5447.84
D313261	ANTHONY R ACOSTA	2167.48	D313262	JOHN D BARANGER III	3670.82
D313263	LUCAS B BAUER	3126.86	D313264	BRADLEY D BELL	4236.80

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D313265	JERRY R BRENNEMAN	3424.23	D313266	GUY BROWN	2296.52
D313267	JOSE J CAMBEROS	3881.64	D313268	DANIEL L CLEARWATER	4338.29
D313269	YVES G CLERMONT	1901.85	D313270	JOE W CRAWFORD	3452.17
D313271	TIMOTHY A CRAWFORD	4572.94	D313272	JUSTIN D DOYLE	3423.69
D313273	MICHAEL G ECKHARDT JR	4446.11	D313274	DAVID W EDNOFF	5941.31
D313275	STEVE P FELLNER	5428.66	D313276	JAMES L GABBARD	3457.26
D313277	DREW R GARCIA	3426.80	D313278	JEFF W HANNA	4256.19
D313279	MATTHEW R HENSHAW	3957.24	D313280	MICHAEL L JACOBS	2862.90
D313281	WILLIAM R JAEGER	1550.17	D313282	SCOTT A KUHLMAN	3997.75
D313283	NICHOLAS A LERARIO	3021.63	D313284	COREY L LINDSAY	1468.42
D313285	NORMAN M LOVELY	4353.27	D313286	JOHN M MARQUEZ JR	2573.59
D313287	CHRYNE C MAULE	3334.16	D313288	TERRY A MCGOVERN JR	3872.42
D313289	SHANE D MELLEME	2182.13	D313290	TRAVIS M MELLEME	6924.79
D313291	MARK A MICKELSEN	4782.49	D313292	SON L NGUYEN	3453.95
D313293	THANH Q NGUYEN	5379.78	D313294	FREDERICK N NIBLO	3026.73
D313295	BRENT C PARDOEN	2484.32	D313296	MICHAEL KURT RIETH	3567.02
D313297	WADE E RUHMAN	3365.39	D313298	DENNIS L RUZICKA	3745.50
D313299	NICK R SCHAEFER	2152.51	D313300	SCOTT A SCHERER	4775.67
D313301	JEFFREY T SPARGUR	6272.28	D313302	MORRIS B SPELL	8188.68
D313303	WILLIAM S STROHM	5472.77	D313304	JUSTIN D TRAVER	3297.22
D313305	CHRISTOPHER B TRENHOLM	2217.22	D313306	JUSTIN TRUHILL	3782.63
D313307	MARIO G VALDERRAMA	2903.31	D313308	DAVID S WALDSCHMIDT	2430.76
D313309	MARK S WEISS	3215.95	D313310	PAUL J WHITTAKER	3418.41
D313311	JOSEPH A WINGERT JR	3873.27	D313312	JASON R BLOMGREN	1771.86
D313313	MYLES A BURROUGHS	1058.79	D313314	DAVID M CARLSON	2317.97
D313315	PARKER W CARY	2637.40	D313316	JOSHUA A FELDMAN	3452.74
D313317	TIMOTHY D FISHER	4178.09	D313318	GARRET M FURUTA	2640.24
D313319	SHANE S HOWEY	2218.32	D313320	PETER M HUBER	2704.40
D313321	JORDAN R JEMIOLA	4127.63	D313322	JAYCEN R JUSTUS	2084.96
D313323	MATTHEW C KLEIBACKER	2092.25	D313324	ANTHONY L KNAACK	3724.52
D313325	JOSHUA D LEE	2095.16	D313326	DANIEL J MOORE	3773.29
D313327	GRANT A NOBLE	2950.17	D313328	ERIC S NORRIN	3591.63
D313329	ANDREW J PAGE	4663.58	D313330	ERIC M PALOMO	2669.56
D313331	ANDREW J ROACH	2997.26	D313332	RICHARD RONSTADT	3146.56
D313333	DAVID C SANCHEZ	2384.52	D313334	TIMOTHY N STOWE	2122.66
D313335	ERIC THORSON	3890.44	D313336	RYAN D VAN WIE	2652.19
D313337	GREGORY D WILLIAMS	7533.11	D313338	JEREMIE E YORKE	2761.64
D313339	NATHAN T BRADY	4970.76	D313340	BRYSON T DAHLHEIMER	1758.36
D313341	DAVID W DEPAUW	996.36	D313342	LISA S GUARDI	715.17
D313343	DON T NGUYEN	1867.80	D313344	NICHOLAS S SEELEY	143.13
D313345	JOSEPH I VALENZUELA	143.13	D313346	TIMOTHY S SAWYER	4245.17
D313347	TODD D ELGIN	5435.89	D313348	CAROLE A KANEAGAE	2152.12
D313349	WILLIAM ALLISON	3446.52	D313350	KRISTEN A BACKOURIS	1684.11
D313351	SHARON S BAEK	1955.15	D313352	GENA M BOWEN	1378.42
D313353	JESENIA CAMPOS	1151.96	D313354	THOMAS R DARE	4830.24
D313355	HELENA ELSOUSOU	3750.70	D313356	ROBERT D FOWLER	3942.19
D313357	AI KELLY HUYNH	1763.93	D313358	CINDY S NAGAMATSU HANLON	3421.39
D313359	JEFFREY C NIGHTENGALE	3385.67	D313360	REYNA ROSALES	1441.53

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D313361	CLAUDIA ALARCON	9849.18	D313362	PEDRO R ARELLANO	3070.53
D313363	TIMOTHY R ASHBAUGH	2041.73	D313364	ALFREDO R AVALOS	3078.66
D313365	CARLOS BAUTISTA JR	2337.45	D313366	RYAN S BERLETH	1757.61
D313367	SUMMER A BOGUE	2651.12	D313368	RYAN V BUSTILLOS	3602.97
D313369	ROBERT W CAMPBELL	3310.97	D313370	JEROME L CHEATHAM	2947.81
D313371	ADAM B COUGHRAN	4467.58	D313372	GARY L COULTER	2485.71
D313373	NATHANIEL D COX	2296.53	D313374	BRIAN D DALTON	1989.65
D313375	KEVIN DINH	1673.68	D313376	NICHOLAS A DE ALMEIDA LO	2099.60
D313377	MICHAEL E GERDIN	3452.06	D313378	KARI A FLOOD	2153.93
D313379	TROY HALLER	2576.01	D313380	JOSEPH P GROSS JR	3340.58
D313381	BRIAN HATFIELD	3225.22	D313382	ALLAN S HARRY	8431.78
D313383	GERALD F JORDAN	8269.53	D313384	WILLIAM T HOLLOWAY	2926.84
D313385	TIMOTHY P KOVACS	2729.37	D313386	KRISTOFER D KELLEY	3611.54
D313387	CHRISTOPHER LAWTON	3683.56	D313388	AUSTIN C LAVERTY	2009.88
D313389	JON D LOFQUIST	3237.65	D313390	RAFAEL LOERA JR	3162.79
D313391	BRYAN J MEERS	2402.36	D313392	MATTHEW P MARCHAND	2609.55
D313393	MITCHEL S MOSSER	2363.64	D313394	JEREMY N MORSE	2049.15
D313395	ADAM C NIKOLIC	2472.99	D313396	AARON S NELSON	4919.60
D313397	ADAM C NIKOLIC	2586.05	D313398	JASON S PERKINS	4286.66
D313399	PHILLIP H PHAM	2380.12	D313400	DOUGLAS A PLUARD	3091.32
D313401	JOHN E REYNOLDS	2548.77	D313402	CHRISTOPHER M SHELGREEN	2650.00
D313403	GAREY D STAAL	3134.75	D313404	VINCENTE J VAICARO	2949.49
D313405	EDGAR VALENCIA	2916.45	D313406	DANIEL J VILLEGAS	3151.98
D313407	JONATHAN B WAINWRIGHT	3521.85	D313408	CHRISTOPHER A WASINGER	12942.39
D313409	ADAM D ZMIJA	3461.94	D313410	MARCOS R ALAMILLO	3487.65
D313411	BOBBY B ANDERSON	2569.44	D313412	JOHN F BANKSON	3634.74
D313413	JOSHUA K BEHZAD	2427.72	D313414	JOSHUA D BRANNON	2495.31
D313415	VANESSA M BRODEUR	2053.92	D313416	JUAN C CENTENO	3246.83
D313417	DAVID Y H CHANG	2450.78	D313418	BRIAN M CLASBY JR	3759.17
D313419	CHASEN P CONTRERAS	2339.72	D313420	JARED R DOYLE	2000.89
D313421	AMIR A EL-FARRA	3666.02	D313422	JOSHUA N ESCOBEDO	2150.60
D313423	GEORGE R FIGUEREDO	3578.45	D313424	ROGER A FLANDERS	876.98
D313425	ROBERT J GIFFORD	2767.91	D313426	SEAN M GLEASON	2218.63
D313427	ALDO U GUERRECA	2882.95	D313428	MICHAEL J JOHNSON	3166.23
D313429	ARION J KNIGHT	6194.33	D313430	RAPHAEL M LEE	102.31
D313431	DEREK M LINK	3549.09	D313432	CHARLES H LOFFLER	2652.95
D313433	MARK A LORD	3232.54	D313434	BRADLEY A LOWEN	2219.95
D313435	TAYLOR A MACY	2085.92	D313436	GIANLUCA F MANTACI	3266.55
D313437	MARIO MARTINEZ JR	3830.10	D313438	NATHAN D MORTON	3434.30
D313439	PATRICK W MURPHY	2549.75	D313440	RUDOLPH J NEGRON	2840.19
D313441	JEFFREY C NGUYEN	3036.65	D313442	STEVEN TRUJILLO ORTIZ	1875.39
D313443	OMAR F PEREZ	2467.59	D313444	SINDY RAMIREZ OROZCO	2031.34
D313445	JOHN E RANEY	3629.20	D313446	RYAN R RICHMOND	2175.42
D313447	CHRISTIN E ROGERS	2672.23	D313448	ERIC T RUZIECKI	2297.37
D313449	SEAN M SALAZAR	2539.63	D313450	LINO G SANTANA	6911.89
D313451	PHILIP E SCHMIDT	4686.82	D313452	CHARLES W STARNES	8367.57
D313453	ROBERT M STEPHENSON III	3268.13	D313454	ARTHUR F TINTLE JR	3489.29
D313455	JOHN J YERGLER	2866.48	D313456	KATHERINE M ANDERSON	5596.01

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D313457	PAUL W ASHBY	3670.88	D313458	THOMAS A CAPPS	1999.86
D313459	MICHAEL K ELHAMI	2615.71	D313460	PATRICK E GILDEA	5078.80
D313461	DANNY J MIHALIK	2375.68	D313462	RON A REYES	2979.49
D313463	ROCKY F RUBALCAEA	3132.87	D313464	BRIAN T STROUD	2382.12
D313465	ROYCE C WIMMER	2938.92	D313466	JUAN L DELGADO JR	3013.24
D313467	CHRISTOPHER M EARLE	2554.22	D313468	BENJAMIN M ELIZONDO	2341.10
D313469	OTTO J ESCALANTE	3854.79	D313470	GEORGE KAISER	3341.44
D313471	PETER M KUNKEL	4171.76	D313472	NICHOLAS A LAZENBY	2639.53
D313473	LUIS F RAMIREZ	2947.73	D313474	PETER HOANG VI	2223.86
D313475	JEFFREY A BROWN	2831.46	D313476	JASON L JOHNSON	2273.42
D313477	ERICK LEYVA	3098.24	D313478	RYAN M LUX	2095.62
D313479	RAUL MURILLO JR	3222.74	D313480	JOSHUA T OLIVO	2970.80
D313481	COURTNEY P ALLISON	2498.57	D313482	LISA A BELTHIUS	791.68
D313483	RANDY G CHUNG	78.70	D313484	DANIEL S EDWARDS	1184.20
D313485	CRAIG A HERRICK	203.27	D313486	PATRICK R JULIENNE	663.64
D313487	VERONICA NELSON	1237.55	D313488	JOHN O OJEISEKHOB	374.45
D313489	JOSEPH D VARGAS	633.82	D313490	TRAVIS J WHITMAN	4877.98
D313491	CARL J WHITNEY	3601.05	D313492	DANIEL ALVAREZ	536.25
D313493	KRYSTAL L N JEANG	378.49	D313494	HAN NA PARK	297.14
D313495	FELICIA H PEREZ	461.79	D313496	KEIRA LONG	1520.41
D313497	ROBERT E BOWERS	882.22	D313498	KAREN D BRAME	821.34
D313499	KENNETH L CHISM	1685.70	D313500	CHARLES M CLINE JR	1086.12
D313501	JAMES E COLEGROVE	3159.11	D313502	PAUL E DANIELSON	993.33
D313503	ROBERT M DONAHUE JR	1258.83	D313504	RUSSELL B DRISCOLL	471.45
D313505	LARRY J EBELT	981.10	D313506	MICHELLE N ESTRADA-MONSA	1523.07
D313507	MICHAEL FEHER	1241.50	D313508	HECTOR FERREIRA JR	1654.76
D313509	KORY C FERRIN	3009.80	D313510	JAMES D FISCHER	1005.08
D313511	VICTORIA M FOSTER	1294.34	D313512	NICKOLAS K JENSEN	1939.28
D313513	EFRAIN A JIMENEZ JR	1840.96	D313514	SHAYLEN L MAO	1876.01
D313515	KENNETH E MERRILL	519.86	D313516	PATRICK J MUSCHETTO	1820.85
D313517	BRADLEY D STENE	1654.76	D313518	JOHN J STEPANOVICH	888.05
D313519	PATRICK M THRASHER	1392.50	D313520	MICHAEL J VISCOMI	12680.03
D313521	SCOTT D WATSON	883.23	D313522	ROBERT L BOGUE JR	4053.83
D313523	FLOR DE LIS ELIZONDO	1104.67	D313524	GARY E ELKINS	2062.95
D313525	JOHN A FLAWS	2194.45	D313526	JASON S FULTON	1888.89
D313527	JAMES C HOLDER	2801.73	D313528	ROBERT J KIVLER	1633.62
D313529	VICTORIA L LAWTON	2315.96	D313530	EDUARDO C LEIVA	4055.01
D313531	RAQUEL D MATA	927.21	D313532	REBECCA S MEEKS	2234.44
D313533	MICHELLE L OLMSTEAD	1077.24	D313534	DAVID C YOUNG	4191.03
D313535	MARIA A ALCARAZ	1675.21	D313536	CARISSA L BRUNICK	1343.85
D313537	TAMMY L CHAURAN-HAIGROV	1896.73	D313538	VERONICA FRUTOS	1060.89
D313539	DAVID L GEORGE	1771.86	D313540	JENNIFER A GERACI	1264.13
D313541	JOAN L HIGHTOWER	2482.19	D313542	PINKY C HINGCO	2143.15
D313543	SUSAN C HUANG	1969.35	D313544	RORY K JANOWA	1089.14
D313545	SHELBY KEUILIAN	1412.38	D313546	ALLYSON T LE	1502.55
D313547	ANGELA LEDESMA	1931.29	D313548	MARIA C MCFARLANE	1746.02
D313549	BRITTNEE D MCGOWEN	1606.02	D313550	TRINA T NGUYEN	1632.42
D313551	DEBRA J NICHOLS	1835.87	D313552	DIANA L O'BRIEN	943.99

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D313553	ASHLEY C ROJAS	1611.20	D313554	JENNIFER V ROMBOUGH	1803.84
D313555	ASHLEY T SEROTA	1627.01	D313556	KIMBRA S VELLANOWETH	1705.83
D313557	KRISTIN M WEISS	2002.24	D313558	SHANNON M YELENSKY	1687.39
D313559	JENNIFER A DIX	2336.84	D313560	DEBBY L ELSE	2330.01
D313561	KATHERINE M FRANCISCO	2146.81	D313562	AMANDA B GARNER	1990.47
D313563	ARCHIE GUZMAN	2467.40	D313564	ROBERT D LUX	2159.19
D313565	MELISSA MENDOZA-CAMPOS	2555.37	D313566	MICHAEL A MOSER	1594.72
D313567	BRANDY J PARK	2575.12	D313568	CRISTINA V PAYAN	1706.62
D313569	JENNIFER M RODRIGUEZ	3131.97	D313570	TANYA L SAMOFF	2645.40
D313571	SUSAN A I SEYMOUR	2295.73	D313572	NICOLE D SHORROW	873.33
D313573	DANNY J SOSEBEE	1562.47	D313574	MARSHA D SPELLMAN	2217.38
D313575	SPENCER T TRAN	1874.93	D313576	SANTA WARDLE	976.98
D313577	CHERYL L WHITNEY	2434.91	D313578	RICHARD A ALVAREZ-BROWN	3382.91
D313579	EVAN S BERESFORD	2321.02	D313580	RAY E BEX	3363.57
D313581	RICHARD O BURILLO	5675.05	D313582	DANIEL A CAMARA	2319.90
D313583	JOHN CASACCIA II	5748.92	D313584	HAN J CHO	3571.07
D313585	SCOTT A COLEMAN	2559.12	D313586	AARON J COOPMAN	2453.75
D313587	RICHARD E DESBIENS	1475.80	D313588	STEPHEN C ESTLOW	1705.80
D313589	MICHAEL D FARLEY	2202.50	D313590	JAMES D FRANKS	2397.74
D313591	PETE GARCIA	1801.11	D313592	STEVEN H HEINE	834.82
D313593	JOSE D HERRERA	3021.51	D313594	THI A HUYNH	2399.38
D313595	JOSEPH L KOLANO	2480.32	D313596	LEA K KOVACS	3088.15
D313597	DAVID LOPEZ	2248.88	D313598	STEVEN W LUKAS	1499.39
D313599	LUIS A PAYAN	4291.14	D313600	TERRA M RAMIREZ	1891.92
D313601	ORLONZO REYES	4800.70	D313602	PAUL M TESSIER	2383.59
D313603	TUONG-VAN NGUYEN VU	1739.45	D313604	DENNIS WARDLE	2871.75
D313605	RONALD A DOSCHER	3136.37	D313606	ERIC A QUINTERO	2095.74
D313607	MARY C CERDA	1818.95	D313608	NICOLE L CHUNG	1996.03
D313609	NICHOLAS G FRANC	1655.12	D313610	SUSAN A HOLSTEIN	2379.01
D313611	LIANE Y KWAN	2677.76	D313612	JANY H LEE	3131.14
D313613	SHERRILL A MEAD	2666.14	D313614	LUCIA MEDINA-WHITTAKER	722.73
D313615	CAITLYN M STEPHENSON	1540.55	D313616	LAURA J STOVER	4282.90
D313617	FRANA K CASSIDY	1928.52	D313618	ANNA L GOLD	1536.52
D313619	HIEN Q PHAM	1558.01	D313620	KATRENA J SCHULZE	398.57
D313621	MATTHEW T SWANSON	1212.81	D313622	ANTHONY VALENZUELA	1305.88
D313623	CANDY G WILDER	1734.10	D313624	STEVEN F ANDREWS	1400.09
D313625	TERENCE S CHANG	1987.56	D313626	VERNA L ESPINOZA	1658.17
D313627	CESAR GALLO	2145.83	D313628	CHARLES D KALIL	1555.91
D313629	GEOFFREY A KLOESS	2566.56	D313630	RACHOT MORAGRAAN	3117.39
D313631	NOEL J PROFFITT	3094.06	D313632	ANAND V RAO	4342.13
D313633	JOSEPH M SCHWARTZ	2275.43	D313634	ROD T VICTORIA	2077.56
D313635	TERREL KEITH WINSTON	3203.44	D313636	POLICE ASSN	16104.53
D313637	GG FIRE FIGHTERS 2005	20799.85	D313638	SO CAL CREDIT UNION	90195.00
D313639	SOUTHLAND CU	6241.00	W2370	GREAT WEST LIFE 457 #340	102542.62
W2371	GREAT WEST LIFE OBRA#340	2711.72	W2372	INTERNAL REVENUE SERVICE	371531.16
W2373	EMPLOYMENT DEVELOPMENT D	102994.03	W2374	GREAT WEST LIFE	-1803.00

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TOTAL CHECK PAYMENTS	42	42,073.95
TOTAL DIRECT DEPOSITS	717	1,728,054.83
TOTAL WIRE PAYMENTS	5	577,976.53

GRAND TOTAL PAYMENTS	764	2,348,105.31

Checks #181227 thru #181268, and Direct Deposits #D312923 thru #D313639, and wire #W2370 thru #W2374 presented in the Payroll Register submitted to the Garden Grove City Council 13 JUN 2017, have been audited for accuracy and funds are available for payment thereof.

Kingsley C Okereke

 KINGSLEY C OKEREKE - FINANCE DIRECTOR

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William E. Murray

Dept.: City Manager Dept.: Public Works

Subject: Approval of Fiscal Year 2017-18 Budget and adoption of Resolutions initiating proceedings for the levying of assessments for Fiscal Year 2017-18; approving the Engineer's Report; and setting the time and date to conduct a Public Hearing for the Main Street Assessment District No. 1.
(*Action Item*)

OBJECTIVE

For the City Council to (1) approve the proposed FY 2017-18 Budget for the Main Street Assessment District No. 1 (MSAD); (2) Adopt a Resolution initiating proceedings for the levying of assessments for Fiscal Year 2017-18; (3) Adopt a Resolution approving the Engineer's Report; and (4) Adopt a Resolution of Intention fixing a time and date for the Public Hearing.

BACKGROUND

In 1977, the City Council formed the District per the Landscape and Lighting Act of 1972 (Act). Through an annual assessment, the District funds the construction and maintenance of special public improvements along Main Street such as planters, sidewalks, and streetlights. The Act requires that the City Council initiate the proceedings for the annual levy of assessments. To comply with these requirements, the following actions need to take place:

Step No.	Required Action	Attachment
1	Approve FY 2017-18 District Budget	Attachment No. 1
2	Adopt a Resolution Initiating Procedures for Levying Assessment (describes improvements and orders an Engineer's Report)	Attachment No. 2
3	Adopt Resolution approving the Engineer's Report	Attachment No. 3
4	Adopt Resolution of Intention (announces	Attachment No. 4

	intention to levy and collect assessments and fixes time and date for a Public Hearing)	
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DISCUSSION

On March 9, 2017, the Main Street Commission approved the FY 2017-18 Budget, and is hereby submitting it to the City Council for review and adoption (Step No. 1). Total expenses for FY 2017-18 are \$38,282. The proposed assessment reflects no increase from the previous year and remains at \$19.92 per linear-foot, which is equivalent to a \$498 levy for the typical 25-foot storefront on Main Street.

Step No. 2 adopts a Resolution initiating proceedings for the annual assessment, describing the public improvements, and ordering the City Engineer to prepare and file a report for the District. Step No. 3 adopts a Resolution approving the attached Engineer's Report. The report provides a description of public improvements and lists the associated costs for operating the District. Step No. 4 adopts a Resolution of Intention to levy and collect assessments and sets the Public Hearing for June 27, 2017, at 6:30 p.m.

FINANCIAL IMPACT

There is no impact to the General Fund. Total assessment revenue for FY 2017-18 is \$27,200.

RECOMMENDATION

It is recommended that the City Council:

- Approve the proposed Budget for the Main Street Assessment District No. 1 for FY 2017-18;
- Adopt the attached Resolution initiating proceedings for the Main Street Assessment District No. 1, and direct the Engineer to prepare the required report;
- Adopt the attached Resolution approving the Engineer's Report for the Main Street Assessment District No. 1; and
- Adopt the attached Resolution of Intention to levy and collect assessments for the Main Street Assessment District No. 1, and set a Public Hearing on June 27, 2017, at 6:30 p.m.

By: Ana Neal, Sr. Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
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FY17-18 - Main Street Budget	6/1/2017	Backup Material	FY17-18_-_Main_St_Budget.pdf
Engineer's Report - Main Street	6/1/2017	Backup Material	FY17-18_-_Main_St_Report_FINAL.pdf
Resolution Initiating Procedures	6/1/2017	Resolution Letter	Initiating_Proceedings_Resolution_DRAFT.doc
Resolution Approving Engineer's Report	6/1/2017	Resolution Letter	Approving_Engineers_Report_Resolution_DRAFT.doc
Resolution of Intention & Public Hearing	6/1/2017	Resolution Letter	Public_Hearing_Resolution_DRAFT.doc

PART B ESTIMATE OF COST

The City's budget for the operation, maintenance and servicing of lighting details the estimated costs for Fiscal Year 2017-18 as available at the time of preparation of this Report, and includes engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the District proceedings.

	Fiscal Year 2017-18	Fiscal Year 2016-17
<u>Starting Fund Balance (Fund Balance as of July 1)</u>	\$45,616	\$46,798
<u>Estimated Revenues</u>		
Total Estimated 2017-18 Assessments:	\$26,700	\$26,700
Interest	\$500	\$500
Subtotal Revenues:	\$27,200	\$27,200
<u>Estimated Expenditures</u>		
Trash Pick Up	\$0	\$0
General Maintenance	\$15,500	\$15,500
Street Lighting	\$2,300	\$2,300
Street Improvements	\$10,000	\$10,000
Streetscape Cleaning	\$3,050	\$3,050
Tree Trimming	\$0	\$0
Professional Services	\$3,500	\$3,500
Administrative Support	\$3,200	\$3,300
Insurance	\$732	\$732
Subtotal Expenditures:	\$38,282	\$38,382
<u>Estimated Year End Fund Balance</u>	\$34,534	\$35,616
Total Front Feet (FF) in Assessment District:	1,340.45	1,340.45
Proposed 2017-18 Assessment Rate (\$/FF):	\$19.92	\$19.92

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.



ENGINEER'S REPORT

for

**Main Street Assessment District No. 1
Fiscal Year 2017-18**

for the

City of Garden Grove
Orange County, California

May 31, 2017



ENGINEER'S REPORT
CITY OF GARDEN GROVE
MAIN STREET ASSESSMENT DISTRICT NO. 1
Fiscal Year 2017-18

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**ENGINEER'S REPORT FOR THE
CITY OF GARDEN GROVE
MAIN STREET ASSESSMENT DISTRICT NO. 1
Fiscal Year 2017-18**

SYNOPSIS

This Report has been prepared and is submitted for consideration by the City Council of the City of Garden Grove under the authority of the Landscaping and Lighting Act of 1972 as set forth in Part 2 of Division 15 of the California Streets and Highways Code.

BACKGROUND

In 1977, the City of Garden Grove formed the Main Street Assessment District (MSAD) No. 1 to provide funds for the construction and maintenance of special public improvements along Main Street. Those include planters, trees, streetscaping, sidewalks, benches, trash receptacles, drinking fountains, streetlights, drainage, and bollards.

The assessment rate for the funded services has not been increased since 1989.

Due to increased costs and the higher levels of maintenance requested by the businesses within this Assessment District, the assessment rate was proposed to be increased for Fiscal Year 2004-05 to keep up with the rising costs.

Notices and ballots were mailed to all property owners in the District in accordance with Article XIID of the California State Constitution (Proposition 218).

On June 8, 2004, the public hearing was held, the ballots were tabulated, and the property owners rejected the proposed assessment increase.

Therefore, the assessments will remain the same in Fiscal Year 2017-18 as in the previous year.

CITY OF GARDEN GROVE

Fiscal Year 2017-18

ENGINEER'S REPORT

Prepared Pursuant to the Provisions of the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 through 22679), Article XIID of The California Constitution, and The Proposition 218 Omnibus Implementation Act (California Government Code Section 53750 Et Seq.)

Pursuant to Part 2 of Division 15 of the Streets and Highways Code of the State of California, Article XIID of the California Constitution, the Proposition 218 Omnibus Implementation Act and in accordance with the Resolution of Initiation adopted by the Council of the City of Garden Grove, State of California, in connection with the proceedings for:

**CITY OF GARDEN GROVE
MAIN STREET ASSESSMENT DISTRICT NO. 1**

hereinafter referred to as the "Assessment District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

**PART A
PLANS AND SPECIFICATIONS**

Plans and specifications for the improvements showing and describing the general nature, location and extent of the improvements.

**PART B
ESTIMATE OF COST**

The estimated cost to be funded by the District for the operation, servicing and maintenance of the improvements for fiscal year 2017-18, including incidental costs and expenses in connection therewith.

**PART C
METHOD OF APPORTIONMENT**

The method of apportionment of assessments indicates the proposed assessment of the net amount of the costs and expenses of the maintenance and/or servicing of the existing and ultimate improvements to be assessed upon the several lots and parcels of land within the Assessment District in proportion to the estimated special benefits to be received by such lots and parcels.

PART D
ASSESSMENT DIAGRAM

The Assessment Diagram, which shows the exterior boundaries of the Assessment District, the boundaries of any zones within the Assessment District and the lines and dimensions of each lot or parcel of land within the Assessment District, is on file in the Office of the City Clerk and is incorporated herein by reference.

PART E
ASSESSMENT ROLL

An assessment of the estimated cost of maintenance and/or servicing of the existing improvements on each benefited lot or parcel of land within the Assessment District for the fiscal year to which this Report applies are on file in the Office of the City Clerk and incorporated herein by reference.

The undersigned respectfully submits the enclosed Report as directed by the City Council. The undersigned certifies that he is a Professional Engineer, registered in the State of California.

DATED: May 31, 2017

Harris & Associates



BY: K. Dennis Klingelhofer, P.E.
R.C.E. No. 50255

PART A
PLANS AND SPECIFICATIONS

The facilities, which have been constructed within the City of Garden Grove, and those which may be subsequently constructed, will be serviced and maintained as generally described as follows: A portion of Main Street from Garden Grove Boulevard to Acacia Parkway and a portion of Garden Grove Boulevard between 150.16 feet west of the centerline of Main Street and 150.06 feet east of the centerline of Main Street, all being within said District.

**DESCRIPTION OF IMPROVEMENTS
FOR THE CITY OF GARDEN GROVE
MAIN STREET ASSESSMENT DISTRICT NO. 1
Fiscal Year 2017-18**

The facilities to be maintained and serviced for the District as described as follows: Facilities include but are not limited to: streetscape improvements including sidewalks, decorative paving, street lights, street trees, and street furniture, including bollards, benches, trash receptacles, drinking fountains, miscellaneous planters, and related items within the boundaries of said District.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the landscaping and appurtenant facilities, including repair, removal or replacement of all or part of any of the landscaping or appurtenant facilities; providing for the life, growth, health and beauty of the landscaping, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of water for the irrigation of the landscaping and the maintenance of any of the lighting facilities or appurtenant facilities and the furnishing of electric current or energy, gas or other illuminating agent for the lighting facilities, or for the lighting or operation of the landscaping or appurtenant facilities.

The plans and specifications for the improvements, showing and describing the general nature, location, and the extent of the improvements, are on file in the office of the Director of Public Works and are incorporated herein by reference.

PART B ESTIMATE OF COST

The City's budget for the operation, maintenance and servicing of lighting details the estimated costs for Fiscal Year 2017-18 as available at the time of preparation of this Report, and includes engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the District proceedings.

	Fiscal Year 2017-18	Fiscal Year 2016-17
<u>Starting Fund Balance (Fund Balance as of July 1)</u>	\$45,616	\$46,798
<u>Estimated Revenues</u>		
Total Estimated 2017-18 Assessments:	\$26,700	\$26,700
Interest	\$500	\$500
Subtotal Revenues:	\$27,200	\$27,200
<u>Estimated Expenditures</u>		
Trash Pick Up	\$0	\$0
General Maintenance	\$15,500	\$15,500
Street Lighting	\$2,300	\$2,300
Street Improvements	\$10,000	\$10,000
Streetscape Cleaning	\$3,050	\$3,050
Tree Trimming	\$0	\$0
Professional Services	\$3,500	\$3,500
Administrative Support	\$3,200	\$3,300
Insurance	\$732	\$732
Subtotal Expenditures:	\$38,282	\$38,382
<u>Estimated Year End Fund Balance</u>	\$34,534	\$35,616
Total Front Feet (FF) in Assessment District:	1,340.45	1,340.45
Proposed 2017-18 Assessment Rate (\$/FF):	\$19.92	\$19.92

The 1972 Act requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. A contribution to the District by the City may be made to reduce assessments, as the City Council deems appropriate. Any balance or deficit remaining on July 1 must be carried over to the next fiscal year.

PART C

METHOD OF APPORTIONMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment Districts by cities for the purpose of providing certain public improvements which include the maintenance and servicing of street lights, traffic signals, landscaping, parks and recreational facilities.

The 1972 Act requires that maintenance assessments be levied according to benefit rather than according to assessed value. Section 22573 provides that:

The net amount to be assessed upon lands within an assessment District may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements.

The Act permits the designation of areas of benefit within any individual assessment District if "by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Proposition 218, the "Right to Vote on Taxes Act" which was approved on the November 1996 statewide ballot and added Article XIID to the California Constitution, requires that a parcel's assessment may not exceed the reasonable cost for the proportional special benefit conferred on that parcel. Article XIID provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. It also requires that publicly owned properties which benefit from the improvements be assessed.

If the assessment is approved by the property owners as required by Article XIID of the California Constitution, Section 53739 of the Government Code allows that the assessment may be imposed thereafter at "...any rate or amount that is less than or equal to the maximum amount authorized by the voter approved ordinance or resolution".

Section 53739 also allows that the assessment may be adjusted for inflation based upon a clearly defined formula that is stated in the resolution that is approved by the property owners at an election authorizing the levy of the assessment.

The formula to be used to distribute the costs of providing the enhanced levels of services described in this Report to the assessable parcels within the District was approved by the City Council at the time the District was formed.

SPECIAL BENEFIT ANALYSIS

Street Landscaping. Trees, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property value.

In Parkways and Land Values, written by John Nolan and Henry V. Hubbard in 1937, it is stated:

"... there is no lack of opinion, based on general principals and experience and common

sense, that parkways *do in fact add value* to property, even though the amount cannot be determined exactly.... Indeed, in most cases where public money has been spent for parkways the assumption has been definitely made that the proposed parkway will show a *provable* financial profit to the City. It has been believed that the establishment of parkways causes a rise in real estate values throughout the City, or in parts of the City,..."

It should be noted that the definition of "parkways" above may include the roadway as well as the landscaping alongside the roadway.

The ongoing operation and maintenance of the street landscaping within the individual District, as identified in Part A of this Report, provide beautification to the areas that result in a special benefit to the parcels within the tracts adjacent to the improvements. If these landscaped areas were not properly maintained, the tract would be blighted.

Theme Lighting. Proper maintenance and operation of streetlights benefit all properties within the District by providing security, safety and community character and vitality as outlined below. Streetlights provide only incidental benefits to motorists traveling to, from or through the area.

BENEFITS OF STREET LIGHTING

Security and Safety

- Mitigates crime
- Alleviates the fear of crime
- Enhances safe ingress/egress to property

Community Character and Vitality

- Promotes social interaction
 - Contributes to a positive nighttime visual image
-

METHODOLOGY

The parcels of land in the District are all commercial properties and are assessed based on a linear foot (LF) frontage on Main Street and Garden Grove Boulevard. City-owned parking lot properties are not considered to benefit from the improvements and are therefore excluded from assessment. The table below provides the assessment apportionment for the District.

Previous Fiscal Year 16-17 Total Asmt	Estimated Fiscal Year 17-18 Total Asmt	Total District Frontage	Maximum Fiscal Year 17-18 Asmt per LF
\$26,700	\$26,700	1,340.45	\$19.92

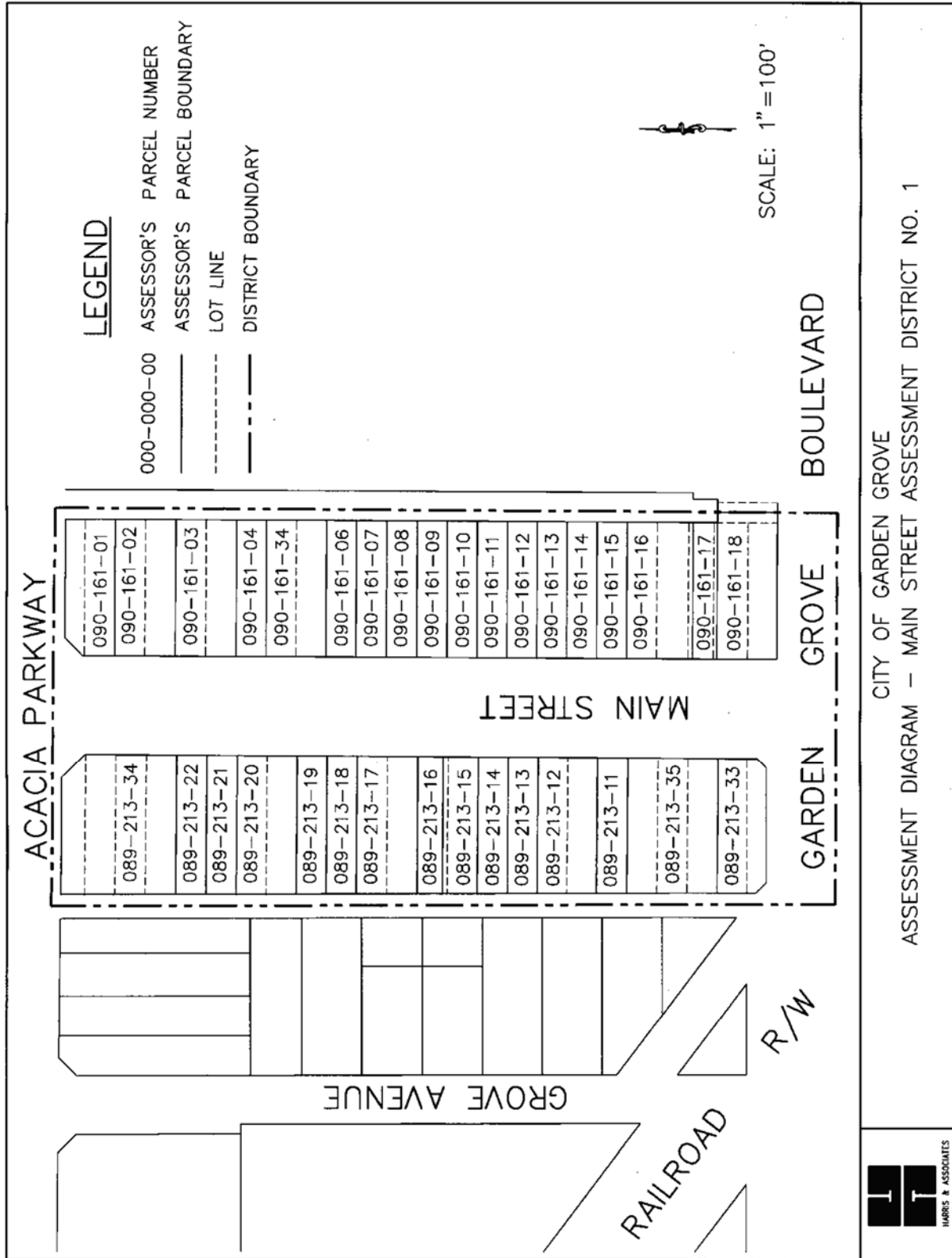
The actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum assessment rate without receiving property owner approval for the increase.

PART D
ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District is on file in the Office of the City Clerk and incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Orange for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

A reduced copy of the City of Garden Grove Main Street Assessment District No. 1 Map is provided on the following page.



PART E
ASSESSMENT ROLL

The total proposed assessment for Fiscal Year 2017-18 and the amount of the total proposed assessment apportioned to each lot or parcel within the District, as shown on the latest assessment roll at the Orange County Assessor's Office, are contained in the Assessment Roll provided below.

The description of each lot or parcel is part of the records of the Assessor of the County of Orange and these records are, by reference, made part of this Report.

Assessor's Parcel No.	Linear Feet	Proposed Fiscal Year 2017-18 Asmt
089-213-11	25.50	\$507.91
089-213-12	49.50	\$985.95
089-213-13	25.00	\$497.95
089-213-14	25.00	\$497.95
089-213-15	29.00	\$577.62
089-213-16	21.00	\$418.28
089-213-17	50.00	\$995.90
089-213-18	25.00	\$497.95
089-213-19	25.00	\$497.95
089-213-20	50.00	\$995.90
089-213-21	25.00	\$497.95
089-213-22	25.00	\$497.95
089-213-33	155.09	\$3,089.30
089-213-34	101.05	\$2,012.98
089-213-35	75.00	\$1,493.85
090-161-01	47.27	\$941.53
090-161-02	50.00	\$995.90
090-161-03	50.00	\$995.90
090-161-04	25.00	\$497.95
090-161-06	25.00	\$497.95
090-161-10	25.00	\$497.95
090-161-11	25.00	\$497.95
090-161-12	25.00	\$497.95
090-161-13	25.00	\$497.95
090-161-14	25.00	\$497.95
090-161-15	25.00	\$497.95
090-161-16	50.42	\$1,004.27
090-161-17	25.25	\$502.93
090-161-18	161.37	\$3,214.58
090-161-34	50.00	\$995.90
	1,340.45	\$26,700.00

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. [REDACTED]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 (SECTIONS 22500 ET SEQ. OF THE CALIFORNIA STREETS AND HIGHWAY CODE) INITIATING PROCEEDINGS TO LEVY ANNUAL ASSESSMENTS FOR THE 2017-18 FISCAL YEAR FOR THE CITY OF GARDEN GROVE MAIN STREET ASSESSMENT DISTRICT NO. 1, AND ORDERING THE CITY ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE WITH ARTICLE 4 OF CHAPTER 1 OF THE ACT

WHEREAS, the City Council of the City of Garden Grove formed the Main Street Assessment District No. 1 by Resolution No. 5348-77 pursuant to the provisions of the Landscaping and Lighting Act of 1972, Division 15, Part 2 (commencing with Sections 22500 et seq.) of the California Streets and Highways Code; and

WHEREAS, the Act requires that proceedings for the levy of annual assessments after the formation of an Assessment District shall be initiated by Resolution describing any proposed new improvements or any substantial changes in existing improvements, and ordering the City Engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove:

SECTION 1. The improvements, including maintenance thereof, have not changed substantially and are described as follows:

The maintenance of the public improvements within the boundaries of Main Street Assessment District No. 1 associated with street cleaning, landscape maintenance, and repair and replacement of the public improvements as required from time to time.

SECTION 2. The City Engineer is hereby ordered to prepare and file a report in accordance with Sections 22565 et seq. of the California Streets and Highways Code.

SECTION 3. The City Council of the City of Garden Grove authorizes staff to initiate proceedings necessary to establish the levy of an annual assessment for the Main Street Assessment District No. 1 pursuant to the Landscaping and Lighting Act of 1972 for the Fiscal Year 2017-18.

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
APPROVING THE CITY ENGINEER'S REPORT REGARDING THE LEVY OF AN ANNUAL
ASSESSMENT WITHIN THE CITY OF GARDEN GROVE MAIN STREET ASSESSMENT
DISTRICT NO. 1, FOR FISCAL YEAR 2017-18

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES,
DETERMINES, AND ORDERS:

SECTION 1. The City Council of the City of Garden Grove, pursuant to the Landscaping and Lighting Act of 1972, being Division 15, Part 2 (Sections 22500 et seq.) of the California Streets and Highways Code, did by previous Resolution order the City Engineer to prepare and file a report in accordance with Article 4 of Chapter 1 of the Act in connection with the proposed levy of an annual assessment for the City of Garden Grove Main Street Assessment District No. 1 for Fiscal Year 2017-18.

SECTION 2. The City Engineer has prepared and filed with the City Clerk of the City of Garden Grove and the City Clerk has presented to the City Council the City Engineer's report for the City of Garden Grove Main Street Assessment District No. 1 for Fiscal Year 2017-18.

SECTION 3. The City Council has carefully examined and reviewed the City Engineer's report and the report is hereby approved as filed.

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. [REDACTED]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, DECLARING ITS INTENTION TO ORDER THE MAINTENANCE OF CERTAIN IMPROVEMENTS IN THE MAIN STREET ASSESSMENT DISTRICT NO. 1 IN THE CITY OF GARDEN GROVE; DESCRIBING THE DISTRICT TO BE BENEFITED, AND DECLARING ITS INTENTION TO LEVY AN ASSESSMENT TO PAY THE COST AND EXPENSES THEREOF; AND SETTING THE TIME AND PLACE FOR THE PUBLIC HEARING ON THE QUESTION OF THE LEVY OF THE PROPOSED ASSESSMENT

WHEREAS, the City Council of the City of Garden Grove, adopted Resolution No. [REDACTED], which described existing and any proposed new improvements or substantial changes in existing improvements in the Main Street Assessment District No. 1, and ordered the City Engineer to prepare and file a report pursuant to the provisions of the Landscaping and Lighting Act of 1972, i.e., Division 15, Part 2 (commencing with Section 22500) of the California Streets and Highways Code (hereinafter "Act");

WHEREAS, the City Council formed an Assessment District to finance the maintenance of certain improvements under the Act;

WHEREAS, the proposed boundaries of such Assessment District are shown on a map thereof which indicates by a boundary line the extent of the territory included in such Assessment District, which map is designated "Assessment Diagram Main Street Assessment District No. 1" as part of the report of the City Engineer described more fully herein below and such map is on file in the City Clerk's Office;

WHEREAS, the City Engineer is competent to make and file with the City Council a report regarding maintenance of the improvements, which is required by the Act;

WHEREAS, the City Council has directed the City Engineer to procure the required information and prepare and present to the City Council the written report of maintenance required by the Act;

WHEREAS, the City Engineer has prepared the report, and filed it with the City Clerk and presented it to the City Council and the City Council has examined the report;

WHEREAS, under the Act, before levying and collecting assessments in the Assessment District, the City Council is required to adopt a Resolution declaring its intention to do so; and

WHEREAS, the City Council proposes no increase in assessment for a total of \$19.92 per linear foot of frontage on Main Street and Garden Grove Boulevard.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The City Council hereby finds and declares that the public interest and necessity require the maintenance of certain improvements in the streets and other public easements as hereinafter described, and the City Council hereby declares its intention to levy and collect assessments covering the real property benefited by the improvements, pursuant to the Act.

Section 2. The City Council intends to order maintenance of improvements in certain streets, and other public easements, as follows:

A portion of Main Street from Garden Grove Boulevard to Acacia Parkway and a portion of Garden Grove Boulevard between 150.16 feet west of the centerline of Main Street and 150.06 feet east of the centerline of Main Street, all being within the district, including on street parking, sidewalks, center gutter, street lights, street trees, and street furniture, including bollards, benches, trash receptacles, drinking fountains, miscellaneous planters, and related items.

Section 3. The District is designated Main Street Assessment District No. 1, and is generally located on Main Street between Acacia Parkway and Garden Grove Boulevard.

Section 4. The report of the City Engineer is hereby approved, and the City Clerk is directed to endorse the fact and date of approval on the report and to file the report in its office. Reference is hereby made to the report, on file with City Clerk, for a full and detailed description of the improvements to be maintained; the boundaries of the Assessment District; and the proposed assessments upon assessable lots and parcels of land within the District.

Section 5. An assessment will be levied pursuant to the Act upon all property in Main Street Assessment District No. 1 subject to assessment under the Act to pay the balance of costs and expenses of the maintenance of the improvements.

Section 6. Notice is hereby given that as there is no increase in the assessment for the 2017-18 Fiscal Year for Main Street Assessment District No. 1, there will only be one Public Hearing, which will be held on June 27, 2017, at 6:30 p.m. (or as soon thereafter as the City Council may hear same), in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, which is hereby set as the time and place for the Public Hearing on the question of the levy of the proposed assessment. Any interested person may file a written protest with the City Clerk, in which each signer is interested, sufficient to identify the property, which must be delivered to the City Clerk prior to the conclusion of the Public Hearing. In addition, all interested persons shall be afforded the opportunity to be heard at the Public Hearing. The City Council shall

consider all oral statements and all written protests or communications made or filed by any interested persons.

Section 7. The City Clerk shall cause this Resolution of Intention to be published once in a newspaper of general circulation in the city of Garden Grove, California, not less than ten (10) days prior to the date set for the Public Hearing.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kimberly Huy
Dept.:	City Manager	Dept.:	Community Services
Subject:	Approval of a Monument Policy for establishing criteria and guidelines for the placement of monuments on City property. (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

The purpose of this memorandum is to transmit a Monument Policy to the City Council that establishes criteria and guidelines regarding the placement of monuments upon City property.

BACKGROUND

At the City Council meeting of October 25, 2016, the City Council directed staff to develop a policy that would establish criteria and guidelines regarding the placement of monuments upon City property. Specifically, the policy was to address the City's receipt and maintenance of monument(s) from a private entity; provide a definition of what monuments are; and establish a policy for the consideration and acceptance of such pieces.

DISCUSSION

At the meeting of May 3, 2017, the Parks Recreation and Arts Commission considered, and unanimously approved the attached Monument Policy, recommending that the Policy be sent forward to the City Council for adoption.

The attached Monument Policy creates a definition of a monument as a form of government speech; provides a list of acceptable government speech topics; identifies the administration of monuments; encourages both donated and private funding of monument pieces; and establishes a review process and criteria for considering private monuments.

RECOMMENDATION

It is recommended that the City Council:

- Approve the Monument Policy, establishing a criteria and guidelines regarding the placement of monuments upon City property.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Monument Policy	5/16/2017	Cover Memo	Monument_Policy.docx

CITY OF GARDEN GROVE Monument Policy

SECTION I. PURPOSE AND INTRODUCTION

The City may, from time to time, decide to install permanent outdoor monuments on City property to provide the City's commemoration of persons or events of note, or to otherwise convey the City's position on various topics (referred to as "Government Speech").

By placing monuments on City property, the City intends only to engage in government speech and does not intend to open a public forum for free speech activity.

The purpose of this Policy is to establish criteria and guidelines for the consideration and installation of monuments outdoors in parks or plazas deemed by the City to be appropriate to serve as the site for a monument. In doing so, the City recognizes the following considerations:

- Monuments can convey a powerful connection between Garden Grove and its history, and in some instances its future.
- It is therefore important that the placement of monuments be limited to circumstances of the highest community-wide importance, both to maintain the significance of such monuments and to minimize conflicts with the active and variable use of public spaces.

Notwithstanding the foregoing, the City may decide, in its sole discretion, to reject a proposal for a monument and/or may determine the appropriate site for any and all City monuments.

SECTION II. MONUMENT DEFINITION

"Monuments" are markers, statues, and other similar permanent installations to express Government Speech, as further described in this policy, and which are installed by the City on City property, or which are accepted by the City and installed on City property with City permission. Monuments may be in various forms including statues, fountains, or gardens among other forms of monuments as determined by the City.

Monuments must be of City-approved materials, size, design, and specifications, with a goal toward simplifying their review and long-term care.

SECTION III. GOVERNMENT SPEECH ON MONUMENTS

City's Government Speech Topics

The City may install or accept City-approved monuments on City property as a form of "Government Speech", as City recognition of significant events or people, or to provide information from the City on topics approved by the City, as set forth below:

- The contributions of individuals or groups who made a substantial impact upon the City of Garden Grove or Orange County;
- The City's position on topics of interest to the community, as determined by the City Council;
- The history of Garden Grove, California, or of the United States;
- Historical or cultural influences on Garden Grove;
- Native flora, fauna, and wildlife of Garden Grove and the greater Southern California area;
- Local innovation or creativity that has contributed to Garden Grove's growth and prosperity; or
- Other criteria selected by the City Council and set forth in an amendment to this Policy.

The City shall not place monuments on City property which have the purpose of promoting, favoring, or inhibiting any religion or which would appear to a reasonable person that the City is promoting, favoring, or opposing a religion.

SECTION IV. ADMINISTRATION

The City Council may approve or deny monument proposals and may enact administrative guidelines and procedures to implement this Policy, including without limitation, designation of locations deemed amenable to monuments. The City Council shall also designate the Community Services Department to facilitate monuments located on City property.

The Community Services Department shall coordinate with the Public Works Department with regard to the installation of any monument that is to be installed within a public park or plaza.

SECTION V. DONATED AND PRIVATE FUNDING OF MONUMENTS

The City encourages private donations to the City that support various City programs and City operations, which may include without limitation, the cost of acquisition, installation, and maintenance of monuments within a public park or plaza. The City prefers to receive private donations in the form of funds that may

be used by the City to review, design, fabricate, acquire, install and/or maintain monuments, rather than the donation of a completed monument.

However, the City may from time to time, at City's sole option, consider accepting a completed monument as a form of Government Speech, provided that the monument meets the City's approved Government Speech topics and also meets all of the other criteria set forth in this Policy and in any related administrative guidelines or procedures. After City's acceptance of a monument and subject to City's explicit approval of installation of the monument upon City property, title to the monument shall vest with City and the City may remove, relocate and shall otherwise have sole control over the monument.

While the City appreciates donations of monuments, the City is under no obligation to accept any donated monument even if the monument meets all of the criteria set forth in the Policy. The City's decision to accept a donated monument may also depend upon the cost to the City of design, fabrication, installation, and maintenance of the monument, and site considerations, among other factors.

The City may, at its discretion, decide for budgetary reasons to prioritize monuments where the City expects to receive donated funding to cover the cost of design, fabrication, installation, and maintenance of the monument. Unless otherwise agreed by the City Council, the donor of a proposed monument is responsible for providing the City with funds to cover the cost of review, design, fabrication, installation, and maintenance to ensure adequate care for the monument.

SECTION VI. REVIEW PROCESS/CRITERIA

A proposed monument must conform to the approved Government Speech topics. Also, a monument must be made of durable materials; able to withstand the elements for a minimum of 50 years with minimum maintenance; shall be made of materials resistant to vandalism and graffiti as much as is reasonably possible; shall be of a scale, materials, color, and style appropriate and consistent with aesthetics of the proposed location of the monument; and such other reasonable factors as the City Manager determines.

The City may decline to approve or to accept a monument for any lawful reason.

Monument proposals shall be considered by the Parks, Recreation and Arts Commission. That Commission shall make a recommendation to the City Council for approval or disapproval based on consistency with this Policy and as further described in the review process below. If there is doubt regarding the appropriate Commission who is to consider the proposal, the City Manager shall determine the appropriate Commission for review of the proposal.

The City Council may accept or deny the recommendation from the Commission as further provided in the review process below.

The City shall only proceed with the design, fabrication, and installation of a monument after completion of the review process and the conclusion is to move forward. In reviewing a proposed monument, the relevant departments, the applicable City Commission and the City Council shall review the proposal based upon the criteria set forth in this Policy including the following:

- A. Whether the person, group, or event being memorialized deemed by the City to have made a significant enough contribution to merit a monument of the scale, cost, and visibility of the proposed monument.
- B. The monument does not duplicate existing monument themes. Multiple monuments for similar or related groups shall be avoided.
- C. The monument proposal has been through a legally noticed community meeting, conducted by the group or person suggesting that the City install the monument (meeting must have City staff present), and that the installation and maintenance of the monument is within the priorities of the work plan of the responsible department. Outreach should inform the community that this Policy only authorizes one monument to honor a particular event, person, or topic.
- D. The proposed monument is not objectionable to the persons or community that the monument is intended to honor. If through the public outreach process, the City Manager finds that a proposed monument is a source of substantial dissention or discord within the City, the City Council shall seek further direction from the Commission before bringing the proposal forward for consideration.
- E. The City Council shall have final approval of a City project to design and construct a monument, or to accept a donated monument. The City Council shall consider the Commission recommendation and make a final determination regarding the proposed monument and whether to approve the monument.
- F. The monument has been designed by or under the direct supervision of a qualified professional in the art or design field, and provides a quality, scale, and character commensurate with the location, circulation, and use patterns of the City property. Qualified professionals include registered architects, engineers, landscape architects, and artists who can demonstrate professional recognition in the form of public commissions or

permanent public installations. The City may solicit input from art and design professionals such as artists, architects, landscape architects, planners, or designers in making this determination. Monuments shall not displace the intended function and or use of said property, as articulated in adopted master plans or similar City documents.

- G. The City Council shall evaluate the merits of the each monument proposal. The City Council shall make a final determination on the approval or denial of the monument proposal by evaluating (i) the merits of the monument proposal based upon the criteria set forth in this Policy, (ii) the results of any staff review of the proposal, and (iii) the recommendations of the appropriate City Commission.
- H. All required environmental review shall be approved by the City's planning department before the City commits to installing a monument. The monument shall be consistent with adopted City master plans unless those plans are amended as a part of the review process.
- I. There is a committed and verifiable funding source for the review, design, fabrication, installation, and maintenance of the monument before proceeding to incur City costs and staff time.

Notwithstanding the foregoing, the City may decide, in its sole discretion, to reject a proposal for a monument and/or may determine the appropriate site for any and all City monuments.

Suggestions that the City recognize a significant event, person, or other approved topic by means of a monument, will be more favorably received if the advocates for the monument provide the City with funds that cover the cost of review, design, fabrication, and installation, and an adequate endowment to cover the cost of the monument's maintenance as determined by City.

In any Monument Maintenance Agreement, the City will require an up-front endowment or deposit to cover at least one year's maintenance of the monument to protect the City against future default. While less desirable, the City may consider accepting an agreement from a group to maintain a monument in perpetuity and in accordance to City standards rather than a cash endowment; however, this will require the City to incur additional effort and cost.

Notwithstanding the City's decision to enter into a Maintenance Agreement, the monument remains City property and City's Government Speech, and the City may remove the monument at any time and for any reason.

The following additional criteria and factors shall be considered in evaluating a site (which must be within a park or plaza) for a proposed monument:

- Due to the unique features, limited capacity and uses of the Community Meeting Center, the Courtyard Center and Atlantis Play Center, these facilities will not be considered for use as monument sites. Streets and other public rights-of-way also shall not be considered for use as monument sites, except to honor City employees who have died in the line of duty, as further provided below.
- Monuments may be considered in neighborhood parks provided that the monument has a connection to the neighborhood through history, individual or group contributions and accomplishments, or similar factors, as deemed appropriate by the City Council.

Additional Review Process if a Monument is Primarily an Original “Work of Art”

The Community Services Director shall recommend and advise the City Manager, whether a proposed monument is primarily an original “work of art”. A “work of art” is defined as a monument that is designed by and crafted by or under the supervision of a professional artist. A monument that is deemed primarily a “work of art” shall be considered “public art” and shall become part of the City’s Art in Public Places inventory.

For monuments determined to be primarily “public art,” the Community Services Department shall:

- Coordinate the review of monuments that are “public art” with the Parks, Recreation and Arts Commission. The Commission shall review and make recommendations regarding the monument as to proposed site, artistic merit, durability, maintainability, and consistency with this Policy. Further, the Community Services Department shall coordinate the findings and recommendations of the Parks, Recreation and Arts Commission to the City Council.
- Coordinate with the Department of Public Works, the inspection, design, location, and other logistical components of monuments that are “public art.”
- Prepare and monitor all necessary records and documentation of monuments that are “public art.”
- Oversee the maintenance of “public art” monuments.

SECTION VII. PUBLIC RIGHT-OF-WAY

The public right-of-way shall not be considered as a site for monuments, except that the City may honor City employees who die or have died in the line of duty while serving the City, by placing a memorial plaque at or near the location of the City employee's death. The City's Public Work's Director is authorized to install memorial plaques in the public right-of-way to commemorate City employees who have died in the line of duty while serving the City if each of the following conditions exist:

- A. The property owner adjacent to the location of the proposed memorial plaque has been consulted on the placement of the memorial. In the event the property owner does not agree to the proposed location, the City will attempt to locate a nearby alternative location.
- B. The memorial plaque must be flat and level with the sidewalk, and placed behind the curb.
- C. The memorial plaque must not interfere with the public use of the sidewalk or right-of-way area.

SECTION VIII. OTHER POLICIES

Nothing in this Policy is intended to supersede or limit any other City Council Policy including without limitation, the City's Naming of Parks Policy (City Council Policy 700-04).

This Policy does not cover temporary installations on City property, nor does this Policy limit the City's ability to place signage or plaques on City property to provide donor or sponsor recognition, public information regarding a City project, or to place historical markers, or to provide other information to the public. City departments may enact administrative guidelines regarding plaques or signage for donor or sponsor recognition in a manner consistent with Policy 700-04.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kimberly Huy
Dept.: City Manager Dept.: Community Services
Subject: Approval of Addendum No. 2 Date: 6/13/2017
to the Agreement with LFA
to conduct a two-day Music
Festival at Village Green Park
on August 5 and August 6,
2017. (*Action Item*)

OBJECTIVE

To recommend that City Council approve Addendum No. 2 to the Agreement between the City and LFA to conduct a two-day Music Festival at Village Green Park the weekend of August 5 through August 6, 2017.

BACKGROUND

Staff received a request from LFA to conduct a two-day Music Festival at Village Green Park beginning Saturday, August 5 through Sunday, August 6, 2017. The proposed festival would be the first of its kind that will include ticket sales for up to 10,000 individuals, one carnival ride, food vendors, alcohol beverage sales and live entertainment on stage.

LFA is the new production company lessee of the City's Festival Amphitheater and has worked in the music festival industry for several years. LFA has entered into a ten (10) year lease agreement with the City and has completed all insurance requirements as indicated in the lease agreement.

DISCUSSION

Attached is Addendum No. 2 to the Agreement with LFA allowing them to conduct a two-day Music Festival at Village Green Park. The more significant aspects of this Agreement include the following provisions:

- LFA agrees to reimburse the City for all staff support and direct costs;
- LFA will provide an occupancy plan, security plan and parking plan that meets the Fire Department and Police Department requirements;
- The City must approve all live entertainment performances for the festival;
- The hours of operation will be restricted on Saturday until 10:00 p.m. and

Sunday until 9:00 p.m.;

- LFA must comply with all restrictions for alcohol beverage sales as approved on the plot plan, which indicates the areas for the sale of alcohol spirits to be allowed only in the VIP area and beer sales throughout the festival grounds in the approved areas. All alcohol sales must end ten (10) minutes before the close of the festival each day;
- LFA agrees to share twenty (20) percent of their net proceeds from alcohol beverages with the Garden Grove Community Foundation; and
- LFA must complete all additional insurance requirements thirty (30) days prior to the proposed festival.

At present, staff estimates an occupancy load of 10,000 people. That occupancy load is still under review and may change depending upon the findings of both the Police and Fire Departments. The proposed Addendum No. 2 to the Agreement has been approved to form by the City Attorney.

FINANCIAL IMPACT

Included in Addendum No. 2 is the requirement that LFA reimburse the City for all of the direct costs incurred by the City in support of the Music Festival. LFA will be required to pay an initial payment to the City in the amount of fifty thousand (\$50,000) thirty (30) days before the festival event. After the Music Festival, LFA is to reimburse the City the remainder, if any, of City costs.

RECOMMENDATION

It is recommended that the City Council:

- Approve Addendum No. 2 to the Agreement with LFA to conduct the 2017 Music Festival at Village Green Park, beginning Saturday, August 5 through Sunday, August 6, 2017.
- Authorize the City Manager to make minor modifications to and execute Addendum No. 2 on behalf of the City.

By: Janet Pelayo, Community Services Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Second Amendment	6/8/2017	Backup Material	Second_Addendum_LFA.pdf

SECOND ADDENDUM TO FACILITIES USE AGREEMENT

(Music Festival)

THIS ADDENDUM TO FACILITIES USE AGREEMENT (“Second Addendum”) is entered into effective as of June 13, 2017, by and between **LFA GROUP, LLC**, a California limited liability company (“LFA”), and **CITY OF GARDEN GROVE**, a municipal corporation (“CITY”).

RECITALS

WHEREAS, the parties have entered into a Facilities Use Agreement, dated on or about February 14, 2017, pertaining to LFA’s use of the Strawberry Bowl Festival Amphitheater in Village Green Park for programming professional theatrical performances, cultural artistic events and performances, and bookings of other events (the “Agreement”), and an Addendum to the Agreement, dated on or about April 1, 2017 (“First Addendum”), pertaining to group sales of alcoholic beverages at the Amphitheatre;

WHEREAS, in connection with its use of the Amphitheater pursuant to the Agreement, LFA has received City Council permission to sponsor and conduct a one-time music festival and related activities in and around Village Green Park on August 5-6, 2017 (the “FESTIVAL”);

WHEREAS, the FESTIVAL will benefit CITY’s Re-Imagine Campaign efforts to revitalize downtown by bringing additional exposure of, and visitors and patrons to, downtown Garden Grove;

WHEREAS, CITY wants to ensure the safety of all residents and orderly conduct of all participants in the FESTIVAL;

WHEREAS, LFA understands and acknowledges that (i) CITY will incur substantial direct and indirect costs with regard to the FESTIVAL and (ii) the CITY and public generally will incur a substantial burden through the closure of Village Green Park for the set-up, conduct of and tear-down of the FESTIVAL, which burden is difficult to quantify monetarily;

WHEREAS, the parties desire to amend the Agreement as set forth in this Second Addendum to set forth the terms upon which LFA may conduct the FESTIVAL.

AGREEMENT

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the parties acknowledge is sufficient to create a legally binding agreement, the parties agree as follows:

1. **PURPOSE.** The purpose of this Second Addendum is to allow LFA to conduct a music festival in Village Green Park on August 5 and 6, 2017.

2. **REIMBURSEMENT.** LFA shall reimburse CITY for all CITY/ Community costs attributable to operation of the Festival as follows:

A. The parties acknowledge and agree that conduct of the FESTIVAL will result in the loss of the Park to the public at large for the duration of the FESTIVAL, including set up and tear down for the events, and that such loss is difficult to quantify in monetary terms. In order to compensate the CITY for its direct and indirect costs, the community for the loss of use of the park and to provide a benefit to the Garden Grove community as a result of the FESTIVAL, LFA shall make payment to the CITY for the FESTIVAL as follows: (i) LFA shall pay an initial sum of Fifty Thousand Dollars (\$50,000) to CITY at least thirty (30) days prior to the scheduled start of the FESTIVAL; (ii) CITY shall subtract its reimbursable costs from this initial sum, and refund the balance, if any, within thirty (30) days of the end of the Festival. Reimbursable costs shall include all direct and indirect costs incurred by CITY in conjunction with set-up, operation, tear-down, and clean-up of the FESTIVAL, including, but not limited to, CTIY staff and contractor costs and loss of rent from facilities within Village Green Park. If reimbursable costs exceed the deposit amount, LFA agrees to pay such excess within thirty (30) days following the mailing of an invoice to LFA for such excess costs. If LFA fails to make the initial payment as required, CITY shall not issue any permit in connection with the FESTIVAL and LFA shall not proceed with the FESTIVAL. Notwithstanding the foregoing, the CITY may reduce the total amount of LFA's payment for CITY costs if, following the FESTIVAL, the City Manager, in his sole discretion, determines that the CITY's costs were less than the total amount specified herein.

B. The estimate of CITY's costs in Section 2.A. above does not include potential damage caused as a result of the FESTIVAL. LFA shall be responsible for and agrees to pay the full cost of any repair of damages to the FESTIVAL site (except as otherwise set forth herein), buildings, fixtures, property and other structures, including the irrigation system, that are attributable to the FESTIVAL operations.

C. In the case of any damage to CITY property or facilities attributable to FESTIVAL operations, a deposit of Two Thousand Five Hundred Dollars (\$2,500) shall be made at least thirty (30) days prior to the scheduled start of the FESTIVAL. CITY shall subtract damage costs from this deposit, and refund the balance within thirty (30) days of the end of the event. If damage costs exceed this deposit amount, LFA agrees to pay such excess within thirty (30) days of the end of the event. If LFA fails to make the deposit prior to the scheduled start of the FESTIVAL, CITY shall not issue any permits in connection with the FESTIVAL and the LFA shall not proceed with the FESTIVAL.

D. In addition to the costs set forth in Sections 2.A. through 2.C., LFA shall pay the costs for CITY renovation of the park turf area on which the FESTIVAL is held, including

aeration of the FESTIVAL site. LFA shall reimburse the CITY for the amount of such costs as determined by the Public Works Director and the City Manager.

3. **FESTIVAL ACTIVITIES.** LFA agrees that the FESTIVAL will represent only approved activities. Expressly prohibited from FESTIVAL activities are helicopter rides, and activities, music or speech that call, incite or provoke an immediate breach of the peace. CITY reserves the right to immediately stop and terminate any such activity. The volume on all music provided at the FESTIVAL shall not exceed 70 decibels at any time at any property line of the FESTIVAL site. LFA shall provide sufficient security, as determined to be appropriate in the reasonable exercise of discretion by CITY's Chief of Police, to ensure compliance with all requirements of this Second Addendum, including but not limited to the requirements for music provided at the FESTIVAL. LFA shall notify CITY at least thirty (30) days in advance of the FESTIVAL of the name of each music group, type of music and type of amplification system which will be used by each group providing live music at the FESTIVAL in order to ensure that requirements of this Second Addendum will be met. In addition, at the same time, LFA shall provide to CITY identification of the areas of the FESTIVAL site at which each musical group will perform, the times during which the performances will occur and the seating arrangements and capacities to be provided by the FESTIVAL for each such performance. Notwithstanding the foregoing, LFA shall comply with the requirements of Garden Grove Municipal Code Section 8.47.060(g)(2) regarding filing a registration statement with CITY's Zoning Administrator at least seven (7) days prior to use of any sound amplification equipment during the FESTIVAL. If the Police Department determines that the FESTIVAL's noise level is disturbing the peace of the surrounding community, LFA shall lower the noise volume of the offending source(s) as directed by the Police Department.

4. **FESTIVAL PARTICIPANTS.** LFA shall have sole responsibility for arranging and providing all contractors, persons, organizations, businesses and employees necessary to properly conduct FESTIVAL activities.

5. **USE OF VILLAGE GREEN PARK.** In consideration for LFA's activities, as provided herein, CITY grants LFA a non-exclusive right to use Village Green Park for the purpose of conducting the FESTIVAL including, but not limited to, food booths, alcohol beverage booths, amusement zone operations, music and related uses, subject to LFA submitting to CITY a schedule of events, a complete list of performers and their set lists, security plan, parking plan, occupancy plan, and complete plot plan, including but not limited to vendor locations, amusement zone area, VIP location, alcohol booth locations, stage area and vehicle and fire lanes, no later than thirty (30) days before the FESTIVAL, and obtaining the approval of the submitted schedule, performer and set lists, security plan, occupancy plan, and complete plot plan from the City Manager or his designee.

A. The FESTIVAL shall be operated in accordance with the following schedule:

Saturday

Open no earlier than 12::00 p.m.

Music commencing no earlier than 1:00 p.m.

Completely closed no later than 10:00 p.m.

Sunday

Open no earlier than 12::00 p.m.

Music commencing no earlier than 1:00 p.m.

Completely closed no later than 9:00 p.m.

“Completely closed” shall mean the cessation of FESTIVAL related activities, including music and other entertainment, amusement rides and food operations and all other FESTIVAL activities, and shall not mean the vacation of the FESTIVAL grounds by FESTIVAL patrons. An earlier closing time of the VIP location, alcohol beverage booths, food booths, and amusement zone may be determined by representatives of the Fire Department, Police Department or FESTIVAL officials.

B. LFA shall be responsible for closing the FESTIVAL each night. The grounds shall be completely clear no later than one hour past closing.

C. For the purposes of set-up and tear down, LFA may enter Village Green Park no earlier than three (3) days before the FESTIVAL, and shall have the grounds cleaned of all debris and equipment no later than two (2) days after the conclusion of the FESTIVAL. This permission is granted with the understanding that the specific dates will be covered under the insurance policy(ies) provided by LFA and others to CITY, pursuant to Section 20.

6. **PARK USAGE CONDITIONS.** LFA shall be responsible for the continual clearing of trash/debris from the site during the FESTIVAL. LFA shall further be responsible for and agrees to provide proper clean-up of the FESTIVAL site upon conclusion of the FESTIVAL, including proper clean-up of the parking areas used for the FESTIVAL, except privately-owned parking lots. “Proper clean-up” shall mean that the open, visible ground is free of litter, lumber, construction materials and other materials resulting from FESTIVAL operations and that these materials are removed from the grounds and disposed of properly. LFA shall reimburse CITY for any costs CITY incurs for site clean-up, including but not limited to special materials, labor, overtime, or damage to CITY property, which result in additional charges.

A. LFA shall provide adequate trash containers and portable restrooms during the FESTIVAL, which restrooms shall be cleaned daily by LFA.

B. LFA shall contact Dig Alert, 811 or www.digalert.org, in accordance with the requirements of Government Code Section 4216 et seq., prior to driving or placing any stake or other item into the ground, and shall avoid all areas identified through Dig Alert as containing underground facilities of any type whatsoever.

C. LFA shall provide plans and calculations to CITY for approval no later than thirty (30) days before the event for proposed stages, platforms, tent structures and electrical systems for approval. LFA shall designate a representative for the coordination of all safety related activities pertaining to electrical and structural matters at the FESTIVAL. LFA shall obtain the inspection of and approval by CITY's Building Services Division of all structures and electrical systems prior to the first day of the FESTIVAL. Structures, including sanitary facilities, shall comply with the accessibility requirements of Title 24 of the California Building Code (Handicap Access). LFA may contact the City of Garden Grove Inspection Request Line, at (714) 741-5332, to request inspections.

D. The noise levels for the FESTIVAL shall not exceed the maximum allowed under either this Second Addendum or the City's noise ordinance, whichever is lower, and shall not disturb the peace of the surrounding community. If CITY's Police Department determines that the noise level is disturbing the peace of the surrounding community, LFA shall lower the noise volume as directed by the Police Department.

E. LFA shall provide adequate notice of FESTIVAL to all businesses and residences located reasonably near Village Green Park at least thirty (30) days in advance of the event.

7. **FENCING.** If required by CITY, LFA shall install temporary fencing satisfactory to CITY. In addition, LFA shall ensure that the fencing contractor provides the necessary traffic control during the installation and removal of fencing. LFA shall remove all fencing within 48 hours after the end of the FESTIVAL.

8. **STORMWATER QUALITY BEST MANAGEMENT PRACTICES.** LFA shall use best management practices (BMP's) as feasible to prevent or control the discharge of pollutants and minimize non-stormwater runoff from the FESTIVAL site. BMPs may include structural or non-structural solutions, a schedule of activities, prohibition of practices, maintenance procedures, or other management practices used to prevent or reduce the discharge of pollutants to the CITY's storm drain system.

The LFA shall contact City of Garden Grove Environmental Compliance staff at (714) 741-5375 during office hours for assistance in choosing the appropriate BMPs for the FESTIVAL.

9. **PARKING.** LFA shall be responsible for securing and ensuring the availability of off-street parking for all FESTIVAL attendees. LFA shall provide a parking plan and evidence of contracts and/or arrangements for all necessary private off-street parking to the City no later than thirty (30) days prior to the FESTIVAL. CITY's approval of the parking plan and adequacy of off-street parking arrangements is a condition precedent to LFA's right under this Second Addendum to use Village Green Park for the FESTIVAL. LFA shall obtain pre-approval from the Garden Grove Police Department regarding any proposed parking restrictions or modifications in traffic flow prior to the event. Nothing in this Second Addendum authorizes FESTIVAL access to parking other than that which is generally available to the public.

10. **ALCOHOL BEVERAGE SALES.** Alcoholic beverages may be sold on the FESTIVAL grounds pursuant to, and in compliance with, a valid license or licenses issued by the California Department of Alcohol Beverage Control and all conditions imposed by the Garden Grove Police Department. The CITY has restricted the type of alcohol sales and hours. The sales of alcohol spirits will be limited to the VIP fenced area as indicated on the approved plot plan. The sales of beer and/or wine can be conducted in alcohol booths throughout FESTIVAL grounds as indicated on approved plot plan. Any food or other booth that is not approved as part of complete plot plan in which alcohol is found shall immediately, and for the duration of the FESTIVAL, be closed by the Chief of Police or designee. All alcohol sales and service shall end ten (10) minutes prior to the end of the FESTIVAL. Consistent with Section 2.h. of the Agreement, LFA shall share twenty percent (20%) of all net proceeds (as defined in the Agreement) from alcohol beverage sales with the Garden Grove Community Foundation.

11. **COMMERCIAL FOOD SALES.** All commercial mobile trailers with food vending equipment, whether or not operated by owner of the equipment, are required to have a permit from the Orange County Health Department prior to operation on FESTIVAL grounds. LFA shall make every effort to ensure that required permits have been obtained prior to the opening of the FESTIVAL. Any commercial equipment found in operation without the required Orange County Health Department permits shall be closed.

12. **HEALTH DEPARTMENT.** Prior to the opening of the FESTIVAL, LFA shall provide the Orange County Health Department ("OCHD") and CITY with a list of food concession vehicles and stand vendors and their approximate location on the grounds. All health permit applications for non-profit and commercial entities shall be submitted to the Orange County Health Department no later than two weeks prior to the FESTIVAL.

13. **HEALTH COMPLIANCE.** All food and candy concessions shall be operated in compliance with the OCHD "MINIMUM STANDARDS FOR CLEANLINESS AND FOOD PROTECTION FOR HANDLING FOOD AT SPECIAL EVENTS," or its successor standards, relating to prepackaged and unpackaged foods and beverages, and any other OCHD Guidelines.

A. LFA shall work with the Orange County Health Department to ensure compliance with all health regulations by all food concessions at the FESTIVAL. In addition, the Police Chief, the Fire Chief, or their designees shall have the right, at their sole discretion, to close any food booth that becomes non-compliant during the FESTIVAL. Any such food booth found shall not be allowed to reopen until satisfactory compliance is demonstrated.

14. **FOOD SALES COORDINATION.** LFA shall designate a representative for the coordination of all food service activities at the FESTIVAL. This person shall coordinate with the Orange County Health Department during the planning stages of FESTIVAL development to ensure that food service activities occur in compliance with all regulatory requirements.

15. **SAFETY COORDINATION.** LFA shall designate a representative for the coordination of all safety related activities pertaining to electrical and structural matters at the FESTIVAL. This person shall coordinate with the CITY's Building Official during the planning stages and conduct of the FESTIVAL.

16. **SECURITY PLAN.** LFA shall prepare an operation and security plan for FESTIVAL operations. This plan for the operation and security of the FESTIVAL shall be submitted to the Chief of Police of CITY for approval no later than thirty (30) days before the FESTIVAL. LFA shall obtain approval of such plan from the Chief of Police. Approval of the plan shall not be unreasonably withheld. Insurance information for all security related contracts shall be submitted to CITY's Finance Director in accordance with Section 20 of this Second Addendum.

17. **PERMITS.** LFA and its representatives shall comply with all applicable laws. It shall be the responsibility of the LFA to obtain, or cause to be obtained, all required permits, provided, however, that this Second Addendum shall constitute a Community Event Permit. Each organization or group participating in the FESTIVAL, where applicable, shall separately obtain a City of Garden Grove Business Operations Tax Certificate and State Board of Equalization Seller's Permit.

18. **FIRE REGULATIONS.** No later than June 30, 2017, LFA shall provide to the Fire Chief of CITY, an occupancy plan and general plot plan that indicates the location of all vehicles, stands, tents, amusement zone activities/rides, fire lanes and Fire Department ingress. LFA shall comply with all applicable Fire Code provisions. All Fire Code required permits shall

be obtained at least one (1) week prior to the beginning of the FESTIVAL. In addition, LFA shall obtain the approval of the Fire Chief of all cooking appliances and fuels before use at the FESTIVAL.

A. Tents over 200 square-feet or canopies over 400 square-feet require Fire Department permits. LFA shall submit site plans (CFC 105.6.43) by one (1) week before FESTIVAL.

B. LFA shall ensure that each cooking booth shall provide and mount (acceptable to bungee cord to pole) a 2A10:BC fire extinguisher (40B:C where deep fryers are used) with an affixed State Fire Marshal's service tag. (CFC 906.1, Title 19, Sec 567.6)

C. LFA shall ensure access and visibility of fire hydrants, Fire Department connections, suppression system, and appliances at all times.

D. Use of fireworks is strictly prohibited.

19. **POLICE SERVICES.** The Garden Grove Police Department reserves the right to revoke the FESTIVAL permit at any time without prior notice to or permission from LFA if, in the opinion of the Chief of Police, or his designee, the public health and safety is in jeopardy.

20. **INSURANCE.** LFA shall take out and maintain during the life of this Agreement, commercial general liability insurance, including contractual liability, and shall protect LFA and CITY from claims for such damages. This insurance shall be in the amount normally carried by LFA for such purposes, but in no event shall it be less than:

\$10,000,000 (ten million dollars) per occurrence for Bodily Injury and Property Damage Liability, and \$10,000,000 (ten million dollars) general aggregate. (***"Claims Made" and "Modified Occurrence" policies are not acceptable.***)

LFA shall furnish to CITY a Certificate of Insurance signed by the authorized agent of the insurance carrier issued on the insurance carrier's form setting forth the general provisions of the insurance coverage under the commercial general liability policy. An additional insured endorsement shall designate the **City of Garden Grove, its employees, agents, volunteers, and officials** as Additional Insureds for on-going operations under the policy (**Additional Insured Endorsement form CG 2026, or equivalent, as approved by CITY**) and shall be submitted by LFA to CITY for approval not less than thirty (30) days prior to the event. (***"Claims Made" and "Modified Occurrence" policies are not acceptable.***) LFA shall provide to CITY endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advance written notice of any material change, cancellation, or termination of coverage.

LFA shall obtain an Certificate of Insurance and Additional Insured Endorsements evidencing proof of not less than \$10,000,000 (ten million dollars) commercial general liability insurance, per occurrence, and not less than \$10,000,000 (ten million dollars) general aggregate policy from any vendor providing rides, games or other “carnival-type” activities at the Festival, designating the **City of Garden Grove, its employees, agents, volunteers, and officials**, as Certificate Holders and Additional Insureds for on-going and completed operations. The Certificate and Endorsement (**CG 2026, or equivalent and CG 2037 or equivalent, as approved by CITY**) shall be submitted by LFA to CITY for approval not less than thirty (30) days prior to the event. (*“Claims Made” and “Modified Occurrence” policies are not acceptable.*) LFA shall provide to CITY endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advance written notice of any material change, cancellation, or termination of coverage.

LFA shall obtain an Certificate of Insurance and Additional Insured Endorsements evidencing proof of not less than \$10,000,000 (ten million dollars) commercial general liability insurance, per occurrence, and not less than \$10,000,000 (ten million dollars) general aggregate policy from any vendor providing any stage equipment and/or set up including, but not limited to, the stage itself, sound equipment, lighting equipment, set design, and any other support structures used on or for the stage at the Festival, designating the **City of Garden Grove, its employees, agents, volunteers, and officials**, as Certificate Holders and Additional Insureds for on-going and completed operations. The Certificate and Endorsement (**CG 2026, or equivalent and CG 2037 or equivalent, as approved by CITY**) shall be submitted by LFA to CITY for approval not less than thirty (30) days prior to the event. (*“Claims Made” and “Modified Occurrence” policies are not acceptable.*) LFA shall provide to CITY endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advance written notice of any material change, cancellation, or termination of coverage.

LFA shall obtain an Certificate of Insurance and Additional Insured Endorsements evidencing proof of not less than \$5,000,000 (five million dollars) commercial general liability insurance, per occurrence, and not less than \$5,000,000 (five million dollars) general aggregate policy from any vendor providing safety and/or security services at the Festival, including site security, and designating the **City of Garden Grove, its employees, agents, volunteers, and officials**, as Certificate Holders and Additional Insureds. The Certificate and Endorsement (**CG 2026, or equivalent or equivalent, as approved by CITY**) shall be submitted by LFA to CITY for approval not less than thirty (30) days prior to the event. (*“Claims Made” and “Modified Occurrence” policies are not acceptable.*) LFA shall provide to CITY endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advance written notice of any material change, cancellation, or termination of coverage.

In addition to the above-required insurance, LFA shall ensure that all of LFA’s other contractors, vendors and sponsors obtain and maintain not less than \$2,000,000 (two million dollars) commercial general liability insurance per occurrence, and not less than \$4,000,000 (four million dollars) general aggregate. This includes, but is not limited to, contractors providing entertainment coordinators, fencing, trash collection, sanitary facilities, tents, and tables/chairs, and food truck services. The **City of Garden Grove, its employees, agents, volunteers, and officials**, shall be designated as Additional Insureds on these policies for on-going operations. The

required Certificates and Additional Insured Endorsements (**CG 2026, or equivalent, as approved by CITY**) shall be collected and maintained by LFA not less than thirty (30) days prior to the event. (***“Claims Made” and “Modified Occurrence” policies are not acceptable.***) The endorsements from each insurance carrier shall provide that the insurance carrier shall give CITY not less than thirty (30) days advance written notice of any material change, cancellation, or termination of coverage.

LFA shall ensure that LFA and each of its contractors, vendors and sponsors using automobiles for FESTIVAL purposes, including food trucks shall obtain and maintain automobile liability insurance in an amount not less than \$2,000,000 (two million dollars) combined single limit. If transportation services (such as shuttle services and transportation for festival purposes) are provided for persons, automobile liability insurance shall be obtained and maintained in an amount not less than \$5,000,000 (five million dollars) combined single limit. The entertainment coordinator shall obtain and maintain insurance that covers losses for all automobiles used for transportation purposes. Additional Insured Endorsements for all automobile related insurance shall be obtained. The required Additional Insured Endorsements, (**CA 2048, or equivalent, as approved by CITY**) shall name the **City of Garden Grove, its employees, agents, volunteers, and officials** as Additional Insureds for all automobiles, including automobiles owned, leased, hired or borrowed, and also for mobile equipment, if mobile equipment is used. The required Certificates and Additional Insured Endorsements shall be collected and maintained by LFA not less than thirty (30) days prior to the event. LFA shall submit to CITY for approval not less than thirty (30) days prior to the event its Certificates and Endorsements confirming that LFA has for itself obtained such coverage. (***“Claims Made” and “Modified Occurrence” policies shall not be accepted.***) For each such contractor, vendor or sponsor, LFA shall collect and maintain the required Additional Insured endorsements and other endorsements from each insurance carrier wherein the insurance carrier shall give CITY thirty (30) days advance written notice of any material change, cancellation, or termination of coverage. Should LFA or any of its sponsors, contractors, or vendors not be utilizing automobiles in carrying out the terms of or activities contemplated by this Agreement, each such person(s) or entity(ies) may request an exemption from such insurance requirement by submitting a request on CITY’s request for exemption form to CITY’s Risk Manager for approval. Approval of such request shall rest within the sole discretion of CITY’s Risk Manager.

LFA shall ensure that if LFA, or any of LFA’s sponsors, contractors or vendors, or any of their subcontractors, have employees, workers’ compensation insurance for such employees is in effect in the amount of and type required by California law. Each such insurer shall waive its rights of subrogation against the City of Garden Grove, its employees, agents, volunteers, and officials. The required Certificates and endorsements shall be collected and maintained by LFA not less than thirty (30) days prior to the event. LFA shall submit to City for approval insurance certificates and endorsements confirming that LFA has for itself obtained such insurance, if required by California law, not less than thirty (30) days prior to the event. LFA shall ensure that each such insurance carrier shall give CITY not less than thirty (30) days advance written notice of any material change, cancellation, or termination of coverage. Should LFA or any of its sponsors, contractors or vendors, or any of their subcontractors, not have employees, such person(s) or entity(ies) shall be required to sign CITY’s worker’s compensation waiver form and submit it to CITY’s Risk Manager for approval thereof. Approval of the waiver form shall

rest within the sole discretion of CITY's Risk Manager.

In the event any of underlying policies for LFA or any of its contractors, vendors, or sponsors do not meet or exceed the policy limits of these insurance requirements, LFA shall ensure that LFA, or the subject contractor, vendor or sponsor, as appropriate, provides a **Follows Form** excess liability policy to ensure that the required policy limits are met. LFA shall also ensure that the subject contractor, vendor, or sponsor provides a schedule of underlying policies for any excess liability policy, and that the insurance certificate states that the excess policy follows form to the underlying policies. An additional insured endorsement for the excess policy shall designate the **City of Garden Grove, its officers, officials, agents, employees, and volunteers** as additional insured.

If LFA or any of its sponsors, vendors, or contractors hire any subcontractor to assist with their operations, each such subcontractor shall be required to provide the same insurance as the person or entity for which it is performing the work, including providing applicable waiver forms as approved by CITY.

LFA shall be responsible to collect and maintain all insurance certificates and endorsements from all of its contractors, vendors, sponsors, and any of their subcontractors, and shall ensure that such insurance meets the terms of this Agreement. All insurance from LFA, its contractors, vendors, sponsors, and any of their subcontractors shall be **primary** to insurance or self-insured retentions maintained by the City of Garden Grove, and/or its employees, agents, volunteers, and officials, **and shall not contribute** with it. Endorsements providing primary/non-contributory coverage shall be provided for **ALL** policies.

"Claims Made" and "Modified Occurrence" policies shall not be accepted. All insurance carriers must have a Best's Guide rating of A-, Class VII or better. All insurance policies must be in effect at all times during the Festival, including all times for set-up and tearing down for the event. Upon request by CITY, LFA shall provide to CITY original or certified copies of all insurance policies, endorsements, and certificates of LFA, its contractors vendors, sponsors and any of their subcontractors.

If any sponsor, contractor, vendor, or subcontractor maintains higher insurance limits than the minimums shown above, the sponsor, contractor, vendor, or subcontractor shall provide coverage for the higher insurance limits otherwise maintained by the sponsor, contractor, vendor, or subcontractor. For purposes of this Section 24, the term "sponsor" shall not include an individual or entity that provides only a monetary payment to the LFA and does not enter onto or conduct activities on the Festival site.

ALL INSURANCE POLICIES MUST BE IN EFFECT AT ALL TIMES THAT ANYONE WILL BE ON THE EVENT SITE (INCLUDING SET UP, TEAR DOWN, ETC.)

FAILURE BY LFA TO PROVIDE TO CITY PROOF OF LFA'S INSURANCE AS REQUIRED BY THIS AGREEMENT OR TO ENSURE THAT THE INSURANCE REQUIRED OF ANY CONTRACTOR, VENDOR, SPONSOR, OR

SUBCONTRACTOR HAS BEEN OBTAINED, AS APPROPRIATE, SHALL BE SUFFICIENT GROUNDS FOR CITY TO DECLINE TO ISSUE PERMITS FOR THE FESTIVAL, CANCEL AUTHORIZATION FOR THE FESTIVAL TO PROCEED AND TO PRECLUDE THE FESTIVAL FROM OCCURRING.

Variances from the above-referenced insurance requirements may be issued by the CITY's Risk Manager in the exercise of his/her sole discretion. No variance shall be valid unless issued in writing and signed by the CITY's Risk Manager. CITY's Risk Manager may require increased policy limits and/or additional insurance if in the exercise of his/her reasonable discretion, he/she determines that the increased policy limits or additional insurance is appropriate based on potential risks associated with the Festival. CITY shall not require increased policy limits or additional insurance without first discussing the matter with LFA. CITY shall at all times have the right to inspect and receive the original or a certified copy of all policies and certificates of insurance, including additional insured endorsements, required pursuant to this Agreement.

If LFA wishes to use the First Baptist Church of Garden Grove's parking lot for parking and/or access to the Festival, LFA shall comply with the requirements set forth in the November 27, 2012 License Agreement between CITY and the First Baptist Church of Garden Grove, including but not limited to (i) payment of specified user fees; (ii) fulfillment of all operational requirements; (iii) indemnification of both CITY and the First Baptist Church of Garden Grove in accordance with the requirements of Section 9 of the License Agreement; and (iv) providing commercial general liability insurance for the Church property to CITY, including an insurance certificate evidencing not less than \$1,000,000 (one million dollars) per occurrence commercial general liability coverage and not less than \$2,000,000 (two million dollars) general aggregate. ASSOCIATION shall also provide an additional insured endorsement for on-going operations under the general liability policy (Form CG 20 26 07 04 or equivalent designating the City of Garden Grove, First Baptist Church of Garden Grove, and their respective employees, agents, volunteers and officials as additional insureds. All insurance provided shall be primary to the insurance or self-insured retentions maintained by the City of Garden Grove, First Baptist Church of Garden Grove, and their respective employees, agents, volunteers and officials, and shall not contribute with it. An endorsement providing primary/ non-contributory coverage shall be provided for ALL policies. (**"Claims Made" and "Modified Occurrence" policies shall not be accepted.**)

LFA shall ensure that all entities or organizations engaging or sponsoring alcohol sales obtain and maintain not less than \$5,000,000 (five million dollars) commercial general liability insurance, per occurrence, and not less than \$5,000,000 (five million dollars) general aggregate. Coverage shall include no-host liquor liability for the sale of any and all alcohol at the event. The **City of Garden Grove, its employees, agents, volunteers, and officials**, shall be designated as Additional Insureds on these policies for on-going operations, including no-host liquor liability.

21. **BUSINESS TAXES.** LFA shall provide the City's Business Tax office with a list of all FESTIVAL vendors and food booths at least one (1) month prior to opening of the FESTIVAL. LFA shall ensure that all vendors and food booths possess a current City business

license. LFA shall also ensure that vendors selling tangible items have a Seller's Permit from the State Board of Equalization. If data related to business licenses, insurance, seller's permits, and other similar items, is incomplete or unsatisfactory, a field inspection will be required with a minimum of four hours that will be charged at the current hourly rate payable by LFA, which hourly rate may be adjusted annually by City as CITY costs increase.

A. LFA shall ensure that any non-profit food vendors provide to CITY proof of non-profit status from the IRS and financial statements (of the prior year's event if possible).

B. LFA shall ensure that any person or entity soliciting for charitable purposes at a FESTIVAL shall submit to CITY a completed "Application for Permit to Appeal or Solicit for Charitable Purposes" and a signed letter of indemnification, satisfactory to CITY, at least thirty (30) days before the event.

22. **ADMISSION TICKETS.** CITY understands that LFA intends to sell admission tickets in advance and/or at the booths by entrance gates. LFA understands that CITY may monitor on-site ticket sales in order to assist CITY in verifying FESTIVAL sales and attendance numbers. LFA shall cooperate with CITY's monitoring activities.

23. **COMPLIANCE WITH LAW.** LFA shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state and local governments in the performance of FESTIVAL-related activities.

24. **CONFLICT OF INTEREST.** LFA shall at all times avoid conflict of interest or appearance of conflict of interest in the performance of this Second Addendum.

25. **NOTICES.** All notices pertaining to this Second Addendum shall be personally delivered or mailed to the below listed address, or to such other address as may be designated by written notice.

LFA:

Jon Reiser
LFA Group, LLC
12762 Main Street
Garden Grove, CA 92840

CITY:

City of Garden Grove
Attention: City Manager
11222 Acacia Parkway
Garden Grove, CA 92840

26. **TIME OF ESSENCE.** Time is of the essence in the performance of this Second Addendum.

27. **LIMITATIONS ON SUBCONTRACTING AND ASSIGNMENT.** The experience, knowledge, capability, and reputation of LFA, its principals and employees were a substantial inducement for CITY to enter into this Second Addendum. LFA shall not contract with any other entity or otherwise transfer its rights and obligations under this Second Addendum without the prior written approval of CITY. Any attempted assignment, subcontracting or transfer by LFA of its rights or obligations under this Second Addendum without the prior written consent of City in violation of this provision shall be null and void. If LFA is permitted to subcontract any part of this Second Addendum, LFA shall be fully responsible to CITY for the acts and omissions of its subcontractor as it is for the acts and omissions of persons directly employed. Nothing contained in this Second Addendum shall create any contractual relationship between any subcontractor and CITY. All persons engaged in the work will be considered employees of LFA. CITY will deal directly with LFA.

28. **AUTHORITY TO EXECUTE.** Each person executing this Second Addendum on behalf of a party hereto warrants and represents that he/she is duly authorized to execute this Second Addendum on behalf of the entity for which he/she is signing, and that by executing this Second Addendum, the party for which the person is signing is formally bound to the term of this Second Addendum.

29. **INDEMNIFICATION.** To the fullest extent allowed by law, LFA agrees to protect, defend, and hold harmless CITY and its elective and appointive boards, officials, officers, agents, employees and volunteers from any and all claims, liabilities, expenses or damages of any nature, including attorney's fees, for injury or death of any person, or damage to property, interference with the use of property, or any other type of monetary or other claim arising out of, or in any way connected with any FESTIVAL related activities and/or the performance of the terms of this Second Addendum by LFA, and its agents, officers, employees, volunteers, vendors, subcontractors, or independent contractors hired by LFA. The only exception to LFA responsibility to protect, defend and hold harmless CITY is due to the sole negligence or intentional wrongful conduct of CITY, or any of its elective or appointive boards, officials, officers, agents, employees or volunteers.

30. **DEFAULT AND TERMINATION.**

A. In the event of material default under this Second Addendum, the non-defaulting party may provide notice to the defaulting party of the conduct constituting the default. The defaulting party shall have thirty (30) days within which to correct the default. If the default is not corrected within the thirty (30) day period, the non-defaulting party may give notice of immediate termination of this Second Addendum to the defaulting party. Such notice shall be effective five (5) days following the day such notice is provided pursuant to Section 25 herein.

B. Any termination of this Second Addendum by CITY shall not relieve LFA of any outstanding obligation under this Second Addendum, including but not limited to the following: LFA's indemnification obligations shall survive the termination of this Second Addendum until all claims and actions related thereto are fully and finally resolved and all monies related thereto are fully paid.

31. **CONSTRUCTION.** This Second Addendum shall be deemed fully incorporated into the Agreement. Unless expressly provided to the contrary herein, to the extent that any provision of this Second Addendum conflicts with any provision of the Agreement, this Second Addendum shall control. Provisions of the Agreement not inconsistent with the provisions of this Second Addendum, including but not limited to the following provisions, shall expressly govern and apply to this Second Addendum: Sections 10, 11, 12, 13, 14, 15 (b) – (e), and 15 (k) – (p).

32. **SEVERABILITY.** If any provision of this Second Addendum shall be deemed for any reason to be invalid, illegal or unenforceable, such provision shall be severed from the remainder of this Addendum, and that remainder shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date first above written.

LFA GROUP, LLC

CITY OF GARDEN GROVE

By: _____
Its: _____

By: Scott C. Stiles
Its: City Manager

ATTESTED:

By: _____
Its: _____

City Clerk

APPROVED AS TO FORM:

Garden Grove City Attorney

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Adoption of a Resolution approving the HOME Investment Partnership Affordable Housing and Loan Agreement with 10632 Bolsa Ave, LP for the Sycamore Court Housing Project. (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

To request that the City Council (i) review both the attached City Council Resolution and the *HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project)* between the City and 10632 Bolsa Avenue, LP, and (ii) adopt the City Council Resolution approving the HOME Agreement under which the City provides the Developer a \$1.2M City Loan of HOME Program funds in connection with the acquisition, substantial rehabilitation and operation of a 78-unit multi-family rental project with long-term covenants for affordable and replacement housing for Very Low and Low Income households.

BACKGROUND

The City of Garden Grove is a participating jurisdiction with the United States Department of Housing and Urban Development ("HUD"); the City has received federal HOME Program funds to carry out multi-year housing strategies through acquisition, rehabilitation, and construction of housing for persons and families of Very Low and Low Income. Under the HOME Program, the City is required to spend funds timely and reserve a certain part of HOME Program funds for projects carried out by a Community Housing Development Organization (CHDO) to develop, sponsor or own affordable housing.

Mariman & Co. ("Mariman") has entered into a Purchase and Sale Agreement to acquire the existing Sycamore Court housing development, which is a 78-unit complex comprised of six, two-story buildings located at 10632 Bolsa Avenue in the City ("Properties"). Mariman is a co-general partner of a developer limited partnership, 10632 Bolsa Avenue, LP ("Developer"), of which AOF/Golden State Community Development Corp., a nonprofit corporation, is the managing general partner and a qualified CHDO. Developer intends to

acquire the Properties from Mariman, then own, substantially rehabilitate, manage, maintain and operate Sycamore Court as an affordable housing project for Very Low and Low Income tenant households for a 55-year affordability period ("Project").

City and Developer representatives and their respective counsels have negotiated the terms of the HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) ("HOME Agreement") under which the City will provide to the Developer a \$1.2M subordinate loan of HOME funds ("City Loan") as a part of the Developer's financing to undertake, complete and operate the Project. The HOME Agreement and Attachment Nos. 1 to 18 include the business and legal terms of the transaction between the City and Developer, including a Promissory Note, Deed of Trust, Regulatory Agreement, Completion Guaranty, Scope of Rehabilitation, Schedule of Performance and related exhibits, which are presented for City Council consideration and approval by Resolution.

DISCUSSION

In consideration for the City Loan, a Regulatory Agreement with affordable housing, replacement housing, property management, maintenance and other covenants will be recorded against the Properties with a 55-year Affordability Period. The City Loan is structured as a residual receipts loan in an original principal amount of \$1,200,000 that will accrue 3% simple interest, and will be evidenced by a Promissory Note and secured by the Deed of Trust. Developer will make annual interest-only payments of up to \$36,000 paid solely from up to 75% of the below-the-line, residual cash flow ("Residual Receipts") from operation of the Project. The term of the City Loan is 16 years; the Promissory Note matures and is due in full in September 2033 when Developer must pay off the loan, principal and interest, without regard to Residual Receipts.

Summarized below and explained in this report are the salient provisions of the HOME Agreement:

- The Properties are currently owned and vested in a cooperative association, Garden Grove Manor, Inc. ("Seller") and all units will be sold for a purchase price of \$13,210,000 to Mariman under the Purchase and Sale Agreement, as amended and extended, which will be assigned to Developer at Close of Escrow.
- Developer will cause substantial rehabilitation of the Project for a total cost estimated at \$3,938,250 or \$50,490/per unit. Attachment No. 5, Scope of Rehabilitation, describes the scope of work on the Housing Units and common areas, both interior and exterior, and includes a Schedule of Values with details, breakdown and estimate of costs for the construction work including subcontracts.
- Income qualified current residents are eligible to remain tenants at the Project at an Affordable Rent as well as receive temporary relocation assistance while applicable Housing Units are being rehabilitated in phases, with all relocation costs the responsibility of and paid for by the Developer under the HOME Agreement and the Relocation Plan approved on May 9 by the City Council.
- A federal layering analysis was performed for the Project by the City's federal programs consultant, Duane Solomon, which evidences and supports the subsidy to Developer of \$1.2M HOME Funds for the Project that has total development costs of

\$23,071,771.

- An economic analysis of the Developer's proforma, budget and all financing sources for the Project was completed by the City's economic/housing consultant, Keyser Marston Associates, which also supports the City subsidy to the Project.
- After completing the Rehabilitation, all 77 Housing Units will be occupied by qualified Very Low Income and Low Income tenant households; there is one non-rent restricted on-site manager's unit. Initial re-occupancy will be by current residents in most instances and thereafter re-tenanting and operations will be managed by Developer and its professional property management company in compliance with a Tenant Selection Plan, Management Plan, and other provisions of the HOME Agreement and Regulatory Agreement.

In December 2016, California Tax Credit Allocation Committee ("TCAC") awarded Developer an allocation of 4% Tax Credits and the California Debt Limit Allocation Committee ("CDLAC") awarded Developer a bond allocation, from which the California Public Financing Authority ("CalPFA") will issue multifamily housing mortgage revenue bonds in an aggregate amount of \$14,400,000 ("Bonds"). The City Council, as the local government agency where the Project is located, held two separate Public Hearings in May 2016 and May 2017 in compliance with the Tax Equity and Fiscal Responsibility Act ("TEFRA"), Section 147(f) of the Internal Revenue Code of 1986, as amended, as required in order for the interest on the Bonds to be tax-exempt. The Tax Credit Investor, Pacific Premier Bank, will invest \$6,119,500 of equity into the Project and receive that amount of federal Tax Credits. The Bonds will be purchased by Jones Lang LaSalle Multifamily, LLC ("JLL"), as the Senior Lender, which funds will be converted into a FannieMae loan issued by JLL to the Developer. FannieMae and JLL have required that the City's HOME Agreement, Regulatory Agreement, Promissory Note, Deed of Trust and related instruments all be subordinated to the JLL Senior Loan documents by a Subordination Agreement recorded against the Properties.

Developer has also secured the renewal of a Section 8 housing assistance payment contract ("HAP") with HUD for 31 of the 78 units under which income-eligible tenant households will pay 30% of actual household income toward rent and the Developer will receive from HUD payment of the difference between that amount and federal fair market rent, which funds serve as additional financial assistance to operation of the Project. The City Loan proceeds, along with Tax Credit equity, the Bonds/Senior Loan proceeds and the HAP proceeds are all sources of permanent, senior financing and ongoing cash invested in the Project, from acquisition, through completion of the Rehabilitation and ongoing ownership and operation. The City's investment in the Project through the City Loan will cause all 77 Housing Units to qualify as long-term affordable housing for Very Low and Lower income households (one manager's unit will not be rent-restricted). Under the HOME Agreement and Regulatory Agreement, all 77 Housing Units will be income and rent restricted for 55-years for occupancy by Very Low Income and Low Income tenant households; and, of the 77 units: (i) seven will be covenanted as HOME Units under the HOME Program during a 15-year HOME Compliance Period; (ii) four will qualify as Very Low Income replacement housing and satisfy the remaining obligations under the Limon Judgment; and (iii) the remaining 73 units will also qualify and are being reserved and banked as affordable replacement housing in the event the City (or the Housing Authority or affiliated entities) may be required under federal or state laws to provide replacement housing in the future.

In connection with the HOME Agreement, the City prepared an environmental assessment

in accordance with the National Environmental Policy Act ("NEPA") and determined that the Project qualifies for a categorical exclusion thereunder, including 24 CFR 58.35, and meets one or more categorical exemptions under the California Environmental Quality Act and implementing regulations ("CEQA"), which findings are included in the City Council Resolution. If the Resolution is adopted, then promptly after approval City staff will cause a Notice of Exemption to be posted at the County Clerk in compliance with CEQA. The City's investment in the Project is in the public interest and will increase the number of affordable housing and replacement housing units in the City, and too will carry out the goals and objectives of the City's 2014-2021 HCD-certified Housing Element of its General Plan.

FINANCIAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution that makes findings under NEPA and CEQA, approves the HOME Agreement, and authorizes the City Manager, legal counsel and staff to implement the HOME Agreement and Project, including issuance of warrants.

By: Nate Robbins, Sr. Program Specialist

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution approving HOME agreement	6/6/2017	Resolution Letter	6-13-17_Resolution_Approving_HOME_Agreement_Sycamore_Court_FINAL_(1).pdf
HOME AGREEMENT - 1 OF 2	5/31/2017	Exhibit	HOME_Agreement_-_Unsigned_-_Part_1_of_2.pdf
HOME AGREEMENT - 2 OF 2	5/31/2017	Exhibit	HOME_Agreement_-_Unsigned_-_Part_2_of_2.pdf

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE HOME INVESTMENT PARTNERSHIP AFFORDABLE HOUSING AND LOAN AGREEMENT (SYCAMORE COURT HOUSING PROJECT); AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE HOME AGREEMENT AND PROJECT DOCUMENTS; FINDING AND DETERMINING THE NEW PROJECT IS CATEGORICALLY EXEMPT UNDER CEQA; AND, MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove ("City") is a California general law city and municipal corporation and a participating jurisdiction with the United States Department of Housing and Urban Development ("HUD") that has received funds ("HOME Funds") from HUD pursuant to Title II of the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. 12701 12839) and the HOME Program regulations codified at 24 CFR Part 92 (together, "HOME Program");

WHEREAS, the HOME Program has, among its purposes, the strengthening of public-private partnerships to provide more affordable housing, and particularly to provide decent, safe, sanitary, and affordable housing, with primary attention to housing for very low income and lower income households in accordance with the HOME Program; and, the HOME Program funds are used by the City, as a participating jurisdiction, to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing for target income persons and families;

WHEREAS, Mariman & Co., a California corporation, has entered into an agreement to purchase two (2) parcels of real property located at 10632 Bolsa Avenue in the city ("Properties"), which are improved with seventy-eight (78) residential rental Housing Units in six (6) two story buildings; and

WHEREAS, Mariman & Co. has assigned or will assign in connection with such purchase agreement and the subject transaction all of its rights and obligations under thereunder to 10632 Bolsa Avenue, LP, a California limited partnership ("Developer");

WHEREAS, Developer and City desire to enter into that certain HOME Investment Partnership Affordable Housing And Loan Agreement (Sycamore Court Housing Project) ("HOME Agreement"), and capitalized terms used in this Resolution are as defined in the HOME Agreement or as otherwise defined herein;

WHEREAS, under the HOME Agreement the City will commit and provide a subordinate loan of \$1,200,000 ("City Loan") sourced solely from the HOME Program to facilitate Developer's acquisition, substantial rehabilitation and operation of the Properties as affordable rental housing to be made available to and occupied by qualified and eligible very low income households and lower income households at an affordable rent pursuant to the HOME Agreement and the Regulatory Agreement appended thereto ("Project");

WHEREAS, all or a portion of the HOME Funds to be contributed to the Project by the City under the HOME Agreement have been reserved for investment only in housing to be owned, developed or sponsored by a community housing development organization (“CHDO”) pursuant to and as defined in the HOME Regulations, and the parent affiliate of the Developer entity managing general partner, AOF/Golden State Community Development Corp., which is a qualified CHDO;

WHEREAS, on December 14, 2016, California Tax Credit Allocation Committee (“TCAC”) awarded Developer an allocation of 4% Tax Credits and also on December 14, 2016 the California Debt Limit Allocation Committee (“CDLAC”) awarded Developer a bond allocation and the California Public Financing Authority will issue multifamily housing mortgage revenue bonds in an aggregate amount of \$14,400,000 (“Bonds”) as the permanent, senior financing for the Project;

WHEREAS, further, the Project consists of the rehabilitation, improvement and replacement of dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower income households, as defined in Section 50079.5 of the Health and Safety Code, and consists of the acquisition and rehabilitation of a rental housing development which, prior to the date of the Agreement, was subject to a contract for federal assistance for the purpose of providing affordable housing for low-income households (through the existing HAP Contract) and the Project is renewing the HAP Contract with HUD for the purpose of providing affordable housing for low-income households and therefore the Project does not constitute a low-rent housing project within the meaning of Section 1 of Article XXXIV of the California Constitution;

WHEREAS, the City is investing in the Project and providing the City Loan to Developer to cause and qualify all Housing Units as long-term affordable housing for very low and lower income households, including the HOME Units under the HOME Program during the HOME Compliance Period and all Housing Units too qualifying as replacement housing as to four Housing Units to meet existing replacement housing obligations under the *Limon* Judgment and the balance of the Housing Units also qualifying as reserved or banked replacement housing under federal or state laws, as, if and when necessary for the City or its affiliated entities, including the Garden Grove Housing Authority and the Successor Agency to the Garden Grove Agency for Community Development to meet federal or state replacement housing requirements;

WHEREAS, under the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, and the implementing regulations at Title 14 California Code of Regulations Section 15000, *et seq.*, in particular Sections 15301, 15326, 15354 and 15374 (together, “CEQA”), provide that certain existing facilities and affordable housing projects establish that the Project are categorically exempt from CEQA;

WHEREAS, the Project meets the categorical exemption set forth in Section 15301 (Class 1 Facilities) that consist of the operation, repair, maintenance, permitting, leasing, licensing, or alteration of existing public or private structures, and Section 15326 (Class 26: Acquisition of Housing for Housing Assistance Programs) that consist of actions by a housing authority implementing an affordable housing project;

WHEREAS, in connection with the HOME Agreement, the City prepared an environmental assessment in accordance with the National Environmental Policy Act and determined that the Project is categorically excluded thereunder, including 24 CFR 58.35;

WHEREAS, the City's participation and subsidy to the Project will be in the public interest in that it will increase the number of affordable housing units within the City and carry out the objectives of the City's Housing Element of its General Plan; and

WHEREAS, the City Council desires by this Resolution to approve the HOME Agreement for implementation of the Project and provision of affordable housing and replacement housing under federal and state laws.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE RESOLVES:

1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

2. As the lead agency under CEQA, the City Council finds and determines that the Agreement and the Project to be implemented by the Project documents meet the categorical exemptions under CEQA and categorical exclusion under NEPA as cited in the above recitals, including Class 1 Existing Facilities: operation, repair, maintenance, permitting, leasing, licensing, or alteration of existing public or private structures, and Class 26: Acquisition of Housing for Housing Assistance Programs: actions by a housing authority implementing an affordable housing project.

3. The City participation in the financing of the Project and the provision of replacement housing units in implementation of the *Limon* Judgment and for reservation and banking of future replacement housing requirements meet statutory exceptions to, and do not constitute development, construction or acquisition of a low-rent housing project within the meaning of, Article XXXIV of the State Constitution; in any event, this Resolution is intended to and constitutes an approval within the meaning of California Health and Safety Code Section 36005 of a development that may result in housing assistance benefiting persons of low income.

4. The City Council hereby approves the HOME Agreement with such changes as may be mutually agreed upon by the City Manager, and his duly authorized representative(s), the City Attorney and special counsel, as are minor and in substantial conformance with the form of the HOME Agreement (Attachment 1) submitted herewith. The Mayor, City Manager and their duly authorized representatives (together, "Authorized Officers") are hereby authorized, as applicable, to execute and attest the HOME Agreement, including any related attachments and implementing documents, on behalf of the City. In such regard, the Authorized Officers are authorized to sign or attest the final version of the HOME Agreement after completion of any such non-substantive, minor revisions. Copies of the final form of the HOME Agreement, when duly executed and attested, shall be placed on file in the office of the City Clerk. Further, the Authorized Officers are authorized to implement the HOME Agreement and take all further actions and execute all documents referenced

therein or necessary and appropriate to carry out the transaction contemplated by the HOME Agreement. The Authorized Officers are also authorized to the extent necessary during the implementation of the HOME Agreement to make technical or minor changes and interpretations thereof after execution, as necessary to properly implement and carry out the HOME Agreement, including all exhibits thereto, provided any and all such changes shall not in any manner materially affect the rights and obligations of the City under the HOME Agreement.

5. The City Clerk shall certify to the adoption of this Resolution.

ATTACHMENT NO. 1

HOME AGREEMENT

(ATTACHED)

**HOME INVESTMENT PARTNERSHIP
AFFORDABLE HOUSING AND LOAN AGREEMENT
(Sycamore Court Housing Project)**

by and between

CITY OF GARDEN GROVE, a California municipal corporation

and

10632 BOLSA AVENUE, LP, a California limited partnership

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**HOME INVESTMENT PARTNERSHIP
AFFORDABLE HOUSING AND LOAN AGREEMENT
(Sycamore Court Housing Project)**

This **HOME INVESTMENT PARTNERSHIP AFFORDABLE HOUSING AND LOAN AGREEMENT (Sycamore Court Housing Project)** ("Agreement") is entered into as of June 13, 2017 by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"), and **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer").

RECITALS

A. City is a California municipal corporation and a participating jurisdiction with the United States Department of Housing and Urban Development ("HUD") that has received funds ("HOME Funds") from HUD pursuant to Title II of the Cranston Gonzalez National Affordable Housing Act (42 U.S.C. 12701 12839) and the HOME Program regulations codified at 24 CFR Part 92, as amended by the "2013 HOME Final Rule" at 24 CFR Part 92 (Complete Rule) http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl (together, the "HOME Program"). The HOME Program has, among its purposes, the strengthening of public-private partnerships to provide more affordable housing, and particularly to provide decent, safe, sanitary, and affordable housing, with primary attention to housing for very low income and lower income households in accordance with the HOME Program. The HOME Funds are used by the City, as a participating jurisdiction, to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing for target income persons and families. All or a portion of the HOME Funds proposed to be loaned to Developer and invested in this Project have been reserved for investment only in housing to be owned, developed or sponsored by a community housing development organization ("CHDO") pursuant to and as defined in the HOME Program. The parent affiliate of the managing general partner of the Developer entity, AOF/Golden State Community Development Corp. is a qualified CHDO.

B. Mariman & Co., a California corporation, has entered into an agreement to purchase two (2) parcels of real property located at 10632 Bolsa Avenue in the City ("Properties"), as more particularly described in the Legal Description attached hereto as Exhibit A, and incorporated herein by reference. The Properties are improved with seventy-eight (78) residential rental units (each, a "Housing Unit") in six (6) two-story buildings.

C. By this Agreement, City desires to commit certain financial assistance from the HOME Program to facilitate Developer's acquisition, substantial rehabilitation and operation of seventy-eight (78) existing residential townhomes as affordable rental housing to be made available to and occupied by qualified and eligible very low income households and lower income households at an affordable rent (as determined and calculated in accordance with Section 1204.1 and the Regulatory Agreement).

D. Developer has requested assistance from the City in the form of a loan to be sourced solely from the City's HOME Funds as set forth in more detail in this Agreement. Therefore, by this Agreement, and subject to the terms and conditions herein, City desires to provide financial assistance to Developer in the form of a loan ("City Loan") of HOME Program funds up to the amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00) in order to assist Developer to acquire, rehabilitate, and operate the Properties as a long-term affordable housing project for

persons and families of very low and low income at an Affordable Rent throughout the entire Affordability Period, as set forth in more detail in this Agreement ("Project"). The permitted income levels of the tenants of each Housing Unit and the permissible rents to be charged for occupancy of each Housing Unit are set forth in detail in this Agreement in order to ensure compliance with the requirements of the HOME Program with respect to the use of HOME Funds to assist the Project.

E. As a part of the implementation of the Project and under the federal Multifamily Assisted Housing Reform and Affordability Act of 1997 that established and authorized the "Mark-to-Market" program designed to preserve low-income rental housing affordability while reducing the long-term costs of federal rental assistance, including project-based assistance from HUD, for certain multifamily rental projects. Developer will be renewing the existing federal Section 8 Housing Assistance Payments Program ("HAP Contract") with the U.S. Department of Housing and Urban Development ("HUD"). Developer and HUD will be entering into a renewal agreement for the existing HAP Contract by which Project-Based Section 8 tenant assistance will be provided to forty percent (40%) of the Housing Units (specifically thirty-one (31) Housing Units, including eight (8) one-bedroom Housing Units, eighteen (18) two-bedroom Housing Units, and five (5) three-bedroom Housing Units, at the Project as provided in the HAP Contract ("HAP Units").

F. On December 14, 2016, California Tax Credit Allocation Committee ("TCAC") awarded Developer an allocation of 4% Tax Credits and also on December 14, 2016 the California Debt Limit Allocation Committee ("CDLAC") awarded Developer a bond allocation to issue multifamily housing mortgage revenue bonds in an aggregate amount not to exceed \$14,910,000 ("Bonds," as defined below) to finance the Sycamore Court Project.

G. In connection with the City Council's review and action approving this Agreement, the City Council determined that the Sycamore Court Project is categorically exempt from the provisions of the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.* ("CEQA"), pursuant to the Guidelines for Implementation of the California Environmental Quality Act set forth at Title 14 California Code of Regulations Section 15000, *et seq.* ("CEQA Guidelines"); specifically, the Project consists of City's acquisition of affordable housing covenants, an interest in the Housing Units, in implementation of the City's adopted Housing Element and federal Consolidated Plan, pursuant to Section 15326 of the CEQA Guidelines.

H. The Project consists of the rehabilitation, improvement and replacement of dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower income households, as defined in Section 50079.5 of the Health and Safety Code. Further, the Project consists of the acquisition and rehabilitation of a rental housing development which, prior to the date of the Agreement, was subject to a contract for federal assistance for the purpose of providing affordable housing for low-income households (through the existing HAP Contract) and the Project is renewing the HAP Contract with HUD for the purpose of providing affordable housing for low-income households. Thus, the Project does not constitute a "low-rent housing project" within the meaning of Section 1 of Article XXXIV of the California Constitution.

I. Developer acknowledges that City is investing in the Project and providing the City Loan to Developer to cause long-term affordable housing, qualifying under the HOME Program as HOME Units during the HOME Compliance Period and qualifying as replacement housing required under that certain *Limon* Judgment (defined in Section 1201.1 herein) and qualifying as reserved or banked replacement housing under federal or state laws, as, if and when applicable to the City or its affiliated entities such as the Garden Grove Housing Authority ("Housing Authority") and the

Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency"). Therefore, this Agreement shall serve as notice and evidence that the City is investing in the Project and providing the City Loan to Developer to qualify, use, and bank all 78 affordable housing units in this Project (excluding the onsite manager's unit) for purposes of replacement housing (i) as defined and required under federal and state laws, as, if and when applicable, to the City, Housing Authority or Successor Agency, and (ii) in satisfaction of the Successor Agency's replacement housing obligations that may remain under and in implementation of the *Limon* Judgment.

I. Initially capitalized terms used in these Recitals are defined in these Recitals and in Section 101, below.

J. The Project is in the vital and best interest of the City and the health, safety and welfare of the residents of the City, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

100. DEFINITIONS AND GENERAL TERMS.

101. Defined Terms. As used in this Agreement (and in all other Project Documents, unless otherwise defined), the following capitalized terms shall have the following meanings:

"Affiliate" shall mean any person or entity directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer which, if Developer is a partnership or limited liability company, shall include each of the constituent partners or members, respectively thereof. The term "control" as used in this immediately preceding sentence, means, with respect to a person that is a corporation, the right to the exercise, directly or indirectly, of at least 50% of the voting rights attributable to the shares of the controlled corporation and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

"Affordability Period" shall mean the duration of the affordable housing requirements that are required by this Agreement and set forth in the Regulatory Agreement (and the Tax Credit Regulatory Agreement). The Affordability Period shall be fifty-five (55) years from the date the Release of Construction Covenants is issued by City and recorded against the Properties.

"Affordable Rent" or "Affordable Housing Cost" shall mean the maximum amount of monthly Rent to be charged by Developer and paid by the 50% AMI Very Low Income Households and 60% AMI Low Income Households occupying the Housing Units at the Project, which shall be determined and calculated in accordance with Section 1204.1.

"Agreement" shall mean this *HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project)*.

"AMI" and "Area Median Income" shall mean, as to the HOME Units: the *lesser* figure of: (i) area median income for Orange County, California, as published annually by HUD; or (ii) area median income for Orange County, California, as published annually by TCAC. For all Housing

Units that are not HOME Units, AMI and "Area Median Income" shall mean the area median income for Orange County, California, as published annually by TCAC.

"Annual Financial Statement" shall mean the certified financial statement of Developer for the Project using generally accepted accounting principles, as separately accounted for this Project, including Operating Expenses and Annual Project Revenue, prepared annually and provided to City at Developer's expense, by an independent certified public accountant reasonably acceptable to City.

"Annual Project Revenue" shall mean all gross income and all revenues of any kind from the Project in a calendar year (to the extent such income or revenue is applicable to periods of time after Conversion), of whatever form or nature, whether direct or indirect, with the exception of the items excluded below, received by or paid to or for the account or benefit of Developer or any Affiliate of Developer or any of their agents or employees, from any and all sources, resulting from or attributable to the ownership, operation, leasing and occupancy of the Project, determined on the basis of generally accepted accounting principles applied on a consistent basis, and shall include, but not be limited to: (i) gross rentals paid by tenants of the Project under leases, and payments and subsidies of whatever nature, including without limitation any payments, vouchers or subsidies from HUD (including Section 8 payments by HUD under the HAP Contract or payments related to portable Section 8 vouchers or any future project - based housing assistance payments contract) or any other person or organization, received on behalf of tenants under their leases, (ii) amounts paid to Developer or any Affiliate of Developer on account of Operating Expenses for further disbursement by Developer or such Affiliate to a third party or parties, (iii) late charges and interest paid on rentals, (iv) rents and receipts from licenses, concessions, vending machines, coin laundry and similar sources; (v) other fees, charges or payments not denominated as rental but payable to Developer in connection with the rental of office, retail, storage, or other space in the Project; (vi) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases, and (vii) interest and other investment earnings on security deposits, reserve accounts and other Project accounts to the extent disbursed. Notwithstanding the foregoing, Annual Project Revenue (gross rents) shall not include the following items: (a) security deposits from tenants (except when applied by Developer to rent or other amounts owing by tenants); (b) capital contributions to Developer by its members, partners or shareholders (including capital contributions required to pay any Deferred Developer Fees); (c) condemnation or insurance proceeds; (d) funds received from any source actually and directly used for acquisition of the Properties and/or initial development of the Project; or (e) receipt by an Affiliate of management fees or other bona fide arms-length payments for reasonable and necessary Operating Expenses associated with the Project.

"Applicable Federal Rate" shall mean the interest rate set by the United States Treasury from time to time pursuant to Section 1288(b) of the Internal Revenue Code. The Applicable Federal Rate is published by the Internal Revenue Service in monthly revenue rulings.

"Application" shall mean, individually and collectively, Developer's Tax Credit Application submitted to TCAC by which Developer obtained an allocation of the 4% Tax Credits and Developer's Application to CDLAC by which Developer obtained an allocation of tax-exempt multifamily housing bonds for the Project.

"Bonds" shall mean those certain multifamily housing revenue bonds in an aggregate principal amount of \$14,400,000.00 issued by the California Public Finance Authority and for which the proceeds thereof will be loaned to and expended by Developer to finance the acquisition, rehabilitation and equipping of the Sycamore Court Project. The Bonds will be purchased by the

Senior Lender and the net proceeds of the Bonds will be the source of the construction financing and the permanent financing for the Project.

"Building Permit" or **"Building Permits"** shall mean each and all of the building permit(s) issued by the City and required to commence construction of the Rehabilitation and includes any permit or other approval required by any other public agency with jurisdiction over the Properties.

"Capital Replacement Reserve" shall mean a separate reserve fund account to be established and maintained by Developer equal to not less than Three Hundred Dollars (\$300) per year for each Housing Unit in the Project (i.e., seventy-eight (78) units in the Project times \$300 equals \$23,400.00 Dollars per year for the Project), to be used as the primary resource to fund capital improvements, and replacement improvements. The amount of \$300 for each Housing Unit that is set aside by Developer (or its Property Manager) shall be allocated from the gross rents received from the Properties and deposited into a separate interest-bearing trust account for capital repairs and replacements to the improvements, fixtures and equipment at the Properties that are normally capitalized under generally accepted accounting principles, including, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs, showers, toilets, lavatories, sinks, and faucets; air conditioning and heating replacement; asphalt repair, replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Developer of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Properties and all common areas and common improvements in the manner prescribed herein. Pursuant to the procedure for submittal of each annual Operating Budget to City Manager by Developer, City Manager will evaluate the cumulative amount on deposit in the Capital Replacement Reserve account and exercise his sole, reasonable discretion to determine if existing balance(s) in, proposed deposits to, shortfalls, if any, and/or a cumulative unexpended/unencumbered account balance in such Capital Replacement Reserve account are adequate to provide for necessary capital repairs and improvement to the Properties (provided that required annual deposits thereto are not required to exceed \$300/per Housing Unit.)

"Capitalized Operating Reserve" shall mean the capitalized operating reserve for the Project, which shall be funded by Primary Loan proceeds and Tax Credit equity in the Target Amount as provided in Section 1213. The Capitalized Operating Reserve shall thereafter be replenished from Annual Project Revenue if and to the extent required by the Lender or Developer's Tax Credit Investor.

"Certification of Continuing Program Compliance" shall mean the form of annual certification of the affordable housing requirements for operation of the Project, substantially in the form of Attachment No. 13 attached hereto and fully incorporated by this reference.

"CHDO" is defined in Recital A.

"City" shall mean the City of Garden Grove, a California municipal corporation.

"City Council" shall mean the City Council of the City of Garden Grove.

“City Loan” shall mean the financial assistance of \$1,200,000.00 sourced solely from HOME Program funds provided by City with respect to the Project and Properties, as more particularly provided in Section 201.

“City Loan Deed of Trust” shall mean a deed of trust securing the City Loan Note and other obligations of Developer hereunder substantially in the form of Attachment No. 4, attached hereto and fully incorporated herein by this reference.

“City Loan Note” shall mean the promissory note, substantially in the form of Attachment No. 3 attached hereto and fully incorporated herein by this reference, which evidences the City Loan.

“City Manager” shall mean the City Manager and his authorized designee(s). Whenever the consent, approval or other action of the “City Manager” is required herein such consent may be provided by the City Manager or his authorized designee(s), or the City Manager may submit to the City Council for action to approve or disapprove such request.

“City Title Policy” shall have the meaning set forth in Section 401.8 and shall be a lender’s policy of title insurance insuring the full amount of the City Loan.

“Closing” means the close of Escrow and recordation of the City Loan Deed of Trust and Regulatory Agreement in the Official Records of Orange County, California.

“Commitment” means the commitment of HOME Funds to the Developer for the Project within the meaning of 24 CFR 92.2, as amended by the Final Rule. This Agreement is intended to serve as the City’s Commitment of HOME Funds to the Project, but no monies will be disbursed unless and until the requirements of 24 CFR 92.2 are met. Specifically, the City, as a participating jurisdiction and recipient of HOME Program funds is prohibited from providing a commitment (as the term is defined therein) of HOME Program funds to any specific local project until “the [City] and project owner [Developer] have executed a written legally binding agreement under which HOME assistance will be provided to the owner for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within twelve months of the agreement date.”

“Completion and Labor Compliance Guaranty” means a guaranty to be executed by Developer and delivered to City at or prior to the Closing, in substantially the form attached hereto as Attachment No. 12.

“Conditions Precedent” shall mean the conditions precedent to the disbursement of any portion of the City Loan and commencement of the Rehabilitation, as set forth in Sections 401, *et seq.*, through 403, *et seq.*

“Costs of Rehabilitation” shall mean all reasonable costs and expenses to complete the approved Scope of Rehabilitation described in this Agreement and set forth in the fully itemized Final Budget (or under approved change orders as provided herein) for such work that are actually incurred by Developer for the Rehabilitation of Properties pursuant to this Agreement. The Costs of Rehabilitation shall include, without limitation, the following: environmental assessment, testing, and remediation, if any, of the land/soils and existing improvements (such as asbestos, mold, etc.); construction cost; construction and design fees; architectural and engineering costs and fees (if any);

construction financing interest, fees, bond fees and “points”; property taxes and assessments; security services; off-site Improvements (if any); Building Permits; utilities fees; insurance; legal and accounting fees; title and title insurance; Escrow fees and closing costs; performance, labor and materials bonds; fees for letter(s) of credit; appraisals; and such other costs, fees and expenses, as agreed to in writing by City Manager; provided, however, that payment to parties related to Developer for Costs of Rehabilitation shall not exceed reasonable and customary market rates, as reasonably determined by City Manager.

“County” shall mean the County of Orange, California.

“CPI” shall mean the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Subgroup “All Items,” for the Los Angeles-Costa Mesa-Riverside area, 1982 – 84 = 100, or successor or equivalent index in case such index is no longer published. CPI adjustments under this Agreement shall commence not earlier than one year following the issuance of a certificate of substantial completion for the Project by Developer’s architect.

“Date of Agreement” shall mean the date the governing body of the City considers, takes action, and approves this Agreement, which date for purposes of this Agreement is June 13, 2017.

“Debt Service” means payments made in a calendar year pursuant to the approved loans (including the Primary Loan (Bonds) and other approved financing) obtained for the acquisition, rehabilitation, ownership, and operation of the Project in accordance with this Agreement, but excluding payments made pursuant to the City Loan Note.

“Default” or **“Event of Default”** means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 1500, *et seq.* hereof.

“Deferred Developer Fee” shall mean any deferred developer fee allowable under the financing which has been approved by City pursuant to Section 207 hereof. The parties anticipate that the Deferred Developer Fee shall be approximately \$1,801,562.00. In no event shall Developer be eligible for disbursement of the Deferred Developer Fee or any part thereof prior to completion of the Rehabilitation of the Project, including all on-site and off-site improvements, as approved by the City Manager and as evidenced by the issuance by City of the Release of Construction Covenants for the Project.

“Developer” shall mean 10632 Bolsa Avenue, LP, a California limited liability company, and its permitted successors and assignees.

“Developer Fee” shall mean a fee in a cumulative amount not to exceed the limitations imposed thereon by TCAC, to be paid to Mariman & Co. by the Developer, which fee is compensation to perform, or to engage and supervise others to perform, services in connection with the negotiating, coordinating, and supervising the planning, architectural, engineering and construction activities necessary to complete the Project, including all other on-site and off-site improvements required to be constructed in connection therewith, in accordance with the Scope of Rehabilitation and the Rehabilitation Plans, as set forth in the Final Budget and approved as a part of the evidence of financing pursuant to Section 207 herein. The parties anticipate that the Developer Fee shall be approximately \$2,463,993.00.

“Disbursement Procedures” shall mean the method, procedure, conditions and requirements for disbursement of any and all disbursements, and each of the four installment payments of the City Loan proceeds to be made post-Closing that are set forth in the Disbursement Procedures attached hereto as Attachment No. 17 and incorporated herein by this reference.

“Escrow” shall mean the escrow established for the sale of the Properties by the current private owner to Developer. First American Title Insurance Company is the Escrow Holder; reference number is: NCS-728192-SA1.

“Escrow Holder” shall mean the holder of the Escrow.

“Federal Program Limitations” shall mean compliance with the HOME Program and HOME Regulations, as amended by the 2013 HOME Final Rule, as applicable to the Project, and also includes any and all other applicable federal regulations relating and applicable to fair housing and non-discrimination in the ownership and operation of the Project and rules and regulations made applicable to the Project due to the provision of Section 8 project-based assistance under the HAP Contract as to the HAP Units. Developer covenants, acknowledges, and agrees it is subject to all applicable federal, state and local laws and regulations including in particular all Federal Program Limitations, including the HOME Program and HOME Regulations (whichever are most restrictive and to the extent applicable to the Project), in connection with its performance under this Agreement, and agrees it shall endeavor to cause the use and operation of the Properties to conform to the Federal Program Limitations.

“Final Budget” means the final budget for the Rehabilitation of the Project, including all hard and soft costs therefor, as approved by City pursuant to Sections 207.2(a) and 401.3.

“Final Disbursement” is defined in Section 202.1(c).

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Properties are located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over Developer or the Project.

“HAP Contract” means the contract anticipated to be entered into by and between Developer and HUD under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA), which established and authorized a “Mark-to-Market” program by which HUD will agree to renew the existing housing assistance payments contract and thereby provide Project Based Section 8 assistance to thirty-one (31) Housing Units at the Project, through Developer.

“HAP Units” means the thirty-one (31) HAP Units at the Project to be assisted pursuant to the HAP Contract, which will include:

- Two (2) 1-Bedroom Housing Units at 50% AMI Very Low Income
- Six (6) 1-Bedroom Housing Units at 60% AMI Low Income
- Five (5) 2-Bedroom Housing Units at 50% AMI Very Low Income
- Thirteen (13) 2-Bedroom Housing Units at 60% AMI Low Income
- One (1) 3-Bedroom Housing Unit at 50% AMI Very Low Income
- Four (4) 3-Bedroom Housing Units at 60% AMI Low Income

“High Quality” means and refers to the condition of the Project and the standard of maintenance and upkeep of the improvements (interior and exterior), hardscape, and landscaping commensurate with the high quality, well-managed affordable rental housing projects in Orange County, specifically including apartment complexes owned and operated by Mariman & Co., or The Related Companies of California, or Jamboree Housing Corporation or other highly reputable owners and developers of high quality affordable rental housing projects in the County. When determining comparable apartment complexes, the age of the improvements shall be considered. Further, comparable High Quality apartment complexes shall be those that are subject to enhanced maintenance and property management standards comparable to those set forth in this Agreement, and which are managed by experienced, professional property management companies.

“HOME Compliance Period” means the period of time commencing upon the date the first HOME Unit is rented to a tenant household and ending on the fifteenth (15th) anniversary of the issuance of the final certificate of occupancy for the Project by the City. The end of the HOME Compliance Period in no manner affects the 55-year Affordability Period under the Regulatory Agreement.

“HOME Matching Requirement” shall mean the requirement to expend moneys at the Project which satisfy the HOME matching contribution requirement set forth in 24 CFR 92.218 through 24 CFR 92.222 of the HOME Regulations.

“HOME Program” is defined in Recital A.

“HOME Regulations” shall mean the implementing regulations of the HOME Program set forth at 24 CFR §92.1, *et seq.* as such regulations now exist (as amended by the 2013 HOME Final Rule) and as they may hereafter be amended, to the extent applicable to the Project. Developer covenants hereunder to comply with all applicable state and local laws and all applicable HOME Regulations in the performance of this Agreement, whichever are more restrictive. In implementation of these requirements, this Agreement, the Project, and all eligible contributions and expenditures hereunder shall conform to the following:

a. The housing developed hereunder does and shall qualify as affordable housing under 24 CFR §92.252 because each Housing Unit shall be rented at an Affordable Rent; and

b. This Agreement serves as the written agreement that imposes and enumerates (by meeting or exceeding) all of the affordability requirements from 24 CFR §92.252; the property standards requirements of 24 CFR §92.251; and income determinations made in accordance with 24 CFR §92.203.

“HOME Units” shall mean seven (7) of the Housing Units (specifically, two (2) of the one-bedroom units, four (4) of the two-bedroom units, and one (1) of the three-bedroom units) which Developer shall designate as HOME Units and which shall be subject to all applicable HOME Regulations. All seven (7) HOME Units shall be “Low HOME” units under the HOME Regulations. The HOME Units will be fixed HOME Units, such that the specific Housing Units designated as HOME Units shall not change. The designation of seven (7) Housing Units as Low HOME Units shall terminate at the end of the HOME Compliance Period, unless extended by agreement of the City and the Developer, but for the remaining term of the 55-year Affordability Period in the Regulatory Agreement all seven Housing Units shall be covenanted and restricted as 50% AMI Very Low Income Units and such covenant and restriction shall continue for the full term thereof.

"Housing Unit" or "Housing Units" means the seventy-eight (78) individual apartment units at the Properties to be acquired, substantially rehabilitated, managed, and operated by Developer as long term affordable housing and in implementation of the Project (inclusive of the HOME Units and the HAP Units). The Properties comprise: 20 one-bedroom Housing Units, 43 two-bedroom Housing Units and 15 three-bedroom Housing Units, one of which will be an on-site manager's unit.

"HUD" is defined in Recital A.

"City" shall mean the City of Garden Grove, a public body, corporate and politic.

"Housing Unit" or "Housing Units" means the seventy-eight (78) individual townhome apartment units at the Properties to be acquired, rehabilitated, leased, managed, and operated by Developer as long term affordable housing and in implementation of the Project (inclusive of the HOME Units and the HAP Units). The Properties comprise: 20 one-bedroom Housing Units, 43 two-bedroom Housing Units and 15 three-bedroom Housing Units, one 2-bedroom unit of which will be an on-site manager's unit.

"HUD" shall mean the United States Department of Housing and Urban Development.

"Improvements" means all improvements, improvements pertaining to the realty, fixtures, works of improvement now existing or hereafter comprising any portion of the Properties and all work of Rehabilitation, new construction, or other revitalization to the existing improvements at the Properties, including, without limitation, buildings; landscaping, trees and plant materials; and offsite improvements, including, without limitation, streets, curbs, storm drains, and adjacent street lighting, which will be caused to be undertaken by Developer in completion of the Project pursuant to this Agreement and all other Project Documents.

"Indemnitees" means City, Garden Grove Housing Authority, Successor Agency to the Garden Grove Agency for Community Development and their elected officials, officers, employees, attorneys, contractors, elective and appointive boards and commissions, representatives, agents, and volunteers.

"Legal Description" shall mean the legal description of the Properties set forth as Attachment No. 1, which is attached hereto and fully incorporated herein by this reference.

"Lender" or "Senior Lender" shall mean the California Public Finance Authority, as originating lender, and Jones Lang LaSalle Multifamily, LLC ("JLL") and Fannie Mae as the successors to the originating lender, as their interests may appear; and the term Lender shall include each of the responsible financial lending institutions or persons or entities authorized under the Lender Subordination Agreement dated of even date with all of the Senior Loan Documents (as that term is defined in the Subordination Agreement) and after the end of the term thereof and for the remaining years of the Regulatory Agreement as a new Lender may be approved by the City Manager in his/her reasonable discretion, including acquisition loan(s), construction loan(s) or permanent loan(s) for the construction, substantial rehabilitation, development, and operation of the Sycamore Court Project as set forth herein.

"Material Adverse Change" means any event the occurrence of which is reasonably likely to have a material adverse effect on Developer's ability to fulfill its obligations under any Transaction Document, including without limitation:

(a) a voluntary or involuntary bankruptcy of Developer (which is not dismissed within ninety (90) days of institution);

(b) a court order placing Developer under receivership;

(c) a sale of all or substantially all of the assets held by Developer;

(d) any violation of Developer or other failure of Developer to comply at all times with any applicable law, statute, ordinance, code, rule, regulation, judgment, order, ruling, condition or other requirement of a statutory, regulatory, administrative, judicial or quasi-judicial nature or any other legal or governmental requirement of whatever kind or nature related to the Sycamore Court Project, which violation is likely to have a material adverse effect on the ability of Developer to perform its duties and obligations under any Transaction Document; and/or

(e) Developer incurs one or more liabilities, contingent or otherwise, or pending or threatened litigation or any asserted or unasserted claim exists against Developer with respect to the Project, which would have a material adverse effect on its ability to perform its duties and obligations under any Transaction Document.

"Memorandum of Agreement" shall mean Attachment No. 7 attached hereto and fully incorporated by this reference and shall include notice of this Agreement and the obligations of Developer to acquire the Properties, complete the Rehabilitation, and operate the Project pursuant to the terms of this Agreement. The Memorandum shall terminate and be of no further force and effect upon Developer's full repayment of the City Loan and thereafter, the only terms and provisions of this Agreement that shall survive and remain in effect are those set forth in the Regulatory Agreement (Attachment No. 11), which has a term of 55 years as provided therein.

"Operating Budget" shall mean the annual operating budget for the Project that sets forth the projected Operating Expenses for the upcoming year that is submitted to and reviewed and approved by City Manager in his sole and reasonable discretion, not to be unreasonably conditioned, delayed or denied (and which may also be subject to review by Lender, if required by the Primary Loan documents). During the HOME Compliance Period, the City Manager's discretion in review and approval of each proposed annual Operating Budget shall include, without limitation, authority to review individual categories, line items, and accounts, such as the following: extent, type, and amount for social/supportive services, if any, at or associated with the Project; existing balance(s) in and proposed deposits to the Capital Replacement Reserve and Capitalized Operating Reserve to evaluate shortfalls and/or cumulative unexpended/unencumbered deposits (provided that required annual deposits into the Capitalized Replacement Reserve are not required to exceed \$300/per unit and the amount maintained in the Capitalized Operating Reserve is not required to exceed the Target Amount); conformity of any annual increases in the partnership management fee, asset management fee, and general partner guaranty fee with the increases permitted in the definition of "Residual Receipts"; reasonableness and conformity to prevailing market rates in Garden Grove and rates and fees for goods and services to be provided by Developer or any Affiliate. The Operating Budget is further described in Section 1212. After expiration of the HOME Compliance Period a copy of each Operating Budget shall be delivered to the City Manager, which shall be reviewed and his reasonable discretion exercised, but approval shall not be unreasonably conditioned, delayed or denied, with the standard of review that each Operating Budget shall be reasonably consistent with comparable affordable housing projects in Orange County, California.

“Operating Expenses” shall mean actual, reasonable and customary (for comparable high quality, fully rehabilitated, multi-family rental housing developments in Garden Grove) costs, fees and expenses directly incurred and attributable to the operation, maintenance, and management of the Project in a calendar year, which are in accordance with the Operating Budget (or any amendments thereto) approved by City through the City Manager pursuant to Section 1212 of this Agreement, and not a part or paid as a part of the Rehabilitation of the Properties, including, without limitation, Debt Service; painting, cleaning, repairs, alterations, landscaping; utilities, refuse removal, certificates, permits and licenses, sewer charges, taxes, filing fees, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings which are not paid from the Capital Replacement Reserve, fees and expenses of property management (not exceeding five percent (5%) of gross scheduled income) and common area expenses, fees and expenses of accountants, attorneys and other professionals, the cost of social/supportive services, if any, in an amount equal to the social/supportive services requirement, if any, imposed by HUD with respect to the Project, and other actual, reasonable and customary operating costs which are directly incurred and paid by Developer, but which are not paid from reserve accounts, and provided however that any fees incurred or services provided by Developer or any Affiliate shall not exceed fair market fees or rates for goods or services that are customary and prevailing in Garden Grove for such fees, goods, or services. To the extent Developer’s only asset is the Project, Operating Expenses shall include actual, reasonable and customary costs, fees and expenses paid to unaffiliated third parties for the operation of Developer, including administrative, accounting and legal fees and expenses. Operating Expenses may include costs, fees or expenses paid to unaffiliated third parties that were not set forth in the approved Operating Budget to the extent such costs, fees or expenses were not foreseen at the time the applicable Operating Budget was created, but nonetheless were actual, reasonable and customary for comparable affordable housing developments; provided, evidence of such expenses must be submitted to City Manager for verification purposes prior to payment thereof (except in emergency situations, in which case evidence of such expenses must be submitted to City Manager for verification purposes as soon as reasonably practicable).

The term “Operating Expenses” shall not include any of the following: (i) salaries of employees of Developer or Developer’s general overhead expenses, or expenses, costs and fees paid to an Affiliate of Developer, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms’ length transaction between unrelated parties in Garden Grove for the same work or services; (ii) any amounts paid directly by a tenant of the Project to a third party in connection with expenses which, if incurred by Developer, would be Operating Expenses; (iii) optional or elective payments with respect to any financing senior to the City Loan unless approved by City; (iv) any payments with respect to any Project-related loan or financing other than Debt Service; (v) expenses, expenditures, and charges of any nature whatsoever arising or incurred by Developer prior to completion of the Rehabilitation of the Project with respect to the development, maintenance and upkeep of the Project, or any portion thereof, including, without limitation, all costs and expenses incurred by Developer in connection with the acquisition of the Properties, all pre development and pre Rehabilitation activities conducted by Developer in connection with the Project, including without limitation, the preparation of all plans and the performance of any tests, studies, investigations or other work, and the Rehabilitation of the Project and any on-site or off-site work performed in connection therewith; (vi) depreciation, amortization, and accrued principal and interest expense on deferred payment debt; (vii) any Partnership Related Fees/Expenses to the extent they are not paid as capitalized expenses; (viii) payment of the Excess Developer Fee; and (ix) other expenses not related to the operation, maintenance, or management of the Project.

"Outside Closing Date" shall mean July 31, 2017.

"Outside Completion Date" shall mean June 30, 2018, but in no event later than one (1) year following the close of Escrow.

"Parties" shall mean City and Developer.

"Partnership Agreement" means the agreement which sets forth the terms of Developer's limited partnership, as such agreement may be amended from time to time (so long as any and all material amendments are consistent with this Agreement and subject to prior submission to City Manager for review and approval). The Partnership Agreement shall include provisions that state and incorporate the Developer's obligation to make the annual simple interest payment of \$36,000 on the City Loan from Residual Receipts and the Developer's obligation to pay off timely and in full, principal and interest, the City Loan upon maturity as provided herein and in the City Loan Promissory Note.

"Partnership Related Fees/Expenses" shall mean fees and expenses of the Developer entity (or partners or Affiliates thereof pursuant to the Partnership Agreement) actually incurred, which are reasonable and customary to developer/owner entities for similar projects in Southern California, and may include, but shall not exceed, (i) a limited partner administrative fee payable to the Investor Limited Partner of \$15,000 (increased annually by 3%), and (ii) a managing general partner partnership management fee payable to the Managing General Partner of \$15,000 (increased annually by 3%). In no event shall the foregoing Partnership Related Fees/Expenses cumulatively exceed Thirty Thousand Dollars (\$30,000) in any one year (increased annually by 3%). In the event insufficient Annual Project Revenues exist to provide for payment of all or part of the specific Partnership Related Fees/Expenses listed above, no interest shall accrue on the unpaid portions of such Partnership Related Fees/Expenses, but the unpaid balance will be added to the Partnership Related Fees/Expenses due in the following year.

"Primary Loan" shall mean the loan for the acquisition and Rehabilitation of the Project obtained by Developer from Lender or the permitted refinancing or permitted modification thereof to the extent permitted pursuant to Section 1216 of this Agreement. Developer anticipates that Lender will purchase the Bonds and with the net proceeds thereof will provide financing for the Project in the form of a loan in the estimated and approximate principal amounts of \$14,400,000.

"Project" shall mean Sycamore Court, an existing seventy-eight (78) unit development contained in seventy-eight (78) residential rental units in six (6) two-story buildings and associated and appurtenant Improvements, to be acquired, rehabilitated, and thereafter managed and operated by Developer as long term, affordable rental housing for 50% AMI Very Low Income Households and 60% AMI Low Income Households in accordance with this Agreement and the Regulatory Agreement.

"Project Documents" shall mean the following documents evidencing the City Loan and required as consideration for City to make the City Loan: (i) this Agreement, (ii) the City Loan Note; (iii) the City Loan Deed of Trust; (iv) the Memorandum of Agreement; (v) the Regulatory Agreement; (vi) the Security Agreement (UCC-1 Financing Statement); (vii) the Request for Notice of Default; and (viii) any other agreement, document, or instrument that City may reasonably require Developer to execute in connection with the execution of this Agreement or the provision of the City

Loan to Developer or otherwise, from time to time, to effectuate the purposes of and to implement this Agreement.

"Properties" shall mean those certain two (2) parcels of real property located at 10632 Bolsa Avenue in the City, improved with 78 Housing Units and appurtenant improvements (in six (6) two-story buildings) as more fully and legally described in the Legal Description attached hereto as Attachment No. 1 and incorporated herein.

"Refinancing Net Proceeds" shall mean until the City Loan Maturity Date the proceeds of any permitted refinancing of any of the Primary Loans or other financing secured by the Properties, net of: (i) the amount of the financing that is satisfied out of such proceeds; (ii) reasonable and customary costs and expenses incurred in connection with the refinancing; (iii) the balance, if any, of the Deferred Developer Fee for the Project; (iv) the balance of loans to the Project made by the partners of Developer for development or operating deficits, amounts expended to maintain compliance with the Tax Credit Regulatory Agreement, or contributions for capital expenditures in excess of available Project revenues, if any, including interest at the Applicable Federal Rate (as approved by City); (v) the return of capital contributions, if any, to the Project made by Developer that were used to pay the Deferred Developer Fee; (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors to the Project pursuant to the approved Partnership Agreement, if any; (vii) the payment to the administrative general partner of Developer's limited partnership entity of a refinancing fee under the terms of the Partnership Agreement but not to exceed six percent (6%) of the amount of the permitted refinancing; (viii) any unpaid Operating Expenses; (ix) the amount of proceeds required to be reserved for the repair, rehabilitation, reconstruction or refurbishment of the Project; and (x) the payment of any unpaid Partnership Related Fees/Expenses.

"Regulatory Agreement" shall mean the Regulatory Agreement that is to be recorded as an encumbrance to the Project, in accordance with this Agreement. The Regulatory Agreement includes conditions, covenants, and restrictions relating to the long term use, operation, management, and occupancy of the Properties, touches and concerns the land that comprises the Properties, and is intended to run with the land for the entire term of the Affordability Period provided therein. The Regulatory Agreement is attached hereto as Attachment No. 11 and fully incorporated by this Reference.

"Rehabilitation" shall mean the entire work of rehabilitation, repair, construction, and improvement to the Properties which is required pursuant to this Agreement, including as set forth in the Scope of Rehabilitation, Attachment No. 5.

"Rehabilitation Plans" is defined in Section 801.

"Release of Construction Covenants" shall mean Attachment No. 6 attached hereto and fully incorporated herein by this reference.

"Relocation" or "Relocation Laws" shall mean all applicable federal and state relocation laws and regulations, including without limitation, (i) the relocation obligations of the HOME Program and HOME Regulations, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. 4201-4655, and the implementing regulations thereto set forth in 49 CFR Part 24, (ii) the California Relocation Assistance Act, Government Code

Section 7260, *et seq.* and the implementing regulations thereto set forth in Title 25, Section 6000, *et seq.* of the California Code of Regulations, and (iii) any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance, benefits, or compensation for moving and for property interests (including without limitation goodwill and furnishings, fixtures and equipment, and moving expenses), and (iv) any federal law or regulation prohibiting payment of relocation benefits or assistance to persons ineligible for relocation benefits or assistance. Developer shall be solely responsible for payment of all costs, expenses, and payments required to be made and/or incurred pursuant to any and all applicable Relocation Laws; City shall not incur any costs or expenses as a result of the application of the Relocation Laws to the Project or this Agreement, nor shall City Loan proceeds be used to pay costs of Relocation incurred by Developer in connection with the Project.

“Rent” shall mean the total of monthly payments by the tenants (inclusive of any and all payments by HUD or a third party attributable to project based Section 8 housing assistance under the HAP Contract, or from portable Section 8 vouchers, or from other rental subsidies, or other public subsidies by any local, state, or federal governmental agency) of a Housing Unit for use and occupancy for the Housing Unit and facilities associated therewith, including a reasonable allowance for utilities for an adequate level of service as defined in Title 25 California Code of Regulations §6918.

“Request for Notice of Default” shall mean a request for notice of default to be recorded against the Properties in connection with the Escrow, substantially in the form of Attachment No. 8, attached hereto and fully incorporated by this reference.

“Reservation” and **“Reservations”** mean, individually and collectively, the reservation of Tax Credits by TCAC and the reservation for issuance of the Bonds by CDLAC for the Project.

“Reserve Deposits” shall mean any payments to the Capital Replacement Reserve and/or the Capitalized Operating Reserve accounts as required hereunder.

“Residual Receipts” shall mean Annual Project Revenue less the sum of:

- (i) Operating Expenses;
- (ii) Debt Service;
- (iii) Reserve Deposits to the Capital Replacement Reserve;
- (iv) Reserve Deposits to the Capitalized Operating Reserve;
- (v) Partnership Related Fees/Expenses;
- (vi) payment of unpaid Tax Credit adjustment amounts or reimbursement of Tax Credit adjustment amounts paid by the administrative and/or managing general partners and/or the guarantors to the Project pursuant to the approved Partnership Agreement, if any;
- (vii) repayment of loans, if any, made by the limited partner(s) of Developer’s limited partnership entity, including interest at the Applicable Federal Rate;

(viii) property management fee for the Project which remains unpaid after payment of Operating Expenses, if any;

(ix) Deferred Developer Fee for the Project which remains unpaid, if any, including interest at the Applicable Federal Rate and subject to Section 207.1(f) payable from 80% of Annual Project Revenue remaining after payment of the items identified in (i) to (viii) above; and

(ix) repayment of outstanding development and operating loans and/or contributions for capital expenses for which no Project revenues are available, if any, made by the administrative and/or managing general partners and/or the guarantors to the Project, including interest at the Applicable Federal Rate payable from 50% of Annual Project Revenue remaining after payment of the items identified in (i) to (viii) above.

Developer's annual loan payments on the City Loan shall be paid by Developer to City under the City Loan and shall include the payment of simple interest of 3% per annum on the City Loan in an annual amount of \$36,000 (subject to reduction in the event of prepayments of the City Loan) payable solely from up to 75% of the Residual Receipts received from operation of the Project until the City Loan Maturity Date at which time full payment, principal and interest, is due on the City Loan as set forth in the City Loan Promissory Note without regard to Residual Receipts. In the event such 75% of Residual Receipts is insufficient to provide for payment of the entire \$36,000 interest only payment on the City Loan Note in any given year, then interest shall accrue at 3% simple interest on the unpaid portions of such annual interest payment and the unpaid balance shall be added to the next annual payment and shall be due in the next following year from 75% of Residual Receipts, or shall continue to accrue 3% simple interest until Developer brings all annual payments current with no unpaid or accrued interest on the City Loan Note.

The remaining 25% of Residual Receipts received from the operation of the Project shall be retained by Developer or used by Developer to pay any fees or charges not specifically deducted from Annual Project Revenues above.

In addition, none of the fees, costs, expenses, or items described above in calculation of Residual Receipts shall include any duplicate entry/item, or double accounting for a cost item. For example, an audit fee incurred by Developer (or any partner of Developer or an Affiliate) and deducted or included above in category/subsection (i) Operating Expenses shall not also be deducted or included in category/subsection (v) Partnership Related Fees in the calculation of Residual Receipts.

"Schedule of Performance" means that certain Schedule of Performance attached hereto as Attachment No. 2 and incorporated herein by this reference, which generally sets forth the time for performing the various obligations of this Agreement.

It is understood the Schedule of Performance is subject to all of the terms and conditions set forth in the Agreement. The summary of the items of performance set forth in the Schedule of Performance is not intended to supersede or modify the more complete description in the text of the Agreement; in the event of any inconsistency between the Schedule of Performance and the text of the Agreement, the text shall govern.

The time periods set forth in the Schedule of Performance for City approval of submittals, including without limitation any plans and drawings, submitted to City by Developer shall only apply

and commence upon Developer's complete submittal of all the required information. In no event shall an incomplete submittal by Developer trigger any of City Manager's obligations of review and/or approval hereunder; provided, however, that the City Manager shall notify Developer of an incomplete submittal as soon as is practicable.

"Scope of Rehabilitation" shall mean the scope of work for the Rehabilitation of the Properties, as set forth in the Scope of Rehabilitation, Attachment No. 5, attached hereto and fully incorporated by this reference, and such Scope of Rehabilitation shall be automatically amended and updated to include the final Rehabilitation Plans approved by City, as herein further described.

"Section 3 Clause" and **"Section 3"** shall mean and refer to Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, as amended. City has prepared a Section 3 "checklist" and other forms related to Section 3 compliance; and as provided by City to Developer, and each and all of its contractors and subcontractors, as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies and to the extent required by 24 CFR part 135. For purposes of this Section 3 Clause and compliance thereto, whenever the word "contractor" is used it shall mean and include, as applicable, Developer and each and all of its contractors and subcontractors.

Developer hereby acknowledges and agrees the responsibility for compliance with all Section 3 Clause federal requirements as to Developer and each and all of its contractors and subcontractors, and other agents is the primary obligation of Developer. Developer shall provide or cause to be provided to each and all of its contractors and subcontractors, and other agents a checklist for compliance with Section 3 federal requirements, to obtain from and each and all of its contractors and subcontractors, and other agents all applicable items, documents, and other evidence of compliance with the items, actions, and other provisions within the checklist, and to submit all such completed Section 3 documentation and proof of compliance to the City Manager.

The particular text to be utilized in any and all contracts of any contractor doing work covered by Section 3, and to the extent required by 24 CFR part 135, shall be in substantially the form of the following, as reasonably determined by City Manager, or as directed by HUD or its representative, and shall be executed by the applicable contractor under penalty of perjury:

"(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons inclusive of 50% AMI Very Low Income Households, and 60% AMI Low Income Households served by the Project (as defined in the HOME Agreement and Regulatory Agreement), particularly persons who are recipients of HUD assistance for housing.

"(ii) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

"(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or

other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of notices in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number of job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

"(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

"(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (a) after the contractor is selected but before the contract is executed, and (b) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

"(vi) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

"(vii) With respect to work performed in connection with Section 3 covered Indian Housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible, (a) preference and opportunities for training and employment shall be given to Indians, and (b) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b)."

After the foregoing Section 3 Clause, Developer and each and all of its contractors and subcontractors, as applicable, shall add the signature block of such contractor and/or subcontractor and add the following text immediately above the signature block: "The contractor or subcontractor or provider by this his signature affixed hereto declares under penalty of perjury that contractor has read the requirements of this Section 3 Clause and accepts all its requirements contained therein for all of his operations related to this contract."

"**Security Agreement**" and "**Financing Statement**" shall mean the Security Agreement and attached financings statements (including necessary UCC-1 form or forms) attached hereto as Attachment No. 9 and fully incorporated by this reference to be executed by Developer in substantially the form thereof, the filing of which will give City a perfected security interest in Developer's tangible personal property and fixtures located on or about the Properties.

"Seller" shall mean Garden Grove Manor, Inc., a California nonprofit corporation, the current owner of the Properties and seller to Developer.

"Tax Credit Equity" is defined in Section 207.1(a).

"Tax Credit Rules" means the provisions of Section 42 of the Internal Revenue Code and/or, if applicable, California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, as the foregoing may be amended from time to time, to the extent applicable to the Project and the rules and regulations implementing the foregoing, including the regulations set forth in Title 4 Cal. Code Regs. Section 10300, *et seq.*

"Tax Credit Regulatory Agreement" shall mean the regulatory agreement that may be required to be recorded against the Properties with respect to the Project's Tax Credits.

"Tax Credits" shall mean federal 4% low income housing tax credits awarded pursuant to Section 42 of the Internal Revenue Code and/or, if applicable, State tax credits pursuant to California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Sections 50199, *et seq.*

"TCAC" means the California Tax Credit Allocation Committee, the allocating agency for Tax Credits in California.

"Title Company" means First American Title Insurance Company or another title insurer mutually acceptable to City and Developer; the title officer's reference number for this transaction is: NCS-728192-SA1. The named Title Company shall in no event be changed by either party without first obtaining the express written consent of the other party. If either party changes the Title Company and any third party expenses are incurred due to such change, for example additional review and clearance of title exceptions, then the party who changed the Title Company shall be fully indebted to the other party for any and all out of pocket expenses incurred due to such change in Title Company.

"Transaction Documents" shall mean all Project Documents and any and all financing documents in connection with the Primary Loan or other financing sources for the Project.

"Transfer Net Proceeds" shall mean the proceeds of any transfer, in whole or in part, of Developer's interest in the Properties or any sale, assignment, sublease, or other transfer (but excluding residential leases to tenants of Housing Units), in whole or in part of Developer's interests in the Properties, net only of (i) the reasonable and customary costs and expenses incurred in connection with such transfer; (ii) the amount of the financing which is satisfied out of such proceeds, (iii) the balance, if any, of the Deferred Developer Fee (but not the Excess Developer Fee), (iv) the balance, if any, of loans to the Project made by the limited partners of Developer, including interest thereon as provided in the Partnership Agreement (as approved by City after review and verification by City Manager of documentation provided by Developer showing the propriety of such loans), (v) the balance, if any, of operating loans or development loans made by the general partners of Developer, including interest thereon as provided in the Partnership Agreement (as approved by City after review and verification by City Manager of documentation provided by Developer showing the propriety of such loans), (vi) the return of capital contributions, if any, to the Project made by the general partners of Developer that were used to pay the Deferred Developer Fee (as

approved by City after review and verification by City Manager of documentation provided by Developer showing the propriety of such contributions), (vii) the payment of any unpaid Partnership Related Fees/Expenses, and (viii) the payment of any unpaid Operating Expenses.

"50% AMI Very Low Income Households" shall mean those households earning not greater than fifty percent (50%) of Orange County Area Median Income, adjusted for household size, which is set forth by regulation of TCAC.

"60% AMI Low Income Households" shall mean those households earning not greater than sixty percent (60%) of Orange County Area Median Income, adjusted for household size, which is set forth by regulation of TCAC.

200. FINANCING.

201. City Loan. The City hereby agrees to loan to Developer and Developer hereby agrees to borrow from City the City Loan in an amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000) subject to the terms and conditions set forth in this Agreement, and subject further to the terms and conditions set forth within the Project Documents, including the "City Loan Note," the "City Loan Deed of Trust," and the "Regulatory Agreement." City currently has not less than One Million Two Hundred Thousand Dollars (\$1,200,000) of HOME Program funds available, which City will allocate to the City Loan.

201.1 Proceeds of City Loan Disbursed in Installment Payments. City will make and disburse to Developer five (5) installment payments of the City Loan as follows:

- (a) 30% of the City Loan (\$360,000) at Closing;
- (b) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 30% completion of the Rehabilitation;
- (c) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 60% completion of the Rehabilitation;
- (d) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 90% completion of the Rehabilitation; and
- (e) 10% of the City Loan (\$84,000) concurrent with the City's issuance of the final certificate of occupancy by the City's Building Official and recordation of the Release of Construction Covenants evidencing that all of the Rehabilitation is complete.

201.2 Sole Source of City Loan HOME Program Funds. In no event shall City be obligated to use any source of funding other than HOME Program funds to make the City Loan to Developer.

201.3 City Loan Note, City Loan Deed of Trust and Security Agreement. The City Loan shall be evidenced by the City Loan Note and secured by the City Loan Deed of Trust and the Security Agreement, which shall be recorded against the Properties in the Official Records of the County in a position junior and subordinate to the Primary Loan.

201.4 Terms of City Loan. The City Loan Note shall be for a term commencing upon the date of initial disbursement of funds at Closing and continuing until September 30, 2033, which date is ninety (90) days after the maturity date of the Primary Loan (herein, "City Loan Maturity Date"). The City Loan Note shall bear simple interest at the rate of three percent (3%) per annum from the date of disbursement of City Loan proceeds. Commencing on March 18, 2018 and annually on or before the 75th calendar date of each succeeding year, Developer shall make the interest-only annual payments to the City of \$36,000. On the City Loan Maturity Date of the City Loan Note, all principal and interest shall be due in full by Developer to City (without regard to Residual Receipts calculation).

(a) The City Loan Note shall be repaid through an annual Residual Receipts calculation based on operation of the Project. The City Loan Note shall be payable from seventy-five percent (75%) of Residual Receipts for the Project until the City Loan Note has been paid in full, but all amounts due, including the full principal amount principal and any and all accrued interest, shall be due and payable in full on the City Loan Maturity Date.

(i) Developer shall make annual payments of simple interest of 3% per annum on the City Loan in an annual amount of \$36,000 payable from seventy-five percent (75%) of the Residual Receipts received from operation of the Project until the City Loan matures and full payment, principal and any accrued and unpaid interest, is due on the City Loan as set forth in the City Loan Promissory Note. In the event that seventy-five percent (75%) of Residual Receipts is insufficient to provide for payment of the entire annual interest payment due under the City Loan Note, then such unpaid interest (referred to as the "past-due interest amount") shall begin to accrue interest from the date on which such interest payment was due at the interest rate applicable to outstanding principal under the City Loan Note. The next annual payment shall be increased by the amount of the past-due interest amount plus interest accrued thereon. All past-due interest amounts shall continue to accrue interest until all such amounts and accrued interest thereon have been paid to the City.

(b) In addition, the City Loan Note shall be accelerated and due in full in the event Developer refinances or transfers the Project or any part thereof (but excluding residential leases to tenants) and the City Loan Note shall be paid in full from Refinancing Net Proceeds., if any, immediately upon any refinancing of the Project (or any part thereof) or as applicable from Transfer Net Proceeds, if any, immediately upon any transfer in whole or in part of the Project (excluding residential leases to tenants). The terms of the City Loan are more particularly described in the City Loan Note.

201.5 Security for City Loan. The City Loan shall be secured by the City Loan Deed of Trust, Attachment No. 4, which shall be recorded against the Properties in the Official Records of the County in second lien position. In addition, Developer hereby grants to City a security interest in all of Developer's right, title and interest in and to the Collateral as defined in and substantially in the form of the Security Agreement, Attachment No. 9, and Financing Statements attached thereto. Developer shall execute the Security Agreement, the Financing Statements attached thereto, and such other documents requested by City to the extent necessary to perfect and maintain the security interest in the Collateral granted to City thereby.

202. Disbursement of City Loan Proceeds. Subject to satisfaction by Developer or waiver by City of each and every Condition Precedent to the City Loan set forth in Sections 401 through 403, as applicable, the proceeds of the City Loan shall be disbursed only to pay for a portion

of the purchase price to acquire the Properties and for certain eligible Costs of Rehabilitation set forth in the Scope of Rehabilitation and approved Final Budget (or as otherwise modified under change orders approved by City Manager.) City's obligation to commence disbursement, disburse, and continue disbursement of the City Loan proceeds within the time table set forth in Section 201.1 above is subject to the fulfillment by Developer or waiver by City of the Conditions Precedent set forth in Section 400, *et seq.* hereof, as well as compliance with the Disbursement Procedures, as applicable.

202.1 Prohibited Use of Proceeds. The proceeds of the City Loan shall not be used for Project reserve accounts, monitoring, or servicing and origination fees, or for expenditures incurred more than one year after the issuance of the Release of Construction Covenants.

203. Calculation of Residual Receipts.

(a) During the entire term of the City Loan Note, annually commencing on March 18, 2018 and on or before the 75th calendar date of each succeeding year, Developer shall have caused to be calculated total gross Annual Project Revenue from the Project for that year, and shall pay to City an amount equal to the specified percentage of the Residual Receipts from the Project as required by the City Loan Note.

(b) Residual Receipts shall be determined on the basis of the Annual Financial Statement and the Residual Receipts report submitted therewith, which shall be in a form provided by City. City shall review and approve such statement, or request revisions, within thirty (30) days after receipt. In the event City reasonably determines as a result of its review that Developer has underpaid City's share of Residual Receipts pursuant to the terms of the City Loan Note, and has provided Developer with written notice thereof identifying the basis for City's determination and Developer is not able to provide evidence to City correcting such determination by City, Developer shall promptly deliver the amount of the underpayment to City, but in any event not later than twenty (20) days from the notice of such underpayment.

204. Consent Required for Assignment and Assumption. Except for Transfers permitted pursuant to Section 1216.1 below, the City Loan Note shall not be assignable or assumable by any successor or assignee of Developer without the prior written consent of City, which consent may be withheld in the sole and absolute discretion of City Manager.

205. Project-Based Section 8 Assistance. Developer and HUD will be entering into the renewal of the HAP Contract for project-based Section 8 assistance under applicable federal laws and regulations for the thirty-one HAP Units at the Project. HUD will be making project-based Section 8 assistance payments to Developer for the Project in compliance with the terms, conditions, and restrictions contained in the HAP Contract. The HAP Contract generally provides that HUD shall pay a rental subsidy to Developer to fill the gap between the Affordable Rent permitted to be charged for occupancy and use of the Housing Units at the Project and the fair market rent for such Housing Units, to ensure that Developer will rent the Housing Units designated to receive project-based Section 8 assistance to eligible households at a rental amount not to exceed thirty percent (30%) of the tenants' actual income throughout the term of the HAP Contract. This Agreement does not impose any obligation on City to provide project-based Section 8 assistance to the Project; HUD's obligation to provide project-based Section 8 assistance to the Project is governed entirely by the HAP Contract and documents executed in connection therewith. This Agreement does not restrict or

otherwise limit the Developer's right and power to receive HAP Contract payments in respect of any of the Housing Units.

206. Additional Financing.

206.1 Sources of Financing. Developer and City anticipate the following funding sources to be obtained by Developer and utilized in addition to the City Loan for the acquisition, Rehabilitation, and operation of the Project. The final sources and amounts of funding for the Project as well as the final cost estimates with respect to the acquisition, Rehabilitation and operation of the Project shall be set forth in the Final Budget which is required to be submitted to City as a Condition Precedent pursuant to Section 401.

(a) Tax Credit Equity. Developer shall use its reasonable and best efforts to apply for and secure an allocation of federal 4% Tax Credits in an amount not less than reasonably expected to yield approximately \$6,364,000 in equity from the tax credit investor ("Tax Credit Equity").

(b) Primary Loan. Developer shall obtain the Primary Loan from the Lender in an approximate original principal amount of not less than \$13,370,000.

(c) Deferred Developer Fees. Developer shall defer acceptance of \$1,801,562 from the total Developer Fee payable in connection with the Project (the Developer Fee has been calculated in accordance with the Tax Credit Rules) in the currently-estimated amount of \$2,463,993. The portion of the Deferred Developer Fee shall be repaid from 80% of remaining Annual Project Revenues as specified in the definition of Residual Receipts above, but after payment of Operating Expenses, Debt Service, and Reserve Deposits. The Deferred Developer Fee may accrue interest at the Applicable Federal Rate.

206.2 Required Financing Submittals. Within the time established therefor in the Schedule of Performance, Attachment No. 2, and as a Condition Precedent to the disbursement of any portion of the City Loan pursuant to Section 401, *et seq.*, Developer shall submit to City evidence that Developer has obtained sufficient equity capital and firm and binding commitments (subject to customary conditions) for financing necessary to undertake the acquisition of the Properties, Rehabilitation of the Properties, and completion and operation of the Project in accordance with this Agreement. Such evidence of financing shall include all of the following:

(a) Final Budget. An updated pro forma and Final Budget for the Project showing all sources, uses, costs for acquisition of the Properties, all Rehabilitation and other Improvements, estimated Operating Expenses, and all anticipated construction and permanent financing and funding sources and amounts thereof. City Manager shall have the right to approve or disapprove the Final Budget (and any specific line items therein) for the Project in his reasonable discretion.

(b) Tax Credits. Developer shall submit the following documents to City:

(i) The draft Partnership Agreement or funding commitment letter from the equity investors in the Project and Properties that demonstrates Developer has sufficient funds for such acquisition, Rehabilitation and operation of the Project, and that includes

provisions conforming to the cash flow priorities provided herein, and that such investor funds have been committed to the acquisition, Rehabilitation and operation of the Project, and a current financial statement of Developer and any entities providing Developer's other sources of equity capital.

(ii) A copy of a preliminary reservation letter from TCAC notifying Developer that Tax Credits have been reserved for the acquisition, Rehabilitation, and operation of the Project.

(iii) A copy of applications to, financing approvals and commitment(s) received (if any) with respect to any other affordable housing subsidy programs from which Developer has applied to obtain financial subsidies.

(iv) Other documentation reasonably satisfactory to City as evidence of other sources of capital, all of which together are sufficient to demonstrate that Developer has adequate funds, together with the proceeds of any other financing, to acquire, Rehabilitate and operate the Project.

(c) Primary Loan. A copy of the Lender's binding commitment obtained by Developer for the Primary Loan and copies of all loan documents evidencing the Primary Loan. The Primary Loan commitment for financing shall be in such form and content reasonably acceptable to City and shall provide reasonably satisfactory evidence of a legally binding, firm and enforceable commitment, subject only to the Lender's customary and normal conditions and terms. The commitment also shall state the terms and requirements, if any, by the Lender relating to subordination of the City Loan and, if applicable, the Regulatory Agreement subject to the requirements of Section 1107 hereinafter. Developer shall provide written certification to City that the loan documents submitted are correct copies of the actual loan documents to be executed by Developer concurrently with the close of Escrow for the acquisition of the Properties. If the Lender requires a subordination agreement and/or an estoppel certificate, the suggested form of such instruments shall be submitted by Developer to City's legal counsel for review and comment in a reasonable and sufficient time for review, comment, and negotiation of mutually acceptable terms and conditions thereof. Execution of any estoppel or subordination agreement or any reaffirmation thereof shall be subject to the provisions of Section 1107 and the form and content of any such subordination agreement or reaffirmation thereof shall be reasonably satisfactory to the City Manager and City's legal counsel. All costs incurred for the review, negotiation, and completion of a mutually acceptable subordination agreement or estoppel documents and any amendment, modification or other reaffirmation thereof shall be expressly subject to Developer (or Lender or other third party, but in no event City) paying all third party costs incurred by City in connection therewith, with payment of such incurred costs a condition precedent to any obligation of City to sign and deliver such subordination or estoppel document, except as to the first subordination agreement and first estoppel certificate, for which City will assume the costs.

(d) Current Financial Statement. A current financial statement of the Developer entity (and all partners and members thereof, except tax credit investor limited partners) and/or other documentation satisfactory to City Manager as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference, if any, between acquisition, Rehabilitation, and completion costs, and the financing secured by Developer, including the Tax Credit Equity, Primary Loan and City Loan; and

(e) Construction Subcontracts. A draft of the form of each and all subcontracts in an amount equal or greater than \$200,000 to be executed between Developer and each subcontractor for the Rehabilitation of the Improvements, certified by Developer to be true and correct copies thereof, and which shall include reference to this Agreement and such subcontractor's specific obligation to carry out the construction and completion of the Rehabilitation (or part thereof) in conformity with the HOME Regulations, the Federal Program Limitations, and other applicable federal, state, and local laws and regulations. Such subcontract(s) shall include: (i) a full recitation of the Section 3 Clause with an express acknowledgement and agreement by each subcontractor to fully comply with the Section 3 Clause, (ii) an express acknowledgement and agreement by each subcontractor that as a condition precedent to the final payment under its subcontract, subcontractor shall provide written evidence and a certification (in the form attached hereto as Attachment No. 14) to City, showing that each and subcontractor(s) have complied with the Section 3 Clause in completing the Rehabilitation, and (iii) express reference to all other applicable federal regulations and laws to which such each subcontractor must comply in undertaking all or any part of the work of the Rehabilitation for Developer; provided, it is understood by the parties that it is and shall remain Developer's primary obligation to obtain and submit all required Section 3 Clause documentation. In furtherance of evidencing Section 3 Clause compliance during the Rehabilitation and prior to final disbursement of the proceeds of the City Loan not disbursed into Escrow, Developer expressly acknowledges and agrees under this Agreement that it shall cause each subcontractor to provide evidence, in a form reasonably satisfactory to City Manager and/or HUD, that the Section 3 Clause checklist(s) and other forms related thereto (as such forms may be provided by City to Developer) have been fully completed and all back up information has been submitted to the City Manager. The form of each subcontract shall be reasonably satisfactory to City Manager and shall be approved within the applicable time periods set forth in the Schedule of Performance.

206.3 Approval of Evidence of Financing. If Developer has submitted all evidence of financing required by Section 207.2 within the time established in the Schedule of Performance, City shall reasonably approve or disapprove such evidence of financing within thirty (30) days of submission by Developer to City of all complete items required by this Section 207, *et seq.* If City disapproves any such evidence of financing, City shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly obtain and submit to City new evidence of financing. If Developer's submission of new evidence of financing is timely and provides City with adequate time to review such evidence within the time established in this Section 207.3, City shall approve or disapprove such new evidence of financing in the same manner and within the same times established in this Section 207.3 for the approval or disapproval of the evidence of financing as initially submitted to City. The evidence of financing shall be deemed to be an ongoing representation by Developer that, based on information then available to Developer, the sum total of all sources of financing are equal to and not greater than the amount of the approved Project costs as set forth in the Final Budget for the Project. Once the evidence of financing is approved by City, Developer shall promptly notify City in writing of any change in or additional sources of financing, including without limitation, the award of Tax Credits. The representations made by Developer with respect to the sources of financing for the Project are the basis used by City to negotiate the financial terms of the City Loan and any substantial change in such sources of Project financing, at the sole discretion of City, shall be cause to renegotiate the financial terms of, or withdraw the commitment for, the City Loan and, subject to such renegotiation and/or the provisions of Section 200, *et seq.*, may require payments by Developer to reduce the outstanding principal balance of the City Loan.

207. Tax Credit Equity. The following requirements must be satisfied in order for the equity financing for Tax Credit funding to be approved by City pursuant to this Agreement (which requirements may be waived in the sole and absolute discretion of City Manager):

(a) The equity investment of the limited partners of the limited partnership shall not be less than the approximate prevailing price for Tax Credits at such time, taking into consideration all relevant factors such as timing of required payments and amount of the Tax Credits.

(b) The identity of the syndicator and the initial limited partners of the limited partnership shall be reasonably acceptable to City.

(c) In connection with the formation of such limited partnership for the equity financing, Developer or an affiliate of Developer controlled by Developer shall be the general partner of the limited partnership at all times.

(d) Developer or its affiliates shall be entitled to a developer fee from the equity financing of not greater than the Developer Fee set forth in the approved financing plan.

300. CONDITION OF PROPERTY.

301. Developer Representations to City re Existing Condition of Properties. Except as disclosed in the following report: *Phase One Environmental Assessment, Sycamore Court Apartments, 10642 Bolsa Avenue, Garden Grove, California 92843, prepared by Consulting Solutions, Inc. (CSI Project 17-3920) and prepared for Jones Lang LaSalle Multifamily, LLC, Inspection Date: January 27, 2017 and Report Date: February 3, 2017*, Developer represents, to and for the benefit of City, to the best of its knowledge, that it is not aware of and it has not received any notice or communication from any governmental agency having jurisdiction over the Properties, the owner of the Properties, or any other person or entity, notifying it of the presence of Hazardous Materials or Hazardous Materials Contamination (both as hereinafter defined) in, on, or under the Properties, or any portion thereof or the violation of any Environmental Laws (hereinafter defined). Developer represents that any inspection reports with respect to the Properties, environmental audits, reports and studies which concern the Properties, or inspection reports from applicable regulatory authorities with respect to the Properties, which Developer has received, have been delivered to the City. Developer knows of no circumstances, conditions or events that may, now or with the passage of time, give rise to any Environmental Claim (hereinafter defined) against or affecting the Properties. As and when obtained or received by Developer from the current owner or from any other person or entity, true and correct copies of internal inspection reports with respect to the Properties, environmental audits, reports and studies which concern the Properties, and inspection reports from applicable regulatory authorities with respect to the Properties, if any, shall be promptly delivered to City.

Developer acknowledges that Developer located the Properties without any assistance from (or involvement by) City; prior to the Date of Agreement, Developer has independently conducted all necessary and appropriate due diligence and determined that the condition of the Properties and all improvements located thereon were suitable for the development and operation of the Project; and all such due diligence and Developer's investigations of the condition of the Properties were conducted independently and not in consultation with City or City's officers, employees, agents, or consultants.

City reasonable approval of the environmental condition of the Properties is a Condition Precedent, as set forth in Section 401.

302. Environmental Condition Prior to City Loan Disbursement. As set forth herein as a Condition Precedent, Developer shall evidence to City that it is prepared to take the steps necessary to undertake and complete, upon the conveyance of the Properties to Developer, any necessary and recommended remediation of Hazardous Materials (which remediation has not been completed by the existing owner prior to the conveyance of the Properties) in full conformity with all Environmental Laws.

302.1 Lead-Based Paint. City, as recipient(s) of federal funds, has modified and conformed all of its federally funded housing programs to the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, *et seq.*, specifically §§4821–4846, and the implementing regulations thereto, which are aimed to take advantage of Rehabilitation events as a cost-effective opportunity to reduce lead based paint and lead based paint hazards (LBP) in existing housing.

(a) The implementing regulations to Title X, set forth in 24 CFR Part 35 (LBP Regs), were adopted by HUD on September 15, 1999 and are now effective for compliance by all recipients and sub-recipients of federal funds. Subpart J of the LBP Regs focuses on the requirements for programs that provide assistance for housing Rehabilitation, such as this Project. In this regard, Developer shall comply with the requirements, as and to the extent applicable, of Title X and the implementing LBP Regs for the Project.

(i) The Rehabilitation of Properties comprising the Project shall be undertaken and completed by qualified contractor(s) selected by Developer and, if applicable, meeting the requirements of the LBP Regs. All work relating to LBP and LBP hazards and the reduction and clearance thereof shall be undertaken using safe work practices and shall be conducted by qualified contractor(s) and inspectors(s) meeting the requirements of the LBP Regs. Under the LBP Regs, treatment and clearance shall be conducted by separate contractors. All treatment and clearance using safe work practices of LBP and LBP hazards at the Properties shall be completed first and prior to any other part of the Rehabilitation work.

(ii) Prior to commencing any part of the Rehabilitation, if applicable, Developer shall cause each household in occupancy at the Properties to receive (and shall obtain proof of receipt through signature) (1) a complete copy of the HUD issued informational pamphlet/brochure about LBP and LBP hazards, (2) any necessary disclosure forms relating to information about LBP and LBP Hazards, and (3) the results of any evaluation for LBP or LBP hazards at the applicable Housing Unit within the Properties.

303. Developer's Obligation to Investigate and Remediate the Properties after City Loan Disbursement. After the disbursement of all or any portion of the City Loan to or on behalf of Developer, and notwithstanding the obligation of Developer to indemnify City pursuant to Section 304 herein or any other obligations of Developer pursuant to this Agreement, Developer shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision or any Environmental Laws with respect to the Properties, which actions, requirements or necessity arise from the presence upon, about or beneath the Properties of any Hazardous Materials or Hazardous Materials Contamination in violation of Environmental Laws regardless of when such Hazardous Materials or Hazardous Materials

Contamination were introduced to the Properties and regardless of who is responsible for introducing such Hazardous Materials or Hazardous Materials Contamination to the Properties, or portion thereof ("Remediation"). Remediation shall include, but not be limited to, an initial investigation of the environmental condition of the Properties, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, abatement, removal, or restoration work required. Developer shall take all actions necessary to restore promptly the Properties to an environmentally sound condition for uses, ownership, and occupancy contemplated by this Agreement, notwithstanding any lesser standard of remediation allowable under applicable Environmental Laws. Developer's obligations under this Section 303 shall survive the issuance of the Release of Construction Covenants.

304. Environmental Indemnification. Developer shall save, protect, pay for, defend (with counsel acceptable to City), indemnify and hold harmless the Indemnitees from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees and remedial and response costs) (for purposes of this Section 300, *et seq.*, the foregoing shall be collectively referred to as "Liabilities") which may now or in the future be incurred or suffered by the Indemnitees by reason of, resulting from, in connection with, or arising in any manner whatsoever as a direct or indirect result of (i) the ownership or operation of all or any part of the Properties, (ii) any act or omission on the part of Developer, or its agents, employees, representatives, agents, contractors, occupants, or invitees, (iii) the presence on, under, or about, or the escape, seepage, leakage, spillage, discharge, emission or release from the Properties of any Hazardous Materials or Hazardous Materials Contamination in violation of Environmental Laws, (iv) the environmental condition of the Properties, and (v) any Liabilities incurred under any Environmental Laws relating to Hazardous Materials. Developer's obligations hereunder shall survive this Agreement and the issuance of the Release of Construction Covenants, and shall be and remain covenants running with the land for the full 55-year term of the Regulatory Agreement, binding on all successors and assigns of Developer's interest in either this Agreement or any part of the Properties. Developer may assign its obligations hereunder to an approved or permitted successor or assignee of Developer's interest in this Agreement or the Properties for those events or conditions related to the requirements in this Section that may occur subsequent to Developer's conveyance to such successor or assign, provided that Developer shall remain liable for all of its obligations hereunder to the extent related to events occurring prior to such assignment. Notwithstanding the foregoing, Developer shall not have any obligation to indemnify, defend or hold harmless the Indemnitees where the Liabilities have arisen as a result of the negligence or willful misconduct of any of the Indemnitees. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance.

305. Release of City by Developer. Developer hereby waives, releases and discharges forever City and its employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with Developer's ownership, improvement and/or disposition of the Properties, any Hazardous Materials on the Properties, or the existence of Hazardous Materials Contamination in any state on the Properties, however they came to be located there.

305.1 Civil Code 1542 Release. Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides 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.”

As such relates to this Section, Developer hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

Developer Initials: _____

Notwithstanding the foregoing, the releases provided under Sections 305 and 305.1 shall not be effective in the event the presence or release of Hazardous Materials on the Properties occurs as a result of the negligence or willful misconduct of any of the Indemnitees.

306. Duty to Prevent Hazardous Material Contamination. Upon the execution of this Agreement and after the Closing, Developer shall take such actions as necessary or prudent to prevent the release of any Hazardous Materials into the environment in, on, under, or about the Properties in violation of Environmental Laws. Such precautions shall include reasonable means to prevent or discourage dumping or other releases of Hazardous Materials on the Properties in violation of Environmental Laws by third parties and trespassers, including without limitation the erection of a fence surrounding the Properties, if warranted. In the event any Remediation is required on the Properties prior to the disbursement of any portion of the City Loan, such Remediation shall be conducted in accordance with this Section.

During the Rehabilitation of the Properties, Developer shall take all necessary precautions to prevent the release of any Hazardous Materials (with particular regard to any asbestos, or asbestos-containing materials, or lead-based paint or other lead containing products which are regulated by the HOME Program) into the environment or onto or under the Properties in violation of Environmental Laws. Such precautions shall include compliance with all Environmental Laws with respect to Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with applicable Environmental Laws and then-prevailing industry standards as respects the disclosure, storage, use, abatement, removal and disposal of Hazardous Materials.

307. Environmental Inquiries. Developer shall notify City, and provide to City a copy or copies, of the following environmental permits, disclosures, applications, entitlements or inquiries relating to the Properties: notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and Developer shall report to City, as soon as possible after each incident, all material information relating to or arising from such incident, including but not limited to, the following:

(a) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirement;

- (b) All notices of suspension of any permits;
- (c) All notices of violation from Federal, State or local environmental authorities;
- (d) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;
- (e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;
- (f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials;
- (g) All complaints and other pleadings filed against Developer and/or City relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on the Properties; and
- (h) Any and all other notices, citations, inquiries, orders, filings or any other reports containing information which would have a material adverse effect on the City Loan, the Properties or City's liability or obligations.

In the event of a release of any Hazardous Materials into the environment, Developer shall, as soon as possible after the release, furnish to City a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of City, Developer shall furnish to City a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Properties including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential.

308. Definitions. For the purposes of this Section 300, *et seq.*, the following terms shall have the meanings herein specified:

- (a) As used in this Agreement, the term "**Hazardous Material**" or "**Hazardous Materials**" shall mean and include any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos and/or asbestos containing materials; (vii) lead-based paint or any lead based or lead products; (viii) polychlorinated biphenyls, (ix) designated as a "hazardous

substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (42 U.S.C. Section 6903), (xi) Methyl tert-Butyl Ether; (xii) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.* (42 U.S.C. Section 9601); (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any “Environmental Laws” (as defined in Paragraph (c) of this Section 308) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment; and/or (xiv) lead based paint pursuant to and defined in the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, *et seq.*, specifically §§4821–4846, and the implementing regulations thereto. Notwithstanding the foregoing, “Hazardous Materials” shall not include such products in quantities as are customarily used in the construction, maintenance, rehabilitation, management, operation and residence of residential developments or associated buildings and grounds, or typically used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project, including without limitation alcohol, aspirin, tobacco and saccharine.

(b) The term “**Hazardous Materials Contamination**” shall mean the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Properties by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Agreement) emanating from the Properties.

(c) The term “**Environmental Laws**” as used in this Agreement shall mean all laws, ordinances and regulations relating to Hazardous Materials, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, *et seq.*; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq.*; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. Section 9601, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, *et seq.*; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, *et seq.*, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11001, *et seq.*; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801, *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f, *et seq.*; all comparable state and local laws, laws of other jurisdictions or orders and regulations; and all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the city, or any other political subdivision in which the Properties are located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over City, Developer, or the Properties.

(d) The term “**Environmental Claim**” shall mean (i) any judicial or administrative enforcement actions, proceedings, claims, orders (including consent orders and decrees), directives, notices (including notices of inspection, notices of abatement, notices of non-compliance or violation and notices to comply), requests for information or investigation instituted or threatened by any governmental authority pursuant to any Governmental Requirement; or, (ii) any suits, arbitrations, legal proceedings, actions or claims instituted, made or threatened that relate to any damage, contribution, cost recovery, compensation, loss or injury resulting from the

release or threatened release (whether sudden or non-sudden or accidental or non-accidental) of, or exposure to, any Hazardous Materials, or the violation or alleged violation of any Governmental Requirement, or the general, manufacture, use, storage, transportation, treatment, or disposal of Hazardous Materials.

400. LOAN DISBURSEMENT; CONDITIONS PRECEDENT.

401. Conditions Precedent to Initial Disbursement of City Loan Proceeds and Close of Escrow. The initial disbursement of the City Loan proceeds shall be deposited by City into Escrow on behalf of Developer to assist in the acquisition of the Properties, but City's obligation to commence such initial disbursement of the City Loan proceeds is subject to the fulfillment by Developer or waiver by City of each and all of the Conditions Precedent described in this Section 401, which are solely for the benefit of City, and each of which, if it requires action by Developer, shall also be a covenant of Developer, and any of which may be waived by the City Manager in his sole and absolute discretion.

401.1 Outside Closing Date. The close of Escrow for the acquisition of the Properties and the initial disbursement of the City Loan shall have occurred on or before the Outside Closing Date and as set forth in the Schedule of Performance, unless modified in writing by City and Developer.

401.2 Project Documents. Not later than one (1) day prior to the date set for the close of Escrow for Developer's acquisition of the Properties and initial disbursement of the proceeds of the City Loan, Developer shall have executed and delivered to the Escrow Holder, in recordable form where required: (i) City Loan Note, (ii) City Loan Deed of Trust, (iii) Security Agreement and Financing Statement, (iv) Regulatory Agreement, and (v) Memorandum of Agreement, and any other Project Documents required hereunder in connection with the City Loan and the acquisition and Rehabilitation of the Properties by Developer.

401.3 Final Budget. Developer shall have submitted to City for its approval an updated and final pro forma and detailed Final Budget for the acquisition, Rehabilitation and operation of the Project (consistent with the Scope of Rehabilitation) as required by Section 207.2(a), and City Manager shall have approved the Final Budget in his reasonable discretion. The use of City Loan proceeds shall be consistent with the approved Final Budget.

401.4 Lease/Rental Agreement. Developer shall have submitted to City, and City shall have approved the standard form lease/rental agreement in conformance with the Regulatory Agreement (Attachment No. 11) for rental of the Housing Units to eligible tenants in accordance with the terms of this Agreement. Developer shall include certain terms in the standard form lease/rental agreement which clearly describe the requirements of qualification and rental to 50% AMI Very Low Income Households and 60% AMI Low Income Households, including without limitation: (i) the obligation to provide complete and timely income verifications, as and when reasonably requested by Developer and/or City and/or City, but not less frequently than prior to initial occupancy and then annually during the term of tenancy, (ii) a description of the Affordable Rent for 50% AMI Very Low Income Households and 60% AMI Low Income Households, as applicable, (iv) the rules and regulations for use, occupancy, and quiet enjoyment of the Housing Units and the Properties, (v) tenant protections relating to notices, eviction, and such other matters as required by the HOME Program, and (vi) such other terms as Developer and/or City and/or City deem reasonably necessary. Further, Developer shall prepare or cause to be prepared and shall

provide to City copies of the written notice(s) (in a form reasonably satisfactory to the City Manager and in language(s) comprehensible to the existing occupants of the Properties) to be provided to all of the occupants of the Properties immediately after the close of the Escrow advising them of: (i) Developer's acquisition of the Properties, (ii) the new Rent which will be charged by Developer to the tenants in compliance with this Agreement, (iii) the obligation to enter into a rental agreement with the current tenants of the Housing Units (only those to be temporarily displaced and who will move back into the Properties after the Rehabilitation but not current tenants that will be permanently displaced and relocated), and (iv) a tentative schedule for the commencement and completion of the Rehabilitation, and the necessity and timing for temporary and/or permanent displacement, as applicable, of such occupants (as more fully described in Section 401.13). In the event Developer desires to use a different form lease/rental agreement for the HOME Units than for the remaining non-HOME Units, Developer shall submit both proposed form lease/rental agreements to City for approval of each such document.

401.5 Evidence of Financing. Developer shall have provided written proof reasonably acceptable to City that Developer has obtained a commitment for equity contributions, affordable housing subsidies and loans, subject to customary conditions, for construction and permanent financing of the Project, and City shall have reasonably approved such financing commitments pursuant to Section 207.3. In this regard, Developer shall have obtained, and City shall have approved, a commitment for equity contributions, a reservation of Tax Credits, the California Public Finance Authority shall be ready to issue the Bonds, JLL/Fannie Mae shall be ready to disburse the Primary Loan, Developer's Limited Partnership Agreement shall be executed and released and any other affordable housing subsidies and/or loans shall be ready to fund, all in form and substance acceptable to Developer, all subject to customary conditions, and City shall have reasonably approved such financing hereunder. The Bonds and Primary Loan financing for Sycamore Court shall be ready to close concurrently with the Closing for implementation of the Project.

(a) Certificate of Limited Partnership; Partnership Agreement. In addition as a part of the evidence of financing, a Partnership Agreement in form and content reasonably acceptable to City (and City's legal counsel and economic advisor) in accordance with this Agreement shall have been executed and a Certificate of Limited Partnership shall have been filed with the California Secretary of State, under which Developer's limited partners are committed (subject to conditions set forth in the Partnership Agreement) to make equity contributions in an amount which together with the proceeds of the Primary Loan, Tax Credit Equity, City Loan, and any additional affordable housing subsidies and loans, is sufficient to finance the Project. In addition, Developer shall have certified in writing to City that the City Loan, together with the Primary Loan, Tax Credit Equity, affordable housing subsidies and required equity contributions, are together projected to be sufficient to pay for the acquisition and Rehabilitation of the Properties through completion of the Project.

401.6 Insurance. City shall have received evidence, satisfactory to City Manager or a City risk management designee(s), that all of the insurance policies, certificates, and endorsements required by this Agreement have been duly submitted, reviewed and approved and such insurance policies, certificates and endorsements are and remain in full force and effect.

401.7 Title to Properties. Developer shall, as of the close of Escrow, have good and marketable fee simple title to the Properties and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than the financing

approved by City pursuant to Sections 401.5 and 207.3 and liens for current real property taxes and assessments not yet due and payable, and any other matters approved in writing by the City. City shall have no obligation to make the City Loan to Developer unless and until title to the Properties conforms to this Section 401.7 and is reasonably acceptable to City.

(a) Preliminary Report. Within five (5) days of the Date of Agreement, Developer shall submit to City a true copy of an up to date (not older than thirty (30) days) preliminary report issued by the Title Company and shall include and attach thereto legible copies of back-up documents for each of the title exceptions set forth in said preliminary report. Developer acknowledges that City must be reasonably satisfied concerning the exceptions to title. All monetary encumbrances and exceptions to title are hereby objected to by City, and Developer is on notice to cause the title company to remove such monetary exceptions (other than liens for current real property taxes and assessments not yet due and payable.)

(b) Condition of Title; Pre-approved Exceptions. City shall be reasonably satisfied that upon the close of Escrow Developer shall have good and marketable fee title to the Properties and there will exist thereon or with respect thereto no mortgage, lien, pledge, encroachment, exception, or other encumbrance of any character whatsoever, EXCEPT the following:

(i) liens for current real property taxes and assessments not yet due and payable;

(ii) the deed of trust for the Primary Loan approved by City, subject to City's right to review and approve such document;

(iii) the tax-exempt Bond regulatory agreement, subject to the City's right to review and approve such document;

(iv) the Tax Credit Regulatory Agreement, subject to City's right to review and approve such document;

(v) subordination agreement(s), subject to City's right to review and approve such document(s);

(vi) any other matters approved in writing by City.

401.8 Title Insurance. City shall have received (or Title Company shall be ready to issue) one or more 2006 ALTA lender's policies of title insurance excluding any survey, creditor's rights or arbitration exceptions, or one or more pro forma policies and evidence of a commitment therefor, reasonably satisfactory to City Manager ("City Title Policy") relating to the City Loan. Such City Title Policy shall have a liability limit of not less than the full amount of the City Loan and shall insure City's interest under the City Loan Deed of Trust as a valid lien or charge upon the Properties with the priority required by this Agreement. The City Title Policy shall include mechanics' lien coverage and such other endorsements as City may reasonably require, and except as provided above in Section 401.7, the City Title Policy shall contain only such exceptions from coverage as shall have been approved in writing by City Manager.

401.9 Recordation. At the close of Escrow, the Escrow Holder shall be prepared to record the Memorandum of Agreement, the City Loan Deed of Trust, the Regulatory Agreement, the Request for Notice, and any other documents required to be recorded against the Properties pursuant to the terms of this Agreement and the Project Documents.

401.10 Environmental Compliance. All Governmental Requirements including all Environmental Laws applicable to the Project, including without limitation, the National Environmental Policy Act of 1969, Public Law 91-190 as amended, 42 U.S.C. Sections 4321-4347, and §§92.352, 92.355 of the HOME Regulations, shall have been satisfied if and to the extent such satisfaction is required prior to disbursement of City Loan proceeds. City shall have conducted its environmental review in accordance with 24 CFR Part 58 before any HOME funds are released to Developer. In all events, City's obligation to make any disbursement of the City Loan is expressly conditioned upon the satisfactory completion of environmental review and the City's receipt of a release of federal funds from HUD. Accordingly:

(a) Notwithstanding any provision of this Agreement (or any Implementation Agreements), the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of federal funds, and that such commitment of funds may occur only upon satisfactory completion of environmental review and receipt by City of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any federal funds to the Project is conditioned on City's determination to proceed with, modify or cancel the City Loan based on the results of a subsequent environmental review.

(b) The parties hereto are further prohibited from undertaking or committing any federal funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance; the parties understand that the violation of this provision may result in the denial of any federal funds under this Agreement.

401.11 Environmental Condition. The environmental condition of the Properties shall be reasonably acceptable to City, as determined by City Manager and City legal counsel in their reasonable discretion.

401.12 Appraisals; Approval of Purchase Price. Developer shall have submitted to City a true and correct copy of each complete appraisal(s) obtained regarding the fair market value of the Properties.

401.13 Relocation. City shall be reasonably satisfied that the Relocation will be conducted in compliance with all applicable Relocation Laws, the relocation plan approved for the Project (including Developer's update thereof if required by the Relocation Laws), and this Agreement, and Developer and the Project shall be in compliance with all Relocation obligations pursuant to this Agreement, the relocation plan approved for the Project, and the Relocation Laws.

401.14 Management Plan; Property Manager. Developer shall have submitted to City, and City shall have approved, the Management Plan for the Project. Developer shall identify the Property Manager and provide relevant background information and evidence of its experience as a professional property manager for high quality affordable residential projects in Orange County comparable to the Project, as required by Section 1209.1.

401.15 Approval of Rehabilitation Plans. City shall have approved the Rehabilitation Plans for the Project prepared and submitted by Developer as being in substantial conformity with the Scope of Rehabilitation, Attachment No. 5, this Agreement, and the Garden Grove Municipal Code, all pursuant to the City's standard procedures and as set forth in more detail in Section 801. In addition, Developer shall have submitted to City detailed information regarding its methodology for the abatement of asbestos, lead based paint, and other required Hazardous Materials remediation at the Properties, if any, and such methodology shall be reasonably satisfactory to City.

401.16 Pre-Construction Meeting with City Representatives. Developer shall have attended pre-construction meeting(s) or conference(s) among City staff, Mariman & Co. and representatives of each and all subcontractors with contracts of \$200,000 or more and relating to the commencement of the Rehabilitation, compliance with the Section 3 Clause (as required and hereinbefore described), and other issues related to undertaking and completing the Improvements in conformity with this Agreement and all applicable local, state, and federal laws.

401.17 Building Permits. Developer shall have delivered to City a list of all Building Permits to be obtained, if any, and Developer shall have received all of such Building Permits or shall be eligible to receive such Building Permits subject only to payment (or waiver) of the fees required to obtain such Building Permits for the full Rehabilitation.

(a) Developer acknowledges and agrees that the Rehabilitation Plans shall be subject to the City's normal development services, planning, and building review process.

(b) To the extent any decision relating to such permits is a discretionary decision of the City or any of its commission(s), administrator(s), or employee(s), then this Agreement in no respect does, or shall be construed to, pre-approve any discretionary decision relating to any Building Permit or other approval necessary to commence and complete the Rehabilitation of the Properties.

401.18 Escrow, Title and Closing Expenses. Developer shall have paid, or caused the payment of, all costs, fees, and expenses of the Escrow (other than City's deposit of that portion of the City Loan Proceeds constituting the first disbursement thereof), including all costs or fees in connection with the acquisition of the Properties, Escrow fees, title insurance costs, documentary transfer taxes, or recording fees.

401.19 Corporate Resolution. Developer shall deliver to City certified copies of Developer Resolutions of Developer's board of directors specifically authorizing (or ratifying) the execution of this Agreement, the City Loan Note, the City Loan Deed of Trust, the Security Agreement, the Regulatory Agreement, and all implementing Project Documents and identifying the individual(s) with authority to enter into non-material implementation agreements and/or amendments to this Agreement and make ongoing decisions relating to the acquisition, Rehabilitation, and operation of the Project.

401.20 No Material Adverse Change. Developer hereby represents and warrants, as of the date of this Agreement, that all documents, materials and information provided by Developer to City relating to Developer's qualifications, financial strength, and ability to perform its obligations hereunder are true, correct and complete in all material respects as of their respective dates and no Material Adverse Change has occurred or is reasonably likely to occur that would make

any such documents, materials or information incorrect, incomplete, or misleading in any material respect.

(a) Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 401.20 not to be true in all material respects as of Closing, immediately give written notice of such fact or condition to the City. Such exception(s) to a representation shall not be deemed a Default by the Developer hereunder, but shall constitute an exception which the City shall have a right to approve or disapprove if City, in its sole discretion, determines that such exception would have an effect on the value of the Project or Developer's ability to perform Developer's obligations under this Agreement. If City, acting in its sole discretion, elects to close the Escrow following disclosure of such information, Developer's representations and warranties contained in this subsection shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, City elects, acting in its sole discretion, to not close the Escrow, then City shall give notice to the Developer of such election within ten (10) days after disclosure of such information and this Agreement and the Escrow shall thereafter automatically terminate and neither party shall have any further rights, obligations or liabilities hereunder.

401.21 Representations and Warranties. The representations and warranties of Developer contained in this Agreement shall be correct in all material respects as of the initial disbursement of the City Loan as though made on and as of those dates, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

401.22 No Default. No Event of Default by Developer shall have occurred, and no event shall have occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer, and City Manager shall have received a certificate to that effect signed by an officer of Developer.

All Conditions Precedent set forth in this Section 401, *et seq.*, to the initial disbursement of the City Loan and close of the Escrow for Developer's acquisition of the Properties, or to City's obligations hereunder, are for City's benefit only and the City Manager may waive all or any part of such rights by written notice to Developer. If City Manager shall, within the applicable periods set forth herein, disapprove of any of the items which are subject to City's approval (and such items are not cured by Developer within applicable time frames), or if any of the conditions set forth in this Agreement are not met within the times called for, City may thereafter terminate this Agreement without any further liability on the part of City by giving written notice of termination to Developer. Escrow Holder shall thereupon, without further consent from Developer, return to each party the documents and funds deposited by them as to the Properties.

402. Additional Conditions Precedent for Post-Closing Disbursements for Rehabilitation. After the close of Escrow and after meeting all Conditions Precedent to the commencement of the Rehabilitation, the remaining City Loan proceeds and City's obligation to make each and every additional disbursement of the remaining City Loan proceeds for the Rehabilitation are subject to Developer's compliance with the Disbursement Procedures, Attachment No. 17, and Developer's fulfillment or waiver by City of each and all of the following Conditions Precedent described below:

402.1 Application for Payment. Developer shall have submitted a written request for payment to City in the form of the "Application for Disbursement" attached to the Disbursement

Procedures at least seven (7) business days prior to the requested disbursement. The Application for Disbursement shall be completed and certified to be accurate by an authorized representative of Developer. The Application for Disbursement shall specifically identify the nature of each expense for which City Loan proceeds are being requested, by reference to items in the approved Final Budget, and shall identify the percentage of the Rehabilitation that has been completed as of the date of the Application for Disbursement. Each Application for Disbursement shall be accompanied by invoices, as applicable, from and each and all of its contractors and subcontractors, and any other requested information and documents, and lien releases from each and all of its contractors and subcontractors, and/or mechanic's lien title endorsements reasonably acceptable to City.

402.2 Inspection of Work. City or its agent(s) shall have inspected the Rehabilitation work for which the Application for Disbursement is being requested and shall have determined, within seven (7) business days of receipt of a complete Application for Disbursement that (a) such Rehabilitation work has been completed substantially in accordance with this Agreement, the Scope of Rehabilitation, Attachment No. 5, and the approved Rehabilitation Plans, (b) the amount requested for each line item corresponds to the percentage of work completed for such item, (c) there are adequate funds remaining from the City Loan proceeds and other approved funding sources to complete the Rehabilitation and pay all remaining unpaid Costs of Rehabilitation and other Project costs, (d) the Rehabilitation work for which payment is being requested has been completed in a good and workmanlike manner in accordance with the standards of the construction industry, and (e) the expenses are in accordance with the approved Final Budget, as amended with the City's prior approval.

402.3 Relocation. City shall be reasonably satisfied that the Relocation has been and will continue to be conducted in compliance with all applicable Relocation Laws, the relocation plan approved for the Project, and this Agreement, and Developer and the Project shall be in compliance with all Relocation obligations pursuant to this Agreement, the relocation plan approved for the Project, and the Relocation Laws.

402.4 Lien Waivers. If requested by City, City shall have received appropriate conditional (conditioned solely on payment) waivers of mechanics' and materialmen's lien rights and stop notice rights executed by all contractors and other persons rendering services or delivering materials covered by requests made in the Application for Disbursement. City Loan proceeds used for hard Costs of Rehabilitation may, in the City Manager's sole and exclusive discretion, be subject to a retention of ten percent (10%), with retained proceeds to be released thirty-five (35) days after lien-free completion of the Rehabilitation and recordation of the Notice of Completion for the Project (except to the extent City has approved lesser retention or different timing for release of retention with respect to certain trades or line items).

402.5 Final Disbursement of City Loan. Notwithstanding Developer's compliance with all other Conditions Precedent set forth in this Section 403, *et seq.*, City shall not make the Final Disbursement of City Loan Proceeds in the amount of Eighty-Four Thousand Dollars (\$84,000) until City's Building Official issues the final certificate of occupancy and City issues the Release of Construction Covenants for the Project.

500. INTENTIONALLY OMITTED.

600. RELOCATION.

601. Relocation Survey. Within sixty (60) days of the Date of Agreement, Developer shall use commercially reasonable efforts to cause a tenant survey to be completed by each tenant household currently residing in the Properties and shall obtain such other information as reasonably required by City and any Relocation Consultant retained by City, as necessary to evaluate the Relocation obligations under the Relocation Laws with respect to Developer's acquisition and Rehabilitation of the Properties.

602. Notice to Existing Tenants. Within thirty (30) days of the Date of Agreement, City and Developer shall cooperate in sending notices to the existing tenants of the Properties (a) notifying such persons of Developer's duty to complete the Project at the Properties within the time frame set forth in the Schedule of Performance, (b) notifying the tenants that they will be entitled to continue to lease their existing units as long as they continue to meet the income and household requirements under this Agreement, pay rent timely and meet other terms of tenancy, and (c) notifying the tenants that if they are required to relocate temporarily or permanently from their Housing Units they may be or become eligible for certain Relocation assistance and benefits. The form of each and all of such notice(s) shall be submitted to, reviewed by, and approved by City Manager (or his designee) prior to delivery and/or mailing to existing tenants. Each tenant household occupying any Housing Unit at the Properties shall be fully advised of all rights, if any, for Relocation assistance and benefits under applicable Relocation Laws.

603. Developer Responsible for All Costs of Relocation. In the event of temporary (or permanent) displacement of existing tenants at the Properties as a direct result of the implementation of this Agreement, Developer shall be fully responsible for administering determinations of eligibility, extent of advisory assistance, and amount of benefits payments pursuant to the applicable Relocation Laws, subject to review by City Manager. Developer shall cause to be provided and shall pay any and all Relocation assistance and benefits in accordance with Relocation Laws and in a manner and in amounts expressly approved by City Manager to each tenant household eligible and required to temporarily (or permanently) vacate a Housing Unit within the Properties for purposes of completing the Project or otherwise in implementation of this Agreement. City Manager's approval rights in the preceding sentence shall be limited solely to determining compliance with Relocation Laws. All costs of Relocation (including costs of Relocation consultants and attorneys' fees incurred in connection therewith, but not including any charge for City in-house staff time) shall be entirely paid by Developer using Developer's own funds, Primary Loan proceeds, or other moneys available to Developer or the Project. City Loan proceeds are expressly prohibited from being used to pay costs of Relocation. Developer is and shall remain solely responsible to pay all out-of-pocket costs for direct payments to eligible person(s) and household(s) for Relocation assistance and benefits due and paid and for any other costs incurred related to Relocation, including a Relocation Consultant, and any and all costs or fees incurred pursuant to Section 603.1 below.

603.1 Indemnification by Developer Relating to Relocation. Developer hereby covenants and agrees to indemnify, save, protect, hold harmless, pay for, and defend the Indemnitees from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including without limitation penalties, fines, and monetary sanctions), losses, costs, or expenses, including without limitation consultants' and attorneys' fees, or relocation benefits claimed or payable under the Relocation Laws (for purposes of this Section 603.1, the foregoing shall be referred to as

“Liabilities”) which may now or in the future be incurred or suffered by Indemnitees by reason of, or resulting from, in full or in part, or in any respect whatsoever from the Relocation of residents of the Properties pursuant to or resulting from the implementation of this Agreement. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance.

(a) Developer, on behalf of itself and its Affiliates, and any and all successors and assigns hereby fully and finally releases the Indemnitees from any and all manner of actions, causes of action, suits, obligations, liabilities, judgments, executions, debts, claims and demands of every kind and nature whatsoever, known and unknown, which Developer and any of its affiliates, successors or assigns may now have or hereafter obtain against the Indemnitees by reason of, arising out of, relating to, or resulting from in full or in part, the election of Developer to proceed with the Project pursuant to this Agreement except to the extent arising out of the negligence or willful misconduct of any of the Indemnitees or a breach by City of any representation, warranty or covenant contained in this Agreement or any of the other Project Documents (collectively, “Claims”), which release shall include but not be limited to any Claims for Relocation assistance or benefits under federal, state, local, or any other applicable laws or Governmental Requirements. The parties agree that, with respect to the release of Claims as set forth above, all rights under Section 1542 of the California Civil Code and any similar law of any state or territory of the United States are expressly waived. Section 1542 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.”

Developer Initials: _____

604. Completion of the Rehabilitation. Subject to force majeure delay, Developer shall complete the Rehabilitation by December 31, 2107. The Rehabilitation will be completed in phases such that tenants at not more than ten (10) Housing Units shall be temporarily displaced at any one time; the Rehabilitation work at each Housing Unit is not expected to exceed thirty (30) days. Developer shall complete the Rehabilitation of the Project not later than the Outside Completion Date and as set forth in the Schedule of Performance, unless extended by agreement of City and Developer.

700. DEVELOPER’S GENERAL REPRESENTATIONS AND WARRANTIES.

701. Developer Representations and Warranties. As a material inducement to City to enter into this Agreement, Developer represents and warrants to City:

701.1 Formation, Qualification and Compliance.

(a) Developer’s managing general partner, AOF Sycamore Court, LLC, is a limited liability company, and its parent company (AOF/Golden State Community Development

Corp.) is a California nonprofit corporation and a federal community housing development corporation. Developer's managing general partner is experienced in development and operation of affordable housing projects.

(b) Developer's co-general partner, SC-MCO, LLC, is a limited liability company and its parent company, Mariman & Co., is a California corporation and experienced in development and operation of affordable housing projects.

(c) Developer has all required authority to conduct its business and acquire, own, purchase, improve and sell its property.

(d) To the best of Developer's knowledge, Developer is in compliance in all material respects with all laws applicable to its business and has obtained all approvals, licenses, exemptions and other authorizations from, and has accomplished all filings, registrations and qualifications with any governmental agency that are necessary for the transaction of its business;

(e) Developer has and will in the future duly authorize, execute and deliver this Agreement and any and all other agreements and documents required to be executed and delivered by Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement;

(f) To the best of Developer's knowledge, Developer does not have any material contingent obligations or any material contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder;

(g) There are no material pending or, so far as is known to Developer, threatened, legal proceedings to which Developer is or may be made a party or to which any of its property is or may become subject, which have not been fully disclosed in the material submitted to City which could materially adversely affect the ability of Developer to carry out its obligations hereunder;

(h) There is no action or proceeding pending or, to Developer's best knowledge, threatened, looking toward the dissolution or liquidation of Developer and there is no action or proceeding pending or, to Developer's best knowledge, threatened by or against Developer which could affect the validity and enforceability of the terms of this Agreement, or materially and adversely affect the ability of Developer to carry out its obligations hereunder.

Each of the foregoing items (a) to (h), inclusive in this Section 701.1, shall be deemed to be an ongoing representation and warranty until the Closing. Developer shall advise City in writing if there is any change pertaining to any matters set forth or referenced in the foregoing items (a) to (h), inclusive. After the Closing and during the term of and under the provisions of the Regulatory Agreement recorded against title to the Properties at Closing, Developer has an affirmative ongoing obligation to promptly (but in no event later than thirty (30) days) inform City in the event any of the foregoing representations and warranties therein become(s) materially untrue.

701.2 Execution and Performance of Project Documents. Developer has all required authority to execute and perform all obligations under the Project Documents. The execution and delivery by Developer of, and the performance by Developer of its obligations under, each Project Document have been authorized by all necessary action and do not and will not violate

any provision of, or require any consent or approval not heretofore obtained under, any articles of incorporation, by-laws or other governing document applicable to Developer.

701.3 Purchase Agreement between Seller and Developer. Mariman & Co., a California corporation, sole member of SC-MCO, LLC, a California limited liability company, Developer's co-general partner, has entered into a valid and binding Purchase and Sale Agreement and Escrow Instructions, dated as of September 26, 2016, to purchase the Properties, to its knowledge, such agreement is in full force and effect, and there are no defaults thereunder, and to its knowledge, no events have occurred which would become a default thereunder upon the giving of notice or the passage of time or both. As of the Date of Agreement Developer represents to City that under such purchase agreement, Developer has until June 30, 2017 to close Escrow and acquire the Properties.

701.4 Leveraging Review. Developer acknowledges that the Project will be funded from monies from the City's HOME Program funds as well as Project Based Section 8 assistance pursuant to the HAP Contract. In this regard, Developer acknowledges, represents, and warrants to City that Developer has no other reasonable means of private financing or commercial financing to cause and complete acquisition and Rehabilitation of the Properties operation of the Project as affordable housing.

800. REHABILITATION OF THE PROPERTY.

801. Rehabilitation Plans. Within the time set forth in the Schedule of Performance, Developer shall submit to City detailed specifications describing the Rehabilitation of the Properties (collectively, "Rehabilitation Plans") pursuant to the Project, which are in conformity with the Scope of Rehabilitation, Attachment No. 5.

801.1 Submittal of Rehabilitation Plans. Developer shall submit to City the Rehabilitation Plans which may be required by City with respect to permits and entitlements, if any, that are required to be obtained and with respect to evaluation of the quality, type, specifications, and materials for all of the Rehabilitation and any other Improvements to the Properties. Within thirty (30) days after City's disapproval or conditional approval of such plans, which approval shall be in City's sole and absolute discretion, Developer shall revise the portions of such plans identified by City as requiring revisions and resubmit the revised Rehabilitation Plans to City. City shall have all rights to review and approve or disapprove all Rehabilitation Plans and other required submittals in accordance with the Garden Grove Municipal Code, and nothing set forth in this Agreement shall be construed as City's approval of any or all of the Rehabilitation Plans. Any and all change orders or revisions required by the City and its inspectors which are required under the Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations shall be included by Developer in its Rehabilitation Plans and other required submittals and shall be completed during the Rehabilitation of the Properties.

801.2 Approval of Rehabilitation Plans. Developer acknowledges and agrees that City is entitled to approve or disapprove the Rehabilitation Plans in order to satisfy City's obligation to promote the sound redevelopment of land and to provide an environment for the social, economic and psychological growth and well-being of the citizens of the City and all residents of the Project. Developer shall perform all Rehabilitation at the Properties in compliance with the approved Rehabilitation Plans.

802. Consultation and Coordination. During the preparation of the Rehabilitation Plans, City staff and authorized representatives of Developer shall hold joint progress meetings to coordinate the preparation and submission to City of the Rehabilitation Plans by Developer and City's review of the Rehabilitation Plans. City staff and authorized Developer representatives shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to City can receive prompt and thorough consideration. City shall designate a Community Development Department employee to serve as the project manager for this Project, and such project manager shall be responsible for the coordination of City's activities under this Agreement and for coordinating the land use approval and permitting process.

803. Revisions. If Developer desires to propose any substantial revisions to the approved Rehabilitation Plans, it shall submit such proposed changes to City, and shall also proceed in accordance with any and all state and local laws and regulations regarding such revisions, within the time frame set forth in the Schedule of Performance for the submittal of the Rehabilitation Plans. Any such change proposed in the approved Rehabilitation Plans may be disapproved by City through City Manager in his sole and reasonable discretion.

804. Defects in Plans. City shall not be responsible either to Developer or to any third parties in any way for any defects in the Rehabilitation Plans, or for any structural or other defects in any work done according to the approved Rehabilitation Plans, or for any delays reasonably caused by the review and approval processes established by this Section 800, *et seq.* Developer shall hold harmless, indemnify and defend the Indemnitees from and against any claims or suits for damages to property or injuries to persons (including death) arising out of or in any way relating to defects, latent or patent, in the Rehabilitation Plans, or the actual construction work or other Improvements comprising the Rehabilitation and the Project, including without limitation the violation of any laws, or arising out of or in any way relating to any defects in any work done and/or improvements completed according to the approved Rehabilitation Plans.

805. City and Other Governmental Permits. Before commencement of any portion of the Rehabilitation of the Properties, Developer shall secure any and all permits and land use entitlements which may be required by the City or any other governmental agency with jurisdiction over such construction of the applicable portion of the Rehabilitation, including without limitation applicable Building Permits. Developer shall pay all necessary fees for such portion of the Rehabilitation and timely submit to City such information as may be required by City to obtain the applicable Building Permits, and City staff will, without obligation to incur liability or expense therefor, use reasonable efforts to expedite City's issuance of the applicable Building Permits meeting the requirements of the Garden Grove Municipal Code, and all other applicable federal, state, and local laws, rules, and regulations.

806. Completion of Project. Not later than the Outside Completion Date and as set forth in the Schedule of Performance, Developer shall commence and diligently proceed through completion the Rehabilitation of the Project.

807. Release of Construction Covenants. Promptly after the completion of the Rehabilitation in conformity with this Agreement (as reasonably determined by the City Manager), upon the written request of Developer, City shall furnish Developer with a Release of Construction Covenants (substantially in the form attached hereto as Attachment No. 6) which evidences and determines the satisfactory completion of the Rehabilitation of the Properties in accordance with this Agreement. The issuance and recordation of the Release of Construction Covenants with respect to

the Properties shall not supersede, cancel, amend or limit the continued effectiveness of any obligations relating to the maintenance, uses, occupancy, payment of monies, or any other obligations with respect to the Properties, the Project, or this Agreement or any covenants recorded in connection herewith, except for the obligation to complete the Rehabilitation of the Properties.

900. INSURANCE AND INDEMNIFICATION.

901. Developer Insurance Requirements. In addition to the separate and severable indemnification covenants and provisions provided by Developer to City hereinafter in this Section 900, *et seq.*, Developer shall provide insurance according to the requirements set forth below, except to the extent alternative coverages are approved in writing by City's Risk Manager, in his or her sole and absolute discretion. Developer shall maintain the following coverages on behalf of the Indemnitees for all claims, damages to property and injuries to persons, including death (including attorneys' fees and litigation costs), which may be caused by any of Developer's activities under this Agreement or related in any respect whatsoever to the Project, regardless of whether such activities or performance thereof be by Developer or anyone directly or indirectly employed or contracted with by Developer and regardless of whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer shall cause all requirements of this Section to be obtained and maintained until expiration of the Affordability Period.

901.1 Commencement of Work. Developer shall not commence work under this Agreement until all certificates and endorsements have been received and approved by City. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify City of any material change, cancellation, or termination at least thirty (30) days in advance.

901.2 Workers Compensation Insurance. For the duration of this Agreement, Developer and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. The insurer shall waive its rights of subrogation against City and its respective officers, agents, employees, and volunteers, and shall issue an endorsement to the policy evidencing the same.

901.3 Insurance Amounts. Developer shall maintain the following insurance until expiration of the Affordability Period:

(a) Commercial General Liability in an amount not less than \$3,000,000 per occurrence and \$4,000,000 general aggregate. Claims made and modified occurrence policies are not acceptable. Insurance companies must be acceptable to City and have a Best's Guide Rating of A- Class VII or better, as approved by City.

(b) Automobile liability in an amount not less than \$3,000,000 combined single limit. Claims made and modified occurrence policies are not acceptable. Insurance companies must be acceptable to City and have a Best's Guide Rating of A- Class VII or better, as approved by City.

(c) [intentionally omitted]

(d) [intentionally omitted]

(e) [intentionally omitted]

(f) [intentionally omitted]

(g) An umbrella "Excess Liability Policy in an amount of \$10,000,000.

(i) The Parties intend that the Excess Liability Policy is intended both for increased coverage amounts related to the Commercial General Liability coverage of (a) above and in the event any other underlying policies required hereunder do not meet contractual policy limits.

(h) [omitted due to duplication in (t) below]

(i) An Additional Insured Endorsement(s), commercial general liability policy, for the policy under Section 901.3(a), shall designate the City, and its respective officers, officials, agents, employees, and volunteers (together, "Indemnitees") as additional insureds for liability arising out of work or operations performed by or on behalf of the Developer. (Form CG 20 26 11 85 or equivalent).

(j) An Additional Insured Endorsement(s), automobile liability policy, automobile liability, for the policy under Section 901.3(b), shall designate the Indemnitees as additional insureds for automobiles owned, leased, hired, or borrowed, by or on behalf of Developer and mobile equipment, if any. (Form CA 20 48 02 99 or equivalent for the automobile liability policy, and the mobile equipment coverage by separate endorsement).

(k) [intentionally omitted]

(l) [intentionally omitted]

(m) [intentionally omitted]

(n) [intentionally omitted]

(o) An Additional Insured Endorsement(s) for the Excess Liability Policy required under Section 901.3(g) shall designate the Indemnitees as additional insureds for liability arising out of work or operations performed by or on behalf of the Developer.

(p) A Schedule of Underlying Policies for the Excess Liability Policy, for the policy under Section 901.3(g), including policy numbers for the excess liability policy and underlying policies.

(q) An Insurance Certificate, Excess Liability Policy, for the policy under Section 901.3(g), stating that the excess liability policy "Follows Form."

(r) [intentionally omitted]

(s) All carriers shall provide an endorsement for each respective policy giving the City of Garden Grove thirty (30) days advance written notice prior to any material change, cancellation, or termination.

(t) All insurance companies providing insurance policies required by this Agreement must be acceptable to City and have a Best's Guide Rating of A-Class VII or better, as approved by City. For all insurance policies and endorsements required by this Agreement Developer shall provide to City proof of insurance and endorsement forms that conform to the requirements set forth herein.

901.4 Primary Insurance. For any claims related to this Agreement, Developer's insurance coverage shall be primary insurance as respects the Indemnitees. Any insurance or self-insurance maintained by Indemnitees shall be in excess of the Developer's insurance and shall not contribute with it.

901.5 General Conditions Pertaining to Provision of Insurance Coverage by Developer. Developer agrees to the following provisions regarding all insurance provided by Developer for the Project:

(a) Developer agrees to provide insurance in accordance with the requirements set forth herein. If Developer uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Developer agrees to amend, supplement or endorse the existing coverage to do so. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Developer.

(b) The coverage required here will be renewed annually by Developer as long as Developer continues to provide any services under this or any other contract or agreement with City relating to the Properties or the Project during the Affordability Period.

(c) No liability insurance coverage provided to comply with this Agreement shall prohibit Developer, or Developer's employees, or agents, from waiving the right of subrogation prior to a loss. Developer waives its right of subrogation against City.

(d) The provisions of any workers' compensation or similar act will not limit the obligations of Developer under this Agreement. Developer is and shall at all times be considered an independent contractor, and expressly agrees not to use any statutory immunity defenses under such laws with respect to City and its employees, officials and agents.

(e) No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured.

(f) All insurance coverage and limits provided by Developer and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

(g) Any "self-insured retention" must be declared and approved by City. Self-funding, policy fronting or other mechanisms to avoid risk transfer are not acceptable. If Developer has such a program, Developer must fully disclose such program to City.

(h) Developer shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Developer's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five (5) days of the expiration of the coverages.

(i) Developer agrees to provide evidence of the insurance required herein, satisfactory to City Manager and the City's Risk Manager, consisting of: certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Developer's general liability policy using Insurance Services Office endorsement form No. CG 20 26 1185 or an equivalent additional insured endorsement form(s) presented to and reviewed and approved by the City's Risk Manager in his or her sole, reasonable discretion. Developer agrees, upon request by City Manager or City Risk Manager, to provide complete, certified copies of any policies required by this Section, within ten (10) days of such request. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard. Future insurance requirements will remain the same as long as the loss experience remains insignificant.

(j) Certificate(s) must reflect that the insurer will provide thirty (30) days' notice to City of any cancellation of coverage. Developer agrees to require its insurer to modify such certificates to delete any exculpatory wording which denies an obligation of the insurer to provide such notice or which states that failure of the insurer to mail written notice of cancellation imposes no liability, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify City of any material change, cancellation, or termination at least thirty (30) days in advance. An endorsement shall be provided for each policy wherein each carrier will give the City thirty (30) days written notice in the event of any material change, cancellation or termination of the respective policy.

(k) Developer agrees to require all contractors, subcontractors, or other parties hired for this Project to provide workers' compensation, general liability and automobile liability insurance, unless otherwise agreed to by City with minimum liability limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate. The contractor's and subcontractor's general liability insurance shall add as additional insureds the Indemnitees using Insurance Services Office additional insured endorsement form No. CG 20 26 1185 or equivalent additional insured endorsement form(s) presented to and reviewed and approved by the City risk management department in its sole, reasonable discretion. Developer agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here.

(l) Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

(m) Developer agrees to provide prompt notice to City Manager and City's Risk Manager of any claim or loss against Developer that includes City as a defendant and of any claim or loss arising out of the work performed under this Agreement in which the demand or probable ultimate cost exceeds \$25,000. City assumes no obligation or liability by such notice, but City shall have the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

(n) The insurance requirements set forth in this Section 901 are intended to be separate and distinct from any other provision in this Agreement and are intended to be interpreted as such.

(o) The requirements in this Section 901 supersede all other Sections and provisions of this Agreement to the extent that any other Section or provision conflicts with or impairs the provisions of this Section.

(p) For purposes of insurance coverage only, this Agreement will be deemed to have been executed as of the Date of Agreement.

(q) If any contractor and/or any subcontractor maintains higher insurance limits than the minimums shown above, contractor and subcontractor, as applicable, shall provide coverage for the higher insurance limits otherwise maintained by the contractor and/or subcontractor.

902. Knowledge of Claim. If at any time Developer becomes aware of a claim or a potential claim related to the Project in which the demand or probable ultimate cost exceeds \$25,000, Developer shall promptly provide written notice ("Claim Notice") to City which sets forth the nature of the claim or potential claim and the date on which Developer became aware of such claim or potential claim and shall provide City with copies of any documents relating to such claim or potential claim.

903. Notice of Change in Coverage. If, at any time, Developer becomes aware that any of the coverages provided above are going to be canceled, limited in scope or coverage, terminated or non-renewed, then Developer shall promptly provide City with written notice ("Insurance Notice") of such cancellation, limitation, termination or non-renewal. Upon the receipt of the Insurance Notice or the Claim Notice, or at any time when City has knowledge of (i) the cancellation, limitation, termination or non-renewal of one or more of Developer's insurance policies enumerated above or (ii) a claim or potential claim under one or more of such policies in accordance with Section 902 above, then, in addition to its other rights and remedies pursuant to this Agreement, City shall have the right to suspend City's obligations under this Agreement until such time as Developer furnishes, or causes to be furnished to City, duplicate originals or appropriate certificates of insurance for coverages in the amount of not less than those specified above or until the time such claim or potential claim has been resolved to the reasonable satisfaction of City, whichever occurs first.

904. Waiver of Subrogation. Developer hereby waive all rights to recover against City or Garden Grove Housing Authority (or any officer, employee, agent or representative thereof) for any loss incurred by Developer from any cause insured against or required by any Project Document to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Developer shall use their best efforts to obtain only policies that permit the foregoing waiver of subrogation.

905. Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to the provisions below and to the rights of the Lender and any replacement primary Lender, if the Project shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project improvements to substantially the same condition as the Project improvements existed immediately prior to the casualty, if and to the extent the insurance proceeds are available and sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as possible thereafter so that the Project improvements can be occupied in accordance with this Agreement. Subject to force majeure delays as set forth in Section 1505 herein, in no event shall the repair, replacement, or restoration period exceed two (2) years from the date Developer obtains insurance proceeds unless City Manager, in his reasonable discretion, approves a longer period of time. City shall cooperate with Developer, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Properties do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Project Improvements by giving notice to City (in which event Developer will be entitled to all insurance proceeds but Developer shall be required to remove all debris from the applicable portion of the Properties) or Developer may reconstruct such other improvements on the Properties as are consistent with applicable land use regulations and approved by the City and the other governmental agency or agencies with jurisdiction.

906. Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the Project Improvements are completely destroyed or substantially damaged by a casualty for which Developer is not required to (and has not) insured against, or if insurance proceeds are insufficient to rebuild, and subject to the rights of the Lender and any replacement primary Lender, then Developer shall not be required to repair, replace, or restore such improvements and may elect not to do so by providing City with written notice of election not to repair, replace, or restore within ninety (90) days after such substantial damage or destruction. In such event, Developer shall concurrently repay the full outstanding balance of the City Loan to City and this Agreement shall be automatically terminated. As used in this Section 906, "substantial damage" caused by a casualty not required to be (and not) covered by insurance shall mean damage or destruction which is ten percent (10%) or more of the replacement cost of the improvements comprising the Project Improvements.

907. Non Liability of City. Developer acknowledges and agrees that:

(a) The relationship between Developer and City is and shall remain solely that of borrower and lender, and by this Agreement or any Project Documents, City neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Scope of Rehabilitation, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, or (iii) the progress of the Rehabilitation of the Project and its conformity with the Scope of Rehabilitation; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledges that any review, inspection, supervision, approval or information supplied to Developer by City in connection with such matters is solely for the protection of City and that neither Developer nor any third party is entitled to rely on it;

(b) Notwithstanding any other provision of any Project Document: (a) City is not a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and City does not intend to ever assume any such status; (b) City's activities in connection with the Properties shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as modified or recodified from time to time, and City does not intend to ever assume any responsibility to any person for the quality or safety of the Properties; and (c) City shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) City shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction on, or occupancy or use of, the Properties, whether arising from: (a) any defect in any building, grading, landscaping or other on-site or off-site improvement; (b) any act or omission of Developer or any of Developer's agents, employees, independent contractors, licensees, invitees or volunteers; or (c) any accident on the Properties or any fire or other casualty or hazard thereon; and

(d) By accepting or approving anything required to be performed or given to City under the Project Documents, including any certificate, financial statement, survey, appraisal or insurance policy, City shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by City to anyone.

908. Indemnification. Developer shall defend, indemnify, assume all responsibility for, and save and hold the Indemnitees harmless from any and all claims, causes of action, settlements, court damages, demands, defense costs, reasonable attorneys' fees, expert witness fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which they may suffer or incur and any liability of any kind or nature arising from or relating to the subject matter of this Agreement or the validity, applicability, interpretation or implementation hereof and for any damages to property or injuries to persons directly or indirectly related to or in connection with the Rehabilitation, operation, management, or ownership of the Properties, including accidental death (including reasonable attorneys' fees and costs), whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer shall not be obligated to indemnify the Indemnitees to the extent occasioned by the negligence or willful misconduct of any of the Indemnitees or the breach of any of the Project Documents by any of them. Developer shall have the obligation to defend any such action; provided, however, that this obligation to defend shall not be effective if and to the extent that Developer determines in its reasonable discretion that such action is meritorious or that the interests of the parties justify a compromise or a settlement of such action, in which case Developer shall compromise or settle such action in a way that fully protects the Indemnitees from any liability or obligation. In this regard, Developer's obligation and right to defend shall include the right to hire (subject to reasonable written approval by City) attorneys and experts necessary to defend, the right to process and settle reasonable claims, the right to enter into reasonable settlement agreements and pay amounts as required by the terms of such settlement, and the right to pay any judgments assessed against Developer or any other Indemnitees. If Developer defends any such action, as set forth above, (i) to the extent of Developer's indemnification obligations as set forth herein, Developer shall indemnify and hold harmless Indemnitees from and against any claims, losses, liabilities, or damages assessed or awarded against either of them by way of judgment, settlement, or stipulation and (ii) City shall be entitled to settle any such claim only with the written consent of Developer and any settlement without Developer's consent shall release Developer's obligations under this Section 908 with respect to such settled claim. The foregoing

agreements are also set forth in the Regulatory Agreement. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance.

909. Reimbursement of City for Enforcement of Project Documents. Developer shall reimburse City within thirty (30) days upon written demand itemizing all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of City) in connection with the enforcement of the Project Documents including the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which City is indemnified under the Project Documents and defense of any action if City has tendered the defense of such action to Developer and Developer fails to defend any such action. Such reimbursement obligations shall bear interest from the date occurring 10 days after City gives written demand to Developer at the same rate as is provided in the City Loan Note (or if different interest rates are specified therein, the highest non-default interest rate), and shall be secured by the City Loan Deed of Trust. Such reimbursement obligations shall survive the cancellation of the City Loan Note, release and reconveyance of the City Loan Deed of Trust, issuance of the Release of Construction Covenants, and termination of this Agreement.

1000. TAXES AND ASSESSMENTS.

1001. Taxes and Impositions. After Developer's acquisition of the Properties from the Seller, Developer shall be responsible to and shall pay, prior to delinquency, all of the following (collectively, the "Impositions"): (a) all general and special real property taxes and assessments imposed on the Properties; and (b) all other taxes and assessments and charges of every kind that are assessed upon the Properties and that create or may create a lien upon the Properties (or upon any personal property or fixtures used in connection with the Properties), including non-governmental levies and assessments pursuant to applicable covenants, conditions or restrictions. If permitted by law, Developer may pay any Imposition in installments (together with any accrued interest).

1001.1 Right to Contest. Developer shall not be required to pay any Imposition so long as (a) the validity of such Imposition is being actively contested in good faith and by appropriate proceedings, and (b) either (i) Developer has demonstrated to City's reasonable satisfaction that leaving such Imposition unpaid pending the outcome of such proceedings could not result in conveyance of any parcel in satisfaction of such Imposition or otherwise impair City's interests under the Project Documents, or (ii) Developer has furnished City with a bond or other security satisfactory to City in an amount not less than 120% of the applicable claim (including interest and penalties).

1001.2 Evidence of Payment. Upon demand by the City Manager from time to time, Developer shall deliver to the City Manager within thirty (30) days following the due date of any Imposition, evidence of payment of said Imposition reasonably satisfactory to the City Manager, unless Developer is contesting the imposition in conformity with Section 1001.1. In addition, upon demand by City from time to time, in the event Developer is not furnishing reasonably satisfactory evidence of payment of such Impositions. Developer shall furnish to City a tax reporting service for the Properties of a type and duration, and with a company, reasonably satisfactory to City.

1100. LENDER/HOLDER PROTECTIONS.

1101. Right of City to Satisfy Other Liens on Properties after Title Passes. After the disbursement of any portion of the City Loan and prior to the recordation of the Release of Construction Covenants, and after Developer has had written notice and has failed after a reasonable time, but in any event not less than the applicable cure period as set forth in the applicable Project Document, to challenge, cure, adequately bond against, or satisfy any liens or encumbrances on the Properties which are not otherwise permitted under this Agreement, City shall have the right, but not the obligation, to satisfy any such liens or encumbrances and to add the amount of any payment made by City under this Section to the outstanding balance of the City Loan, which additional amount shall be secured by the City Loan Deed of Trust. Notwithstanding the above, Developer shall have the right to assert any challenge to the validity or amounts of any tax, assessment, or encumbrance available to Developer with respect thereto.

1102. Liens and Stop Notices. Developer shall not allow to be placed on the Properties or any part thereof any lien or stop notice. If a claim of a lien or stop notice is given or recorded affecting the Project, Developer shall within thirty (30) days of such recording or service or within twenty (20) days of City's demand whichever first occurs:

- (a) pay and discharge the same; or
- (b) affect the release thereof by recording and delivering to City a surety bond in sufficient form and amount, or otherwise; or
- (c) provide City with other assurance which City deems, in City's sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of City from the effect of such lien or bonded stop notice.

1103. Holder Not Obligated to Complete Rehabilitation. The holder of the Primary Loan or any other any mortgage or deed of trust pre-approved by City and authorized by this Agreement shall not be obligated by the provisions of this Agreement to complete the Project or any portion thereof, or to guarantee such completion; nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Properties to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

1104. Subordination Agreement. Of even date with the Closing, City, Developer and the California Public Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California ("CalPFA") will be entering into or have entered into that certain Subordination Agreement (Affordable) ("Subordination Agreement"). CalPFA is defined as the "Senior Lender" in the Subordination Agreement and such term includes its successors and assigns and any other Person who becomes the legal holder of the Senior Loan after the date of this Agreement (as such capitalized terms are defined therein). As Senior Lender, the Subordination Agreement agrees to permit the Subordinate Loan (which is the City loan hereunder) and to allow the subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in such Subordination Agreement. Further, the Subordination Agreement establishes rights, benefits and obligations between and among the parties relating defaults, mortgagee protections, rights to cure, etc. and shall apply as and between City and Developer until the Maturity Date as defined and set forth therein.

1105. [intentionally omitted]

1106. [intentionally omitted]

1107. Subordination. In connection with City's review of Developer's financing prior to the Date of Agreement by the City Manager, the City hereby finds that an economically feasible method of financing for the construction and operation of the Project, without the subordination of the affordable housing covenants and other provisions of this Agreement and the Regulatory Agreement is not reasonably available, therefore the City has exercised its discretion authorized subordination as set forth in the Subordination Agreement. The City by approving this Agreement authorizes the City Manager and City Clerk and their authorized designees to sign and attest the Subordination Agreement in connection with the Closing, which contract has a term of and expires as of the Maturity Date defined therein.

1107.1 Estoppels and Reaffirmation of Subordination. The Subordination Agreement includes the terms and conditions relating to refinancing and modifications of the Senior Loan (as defined therein) and City agrees to provide estoppel(s) and reaffirmation thereof; provided, however, the reaffirmation shall be evidenced by an agreement in a form reasonably acceptable to City and City's legal counsel. If and to the extent any reaffirmation, new, or amended subordination, or any estoppel certificates, or similar documents are requested and/or necessary, Developer expressly acknowledges and agrees that any and all third party cost incurred or to be incurred by City, including for example attorney fees or other consultant's costs, are and shall be the sole financial responsibility of Developer (or its Lender or other third party, but in no event City). City shall have no obligation to commence work on such additional work relating to subordination or reaffirmation of subordination without a deposit of the estimated third party costs which City may draw upon to pay such third party costs.

1108. Failure to Obtain Financing. In the event Developer, despite exercising its best efforts to obtain the required Primary Loan and other financing and funding described in this Agreement for the Project, fails to obtain such financing and funding as specified in the Agreement by the time required in the Schedule of Performance, Developer may terminate this Agreement by notice thereof to City, and City may terminate this Agreement as provided herein.

1109. Subordination of City Loan Deed of Trust and Security Agreement. Subject to the terms of Section 1107, City agrees under the Subordination Agreement that its Deed of Trust and Security Agreement to the deed of trust under the Primary Loan (Senior Loan thereunder) is subordinate as provided in the Subordination Agreement.

1200. AFFORDABLE HOUSING COVENANTS; MAINTENANCE, PROPERTY MANAGEMENT, AND OPERATION OF PROJECT.

1201. Duration of Affordability Requirements; Affordability Period. The Project and all the Housing Units thereon shall be subject to the requirements of this Section 1200 *et seq.* for the full term of fifty-five (55) years from the date the Release of Construction Covenants is issued by City and recorded against the Properties ("Affordability Period").

1202. Tenant Selection Covenants.

1202.1 Compliance with *Limon* Judgment; Selection of Tenants. Developer shall be responsible for the selection of tenants for the Housing Units in compliance with the applicable federal, state and local laws, Federal Program Limitations, the HOME Program and all lawful and reasonable criteria as set forth in the Management Plan that is required to be submitted to and approved by the City as a Condition Precedent and under this Agreement. Developer shall adopt a tenant selection system for the seven (7) HOME Units in conformance with Section 92.253(d) of the HOME Regulations, which shall be approved by City Manager in his reasonable discretion, which establishes a chronological waiting list system for selection of tenants and meets the requirements of this Section 1202 and the Regulatory Agreement.

(a) Following the completion of the Rehabilitation and re-occupancy by the existing occupants of the Housing Units, as applicable, as a critical and essential part of its tenant selection for vacant Housing Units, if any, and as Housing Units available for occupancy by 60% AMI Low Income Households first become vacant, subject to applicable Fair Housing Laws, the Developer shall grant a first priority to 60% AMI Low Income Households who were displaced from the former improvements called the "Travel Country Recreational Vehicle Park" ("RV Park") by activities of the Garden Grove Agency for Community Development ("Former Agency"), now a dissolved redevelopment agency, or as otherwise described in that certain Judgment in *Marina Limon v. Garden Grove Agency for Community Development, et al.*, Orange County Superior Court Case No. 30-2009-00291597 ("*Limon* Judgment"), and a second priority to any 60% AMI Low Income Households who were otherwise displaced by activities of the Former Agency at the income category that corresponds to the income of the displaced households.

(i) Developer shall provide written notice to the City at least thirty (30) days prior to Developer commencing its marketing activities for the initial lease-up of the Project in conformance with the approved Management Plan. In addition, this prior notice from Developer to City also shall include a complete copy of the form of the "application" with a description of necessary supporting materials to be completed by applicants for prospective tenancy at the Project, in particular so that the displacees described in the subsections below (and the plaintiffs' counsels in the *Limon* Judgment) can be notified in writing and have an adequate time to prepare and submit an application and in order for the Garden Grove Housing Authority or the Successor Agency to the Garden Grove Agency for Community Development (or the City) to perform under and implement the requirements of such *Limon* Judgment.

(ii) Subject to applicable Fair Housing Laws, Developer's waiting list of prospective, eligible tenants for Housing Units at the Project shall include and follow the following order of priority for selection of tenants:

A. first priority to 60% AMI Low Income Households who were displaced from the RV Park by activities of the Former Agency or as otherwise described in the *Limon* Judgment;

B. second priority to 60% AMI Low Income Households who were otherwise displaced by activities of the Former Agency at the income category that corresponds to the income of the previously displaced households;

C. third priority to 50% AMI Very Low Income Households and 60% AMI Low Income Households, as applicable, who were previously displaced

from their residences within the City due to programs or projects implemented by the Garden Grove Housing Authority, the City or another governmental entity that operates within the City; and

D. fourth priority to 50% AMI Very Low Income Households and 60% AMI Low Income Households, as applicable, who then currently live and/or currently work in the City as of the date of application to Developer for prospective tenancy at the Project.

1202.2 Selection of Tenants. In addition to Developer's compliance with Section 1202.1 above, the Developer shall be responsible for the selection of tenants for the Housing Units in compliance with the HOME Program, Federal Program Limitations and all lawful and reasonable criteria, as set forth in the Management Plan that is required to be submitted to and approved by City pursuant to this Agreement. Subject to Developer's first compliance with Section 1202.1 above, Developer shall use its best efforts to rent vacant Housing Units to eligible households on the Garden Grove Housing Authority's tenant waiting list and eligible households currently holding portable Section 8 vouchers, who are otherwise qualified to be tenants in accordance with the approved tenant selection criteria. In addition, with respect to tenants selected to occupy Housing Units receiving Project Based Section 8 assistance, Developer shall give preference to eligible tenants who are elderly or disabled or to eligible tenant households receiving supportive services, in accordance with 24 CFR Section 983.56, who are otherwise qualified to be tenants in accordance with the approved tenant selection criteria. Developer shall adopt a tenant selection system for the seven (7) HOME Units in conformance with Section 92.253(e) of the HOME Regulations, which shall be approved by City Manager in his reasonable discretion, which establishes a chronological waiting list system for selection of tenants. The tenant selection system shall include, without limitation, a method for investigation of the credit history of proposed tenants through obtaining a credit report on the proposed tenant. To the extent Housing Units are available, Developer shall not refuse to lease to a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME Program, Section 8 program or other tenant-based assistance program solely on the basis of such certificate, voucher, or comparable document, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria.

1202.3 Income and Occupancy Restrictions. As included in the annual income certification provided by Developer or as otherwise reasonably requested by City, Developer shall endeavor to make available for City Manager's review and approval such information as Developer has reviewed and considered in its selection process, together with the statement by Developer that Developer has determined that each selected tenant will comply with all applicable terms and conditions of this Agreement in each tenant's occupancy of a Housing Unit, including without limitation, that each corresponding household satisfies the income eligibility requirements, Affordable Rent requirements, and other requirements of this Agreement.

(a) In this regard, Developer covenants and agrees that (i) each tenant (other than the on-site Property Manager) shall and will be a 50% AMI Very Low Income Household or a 60% AMI Low Income Household as defined herein, and (ii) the cost to each tenant household (other than the on-site Property Manager) for the corresponding Housing Unit on the Properties shall be at and within the defined Affordable Rent for the applicable 50% AMI Very Low Income Household or 60% AMI Low Income Household, and (iii) each tenant household (other than the on-site Property Manager) shall meet HQS occupancy standards for the Housing Unit (subject to

Section 1202.5 below), and (iv) the occupancy and use of the Properties shall comply with all other covenants and obligations of this Agreement (collectively, "Tenant Selection Covenants").

1202.4 Income/Unit Mix. Developer covenants that:

(a) Two (2) of the 1-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent and two (2) of which units shall be designated as Low HOME Units;

(b) Eighteen (18) of the 1-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent;

(c) Five (5) of the 2-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent and four (4) of which units shall be designated as Low HOME Units;

(d) Thirty-seven (37) of the 2-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent;

(e) One (1) of the 3-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent and such unit too shall be designated as a Low HOME Unit; and

(f) Fourteen (14) of the 3-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent; and

(g) one (1) 2-bedroom Housing Unit at the Project shall be occupied by an on-site property manager. The on-site manager is not required to income qualify as a 50% AMI Very Low Income Household or 60% AMI Low Income Household; nor shall the monthly housing payment charged for the on-site manager's Housing Unit be restricted to an Affordable Rent, nor shall Developer be required to comply with any other requirements set forth in this Agreement relating to the income or other Tenant Selection Covenants when selecting and retaining such on-site manager.

1202.5 Minimum and Maximum Occupancy Limits. The minimum occupancy of the Housing Units in the Project shall not be less than one person per bedroom. The maximum occupancy of the Housing Units in the Project shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one; thus: (i) for the one-bedroom Housing Units the maximum occupancy shall not exceed three (3) persons, (ii) for the two (2) bedroom Housing Units the maximum occupancy shall not exceed five (5) persons; and (iii) for the three (3) bedroom Housing Units the maximum occupancy shall not exceed seven (7) persons.

1202.6 Housing Units Intended as Replacement Housing by City and its Affiliated Entities. Developer acknowledges that City is investing in the Project and providing the City Loan to Developer to cause long-term affordable housing, qualifying under the HOME Program as HOME Units during the HOME Compliance Period, qualifying as replacement housing required under that certain *Limon* Judgment (defined in Section 1201.1 herein) and qualifying as reserved or banked replacement housing under federal or state laws, as, if, and when applicable to the City or its affiliated entities such as the Garden Grove Housing Authority and the Successor Agency to the

Garden Grove Agency for Community Development. Therefore, this Agreement shall serve as notice and evidence that the City is investing in the Project and providing the City Loan to Developer to qualify, use, and bank all 78 affordable housing units in this Project (excluding the onsite manager's unit) for purposes of replacement housing (i) as defined and required under federal and state laws, as, if and when applicable, to the City, Housing Authority or Successor Agency, and (ii) in satisfaction of the Successor Agency's replacement housing obligations that may remain under and in implementation of the *Limon* Judgment.

1203. Income Certification Requirements. Following the completion of the Rehabilitation and re-occupancy by the existing occupants of the Housing Units, and annually thereafter (on or before March 31 of each year), Developer shall submit to City, at Developer's expense, a written summary of the income, household size and rent payable by each of the tenants of the Housing Units. At City's request, but not less frequently than prior to each initial and subsequent rental of each Housing Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants. Developer shall obtain, or shall cause to be obtained by the Property Manager, an annual certification from each household leasing a Housing Unit demonstrating that such household is a 50% AMI Very Low Income Household or 60% AMI Low Income Household, as applicable, and meets the eligibility requirements established for the Housing Unit. Developer shall verify, or shall cause to be verified by the Property Manager, the income certification of each tenant household. In order to comply with this Section, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with the HOME Regulations and Federal Program Limitations, as applicable. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City.

1203.1 Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project pursuant to the Tenant Selection Covenants set forth in Section 1202 herein, and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods.

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed.

(iii) obtain an income verification certification from the employer of the person.

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies.

(v) obtain an alternate form of income verification reasonably requested by City, if none of the above forms of verification is available to Developer.

1204. Affordable Rent.

1204.1 Maximum Monthly Rent. The maximum monthly rent chargeable for the HOME Units shall be annually determined by City in accordance with Section 92.252 of the HOME Regulations and the maximum monthly rent chargeable for the balance of the Housing Units shall be governed by the Tax Credit Regulatory Agreement and Tax Credit Rules, as applicable, under the following formulas. The City's Regulatory Agreement shall reflect the same maximum monthly rent chargeable for the units as provided in the prior sentence.

(a) The Affordable Rent for the Housing Units to be rented to 50% AMI Very Low Income Households shall not exceed:

(i) for the seven (7) Low HOME Units: the rent shall be the lesser of: (A) one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate for the unit pursuant to the Tax Credit Rules or (B) the applicable Low HOME rent amount in compliance with the HOME Regulations;

A. In clarification of the Affordable Rent for the seven (7) Low HOME Units as of June 6, 2016, HUD set the maximum rent inclusive of any utility allowance as listed below and adjustments (annual or more often as promulgated by HUD) shall be made by Developer in compliance with the HOME Regulations during the HOME Compliance Period:

- One bedroom Low HOME rent - \$914
- Two bedroom Low HOME rent - \$1,097
- Three bedroom Low HOME rent - \$1,267; and

(ii) for the Housing Units that are not HOME Units (and for the HOME Units after the HOME Compliance Period for the remaining term of the Affordability Period) the rent shall be one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate to the unit pursuant to the Tax Credit Rules.

(b) The Affordable Rent for the Housing Units to be rented to 60% AMI Low Income Households shall not exceed:

(i) one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate to the unit pursuant to the Tax Credit Rules.

For purposes of this Regulatory Agreement, "Affordable Rent" means the total of monthly payments by the 50% AMI Very Low Income Households and 60% AMI Low Income Households occupying the Housing Units in the Project for (a) use and occupancy of each Housing Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, or cable TV or internet services, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer.

1204.2 Initial Rents for Existing Tenants. For the existing tenants of the Housing Units initially designated as one of the seven (7) HOME Units, who (1) were tenants at the Properties as of the date Developer acquires the Properties, (2) will be temporarily displaced (and not be permanently displaced) from the Project, and (3) will return to a Housing Unit after the completion of the Rehabilitation, for the first twelve (12) months of tenancy/occupancy after the completion of the Rehabilitation the tenant's monthly rent (inclusive of a utilities allowance) for such twelve month period shall be the greater of (i) thirty percent (30%) of such household's actual monthly gross income, or (ii) the actual gross Rent (inclusive of utilities) paid by such household as of the date Developer acquires the Properties, but in no event shall such Rent paid by such household exceed the Affordable Rent for the Housing Units under this Agreement.

1204.3 Rent Schedule and Utility Allowance. City will review and approve the Affordable Rents proposed by Developer for all of the Housing Units together with the monthly allowances proposed by Developer for utilities and services to be paid by the tenant. Developer must annually reexamine the income of each tenant household living in the Housing Units annually in accordance with Sections 1203 and 1214 herein. The maximum monthly rent must be recalculated by Developer and the City shall have the right to review and approve such recalculated rent levels annually with respect to the HOME Units, and may change as changes in the applicable gross Rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in Rents for the Housing Units is subject to the provisions of outstanding leases. Developer must provide all tenants not less than thirty (30) days prior written notice before implementing any increase in Rents.

1204.4 Increases in Tenant Income. A tenant who qualifies as a 50% AMI Very Low Income Household or a 60% AMI Low Income Household prior to occupancy of a Housing Unit in compliance with the Agreement shall be deemed to continue to be so qualified until such time as the annual re-verification of such tenant's income demonstrates that such tenant no longer qualifies as a 50% AMI Very Low Income Household or a 60% AMI Low Income Household, as applicable. A tenant occupying a Housing Unit whose income increases, causing that tenant household to cease to be income qualified in the same category shall, if that tenant household continues to qualify in a higher income category provided for under this Agreement, be deemed to so qualify and the Housing Unit occupied by such tenant household shall be counted towards Developer's obligation to provide a Housing Unit for households in such income category. A tenant household whose income increases such that such tenant household ceases to be income qualified to occupy any Housing Unit at the Project, may continue to occupy his Housing Unit and be charged rent including a reasonable utility allowance, not greater than the lesser of thirty percent (30%) of the household's adjusted monthly income, recertified annually, or the market rent applicable to the Housing Unit as published by HUD.

1204.5 Most Restrictive Affordable Rent Covenants Govern. To the extent of an inconsistency between or among the foregoing covenants relating to Affordable Rent and other covenants or agreements applicable to the Project, the most restrictive covenants or agreement regarding the Affordable Rent for the Housing Units in the Project shall prevail.

1204.6 Affordable Rent Calculation Chart. In illustration of the foregoing description of Affordable Rent, attached hereto as Attachment No. 10 and fully incorporated by this reference is an "Affordable Rent Calculation Chart (Sycamore Court Housing Project)." The chart is illustrative only and in the event of any inconsistency between such chart and the specific provisions of this Agreement, the provisions of this Agreement shall prevail.

1205. Leases; Rental Agreements for Housing Units. As set forth in the Conditions Precedent, Developer shall submit a standard lease form, which shall comply with HOME Regulations (including 24 CFR 92.253), and all requirements of this Agreement, to City for approval. City shall reasonably approve such lease form upon finding that such lease form is consistent with this Agreement and contains all of the provisions required pursuant to the HOME Program, the HOME Regulations, and Federal Program Limitations. Developer shall enter into a written lease, in the form approved by City, with each tenant/tenant household of the Project. No lease shall contain any of the provisions that are prohibited pursuant to Section 92.253 of the HOME Regulations. In the event Developer desires to use a different form lease/rental agreement for the HOME Units than for the remaining non-HOME Units, Developer shall submit both proposed form lease/rental agreements to City for their approval of each such document (except immaterial modifications to the approved lease form are permitted without prior approval).

1206. [Reserved.]

1207. Supportive Services. Developer shall provide supportive services to the tenant households of the Project as and to the extent required by HUD pursuant to the HAP Contract.

1208. Maintenance. Developer shall, at its sole cost and expense, maintain or cause to be maintained the interior and exterior of the Project and all Housing Units thereof and the Properties in a decent, safe and sanitary manner, in accordance with the HUD Housing Quality Standards (HQS) and the maintenance standards required by Section 92.251 of the HOME Regulations, and in accordance with the standard of maintenance of comparable high quality, well-managed affordable rental housing projects within Orange County, California such as and comparable to those owned or operated by Mariman & Co., or The Related Companies of California, or Jamboree Housing Corporation or other highly reputable owners and developers of high quality affordable rental housing projects in the County. None of the Housing Units in the Project shall at any time be utilized on a transient basis, nor shall the Properties or any portion of any unit or the Properties ever be used as a hotel, motel, vacation rental, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home, or be converted to condominium ownership. If at any time Developer fails to maintain the Project or the Properties in accordance with this Agreement and such condition is not corrected within ten (10) days after written notice from City with respect to graffiti, debris, and waste material, or thirty days after written notice from City with respect to general maintenance, landscaping and building improvements, then City, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Project or the Properties and perform all acts and work necessary to protect, maintain, and preserve the Project and the Properties, and to attach a lien upon the Properties, or to assess the Properties, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by

City and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Developer to City upon demand. The liens created under this Section shall be subject and subordinate to the lien of the mortgage or deed of trust encumbering the Properties (or any part of the Properties) for the Primary Loan approved pursuant to the terms of this Agreement.

1209. Management of the Project.

1209.1 Property Manager. Developer shall cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with property management standards for other comparable high quality, well-managed rental housing projects in Orange County, California. Developer shall contract with a property management company or property manager to operate and maintain the Project in accordance with the terms of this Section 1209 ("Property Manager"); provided, however, the selection and hiring of the Property Manager (and each successor or assignee Property Manager) is and shall be subject to prior written approval of City Manager in his sole and reasonable discretion; provided, further the QRM Corp. is hereby approved as the initial Property Manager for the Project. The Property Manager shall not be an Affiliate of Developer without the express prior written approval of the City Manager, which consent shall not be unreasonably withheld, delayed, or conditioned. Developer shall conduct due diligence and background evaluation of any potential outside property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have prior experience with rental housing projects and properties comparable to the Project and the references and credit record of such manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to the City Manager for review and approval. A complete and true copy of the results of such background evaluation shall be provided to the City Manager. Approval of a Property Manager by City Manager shall not be unreasonably delayed but shall be in his sole and reasonable discretion, and City Manager shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing management of the Project. Furthermore, the identity and retention of any approved Property Manager shall not be changed without the prior written approval of the City Manager, which approval shall not be unreasonably withheld or delayed, but shall be in his sole and reasonable discretion. The selection by Developer of any new Property Manager also shall be subject to the foregoing requirements. The annual fee to be paid to the Property Manager shall not exceed five percent (5%) of annual scheduled gross income of the Project.

1209.2 Management Plan. Prior to and as a Condition Precedent of the initial or any subsequent installment payment of the City Loan proceeds, Developer shall prepare and submit to the City Manager for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long term operation, maintenance, repair, security, social/supportive services, if any, for, and marketing of the Project, method of selection of tenants, rules and regulations for tenants, and other rental and operational policies for the Project ("Management Plan"). City Manager approval of the Management Plan shall not be unreasonably withheld or delayed. Subsequent to approval of the Management Plan by the City Manager the ongoing management and operation of the Project shall be in compliance with the approved Management Plan. Developer and Property Manager may from time to time submit to the City Manager proposed amendments to the Management Plan, which are also subject to the prior written approval of the City Manager.

(a) Gross Mismanagement. In the event of "Gross Mismanagement" (as that term is defined below) of the Project or any part of the Project, City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of written notice from City Manager. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the City Manager), but has failed to complete such cure by the thirtieth (30th) day, then Developer or Property Manager shall have an additional ten (10) days to complete the cure of such Gross Mismanagement condition(s). In no event shall any condition of Gross Mismanagement continue uncured for a period exceeding forty-five (45) days from date of the initial written notice of such condition(s). If such condition(s) do persist beyond such period City Manager shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) replace the Property Manager with a new property manager of the City Manager's selection at the sole cost and expense of Developer. If Developer takes steps to select a new Property Manager that selection is subject to the requirements set forth above for selection of a Property Manager.

(i) For purposes of this Agreement, the term "Gross Mismanagement" shall mean management of the Project (or any part of the Project) in a manner which violates the terms and/or intention of this Agreement to operate a high quality rental housing complex comparable to other similar complexes in Orange County, California, and shall include, but is not limited to, any one or more of the following:

A. Knowingly leasing to tenants who exceed the prescribed income levels;

B. Knowingly allowing the tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

C. Knowingly allowing the tenants to allow or use any Housing Unit for vacation rental purposes without taking immediate action to stop such activity;

D. Underfunding required reserve accounts, unless funds are reasonably not available to deposit in such accounts;

E. Failing to timely maintain the Project in accordance with the Management Plan and the manner prescribed herein;

F. Failing to submit timely and/or adequate annual reports to City as required herein;

G. Fraud or embezzlement of Project funds, including without limitation funds in the reserve accounts;

H. Failing to reasonably cooperate with the Garden Grove Police Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime-free environment within the Project;

I. Failing to reasonably cooperate with the Garden Grove Fire Department or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project;

J. Failing to reasonably cooperate with the Garden Grove Planning & Building Department, including the Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project; and

K. Spending funds from the Capital Replacement Reserve account(s) for items that are not defined as capital costs under the standards imposed by generally accepted accounting principles (GAAP) (and/or, as applicable, generally accepted auditing principles.)

(ii) Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and shall use commercially reasonable efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and requirements of this Agreement within any contract between Developer and its Property Manager.

(b) Marketing. Developer shall comply with an affirmative marketing plan reasonably approved by City, including methods for informing the public and potential tenants about the federal fair housing laws, procedures to inform and solicit applications from persons in the housing market area not likely to apply for tenancy at the Housing Units without special outreach and recordkeeping methods that will permit City to evaluate the actions taken by Developer (or Property Manager) to affirmatively market the Housing Units at the Project. Specific procedures for marketing and releasing Housing Units shall be set forth in the Management Plan and shall include:

(i) Posting advertisements and notices of the availability of the Housing Unit(s) in local newspapers and other publications. Such advertisements and notices shall include a description of the age and income requirements applicable to the Housing Unit(s).

(ii) Posting advertisements and notices of the vacancy(ies) at local religious institutions, community centers, public buildings such as post-offices and City Hall, and the Garden Grove Senior Center.

(iii) Posting advertisements and notices of the vacancy(ies) anywhere Developer believes tenant households eligible for occupancy in the Housing Units at the Project are likely to become informed.

1209.3 Operation and Management of Properties Post-closing Pending Commencement of Rehabilitation. After the close of the Escrow and Developer's acquisition of the Properties, the day to-day management and operation of the existing seventy-eight (78) townhome apartment units and the overall Properties shall be undertaken by and shall be the sole legal and financial responsibility of Developer. Developer is and shall remain responsible for and shall exercise its best efforts to manage and operate the Properties consistent with good property management standards of comparable affordable residential rental properties in Orange County, California such as those owned or operated by Mariman & Co., or The Related Companies of

California, or Jamboree Housing Corporation or other highly reputable owners and developers of high quality affordable rental housing projects in the County. In connection with such property management by Developer: (i) all rents and other income derived from such property management shall be retained by Developer in compensation for such management, and (ii) Developer shall be responsible to undertake, maintain, and pay for all ongoing maintenance, repair, security, and other upkeep of the Properties, (iii) City shall not be required to pay any property management fees to Developer for such management, operation and upkeep; and (iv) Developer shall be responsible to monitor, administer and oversee tenancies so as to not adversely impact the relocation objections triggered by this Project.

1210. Code Enforcement. Developer acknowledges and agrees that City and City's employees and authorized agents shall have the right to conduct code compliance and/or code enforcement inspections of the Project and the individual units, both exterior and interior, during normal business hours and upon reasonable notice (not less than 72 hours prior notice) to Developer and/or an individual tenant. If such notice is provided by City representative(s) to Developer, then Developer (or its Property Manager) shall immediately and directly advise tenant of such upcoming inspection and cause access to the area(s) and/or units on the Project to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the approved lease/rental agreements for each Housing Unit in the Project in order for each and every tenant and tenant household to be aware of this inspection right.

1211. Capital Reserve Requirements. Developer shall annually set aside and fund the Capital Replacement Reserve amounts defined and required under this Agreement (Three Hundred Dollars (\$300) per year for each Housing Unit) or shall cause the Property Manager to do so; provided, that funding of replacement reserves under the requirements of the Primary Loan, so long as such replacement reserve deposits are not less than the amount required under this Section 1211, shall satisfy this requirement. The Capital Replacement Reserve deposits shall be allocated from the gross collections for all rents received from the operation of the Properties and shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the fixtures and equipment on the Properties (including common areas) that are normally capitalized under generally accepted accounting principles and shall include the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs, showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Developer of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Properties and all common areas and common improvements in the manner prescribed herein.

1211.1 Annual Accounting of Reserve. Not less than once per year, Developer, at its expense, shall submit to City an accounting for the Capital Replacement Reserve set forth in the Annual Financial Statement, demonstrating compliance with this Section 1211.

1212. Operating Budget. Developer shall submit to City on not less than an annual basis the Operating Budget for the Project that sets forth the projected Operating Expenses for the upcoming year.

1213. Capitalized Operating Reserve. Commencing on or before Conversion, Developer shall, or shall cause the Property Manager to, set aside an amount equal to three (3) months of (i) Debt Service on the Primary Loan and (ii) Operating Expenses for the Project ("Target Amount") in an Capitalized Operating Reserve to be held in a separate interest bearing trust account, which initial deposit shall be funded using proceeds of the Primary Loan and Tax Credit equity, provided that funding of, and disbursements from, a capitalized operating reserve under the requirements of the Primary Loan or the Partnership Agreement, so long as such capitalized operating reserve amounts are no less than the amount required under this Section 1213, shall satisfy this requirement. The Capitalized Operating Reserve shall thereafter be replenished from Annual Project Revenue (if any) only to the extent required by the Lender or Developer's Tax Credit investor. The amount in the Capitalized Operating Reserve shall be retained to cover shortfalls between Annual Project Revenue and actual Operating Expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve.

1213.1 Annual Accounting of Reserve. Not less than once per year, Developer, at its expense, shall submit to City an accounting for the Capitalized Operating Reserve set forth in the Annual Financial Statement, demonstrating compliance with this Section 1213.

1214. Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in the HOME Program, including Section 92.508 (or successor regulation) of the HOME Regulations, and shall annually complete and submit to City a Certification of Continuing Program Compliance substantially in the form of Attachment No. 13, or other form provided by City Manager. Representatives of City shall be entitled to enter the Properties, upon at least seventy-two (72) hours' notice, to monitor compliance with this Agreement, to inspect the records of the Project, and to conduct an independent audit or inspection of such records. Developer agrees to cooperate with City in making the Properties and all Housing Units thereon available for such inspection or audit. Developer agrees to maintain records in a businesslike manner, to make such records available to City upon seventy-two (72) hours' notice, and to maintain such records for the entire Affordability Period.

1214.1 HOME Matching Requirement. Developer acknowledges that City will use HOME Funds to make the City Loan and that the HOME Program, specifically 24 CFR 92.218 through 24 CFR 92.222, contains a HOME Matching Requirement. Developer shall deliver documentation to City to assist City in evaluating whether any Developer expenditures or other subsidies to the Project are eligible to be applied to the HOME Matching Requirement in each annual progress report submitted by Developer pursuant to Section 2 of Exhibit C to the Regulatory Agreement and shall maintain such records pursuant to Section 1 of Exhibit C to the Regulatory Agreement.

1215. Regulatory Agreement. The requirements of this Agreement that are applicable after the disbursement of the City Loan are set forth in the Regulatory Agreement. The execution of the Regulatory Agreement is a condition precedent to the initial or any subsequent disbursement of the City Loan.

1216. Transfers; General Prohibition of Transfer without City Consent. The qualifications and identity of Developer as the qualified Developer and as an experienced and successful developer and operator/manager of affordable housing are of particular concern to City. It is because of these identities and the qualifications of each of the partners that comprise the

Developer entity that City has entered into this Agreement with Developer. Accordingly, commencing upon Developer's acquisition of the Properties and continuing through and including the completion of the Rehabilitation of the Properties and the final payment on the City Loan Note or the end of the Affordability Period, whichever occurs later, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, nor shall Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the Properties, or any part thereof, or this Agreement (collectively referred to herein as a "Transfer") without the prior written approval of City, except as expressly set forth herein, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Subordination Agreement during the term thereof provides for the terms under which the Primary Loan may be refinanced prior to the City Loan Maturity Date.

1216.1 Permitted Transfers. Notwithstanding the provisions of this Agreement or any other Project Document prohibiting transfer of any interest in Developer, the Properties, the Project, this Agreement, or any of the Project Documents, City approval of a Transfer shall not be required in connection with any of the following:

(a) The conveyance or dedication of any portion of the Properties to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate the Rehabilitation (as defined herein).

(b) An assignment for financing purposes to secure the funds necessary for the acquisition of the Properties and undertaking through completion of the Rehabilitation or a refinancing thereof, so long as such construction and/or permanent loan documents have been duly reviewed and approved by City, and City has approved such financing or refinancing pursuant to this Agreement.

(c) Leasing of individual Housing Units to qualified tenants in accordance with Section 1200, *et seq.* and the Regulatory Agreement.

(d) The transfer of or all or any part of the Properties or the Project, or assignment of any Project Document to AOF/Golden State Community Development Corp. ("Parent"), a nonprofit corporation in which a majority of the board of directors are members of the board of directors of the Parent (collectively "Parent Affiliate Entity"), or an entity or entities in which a Parent Affiliate Entity is a general partner or managing member.

(e) The substitution of the general partner of Developer (the "General Partner") as directed by the limited partner of Developer that is the tax credit equity investor (the "Investor Limited Partner") in accordance with the terms of the Partnership Agreement, subject to the following terms and conditions. Such Investor Limited Partner may substitute an affiliate (the "Interim General Partner") on an interim basis for a period reasonably calculated to identify and admit into the partnership a new general partner as set forth below (the "Substitute General Partner"). The Interim General Partner is hereby approved by the City. The Substitute General Partner must be an entity reasonably acceptable to the City Manager, which approval shall not be unreasonably withheld or delayed.

(f) The pledge by the General Partner of Developer to the Investor Limited Partner of the General Partner's interest in Developer, as security for the performance of all of the General Partner's obligations under the Partnership Agreement.

(g) The pledge by the General Partner of Developer to Lender of the General Partner's interest in Developer, as security for the performance of all of Developer's obligations under the Primary Loan (or any approved refinancing thereof).

(h) The pledge by the Investor Limited Partner to Lender of the Investor Limited Partner's interest in Developer, as security for the performance of all of the Developer's obligations under the Primary Loan (or any approved refinancing thereof).

(i) The sale, transfer or pledge of any limited partnership interest or non-managing member's interest in Developer or of any partnership or membership interest in the Limited Partner.

(j) Any dilution of the General Partner's interest in Developer in accordance with the Partnership Agreement.

(k) The sale, transfer, or conveyance of the General Partner's interest in Developer to a Parent Affiliate Entity.

In the event of a Transfer by Developer not requiring City's prior approval, Developer nevertheless agrees that at least fifteen (15) days prior to such Transfer it shall give written notice to City of such assignment and satisfactory evidence that the assignee will and shall assume all of the obligations of this Agreement in writing through an assignment and assumption agreement in a form reasonably acceptable to City. The form of each assignment and assumption agreement shall be submitted to City for review and approval by City's legal counsel not later than fifteen (15) days prior to the proposed date of the Transfer.

1216.2 City Consideration of Requested Transfer. City agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of a Transfer made pursuant to this Section 1216, *et seq.*, provided Developer delivers written notice to City requesting such approval and includes the proposed assignment and assumption contract and, if required by City, all necessary and relevant background and experience information related to the proposed transferee.

An assignment and assumption agreement in form satisfactory to City's legal counsel shall be required for each proposed Transfer. Within fifteen (15) days after the receipt of Developer's written notice requesting City approval of a Transfer pursuant to this Section 1216, *et seq.*, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to City such further information as may be reasonably requested. Upon the effective date of the approved or permitted Transfer, the assignor shall be released by City from any and all obligations assumed by the assignee.

(a) Payment of City Third Party Costs re Proposed Transfer. Any and all third party costs incurred by City in connection with consideration and approval (or disapproval) of a proposed transferee for any Transfer shall be paid by Developer, and payment thereof shall be and remain a condition precedent to City's obligation to approve and execute any Transfer document, including without limitation any assignment and assumption agreement.

1216.3 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include any other permitted successors and assigns of Developer, as applicable, and as herein provided. Upon the effective date of the approved or permitted Transfer, if an assignment and assumption agreement reasonably acceptable to City has been executed and delivered to City, the assignor Developer shall be released by City from any and all obligations assumed by the approved or permitted assignee.

1300. FEDERAL PROGRAM LIMITATIONS; COMPLIANCE WITH LAWS.

1301. HOME Program. Because the City Loan to Developer will be provided with HOME Program funds, Developer shall carry out the Rehabilitation of the Housing Units and the operation of the Project in conformity with all requirements of the HOME Program (including the 2013 HOME Final Rule) to the extent applicable to the Project. In the event Developer desires to change the affordable housing or maintenance requirements for the Properties from the specific requirements set forth in this Agreement in order to comply with a subsequently enacted amendment to the HOME Program, Developer shall notify City in writing of such proposed change and the amendment related thereto at least thirty (30) days prior to implementing such change. In the event City disapproves of such change and Developer's interpretation of the amendment related thereto, City shall notify Developer of its disapproval in writing and the parties shall seek clarification from the appropriate HUD Field Office. Only if HUD concurs with Developer's interpretation of the HOME Program shall Developer be permitted to implement the proposed change.

1302. Federal Funding of City Loan. Due to the source of funding for the City Loan from HOME Program funds, which is a federal revenue source, Developer shall comply with all applicable Federal Program Limitations, including without limitation, the following federal provisions.

1302.1 Property Standards. Developer agrees to ensure that Rehabilitation of the Project will comply with all applicable requirements of the HOME Regulations, including 24 CFR §92.251, including the following requirements:

(a) **State and Local Requirements.** The Project and all Housing Units and common areas at the Properties shall meet all applicable State and local codes, ordinances, and zoning requirements, including all applicable requirements set forth in the Garden Grove Municipal Code and all applicable State and local residential and building codes. The Project and all Housing Units and common areas at the Properties must meet all such applicable requirements upon Project completion.

(b) **HUD Requirements.** The Project and all Housing Units and common areas at the Properties shall also meet the requirements described in paragraphs (i) through (iv) of this Section 1302.1(b):

(i) **Accessibility.** The Project and all Housing Units and common areas at the Properties shall meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet any applicable design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

(ii) **Disaster Mitigation.** Where relevant, the Project must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

(iii) **Written Cost Estimates, Subcontracts and Construction Documents.** The material subcontracts and the Rehabilitation Plans must describe the construction work to be undertaken in adequate detail so that the City can conduct inspections in accordance with the HOME Regulations. The Developer shall also provide written cost estimates for construction for the City's review; City shall determine whether such cost estimates are reasonable.

(iv) **Construction Progress Inspections.** Developer shall permit and facilitate progress and final inspections of the Rehabilitation by the City to ensure that work is done in accordance with the applicable codes, the contract(s), subcontracts, Scope of Rehabilitation and approved construction plans.

(c) **Ongoing Property Condition Standards: Rental Housing.** City has established property standards for rental housing ("City Property Standards"), which standards include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures (Uniform Physical Condition Standards (UPCS)) prescribed by HUD pursuant to 24 CFR 5.705. Developer shall ensure that the Project, including all Housing Units and common areas at the Properties, shall comply with the City's Property Standards throughout the Affordability Period. In accordance with the City's Property Standards, Developer shall maintain the Project, including all Housing Units and common areas at the Properties: (i) as decent, safe, and sanitary housing in good repair, (ii) free of all health and safety defects and all life-threatening deficiencies, and (iii) in compliance with the lead-based paint regulations and requirements in 24 CFR Part 35.

(d) **Inspections; Corrective and Remedial Actions.** In accordance with the HOME Regulations, City shall undertake ongoing inspections of the Project in accordance with §92.504(d). City has developed written inspection procedures and procedures for ensuring that timely corrective and remedial actions are taken by the Developer to address identified deficiencies.

1302.2 Federal Davis-Bacon Labor Standards. Due to only seven (7) HOME Units (i.e., < 11), the provisions of the Secretary of the United States Department of Labor under the Davis-Bacon Act (40 U.S.C. §276a-276a-5) ("Davis-Bacon") are not triggered for this Project. Further, the HAP Contract renewal, if implemented under Chapter 15 of the Section 8 Renewal Policy – Guidance for the Renewal of Project-Based Section 8 HAP Contracts memorandum effective as of November 1, 2015, and in the absence of FHA financing, will not trigger Davis-Bacon requirements. Developer acknowledges and understands that other federal and/or state funding sources and financing scenarios may trigger compliance with applicable state and federal prevailing wage laws and regulations. The highest applicable wage requirements will apply.

1302.3 Handicapped Accessibility. Developer shall comply with, as and to the extent applicable, (a) Section 504 of the Rehabilitation Act of 1973, and implementing regulations at 24 CFR 8C governing accessibility of projects assisted with federal funds; and (b) the Americans with Disabilities Act of 1990, and implementing regulations at 28 CFR 35-36 in order to provide handicapped accessibility to the extent readily achievable; and (c) the Uniform Federal Accessibility Standards (UFAS) pursuant to the Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157, as amended.

1302.4 Use of Debarred, Suspended, or Ineligible Participants. Developer shall comply with the provisions of 24 CFR 24 relating to the employment, engagement of services, awarding of contracts, or funding of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status. Developer, each subcontractor, and any other contractors or subcontractors or agents of Developer (subject to compliance with 24 CFR part 135) shall have provided to City the certification in appendix B of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from this Project, and City shall be responsible for determining whether each contractor has been debarred.

1302.5 Maintenance of Drug-Free Workplace. Developer shall certify that Developer will provide a drug-free workplace in accordance with 2 CFR 2429.

1302.6 Lead-Based Paint. City, as a recipient of federal funds, has modified and conformed all of its federally funded housing programs to the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, *et seq.*, specifically §§4821-4846, and the implementing regulations thereto. In this regard, Developer shall comply with all applicable federal requirements relating to lead-based paint.

1302.7 Affirmative Marketing. Developer shall adopt and implement affirmative marketing procedures and requirements at the Properties in accordance with Section 92.351 of the HOME Regulations.

1302.8 Nondiscrimination, Equal Opportunity and Fair Housing. Developer shall carry out the Project and perform its obligations under this Agreement in compliance with all of the federal laws and regulations regarding nondiscrimination equal opportunity and fair housing described in 24 CFR 92.350 and 24 CFR 5.105.

1302.9 Energy Conservation Standards. As applicable to the Project, Developer shall cause the Properties to meet the cost-effective energy conservation and effectiveness standards in 24 CFR 965 and 24 CFR 990.185.

1302.10 Displacement and Relocation. Developer acknowledges and agrees that, pursuant to Federal Program Limitations and consistent with the other goals and objectives of that part and pursuant to the adopted relocation plan, City must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of the Rehabilitation work. Furthermore, to the extent feasible, and subject to the tenant screening criteria set forth in the Management Plan, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary and affordable Housing Unit at the Properties or comparable outside property upon completion of the Construction work. Developer shall cause all Relocation of tenants and occupants of the Properties to be conducted in accordance with the Relocation Laws and all Federal Program Limitations. Developer further agrees to cooperate with City in meeting the requirements of the Federal Program Limitations and shall take all actions and measures reasonably required by the City Manager (or his duly authorized representative) in connection therewith.

1302.11 Requests for Disbursements of Funds. Developer may not request disbursements of funds hereunder until the funds are needed for payment of eligible costs of the Project. The amount of each request shall be limited to the amount needed for the acquisition of the

Properties and the Rehabilitation as set forth in the Final Budget and to be paid in installments as set forth herein.

1302.12 Eligible Costs. Developer shall only use HOME Program funds to pay costs defined as "eligible costs" under Federal Program Limitations.

1302.13 Records and Reports. Developer shall maintain and from time to time submit to City such records, reports and information as City Manager may reasonably require in order to permit City to meet the recordkeeping and reporting requirements required of them under 24 CFR 92.508. Without limiting the following, Developer shall maintain records and submit annual reports as required by this Agreement and Exhibit C to the Regulatory Agreement.

1302.14 Conflict of Interest. Developer shall comply with and be bound by the conflict of interest provisions set forth at 24 CFR 570.611.

1302.15 Conflicts between and among Federal Program Limitations and State or Local Law. If and to the extent applicable for any source of federal revenue expended to implement the Project and in the event of any conflict or inconsistency between applicable Federal Program Limitations and/or and State or local law, then the more stringent requirement(s) shall control.

1302.16 Layering Review. Developer acknowledges that a layering review will be performed in accordance with Federal Program Limitations. In connection with such review Developer acknowledges and agrees it shall be required to represent and certify to City that no government assistance other than the City Loan, the proceeds of the Bonds, the Tax Credits, the welfare exemption under California Revenue and Taxation Code Section 214(g), and the HAP Contract assistance has been obtained or is contemplated to be obtained for the acquisition, Rehabilitation and operation of the Properties. If such layering review is conducted, Developer agrees to notify City in the event that it applies for or proposes to use governmental funds, other than as listed in the previous sentence, for the Properties or the Project.

1303. Compliance with Laws. Developer shall comply with all applicable federal, state and local statutes, ordinances, regulations and laws, (including the Governmental Requirements) with respect to Developer's ownership and the Construction and the operation and management of the Properties by Developer (all of which comprises the Project hereunder). Developer shall carry out the design, construction and completion of the Rehabilitation, and operation and management of the Project, in conformity with all applicable laws, including all applicable federal, state, and local labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Garden Grove Municipal Code, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Act, Civil Code Section 51, *et seq.*

1303.1 Prevailing Wage Laws. Developer shall carry out the Rehabilitation through completion of the Project and the overall development of the Properties in conformity with all applicable state and local labor laws and regulations, including without limitation, Davis-Bacon and California law (Labor Code Section 1720, *et seq.*)

(a) In this regard, Developer shall be solely responsible, expressly or impliedly, for determining and effectuating compliance with all applicable federal, state and local

public works requirements, prevailing wage laws, labor laws and standards, and City makes no representations, either legally or financially, as to the applicability or non-applicability of any federal, state or local laws to the Project or any part thereof, either onsite or offsite. Developer expressly, knowingly and voluntarily acknowledges and agrees that City has not previously represented to Developer or to any representative, agent or Affiliate of Developer, or any of its contractors and subcontractors for the construction or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction undertaken pursuant to this Agreement is (or is not) a "public work," as defined in Section 1720 of the Labor Code or under Davis-Bacon.

(b) Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all required disclosures or identifications as required by Labor Code Section 1781 and/or by Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend (with legal counsel acceptable to City) and hold harmless the Indemnitees, with counsel reasonably acceptable to City and its elected and appointed public officials, employees and agents, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, Construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer of any applicable local, state and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages); (ii) the implementation of Section 1781 of the Labor Code and/or Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis-Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the development and construction (as defined by applicable law or regulation) of the Project, including, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state and local law or regulation and/or the implementation of Labor Code Section 1781 and/or Davis-Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. "Increased costs," as used in this Section 1303.1, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the Construction and development of the Project by Developer. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance.

1303.2 Labor Compliance.

(a) Labor Compliance Consultant. In connection with the City's oversight and compliance by the Project contractors and subcontractors as to all applicable federal and state labor laws, and if applicable, prevailing wage laws, Developer acknowledges that City already has retained and has under contract a professional services agreement with an experienced, professional labor compliance consultant--Labor Compliance Management ("Labor Compliance Consultant"). In this regard, Developer agrees to pay for and reimburse the City for the services

provided by the Labor Compliance Consultant within thirty (30) days of the City's submittal of an invoice therefor. Developer shall maintain records, and the Labor Compliance Consultant, will oversee Developer's compliance with and submittal of all labor-related reports including certified payroll records for review by the City not less frequently than once per month. In the event the City is required to conduct an audit of Developer, its contractors', or any of its subcontractors' labor compliance activities and/or records to evaluate noncompliance with labor laws evidenced in Developer's submittals under this Section 1303.2, Developer shall pay the City's third party costs incurred in accordance with such labor compliance audit by the Labor Compliance Consultant.

(i) In the event City becomes aware of any noncompliance with federal Section 3 requirements, Labor Code Section 1720, *et seq.*, or other applicable labor requirements, City shall have the right to require the Developer to set aside into a third party escrow account moneys in an amount reasonably determined by City to be sufficient to remedy such noncompliance.

(b) Completion and Labor Compliance Guaranty. At the Closing, Developer shall deliver to City a Completion and Labor Compliance Guaranty in substantially the form of Attachment No. 12.

(c) Implementation of HAP Contract Subject to Labor Compliance. As provided herein and as an express condition precedent to implementation of the HAP Contract the City or City's third party labor compliance consultant (as applicable) shall have certified to the City that the Rehabilitation was completed in accordance with all applicable labor and prevailing wage laws.

1303.3 Section 3 Compliance. Developer agrees to comply with and to cause each and all of its contractors and subcontractors and any and all or agents of Developer or any Affiliate of Developer to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. §1701u, and the implementing regulations, in connection with the construction of the Project to the extent applicable. Developer shall submit to City each subcontract with appropriate provisions providing for the Rehabilitation of the Project in conformance with the terms of this Agreement, including the Section 3 Clause. Developer and each and all of its contractors and subcontractors shall register with the City of Garden Grove Workforce Center.

(a) City has prepared a Section 3 "checklist" and other forms related to Section 3 compliance, attached hereto as Attachment No. 18 and fully incorporated by this reference; and as provided by City to Developer, and its contractor(s) or subcontractor(s), if any, and as applicable, such forms shall be utilized in all contracts and subcontracts to which Section 3 applies. Developer hereby acknowledges and agrees to take all responsibility for compliance with all Section 3 Clause federal requirements as to Developer, and each and all of its contractors and subcontractors, and other agents. Developer shall provide or cause to be provided to each and all of its contractors and subcontractors and other agents the checklist for compliance with the Section 3 Clause federal requirements provided by City, to obtain from Developer and each and all of its contractors and subcontractors, and other agents all applicable items, documents, and other evidence of compliance with the items, actions, and other provisions within the checklist, and to submit all such completed Section 3 Clause documentation and proof of compliance to the City Manager. To the extent applicable, Developer shall comply and/or cause compliance with all Section 3 Clause requirements for the Project. For example, when and if Developer or its contractor(s) hire(s) full

time employees, rather than volunteer labor or materials, Section 3 is applicable and all disclosure and reporting requirements apply.

1400. NONDISCRIMINATION COVENANTS.

1401. Nondiscrimination and Equal Opportunity. Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

1402. Prohibition of Inquiries on Sexual Orientation or Gender Identity. Developer further covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Properties, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this Section 1400, *et seq.*, shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successors and assigns, and shall remain in effect in perpetuity.

1500. DEFAULTS AND REMEDIES.

1501. Defaults—General. Subject to the permitted extensions of time and other cure periods set forth in this Agreement and in the Project Documents, failure or delay by any party to perform any term or provision of this Agreement constitutes a Default hereunder and under Project

Documents. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence.

1501.1 Events of Default by Developer. The occurrence of any of the following, whatever the reason therefor, shall specifically constitute an Event of Default by Developer:

(a) Developer fails to make payment under the City Loan Note when due, and such failure is not cured within ten (10) days after Developer's receipt of written notice that such payment was not received when due; or

(b) Developer fails to perform any other obligation for the payment of money (other than payments of principal or interest) under any Project Document, and such failure is not cured within ten (10) days after Developer's receipt of written notice that such obligation was not performed when due, and Developer has not exercised its right to contest the obligation to make such payments in conformity with this Agreement; or

(c) Developer fails to perform any obligation (other than obligations described in subsections (a) and (b), above) under any Project Document, and such failure is not cured within thirty (30) days after Developer's receipt of written notice that such obligation was not performed; provided that, if cure cannot reasonably be effected within such thirty (30)-day period, such failure shall not be an Event of Default so long as Developer (in any event, within thirty (30) days after receipt of such notice) commences cure, and thereafter diligently prosecutes such cure to completion; or

(d) The work of Rehabilitation on the Project ceases for thirty (30) consecutive days for any reason (other than and limited to: governmental orders, decrees or regulations, acts of God, strikes or other causes beyond Developer's reasonable control) and such causes, in the aggregate and in the City Manager's reasonable judgment, threaten to delay the completion of the Project beyond the required Outside Completion Date set forth in this Agreement; or

(e) Developer is enjoined or otherwise prohibited by any governmental agency from constructing and/or occupying the Improvements and such injunction or prohibition continues unstayed for thirty (30) days or more for any reason; or

(f) Developer is dissolved, liquidated or terminated, or all or substantially all of the assets of Developer are sold or otherwise transferred without the City Manager's prior written consent to the extent consent is required; or

(g) Developer is the subject of an order for relief by a bankruptcy court, or is unable or admits its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Developer applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Developer and the appointment continues undischarged or unstayed for ninety (90) days; or Developer institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, reorganization, or similar proceeding relating to it or any part of its property; or any similar proceeding is instituted without the consent of Developer and continues undismissed or

unstayed for ninety (90) days; or any judgment, writ, warrant of attachment or execution, or similar process is issued or levied against any property of Developer is not released, vacated or fully bonded within ninety (90) days after its issue or levy; or

(h) City exercises City's right to cure a default by Developer under the Primary Loan, or other financing senior to the City Loan and Developer does not reimburse City for the cost to cure such default within ten (10) days following written demand for payment from City.

1502. Notice of Default. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, the injured party may not institute proceedings against the party in default until thirty (30) days after giving such notice or, provided that the party is proceeding with diligence to cure, such greater time as may be necessary to cure given the nature of the Default. Failure or delay in giving such notice shall not constitute a waiver of any Default, nor shall it change the time of Default. If City fails to approve or disapprove any request by Developer within the time period set forth in this Agreement or any other Project Document (or, if no time period is set forth herein or therein, within thirty (30) days after the initial request), such failure shall be a Default by City ten (10) days after Developer gives City notice of the Default.

1502.1 Notice to Tax Credit Investor. The City hereby agrees that the Investor Limited Partner shall receive concurrent notice of any Default hereunder, and shall have a thirty (30) day period to cure such Default on behalf of the Developer. The City shall give Investor Limited Partner notice at the address set forth below or such other address as Investor Limited Partner may instruct the City in writing from time to time:

Pacific Premier Bank
17901 Von Karman Ave., Suite 1200
Irvine, CA 92614
Attention: Mark Whalen, Senior Vice President

1503. Termination Prior to Developer's Acquisition of Properties.

1503.1 Termination by Developer. In the event that prior to the Closing of the Escrow:

(a) Developer is unable to obtain the Primary Loan or other financing necessary for the acquisition and Rehabilitation of the Properties; or

(b) City is in default of the Agreement and has not cured or commenced to cure such default within the applicable cure periods; then, subject to any applicable cure provisions contained in this Agreement, at the option of Developer, all provisions of this Agreement shall terminate and be of no further force and effect. Thereafter, neither City nor Developer shall have any further rights against or liability to the other with respect to this Agreement.

1504. Remedies Upon Default.

1504.1 Institution of Legal Actions. The occurrence of any Event of Default shall give the non-defaulting party the right to proceed with any and all remedies set forth in this Agreement or any other implementing or ancillary agreements related to the Project, including an

action for damages, an action or proceeding at law or in equity to require the defaulting party to perform its obligations and covenants hereunder or thereunder or to enjoin acts or things which may be unlawful or in violation of the provisions hereof or thereof, and the right to terminate this Agreement. In addition, the occurrence of any Event of Default by Developer will relieve City of any obligation to perform hereunder, including without limitation to fund the City Loan, and the right to cause any indebtedness of Developer to City hereunder to become immediately due and payable.

(a) Acceptance of Service of Process. In the event that any legal arbitration or action is commenced against City, service of process on City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law. In the event that any legal action is commenced against Developer, service of process on Developer shall be made by personal service upon a partner or an officer of Developer and shall be valid whether made within or outside the State of California or in such other manner as may be provided by law.

1504.2 Other City Remedies upon Developer Default. Upon the occurrence and during the continuance of any Event of Default by Developer, City may, at its option and in its sole and absolute discretion, do any or all of the following:

(a) By written notice to Developer, declare the principal of all amounts owing under the City Loan Note secured by the City Loan Deed of Trust and/or other Project Documents, together with all accrued interest and other amounts owing in connection therewith, to be immediately due and payable, regardless of any other specified due date;

(b) In its own right or by a court-appointed receiver, take possession of the Properties, enter into contracts for and otherwise proceed with the completion of the work of improvement on the Properties by expenditure of its own funds;

(c) Exercise any of its rights under the Project Documents and any rights provided by law, including the right to foreclose on any security and exercise any other rights with respect to any security, all in such order and manner as City elects in its sole and absolute discretion; and/or

(d) Seek and obtain an order for specific performance as allowed by law or in equity.

1505. Force Majeure. Subject to the party's compliance with the notice requirements as set forth below, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to causes beyond the control and without the fault of the party claiming an extension of time to perform, which may include, without limitation, the following: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, acts or omissions of the other party, or acts or failures to act of any public or governmental entity (except that City's acts or failure to act shall not excuse performance of City hereunder). An extension of the time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause.

1506. Attorney's Fees. In the event any legal action is instituted between City and Developer (including any member or partner of Developer or its successor(s) and assign(s)) in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorneys' fees, and all fees, costs, and expenses incurred on any appeal or in collection of any judgment.

1507. Inaction Not a Waiver of Default. Any failures or delays by any party 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, or deprive such party 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.

1508. Cumulative Remedies; No Waiver. The parties' rights and remedies under this Agreement are cumulative and in addition to all rights and remedies provided by law from time to time. The exercise by a party of any right or remedy shall not constitute a cure or waiver of any default, nor invalidate any notice of default or any act done pursuant to any such notice, nor prejudice such party in the exercise of any other right or remedy. No waiver of any default shall be implied from any omission by a party to take action on account of such default if such default persists or is repeated. No waiver of any default shall affect any default other than the default expressly waived, and any such waiver shall be operative only for the time and to the extent stated. No waiver of any provision of this Agreement shall be construed as a waiver of any subsequent breach of the same provision. A party's consent to or approval of any act by another party requiring further consent or approval shall not be deemed to waive or render unnecessary such party's consent to or approval of any subsequent act. A party's acceptance of the late performance of any obligation shall not constitute a waiver by such party of the right to require prompt performance of all further obligations; a party's acceptance of any performance following the sending or filing of any notice of default shall not constitute a waiver of such party's right to proceed with the exercise of its remedies for any unfulfilled obligations; and such party's acceptance of any partial performance shall not constitute a waiver by such party of any rights relating to the unfulfilled portion of the applicable obligation.

1600. MISCELLANEOUS.

1601. General Interpretation Terms.

1601.1 Singular and Plural Terms; Masculine and Feminine Terms. Any defined term used in the plural in any Project Document shall refer to both the singular and the plural form thereof. Any provision herein or defined term used that refers to the masculine shall also refer to the feminine, and any provision herein or defined term used that refers to the feminine shall also refer to the masculine.

1601.2 Accounting Principles. Any accounting term used and not specifically defined in any Project Document shall be construed in conformity with, and all financial data required to be submitted under any Project Document shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to City.

1601.3 References and Other Terms. Any reference to any Project Document or other document shall include such document both as originally executed and as it may from time to time be modified. References herein to Articles, Sections, Exhibits, and Attachments shall be

construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears except as otherwise noted. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation".

1601.4 Attachments and Other Exhibits Incorporated. All attachments and other exhibits to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

1602. Notice of Certain Matters. Developer shall give notice to City, within ten (10) days after Developer's learning thereof, of each of the following:

(a) any material pending or, so far as is known to Developer, threatened, legal proceedings to which Developer or an Affiliate is or may be made a party or to which any portion of the Properties is or may become subject, which have not been fully disclosed in the material submitted to City which could materially adversely affect the ability of Developer to carry out its obligations hereunder, whether covered by insurance or not;

(b) any dispute between Developer and any governmental agency relating to the Properties, the adverse determination of which might materially affect the Properties;

(c) any change in Developer's principal place of business;

(d) any aspect of the Project that is not in substantial conformity with the Scope of Rehabilitation;

(e) any Event of Default or event which, with the giving of notice or the passage of time or both, would constitute an Event of Default;

(f) the creation or imposition of any mechanics' lien or other lien against the Properties;

(g) any material adverse change in the financial condition of Developer;

(h) any material change affecting the eligibility of a selected Tenant; and

(i) any material change to Developer's Application to TCAC, which shall not occur without City's prior consent, which consent shall not be unreasonably withheld.

1603. Further Assurances. Developer and City shall each execute and acknowledge (or cause to be executed and acknowledged) and deliver to the other party all documents, and take all actions, reasonably required by the other party from time to time to confirm the rights created or now or hereafter intended to be created under the Project Documents, to protect and further the validity, priority and enforceability of the Regulatory Agreement, City Loan Deed of Trust, Security Agreement and Financing Statement or otherwise to carry out the purposes of the Project Documents.

1604. Obligations Unconditional and Independent. Notwithstanding the existence at any time of any obligation or liability of City to Developer, or any other claim by Developer against City, in connection with the Properties or otherwise, Developer hereby waives any right it might otherwise

have (a) to offset any such obligation, liability or claim against Developer's obligations under the Project Documents, or (b) to claim that the existence of any such outstanding obligation, liability or claim excuses the nonperformance by Developer of any of its obligations under the Project Documents.

1605. Notices. All notices, demands, approvals and other communications provided for in the Project Documents shall be in writing and be delivered to the appropriate party at its address as follows:

If to Developer: 10632 Bolsa Avenue, LP
c/o SC-MCO, LLC
500 Newport Center Drive, Suite 200
Newport Beach, CA 92660
Attn: Shawn Boyd

with copy to: 10632 Bolsa Avenue, LP
c/o AOF Sycamore Court, LLC
7755 Center Ave., Suite 575
Huntington Beach, CA 92647
Attention: Ajay Nayar

If to City: City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840
Attn: City Manager

With copies to: Omar Sandoval, Esq., City Attorney
11222 Acacia Parkway
Garden Grove, CA 92840

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660-6422
Attn: Celeste Stahl Brady, Esq.

Addresses for notice may be changed from time to time by written notice to all other parties. Written notice, demands and communications between City and Developer shall be deemed sufficient if dispatched by personal delivery, overnight delivery by a reputable courier service, registered or certified mail, postage prepaid, return receipt requested to the principal offices of City and Developer, the addresses of which are hereinafter set forth. Such written notices, demands and communications may be sent in the manner prescribed to each other's addresses as either party may, from time to time, designate by mail, or the same may be delivered in person to representatives of either party upon such premises. Notices herein shall be deemed given as of the date of personal service or three (3) consecutive calendar days after deposit of the same in the custody of the United States Postal Service.

1606. Survival of Representations and Warranties. All representations and warranties in the Project Documents shall survive the conveyance of the Properties and have been or will be relied on by City notwithstanding any investigation made by City.

1607. No Third Parties Benefited. Except as to the Garden Grove Housing Authority, this Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person shall have any rights hereunder or by reason hereof. The Garden Grove Housing Authority is an intended third party beneficiary of this Agreement with beneficial rights to the covenants herein and rights of enforcement, but no performance obligations.

1608. Binding Effect; Assignment of Obligations. This Agreement shall bind, and shall inure to the benefit of, Developer and City and their respective and permitted successors and assigns. Except as otherwise permitted pursuant to Section 1216.1 above, Developer shall not assign any of its rights or obligations under any Project Document without the prior written consent of City Manager, which consent may be withheld in the City Manager's sole and absolute discretion. Any such assignment without such consent shall, at City's option, be void. In connection with the foregoing consent requirement, Developer acknowledges that City relied upon Developer's particular expertise in entering this Agreement and continues to rely on such expertise to ensure the satisfactory completion of the Project.

1609. Counterparts. Provided that the written approval of City Manager is first obtained, any Project Document, other than the City Loan Note, may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

1610. Prior Agreements; Amendments; Consents; Integration. This Agreement (together with the other Project Documents) contains the entire agreement between City and Developer with respect to the Properties, and all prior negotiations, understandings and agreements are superseded by this Agreement and such other Project Documents. No modification of any Project Document (including waivers of rights and conditions) shall be effective unless in writing and signed by the party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes pages 1 through 86 and Attachment Nos. 1 through 18, which constitutes the entire understanding and agreement of the parties.

1611. Waivers. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of City and Developer, and all amendments hereto must be in writing by the appropriate authorities of City and Developer.

1612. Governing Law. All of the Project Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California and applicable Federal Program Limitations. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Orange or the United States District Court of the Central District of California, as City may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Agreement or the other Project Documents. Developer also waives any objection regarding personal or in rem jurisdiction or venue.

1613. Severability of Provisions. No provision of this Agreement or of any Project Document that is held to be unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of this Agreement and the Project Documents are hereby declared to be severable.

1614. Headings. Article and Section headings included in this Agreement, the Attachments, and any Project Documents are for convenience of reference only and shall not be used in construing such documents.

1615. Conflicts. In the event of any conflict between the provisions of this Agreement and those of the Promissory Note or the Regulatory Agreement, the provisions of the Promissory Note and the Regulatory Agreement shall prevail; however, in the event of a conflict between the provisions of this Agreement and any other Project Document, this Agreement shall prevail. Notwithstanding the foregoing, with respect to any matter addressed in both this Agreement and any other Project Document, the fact that one document provides for greater, lesser or different rights or obligations than the other shall not be deemed a conflict unless the applicable provisions are inconsistent and could not be simultaneously enforced or performed.

1616. Time of the Essence. Time is of the essence in this Agreement and in all of the Project Documents.

1617. Conflict of Interest. No member, official or employee of City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law.

1618. Warranty Against Payment of Consideration. 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.

1619. Nonliability of City and Developer Officials and Employees. No member, official, director, officer, board official, or employee of any party to this Agreement shall be personally liable to any other party, or any successor in interest of any other party, in the event of any default or breach by the party or for any amount which may become due to the other party(ies) or successor, or on any obligation under the terms of this Agreement.

1620. Broker's Commissions. No broker was contracted with in connection with the City Loan. Developer and Seller have engaged a broker in connection with Developer's acquisition of the Properties; however, City shall not be liable for any real estate commissions or brokerage fees that may arise from this Agreement or the Escrow. Developer represents to City that other than as disclosed above in this Section 1620, it has engaged no broker, agent, or finder in connection with this transaction, and Developer agrees to hold City harmless from any claim by any broker, agent or finder retained by Developer. City acknowledges that City has not engaged any broker, agent, or finder in connection with this transaction, and City agrees to hold Developer harmless from any claim by any broker, agent or finder retained by City.

1621. City Approvals and Actions through City Manager. City shall maintain authority of this Agreement and the authority to implement this Agreement through City Manager. City Manager shall have the authority to issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of City so long as such actions do not materially or substantively change the uses or development planned and required on the Properties, or add to the costs incurred or to be incurred by City as specified herein, and such interpretations, waivers and/or amendments may include extensions of time to perform as specified in the Schedule of Performance. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council.

1622. Implementation of Agreement and the Project. The parties acknowledge that, due to the long term nature of the Project, it may be necessary and/or appropriate at some time in the future, or from time to time, for the parties to enter into one or more implementation agreement(s) or to otherwise execute additional documentation to clarify and implement the provisions of this Agreement and provide for the incorporation of additional or different funding and/or financing sources for the development and operation of the Project, as may become necessary or appropriate for the successful development of the Project and implementation of this Agreement. Each party agrees to cooperate in good faith to negotiate and enter into such implementation agreement(s) for the Project as may be determined to be reasonably necessary and/or appropriate by Developer or City Manager, in either of their reasonable discretion.

1623. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

1624. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

1625. Non-Recourse Obligation. In the event of any Default under the terms of this Agreement or any of the other Project Documents, the sole recourse of City for any such Default shall be Developer's interest in the Properties and the Project and Developer and its partners and Affiliates shall not be personally liable for the payment of any obligations under this Agreement; provided, however, that the foregoing shall not in any way affect any rights City may have hereunder, or any right of City to recover or collect funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by City as a result of fraud, intentional misrepresentation or bad faith waste, and/or any costs and expenses incurred by City in connection therewith (including without limitation reasonable attorneys' fees and costs).

IN WITNESS WHEREOF, the parties hereto have caused this HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) to be executed on the dates hereinafter respectively set forth.

DEVELOPER:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

[Signatures continue on following page.]

[Signatures continue from previous page.]

CITY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:
STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

ATTACHMENT NO. 1

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

ATTACHMENT NO. 2
SCHEDULE OF PERFORMANCE

A. GENERAL

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| 1. <u>Submittal of Agreement</u> . Developer shall execute and submit the Agreement to City for consideration and action at a public meeting. | Fourteen (14) days prior to City Council consideration and action on the Agreement. |
| 2. <u>City Approval/Disapproval of Exceptions</u> . City shall provide Developer with written notification of City's approval or disapproval of the exception(s) set forth in the preliminary report for the Properties. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 3. <u>Insurance</u> . Developer shall furnish or cause to be furnished appropriate certificates of insurance and/or endorsements to City which meet all requirements of the Agreement. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 4. <u>Developer Signage</u> . Developer shall identify the Project with temporary construction signage designed and located as approved by City on the Properties (but not on each Property). | Within forty-five (45) days following the close of Escrow. |

B. PROJECT FINANCING

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|---|--|
| 1. <u>Submission of Evidence of Financing</u> . Developer shall submit to City evidence of financing for the Project as set forth in Section 206, <i>et seq.</i> and Section 207 of the Agreement. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan.. |
| 2. <u>Receipt of All Funding Commitments Necessary to Complete Acquisition of the Properties</u> . Developer shall use its best and good faith efforts to secure irrevocable funding commitments from Developer's Investor Limited Partner and Lender, which when combined with available City funding for this Project shall equal no less than all sums necessary to complete acquisition of the Properties and the Rehabilitation. Developer shall submit such commitments to City for review. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 3. <u>Approval of Developer's Evidence of Financing</u> . City shall approve, conditionally approve, or disapprove Developer's Evidence of Financing as required by the Agreement. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |

ATTACHMENT NO. 2
SCHEDULE OF PERFORMANCE

C. ACQUISITION OF THE PROPERTY

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| 1. <u>Open Escrow.</u> Developer shall open Escrow with the Seller to acquire the Properties. | On or before June 30, 2017. |
| 2. <u>Environmental Investigation.</u> Developer shall complete physical and environmental investigation of the Properties and submit copies of the report and recommended remedial actions to City and Seller. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 3. <u>Remediation Contracts.</u> Developer shall enter into contracts necessary to complete required remediation, if any, and set a schedule for completion thereof as a part of the Rehabilitation. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 4. <u>Deposit of Documents into Escrow.</u> Seller shall obtain and cause to be fully executed and deposited with Escrow Holder the Grant Deed. City and Developer shall cause to be fully executed the final form of the Memorandum of Agreement, City Loan Note, City Loan Deed of Trust, Security Agreement, Regulatory Agreement, Completion Guaranty, Request for Notice of Default, and such other Project Documents necessary for the Close of Escrow. | Not fewer than one (1) calendar day prior to Close of Escrow. |
| 5. <u>Conditions Precedent to Developer's Acquisition of the Properties and Initial Funding of the City Loan.</u> City must notify Escrow that all Conditions Precedent to Developer's acquisition of the Properties and City funding therefor from the proceeds of the City Loan have been satisfied by Developer or waived by City prior to the close of Escrow. | Not fewer than five (5) days prior to Close of Escrow but no later than June 23, 2017. |
| 6. <u>Close of Escrow.</u> Escrow shall close when all Conditions Precedent thereof have been waived or satisfied. | Within five (5) days of notification by City to Escrow Holder that all Conditions Precedent are satisfied and/or waived, but not later than the Outside Closing Date. |

D. REHABILITATION OF PROPERTY

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| 1. <u>Submission of Final Budget and Development Schedule.</u> Developer shall submit to City the Final Budget and updated construction schedule for the Rehabilitation pursuant to the Agreement. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
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ATTACHMENT NO. 2 SCHEDULE OF PERFORMANCE

Page 2 of 4

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| 2. <u>Approval of Costs of Rehabilitation and Development Schedule.</u> City shall approve, conditionally approve, or disapprove Developer's Final Budget and schedule for the Rehabilitation. | Within ten (10) days after receipt of a complete submittal of the Final Budget and schedule and as a Condition Precedent to City funding any portion of the City Loan. |
| 3. <u>Rehabilitation Plans.</u> Developer shall prepare and submit Rehabilitation Plans (as defined in the Agreement) to City for review and approval. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 4. <u>Approval of Rehabilitation Plans.</u> City shall review and approve, approve with conditions, or disapprove the Rehabilitation Plans. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 7. <u>Revision to Rehabilitation Plans.</u> Developer shall revise and resubmit Rehabilitation Plans to address conditions or disapproval to the satisfaction of City. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 8. <u>Management Plan.</u> Developer shall submit its proposed Management Plan to City for review and approval. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 9. <u>Approval of Management Plan.</u> City shall review and approve, approve with conditions, or disapprove the Management Plan. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 10. <u>Revision to Management Plan.</u> Developer shall revise Management Plan if conditionally approved or disapproved by City. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 11. <u>Approval of Revised Management Plan.</u> City shall review and approve, approve with conditions, or disapprove revised Management Plan. | As a Condition Precedent to Close of Escrow and the City releasing any proceeds of the City Loan. |
| 12. <u>Progress Reports.</u> During construction Developer shall prepare monthly written progress reports and submit to City Manager. | Commencing thirty (30) days after start of the Rehabilitation work through completion. |

ATTACHMENT NO. 2
SCHEDULE OF PERFORMANCE

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|--|--|
| 13. <u>Commencement of Rehabilitation.</u> Developer shall cause the Rehabilitation to be commenced by Mariman & Co. | Within thirty (30) days of Closing and subject to satisfaction of the applicable Conditions Precedent, but in no event later than August 15, 2017. |
| 14. <u>Completion of Rehabilitation.</u> Developer shall complete all work of the Rehabilitation. | On or before the Outside Completion Date and within one year after commencement of the Rehabilitation. |
| 15. <u>Release of Construction Covenants.</u> City to furnish Developer with a Release of Construction Covenants. | Within 14 days of receipt of Developer request and only after Developer's satisfactory completion of the Rehabilitation of the Project. |

For the purposes of this Schedule of Performance, the commencement date is the Date of Agreement of the HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project). The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between Developer and the City Manager, and City Manager is authorized on behalf of City to agree to make such revisions as he deems reasonably necessary. The City Manager, in his sole discretion, may elect to bring to the City Council for consideration and action any modifications to this Schedule of Performance. It is understood that the Schedule of Performance is subject to all of the terms and conditions set forth in the text of the Agreement. The summary of the items of performance in the Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any inconsistency between the Schedule of Performance and the text of the Agreement, the text shall govern. In the event the City Manager deems it necessary to bring to City Council for consideration one or more modifications to this Schedule of Performance, the discretion to do so is expressly reserved to the City Manager. The time periods set forth herein for City's approval of plans and drawings and other submittals that are submitted to City by Developer shall only apply and commence upon Developer's complete submittal of all the required information. In no event shall an incomplete submittal by Developer trigger any of City's obligations of review and/or approval hereunder; provided, however, that City shall notify Developer of an incomplete submittal as soon as is practicable and in no event later than the applicable time set forth for City's action on the particular item in question.

ATTACHMENT NO. 2
SCHEDULE OF PERFORMANCE

ATTACHMENT NO. 3

**CITY LOAN NOTE
PROMISSORY NOTE SECURED BY DEED OF TRUST**

\$1,200,000.00

Garden Grove, California

June __, 2017

FOR VALUE RECEIVED, **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer"), promises to pay to the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"), at its offices at 11222 Acacia Parkway, Garden Grove, California 92840, or at such other place as City may from time to time designate in writing, (a) the principal sum of One Million Two Hundred Thousand Dollars (\$1,200,000) (or so much of the proceeds as have been disbursed by City to Developer for the City Loan pursuant to the Agreement (defined below) but in no event to exceed \$1,200,000) ("Note Amount"); and (b) all costs and expenses payable hereunder.

RECITALS

A. This City Loan Note, Promissory Note Secured By Deed of Trust ("Note") is made pursuant to that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) by and between Developer and City, dated as of June 13, 2017 ("Agreement").

B. Capitalized terms used in this Note shall have the meaning set forth in the Agreement, unless expressly otherwise defined herein.

NOW, THEREFORE, for good valuable consideration, receipt of which is hereby acknowledged, Developer agrees as follows:

1. Agreement. The principal sums hereunder have been and are being loaned by City to Developer in accordance with and pursuant to the Agreement, which is a public record on file in the office of the City Clerk. The proceeds of the City Loan shall be disbursed only to pay for the items and in accordance with the procedures set forth in the Agreement. The terms of the Agreement are incorporated herein and made a part hereof to the same extent and with the same force and effect as if fully set forth herein. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail.

A default by Developer under any of the provisions of the Agreement, the City Loan Deed of Trust of even date herewith, any of the other Project Documents shall, after the expiration of any cure period under the respective agreement, be a default hereunder, and a default hereunder after applicable cure periods shall be a default under the Project Documents.

2. Interest. Three percent simple interest (3%) per annum (based on a 360-day year and charged on the basis of the actual number of days elapsed) shall accrue on the Note Amount and all other amounts due under this Note (other than accrued interest), except as set forth in Section 8 hereof.

3. **Term; Interest and Payment Obligation.** This Note shall be for a term commencing upon the date of initial disbursement of funds at Closing and continuing until September __, 2033, which date is ninety (90) days after the maturity date of the Primary Loan (herein, "City Loan Maturity Date").

(a) The City Loan Note shall bear simple interest at the rate of three percent (3%) per annum from the date of disbursement of City Loan proceeds. Commencing on March 18, 2018 and annually on or before the 75th calendar date of each succeeding year, Developer shall make annual interest-only payments to the City of \$36,000. On the City Loan Maturity Date of the City Loan Note, all principal and interest shall be due in full by Developer to City (without regard to Residual Receipts calculation). All principal and accrued interest shall be due in full to City on the City Loan Maturity Date.

(i) This Note shall be repaid through an annual Residual Receipts calculation based on operation of the Project. The City Loan Note shall be payable from seventy-five percent (75%) of Residual Receipts for the Project until the City Loan Note has been paid in full, but all amounts due, including the full principal amount principal and any and all accrued interest, shall be due and payable in full on the City Loan Maturity Date.

(A) In the event that seventy-five percent (75%) of Residual Receipts is insufficient to provide for payment of the entire annual interest payment due under this Note, then such unpaid interest (referred to as the "past-due interest amount") shall begin to accrue interest from the date on which such interest payment was due at the interest rate applicable to outstanding principal under this Note. The next annual payment shall be increased by the amount of the past-due interest amount plus interest accrued thereon. All past-due interest amounts shall continue to accrue interest until all such amounts and accrued interest thereon have been paid to the City.

(ii) In addition, this Note shall be paid in full from the Refinancing Net Proceeds immediately upon any refinancing of the Project (or any part thereof) or from the Transfer Net Proceeds immediately upon any transfer in whole or in part of the Project (excluding the residential leases to tenants).

(b) Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 8 below.

4. **Form of Payments.** All amounts due hereunder are payable in immediately available funds and lawful monies of the United States of America.

5. **Application of Payments.** All payments shall be applied (i) first, to costs and fees owing hereunder, (ii) second, to the payment of unpaid accrued interest owing hereunder for each calendar year in which no payment was made by Developer pursuant to Section 3 hereof, (iii) third, to the payment of accrued interest for the preceding calendar year, and (iv) fourth, to the payment of principal.

6. **Prepayment.** At any time, Developer may prepay in whole or in part the outstanding principal balance under this Note, together with all accrued interest, if any, and unpaid fees, costs and expenses, if any, payable hereunder, without penalty or premium. In the event of prepayment by Developer, the Regulatory Agreement, in particular the covenants with respect to affordable housing

ATTACHMENT NO. 3

CITY LOAN NOTE

Page 2 of 7

for 50% AMI Very Low Income Households and 60% AMI Low Income Households as set forth in the Agreement and the Regulatory Agreement, shall remain intact, and shall be unaffected by the prepayment of this Note by Developer.

7. **Security.** This Note and all amounts payable hereunder are secured by the City Loan Deed of Trust, a third trust deed, of even date herewith ("Deed of Trust"), executed by Developer in favor of City and recorded against the Properties in the Official Records of Orange County, which Deed of Trust shall only be subordinate to a deed of trust securing the repayment of the Primary Loan and such other encumbrances approved by City in writing. The terms of the Deed of Trust are incorporated herein and made a part hereof to the same extent and with the same force and effect as if fully set forth herein. A default under any of the provisions of the Deed of Trust shall be a default hereunder, and a default hereunder shall be a default under the Deed of Trust. In addition, Developer granted to City a security interest in all of Developer's right, title and interest in and to the Collateral as defined in the Security Agreement and Financing Statements.

8. **Subordinate Note.** The indebtedness evidenced by this City Loan Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note (and any schedules) dated as of even date herewith in the original principal amount of \$14,400,000.00, executed by 10632 Bolsa Avenue, LP, a California limited partnership and payable to the order of California Public Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California ("Senior Lender"), to the extent and in the manner provided in that certain Subordination Agreement dated as of even date herewith by and among the City as payee and beneficiary of this City Loan Note, and Senior Lender, and Developer, 10632 Bolsa Avenue, LP, a California limited partnership ("Subordination Agreement"). The City Loan Deed of Trust (and any exhibits) securing this City Loan Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing the Multifamily Note and the terms, covenants and conditions of the Multifamily Loan and Security Agreement evidencing the terms of the Multifamily Note, subject to the terms and conditions and as more fully set forth in the Subordination Agreement. The rights and remedies of the City and each subsequent holder of this City Loan Note under the Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing this City Loan Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this City Loan Note shall be deemed, by virtue of such holder's acquisition of the City Loan Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement for the term thereof. The term of said Subordination Agreement however does not extend beyond the City Loan Maturity Date provided hereunder.

9. **Acceleration and Other Remedies.** If elected by City pursuant to the following sentence, the entire balance due under this Note shall be paid to City upon the earlier of any of the following (each, an "Event of Default"): (i) the uncured default of Developer under the Project Documents, this Note, or the Deed of Trust, in each case, after delivery of notice and expiration of the applicable cure period provided in the respective agreement; or (ii) the sale, lease or other transfer or conveyance (other than the permitted rentals and conveyances under the Agreement) of all or any part of the Project, or any interest therein (individually or collectively a "Transfer"), without the prior written consent of City in accordance with the Agreement, in each case, after delivery of notice and expiration of the applicable cure period provided in the applicable Project Document. Upon the occurrence and during the continuance of an Event of Default, City may, at City's option, declare the

ATTACHMENT NO. 3

CITY LOAN NOTE

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outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. City shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as City may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of City in exercising any right hereunder, under the Agreement, the Project Documents or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement, the Project Documents, the Deed of Trust or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of City's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment. In addition, upon any Event of Default, the Note Amount and all outstanding amounts due under this Note shall accrue interest at the default rate of ten percent (10%) per annum (based on a 360-day year and charged on the basis of the actual number of days elapsed) ("Alternate Rate").

10. Waivers. Except to the extent notice is required under any of the Project Documents, Developer and all endorsers, guarantors and sureties hereof jointly and severally waive presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to any and all property securing this Note, and the benefit of any exemption under any homestead exemption laws, if applicable. Developer expressly agrees that this Note or any payment hereunder may be extended from time to time at City's sole discretion and that City may accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Developer. No extension of time for payment of this Note made by agreement by City 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 Developer under this Note, either in whole or in part. The obligations of Developer under this Note shall be absolute and Developer waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever. No previous waiver and no failure or delay by City in acting with respect to the terms of this Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Deed of Trust or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

11. Consents. Developer and all endorsers, guarantors and sureties consent to: (a) any renewal, extension or modification (whether one or more, and subject to the terms and provisions of the Agreement relating to modification, extension, and/or amendment) of the terms of the Agreement as such terms relate to this Note or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof to the extent requested or approved by Developer, (c) the granting of any other indulgences to Developer, and (d) the taking or releasing of other or additional

ATTACHMENT NO. 3

CITY LOAN NOTE

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parties primarily or contingently liable hereunder. Except as otherwise set forth above, any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Developer or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

12. Successors and Assigns. Whenever "City" is referred to in this Note, such reference shall be deemed to include the City of Garden Grove, California and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Developer, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of City and its successors and assigns. City may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of Developer. Whenever "Developer" is referred to in this Note, such reference shall be deemed to include 10632 Bolsa Avenue, LP and its approved successors and assigns, including, without limitation, any approved subsequent assignee or obligor of this Note, if such approval is given in accordance with the Agreement. In no event shall Developer assign or transfer any portion of this note without the prior express written consent of City, except as permitted in the Agreement.

13. Usury. It is the intention of Developer and City to conform strictly to the Interest Law, as defined below, applicable to this loan transaction. Accordingly, it is agreed that notwithstanding any provision to the contrary in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, the aggregate of all interest and any other charges or consideration constituting interest under the applicable Interest Law that is taken, reserved, contracted for, charged or received under this Note, or under any of the other aforesaid agreements or otherwise in connection with this loan transaction, shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law applicable to this loan transaction. If any excess of interest in such respect is provided for in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, then, in such event:

- (a) the provisions of this paragraph shall govern and control;
- (b) neither Developer nor Developer's heirs, legal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law applicable to this loan transaction;
- (c) any excess shall be deemed canceled automatically and, if theretofore paid, shall be credited on this Note by City or, if this Note shall have been paid in full, refunded to Developer; and
- (d) the effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as defined below), allowed under such Interest Law, as now or hereafter construed by courts of appropriate jurisdiction. To the extent permitted by the Interest Law applicable to this loan transaction, all sums paid or agreed to be paid to City for the use, forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Note. For purposes of this Note, "Interest Law" shall mean any present or future law of the State of California, the United States of America, or any other jurisdiction which has application to the interest and other charges under this Note. The "Maximum Legal Rate of Interest" shall mean the maximum rate of interest that City may from time to time

ATTACHMENT NO. 3

CITY LOAN NOTE

Page 5 of 7

charge Developer, and under which Developer would have no claim or defense of usury under the Interest Law.

14. Costs of Enforcement. Developer agrees to pay upon demand all reasonable costs and expenses, including attorneys' fees, expert witness fees, and costs of suit (including appeals), incurred by City to enforce the terms hereof. In addition to the foregoing award of attorneys' fees, City shall be entitled to its reasonable attorneys' fees incurred in any post-judgment proceedings to enforce any judgment in connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

15. Miscellaneous. Time is of the essence hereof. If this Note is now, or hereafter shall be, signed by more than one party or person, it shall be the joint and several obligation of such parties or persons (including, without limitation, all makers, endorsers, guarantors and sureties), and shall be binding upon such parties and upon their respective successors and assigns. This Note shall be governed by and construed under the laws of the State of California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Orange or the United States District Court of the Central District of California, as City hereof may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Note. Developer also waives any objection regarding personal or in rem jurisdiction or venue to the extent such action is filed in the above-referenced courts. In the event of a conflict between the provisions of this Note and the HOME Agreement, this Note shall control.

16. Non-Recourse Obligation. In the event of any Default under the terms of this Agreement or any of the other Project Documents, the sole recourse of City for any such Default shall be Developer's interest in the Properties and the Project and Developer and its partners and Affiliates shall not be personally liable for the payment of any obligations under this Agreement; provided, however, that the foregoing shall not in any way affect any rights City may have hereunder, or any right of City to recover or collect funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by City as a result of fraud, intentional misrepresentation or bad faith waste, and/or any costs and expenses incurred by City in connection therewith (including without limitation reasonable attorneys' fees and costs).

[Signatures on next page]

ATTACHMENT NO. 3

CITY LOAN NOTE

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[Promissory Note continued from previous page]

IN WITNESS WHEREOF, the parties hereto have caused this City Loan Note, Promissory Note Secured by Deed of Trust to be executed on the date first set forth above.

DEVELOPER:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

ATTACHMENT NO. 3

CITY LOAN NOTE

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ATTACHMENT NO. 4

CITY LOAN DEED OF TRUST

Recording Requested By and
When Recorded Mail To:

**City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager**

(Space above for Recorder's use.)

(This document is exempt from the payment
of a recording fee pursuant to Government
Code Section 6103.)

SUBORDINATE DEED OF TRUST AND ASSIGNMENT OF RENTS

This **SUBORDINATE DEED OF TRUST AND ASSIGNMENT OF RENTS** ("Deed of Trust"), dated as of June __, 2017 is executed by **10632 BOLSA AVENUE, LP**, a California limited liability company ("Trustor"), as trustor, whose address is c/o SC-MCO, LLC, 500 Newport Center Drive, Suite 200, Newport Beach, California 92660, in favor of **FIRST AMERICAN TITLE INSURANCE COMPANY** ("Trustee"), as trustee, for the benefit of the **CITY OF GARDEN GROVE**, a California municipal corporation ("Beneficiary"), as beneficiary, whose address is 11222 Acacia Parkway, Garden Grove, California 92840, Attention: City Manager. Each capitalized term used herein and not otherwise defined herein shall have the meaning given such term in the "Agreement" (as defined in Section 2.1(b), below).

ARTICLE I

GRANT OF SECURITY

1.1 Grant of Security. FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt and adequacy of which are hereby acknowledged, Trustor hereby irrevocably grants, transfers and assigns to Trustee, IN TRUST, WITH POWER OF SALE, AND RIGHT OF ENTRY AND POSSESSION, for the benefit and security of Beneficiary, all rights, titles, interests, estates, powers and privileges that Trustor now has or may hereafter acquire in or to the following property and interests therein (collectively, the "Properties"):

(a) That certain real property ("Land" or "Properties") in the City of Garden Grove, County of Orange, State of California, more particularly described on Exhibit "A" attached hereto;

**ATTACHMENT NO. 4
CITY LOAN DEED OF TRUST**

(b) All buildings and other improvements now or hereafter located on the Land, including, but not limited to, the Fixtures (as defined below) and any and all other equipment, machinery, appliances and other articles attached to such buildings and other improvements (collectively, the "Improvements");

(c) All fixtures (collectively, the "Fixtures") now or hereafter located on, attached to, installed in or used in connection with the Land and the Improvements, including all awnings, boilers, furnaces, pipes, plumbing, elevators, cleaning, call and sprinkler systems, fire extinguishing machinery and equipment, water tanks, heating, ventilating, air conditioning and air cooling machinery and equipment, gas and electric machinery and equipment, and other equipment, machinery and appliances and other fixtures of every kind and nature;

(d) All rights, rights-of-way, easements, licenses, profits, privileges, tenements, hereditaments and appurtenances now owned or hereafter acquired by Trustor and used in connection with the Land and the Improvements or as a means of access to either or both;

(e) All of Trustor's right, title and interest now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Land, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Land and Improvements;

(f) All oil, gas and other mineral rights in or relating to the Land, and all royalty, leasehold and other rights of Trustor in or relating thereto;

(g) All water, water rights and riparian rights (including, without limitation, shares of stock evidencing the same) in or relating to the Land;

(h) All leases and subleases relating to all or any part of the Land and the Improvements or any interest therein, now or hereafter existing or entered into, including all deposits, advance rentals and other payments of a similar nature but not including the Rents, as defined and separately assigned in Article 4;

(i) All options to purchase or lease all or any part of the Land or Improvements or any interest therein (and any greater estate in the Land or Improvements now owned or hereafter acquired pursuant thereto);

(j) All other estates, easements, licenses, interests, rights, titles, claims or demands, both in law and in equity, which Trustor now has or may hereafter acquire in the Land and the Improvements, including, without limitation, (1) any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of all or any part of the Properties, including any award resulting from a change of grade of streets and any award for severance damages, and (2) any and all proceeds of any insurance covering the Properties.

**ATTACHMENT NO. 4
CITY LOAN DEED OF TRUST**

ARTICLE II

SECURED OBLIGATIONS

2.1 Secured Obligations. This Deed of Trust, and the lien created hereby, is made for the purpose of securing the following obligations (collectively, the "Secured Obligations"):

(a) the payment and performance by Trustor of all indebtedness and other obligations evidenced by that certain City Loan Note, Promissory Note Secured by Deed of Trust ("Note") dated of even date herewith, made by Trustor to the order of Beneficiary, in the original principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000), together with interest on such indebtedness and costs of enforcement according to the terms of the Note;

(b) the payment and performance of all indebtedness and each and every promise, agreement, covenant, and obligation of Trustor to Beneficiary contained in (i) that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) ("Agreement"), dated as of June 13, 2017, between Beneficiary and Trustor, (ii) that certain Regulatory Agreement dated concurrently herewith, by and between Beneficiary and Trustor and recorded against the Properties in the Official Records of Orange County, and (iii) this Deed of Trust and the other "Project Documents" (as defined in the Agreement), whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Agreement, Regulatory Agreement, and Project Documents were fully incorporated in this Deed of Trust;

(c) the payment and performance of all indebtedness and other obligations of Beneficiary, or its successors or assigns, when such indebtedness and obligations are contained in a document which recites that the obligations thereunder are secured by this Deed of Trust;

(d) the payment by Trustor of all amounts advanced by or on behalf of Beneficiary or Trustee to improve, protect or preserve the Properties or the security of this Deed of Trust, with interest thereon as provided herein; and

(e) the payment and performance of all amendments, modifications, extensions, renewals and replacements of or for any of the foregoing (including, without limitation, (i) amendments or modifications of the required principal payment dates or interest payment dates, or both, as the case may be, accelerating or deferring such interest payment dates in whole or in part, or (ii) amendments, modifications, extensions or renewals at a different rate of interest), whether or not any such amendment, modification, extension, renewal or replacement is evidenced by a new or additional promissory note or other document.

ARTICLE III

COVENANTS

3.1 Payment of Secured Obligations. Trustor shall pay and perform the Secured Obligations when due.

3.2 Maintenance, Repair, Alterations. Trustor shall maintain and preserve the Properties in good condition and repair; Trustor, except upon the prior written consent of Beneficiary, shall not remove, demolish or materially alter any of the Improvements, other than to make repairs in the ordinary course of business of a non-structural nature which serve to preserve or increase the value of the Properties; Trustor shall complete promptly and in a good and workmanlike manner any Improvement which may be now or hereafter constructed on the Land, shall promptly restore in like manner any Improvement which may be damaged or destroyed thereon from any cause whatsoever, and shall pay when due all claims for labor performed and materials furnished therefor; Trustor shall comply with all laws, ordinances, rules, regulations, orders, covenants, conditions, restrictions and "Permitted Encumbrances" (as hereinafter defined) now or hereafter affecting the Properties, or any part thereof, or the conduct or operation of Trustor's business; Trustor shall not commit, suffer or permit any act to be done in, upon or to all or any part of the Properties in violation of any such laws, ordinances, rules, regulations, orders, covenants, conditions or Permitted Encumbrances now or hereafter affecting the Properties; Trustor shall not commit or permit any waste or deterioration of the Properties, and shall keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; Trustor shall not take (nor fail to take) any action, which if taken (or not so taken) would increase in any way the risk of fire or other hazard occurring to or affecting the Properties or which otherwise would impair the security of Beneficiary in the Properties; Trustor shall comply with the provisions of all leases, if any, constituting a portion of the Properties; Trustor shall not abandon the Properties or any portion thereof or leave the Properties unprotected, unguarded, vacant or deserted; Trustor shall not initiate, join in or consent to any change in any zoning ordinance, general plan, specific plan, private restrictive covenant or other public or private restriction limiting the uses which may be made of the Properties by Trustor or by the owner thereof without the prior written consent of Beneficiary; Trustor shall secure and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Properties; except as otherwise prohibited or restricted by the Project Documents, or any of them, Trustor shall do any and all other acts which may be reasonably necessary to protect or preserve the value of the Properties and the rights of Trustee and Beneficiary with respect thereto.

3.3 Insurance. Trustor shall at all times maintain in full force and effect, at Trustor's sole cost and expense, policies of insurance in form, substance, amounts and with companies as required by the Agreement. In the event of any damage or destruction to the Properties, all insurance proceeds shall be applied in accordance with the terms and provisions of the Agreement or, in the absence thereof, as required by law.

3.4 Condemnation and Other Awards. Upon learning of the condemnation or other taking for public or quasi-public use of, or of the institution or the threatened institution of any proceeding for the condemnation or other taking for public or quasi-public use of, all or any part of the Properties, Trustor shall promptly notify Beneficiary and Trustee of such fact. Subject to the requirements under senior loan documents, Trustor shall take all actions reasonably required by Beneficiary or Trustee in connection therewith to defend (using counsel reasonably acceptable to Beneficiary) and protect the interests of Trustor, Beneficiary and/or Trustee in the Properties. At Beneficiary's option, Beneficiary or Trustor may be the nominal party in such proceeding but in any event Beneficiary shall be entitled, without regard to the adequacy of its security, to participate in and to control its own defense and any settlement affecting the Beneficiary's interest in the Properties and to be represented therein by counsel of its choice. Subject to the requirements under senior loan documents, Trustor hereby assigns to Beneficiary, as security for the Secured Obligations, all compensation, awards, damages and other amounts payable to Trustor in connection with any

**ATTACHMENT NO. 4
CITY LOAN DEED OF TRUST**

condemnation or other taking of all or any part of the Properties for public or semi-public use (including, but not limited to, the proceeds of any settlement, regardless of whether or not condemnation or other taking proceedings are instituted in connection therewith). Upon receipt, subject to the requirements under senior loan documents, Trustor shall immediately deliver all such compensation, awards, damages and other amounts to Beneficiary. All such proceeds shall first be applied to reimburse Beneficiary and Trustee for all costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement shall be applied as required by law. Application or release of such proceeds as provided herein shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3.5 Taxes and Impositions. After Trustor's acquisition of the Properties from the Seller, Trustor shall be responsible to and shall pay, prior to delinquency, all of the following (collectively, the "Impositions"): (i) all general and special real property taxes and assessments imposed on the Properties; and (ii) all other taxes and assessments and charges of every kind that are assessed upon the Properties and that create or may create a lien upon the Properties (or upon any personal property or fixtures used in connection with the Properties), including non-governmental levies and assessments pursuant to applicable covenants, conditions or restrictions. If permitted by law, Trustor may pay any Imposition in installments (together with any accrued interest).

(a) Right to Contest. Trustor shall not be required to pay any Imposition so long as (a) the validity of such Imposition is being actively contested in good faith and by appropriate proceedings, and (b) either (i) Trustor has demonstrated to Beneficiary's reasonable satisfaction that leaving such Imposition unpaid pending the outcome of such proceedings could not result in conveyance of any parcel in satisfaction of such Imposition or otherwise impair Beneficiary's interests under the Project Documents, or (ii) Trustor has furnished Beneficiary with a bond or other security satisfactory to Beneficiary in an amount not less than 120% of the applicable claim (including interest and penalties).

(b) Evidence of Payment. Upon demand by the Beneficiary from time to time, Trustor shall deliver to the Beneficiary within thirty (30) days following the due date of any Imposition, evidence of payment of said Imposition reasonably satisfactory to the Beneficiary, unless Trustor is contesting the imposition in conformity with Section 3.5(a). In addition, upon demand by Beneficiary from time to time, Trustor shall furnish to Beneficiary a tax reporting service for the Properties of a type and duration, and with a company, reasonably satisfactory to Beneficiary.

3.6 Utilities. Except to the extent paid directly by tenants, Trustor shall promptly pay all gas, electricity, water, sewer and other utility charges which are incurred for the benefit of the Properties or which may become a lien against the Properties and all other assessments and other charges of a similar nature, public or private, relating to the Properties or any portion thereof, regardless of whether or not any such charge is or may become a lien thereon.

3.7 Liens. Trustor shall not cause, incur, suffer or permit to exist or become effective any lien, encumbrance or charge upon all or any part of the Properties or any interest therein. Trustor shall pay and promptly discharge, at Trustor's sole cost and expense, all liens, encumbrances and charges upon all or any part of the Properties or any interest therein, or contest such claim in conformity with Sections 1001.1 and 1102 of the Agreement. If Trustor shall fail to remove and discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of

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Beneficiary, Beneficiary may, but shall not be obligated to, discharge the same, without notice to or demand on Trustor, and without inquiring into the validity of such lien, encumbrance or charge or the existence of any defense or offset thereto, either by paying the amount claimed to be due, or by procuring the discharge of such lien, encumbrance or charge by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or in any other manner permitted or required by law. Subject to the rights of Trustor pursuant to Sections 1001.1 and 1102 of the Agreement, the Trustor shall, within twenty (20) days after demand therefor by Beneficiary (together with sufficient evidence substantiating such expenditures by Beneficiary), pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any such lien, encumbrance or charge, together with interest thereon from the date of such expenditure until paid at the "Alternate Rate" (as defined in the Note).

3.8 Sale or Lease of Properties. Except as otherwise permitted under the Agreement, Trustor shall not sell, lease or otherwise transfer all or any part of the Properties or any interest therein without the prior written consent of Beneficiary.

3.9 Inspections. Beneficiary, Trustee and their respective agents, representatives and employees, are each authorized, upon notice reasonable under the circumstances (which may be written or oral), to enter at any time upon any part of the Properties during normal business hours for the purpose of inspecting the same and for the purpose of performing any of the rights and obligations under the law that Beneficiary and/or Trustee are authorized to perform hereunder or under the terms of any of the Project Documents. Such entry by the Beneficiary shall be upon 72-hours' prior notice, and shall be undertaken at Beneficiary's expense, with Beneficiary holding harmless the Trustor from any claims or injuries which occur in connection with the exercise of the Beneficiary's rights pursuant to this Section 3.9. The rights of Beneficiary to enter and inspect pursuant to this Section 3.9 are in addition to and do not limit City's rights to conduct building inspections.

3.10 Defense of Actions. Trustor, at no cost or expense to Beneficiary or Trustee, shall appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust, any of the other Project Documents, all or any part of the Properties or any interest therein, any additional or other security for the obligations secured hereby, or the interests, rights, powers or duties of Beneficiary or Trustee hereunder, provided that Trustee or Beneficiary shall have first tendered the defense to Trustor. If Beneficiary or Trustee elects to become a party to such action or proceeding, or is made a party thereto, Trustor shall indemnify, defend and hold Trustee and Beneficiary harmless from all liability, damage, cost and expense incurred by Trustee and Beneficiary, or either of them, by reason of such action or proceeding (including, without limitation, reasonable attorneys' fees and expenses), whether or not such action or proceeding is prosecuted to judgment or decision.

3.11 Protection of Security. If Trustor fails to make any payment or to do any act as and in the manner provided in this Deed of Trust or any of the other Project Documents, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do, without further notice or demand, and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may reasonably deem necessary to protect the security of this Deed of Trust. In connection therewith (without limiting their general powers), Beneficiary and Trustee shall each have and are hereby given the right, but not the obligation and subject to the terms

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and conditions set forth herein: (i) to enter upon and take possession of the Properties; (ii) to make additions, alterations, repairs and improvements to the Properties which in the judgment of either may be necessary or proper to keep the Properties in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect or appears to affect the security of this Deed of Trust or may be, or to appear to be, prior or superior hereto; and (v) in exercising such powers, to pay all necessary or appropriate costs and expenses and employ necessary or desirable consultants.

3.12 Beneficiary's Powers. Without affecting the liability of Trustor or any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Properties not then or theretofore released as security for the full amount of all Secured Obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation (provided, however, that the consent of Trustor shall be required with respect to the extension or alteration of any unpaid obligation of Trustor to Beneficiary), (iii) waive any provision contained herein or grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, a portion or all of the Properties, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto. By accepting payment or performance of any obligation secured by this Deed of Trust after the payment or performance thereof is due or after the filing of a notice of default and election to sell, Beneficiary shall not have thereby waived its right to require prompt payment and performance, when due, of all other obligations secured hereby, or to declare a default for failure so to pay or perform, or to proceed with the sale under any notice of default and election to sell theretofore given by Beneficiary, or with respect to any unpaid balance of the indebtedness secured hereby. The acceptance by Beneficiary of any sum in an amount less than the sum then due shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due.

3.13 Costs, Fees and Expenses. Upon the occurrence of an Event of Default, Trustor shall pay, on demand, all costs, fees, expenses, advances, charges, losses and liabilities paid or incurred by Beneficiary and/or Trustee under or in connection with this Deed of Trust, the enforcement of this Deed of Trust, the collection of the Secured Obligations, and/or the exercise of any right, power, privilege or remedy given Beneficiary and/or Trustee under this Deed of Trust, including, (a) foreclosure fees, trustee's fees and expenses, receiver's fees and expenses and trustee's sale guaranty premiums, (b) costs and expenses paid or incurred by Beneficiary and/or Trustee and/or any receiver appointed under this Deed of Trust in connection with the operation, maintenance, management, protection, preservation, collection, sale or other liquidation of the Properties, (c) advances made by Beneficiary and/or Trustee to complete or partially construct all or any part of any improvements which may have been commenced on the Land or otherwise to protect the security of this Deed of Trust, (d) costs of evidence of title, costs of surveys and costs of appraisals, and (e) the fees, costs and expenses of attorneys, accountants and other consultants; together with interest thereon from the date of expenditure until so paid at the Alternate Rate.

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ARTICLE IV

ASSIGNMENT OF RENTS, ISSUES AND PROFITS

4.1 Assignment of Rents, Issues and Profits. While this Deed of Trust is outstanding, Trustor hereby absolutely and irrevocably assigns and transfers to Beneficiary all of its right, title and interest in and to all rents, issues, profits, royalties, income and other proceeds and similar benefits derived from the Properties (collectively, the "Rents"), and hereby gives to and confers upon Beneficiary the right, power and authority to collect such Rents. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in its name or in the name of Trustor, for all Rents, and to apply the same to the obligations secured hereby; provided, however, that Trustor shall have a license to collect Rents (but not more than one month in advance unless the written approval of Beneficiary has first been obtained), and to retain and enjoy the same, so long as an Event of Default shall not have occurred hereunder and be continuing. The assignment of the Rents in this Article 4 is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest.

4.2 Collection Upon Default. Upon the occurrence and during the continuance of an Event of Default hereunder, Trustor's license to collect the Rents shall automatically terminate and Beneficiary may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the obligations hereby secured, enter upon and take possession of the Properties, or any part thereof, and, with or without taking possession of the Properties or any part thereof, in its own name sue for or otherwise collect such Rents (including those past due and unpaid, and all prepaid Rents and all other monies which may have been or may hereafter be deposited with Trustor by any lessee or tenant of Trustor to secure the payment of any Rent or for any services thereafter to be rendered by Trustor or any other obligation of any tenant to Trustor arising under any lease, and Trustor agrees that, upon the occurrence of any Event of Default hereunder, Trustor shall promptly deliver all Rents and other monies to Beneficiary), and Beneficiary may apply the same, less costs and expenses of operation and collection, including, without limitation, attorneys' fees, whether or not suit is brought or prosecuted to judgment, upon any indebtedness or obligation of Trustor secured hereby, and in such order as Beneficiary may determine notwithstanding that said indebtedness or the performance of said obligation may not then be due. The collection of Rents, or the entering upon and taking possession of the Properties, or the application of Rents as provided above, shall not cure or waive any default or notice of default hereunder or invalidate any act performed in response to such default or pursuant to such notice of default or be deemed or construed to make Beneficiary a mortgagee-in-possession of all or any part of the Properties.

ARTICLE V

REMEDIES UPON DEFAULT

5.1 Events of Default. The occurrence of any of the following events or conditions shall constitute an event of default ("Event of Default") hereunder:

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5.1.1 Trustor shall fail to pay any amount owing under this Deed of Trust when due, and such failure is not cured within ten (10) days after Beneficiary gives Trustor notice of such failure;

5.1.2 Trustor shall fail to observe or perform any other obligation contained in this Deed of Trust, and such failure is not cured within thirty (30) days after Beneficiary gives Trustor notice of such failure; provided that, if cure cannot reasonably be effected within such 30-day period, such failure shall not be an Event of Default so long as Borrower promptly (in any event, within thirty (30) days after receipt of such notice) commences cure, and thereafter diligently prosecutes such cure to completion;

5.1.3 The occurrence of an "Event of Default" under the Agreement, the Regulatory Agreement, the Note, or other Project Documents;

5.1.4 A default under any other document or agreement secured hereby, subject to any applicable cure period; or

5.1.5 City exercises City's right to cure a default by Developer under the Primary Loan or other financing senior to the City Loan and Developer does not reimburse City for the cost to cure such default within ten (10) days following written demand for payment from City

5.2 Acceleration Upon Default; Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Beneficiary may, at its option, terminate its obligations under the Project Documents and declare all Secured Obligations to be immediately due and payable without any presentment, demand, protest or further notice of any kind; and whether or not Beneficiary exercises said option, Beneficiary may:

5.2.1 Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Properties, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to complete the construction of the Improvements on the Land, to preserve the value, marketability or rentability of the Properties, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Properties, sue for or otherwise collect the Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, upon any Secured Obligations, all in such order as Beneficiary may determine. The entering upon and taking possession of the Properties, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession by Trustee, Beneficiary or a receiver of all or any portion of the Properties or the collection, receipt and application of any of the Rents, the Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Project Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

5.2.2 Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants contained herein;

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5.2.3 Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Properties to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the official records of the County in which the Properties are located;

5.2.4 Exercise any and/or all of the rights and remedies available to a secured party under the California Uniform Commercial Code in such order and in such manner as Beneficiary, in its sole discretion, may determine (including, without limitation, requiring Trustor to assemble the collateral and make the collateral available to Beneficiary at a reasonably convenient location); provided, however, that the expenses of retaking, holding, preparing for sale or the like as provided thereunder shall include reasonable attorneys' fees and other expenses of Beneficiary and Trustee and shall be additionally secured by this Deed of Trust; and/or

5.2.5 Exercise all other rights and remedies provided herein, in any Project Document or other document or agreement now or hereafter securing all or any portion of the obligations secured hereby, or provided by law or in equity.

5.3 Foreclosure By Power of Sale.

5.3.1 Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

5.3.2 Upon receipt of notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and election to sell as is then required by law. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Properties at the time and place of sale fixed by it in said notice of sale, either as a whole, or in separate lots or parcels or items and in such order as Beneficiary may direct Trustee so to do, at public auction to the highest bidder for cash in lawful money of the United States of America payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matter or fact shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale.

5.3.3 After deducting all fees, costs and expenses incurred by Beneficiary or Trustee in connection with such sale, including costs of evidence of title, Beneficiary shall apply the proceeds of sale in the following priority, to payment of (i) first, all amounts expended under the terms hereof, not then repaid, with accrued interest at the Alternate Rate; (ii) second, all other Secured Obligations; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

5.3.4 Subject to applicable law, Trustee may postpone the sale of all or any portion of the Properties by public announcement at the time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

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5.3.5 A sale of less than the whole of the Properties or any defective or irregular sale made hereunder shall not exhaust the power of sale provided for herein; and subsequent sales may be made hereunder until all obligations secured hereby have been satisfied, or the entire Properties sold, without defect or irregularity.

5.4 Appointment of Receiver. Upon the occurrence of an Event of Default under this Deed of Trust, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Properties or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Properties, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and shall continue as such and exercise all such powers until the date of confirmation of sale of the Properties unless such receivership is sooner terminated.

5.5 Application of Funds After Default. Except as otherwise herein provided, upon the occurrence of an Event of Default hereunder, Beneficiary may, at any time without notice, apply any or all sums or amounts received and held by Beneficiary to pay insurance premiums, Impositions, or either of them, or as rents or income of the Properties, or as insurance or condemnation proceeds, and all other sums or amounts received by Beneficiary from or on account of Trustor or the Properties, or otherwise, upon any Secured Obligation, in such manner and order as Beneficiary may elect, notwithstanding that such Secured Obligation may not yet be due. The receipt, use or application of any such sum or amount shall not be construed to affect the maturity of any indebtedness secured by this Deed of Trust, or any of the rights or powers of Beneficiary or Trustee under the terms of the Project Documents, or any of the obligations of Trustor or any guarantor under the Project Documents; or to cure or waive any default or notice of default under any of the Project Documents; or to invalidate any act of Trustee or Beneficiary.

5.6 Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligation secured hereby and to exercise all rights and powers under this Deed of Trust or under any Project Document or other agreement or any law now or hereafter in force, notwithstanding some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by guaranty, mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security for the obligations hereby secured now or hereafter held by Beneficiary or Trustee in such order and manner as they may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein, or granted to Beneficiary under any other agreement, or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or granted to Beneficiary under any other agreement, or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Project Documents to the Trustee or Beneficiary or to which either of them may be otherwise entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee or Beneficiary, and either

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of them may pursue inconsistent remedies. Trustor may be joined in any action brought by Beneficiary to foreclose under or otherwise enforce this Deed of Trust.

5.7 Request for Notice of Default. Trustor hereby requests that a copy of any notice of default and that a copy of any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

ARTICLE VI

MISCELLANEOUS

6.1 Amendments. This instrument cannot be waived, modified, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, modification, discharge or termination is sought.

6.2 Waivers. Trustor waives, to the extent permitted by law, (i) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisalment before sale of any portion of the Properties, and, whether now existing or hereafter arising or created, (ii) all rights of valuation, appraisalment, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created, and (iii) all rights and remedies which Trustor may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties: provided, however, nothing contained herein shall be deemed to be a waiver of Trustor's rights under Section 2924, 2924b and 2924c of the California Civil Code, or under Sections 580a or 726 of the California Code of Civil Procedure.

6.3 Statements by Trustor. Trustor shall, within twenty (20) days after notice thereof from Beneficiary, deliver to Beneficiary a written statement setting forth the amounts Trustor understands to be unpaid and secured by this Deed of Trust and stating whether any offset or defense exists against such amounts.

6.4 Statements by Beneficiary. For any statement or accounting requested by Trustor or any other entitled person pursuant to Section 2943 or Section 2954 of the California Civil Code or pursuant to any other provision of applicable law, or for any other document or instrument furnished to Trustor by Beneficiary, Beneficiary may charge the maximum amount permitted by law at the time of the request therefor, or if there be no such maximum, then in accordance with Beneficiary's customary charges therefor or the actual cost to Beneficiary therefor, whichever is greater.

6.5 Reconveyance by Trustee. Upon written request of Beneficiary stating that all obligations under the Note have been paid and fully performed, and upon surrender by Beneficiary of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees and the costs and expenses of executing and recording any requested reconveyance, Trustee shall reconvey to the person or persons legally entitled thereto, without warranty, any portion of the Properties then held hereunder. The recitals in any such reconveyance of any matter or fact shall be conclusive proof of the truthfulness thereof. The grantee in any such reconveyance may be described as "the person or persons legally entitled thereto."

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6.6 Notices. All notices, demands, approvals and other communications provided for herein shall be in writing and shall be personally delivered, delivered by reputable overnight courier service or mailed by United States mail, as certified or registered material, return receipt requested, postage prepaid, to the appropriate party at the address set forth in the first paragraph of this Deed of Trust. Addresses for notice may be changed from time to time by written notice to all other parties. All communications shall be effective when actually received; provided, however, that non-receipt of any communication as the result of a change of address of which the pending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

6.7 Acceptance by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

6.8 Headings. Article and Section headings are included in this Deed of Trust for convenience of reference only and shall not be used in construing this Deed of Trust.

6.9 Severability. Every provision of this Deed of Trust is intended to be severable. In the event any provision hereof is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions hereof, which provisions shall remain binding and enforceable.

6.10 Subrogation. To the extent that proceeds of the Note are used, either directly or indirectly, to pay any outstanding lien, charge or prior encumbrance against the Properties, Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether such liens, charges or encumbrances are released.

6.11 Governing Law. This Deed of Trust shall be governed by, and construed in accordance with, the laws of the State of California.

6.12 Statute of Limitations. The right to plead, use or assert any statute of limitations as a plea, defense or bar of any kind, or for any purpose, to any obligation secured hereby, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Deed of Trust or any rights hereunder, is hereby waived by Trustor to the full extent permitted by law.

6.13 Interpretation. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association. Any reference in this Deed of Trust to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

6.14 Trust Irrevocable. The trust created hereby is irrevocable by Trustor. All amounts payable by Trustor pursuant to this Deed of Trust shall be paid without notice (except where notice is expressly required), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Trustor hereby waives all rights now or hereafter

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conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any amount secured hereby and payable by Trustor to Beneficiary or Trustee.

6.15 Further Assurances. Trustor agrees to do or cause to be done such further acts and things and to execute and deliver or to cause to be executed and delivered such additional assignments, agreements, powers and instruments, as Beneficiary or Trustee may reasonably require to correct any defect, error or omission in this Deed of Trust or the execution or acknowledgment of this Deed of Trust, to subject to the lien of this Deed of Trust any of Trustor's property covered or intended to be covered hereby, to perfect and maintain such lien, to keep valid and effective the charges and lien hereof, to carry into effect the purposes of this Deed of Trust or to better assure and confirm to Beneficiary or Trustee their respective rights, powers and remedies hereunder.

6.16 Trustee's Powers. At any time, and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the note secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness or the performance of any other obligation secured hereby or the effect of this Deed of Trust upon the remainder of the Properties, Trustee may (i) reconvey all or any part of the Properties, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement, agreement subordinating the lien or charge hereof, or other agreement or instrument relating hereto or to all or any part of the Properties.

6.17 Substitution of Trustee. Beneficiary may, from time to time, by written instrument executed and acknowledged by Beneficiary and recorded in the county or counties where the Properties are located, or by any other procedure permitted by applicable law, substitute a successor or successors for the Trustee named herein or acting hereunder.

6.18 Successors and Assigns. 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.

6.19 Non-Recourse Obligation. In the event of any Default under the terms of this Agreement or any of the other Project Documents, the sole recourse of City for any such Default shall be Developer's interest in the Properties and the Project and Developer and its partners and Affiliates shall not be personally liable for the payment of any obligations under this Agreement; provided, however, that the foregoing shall not in any way affect any rights City may have hereunder, or any right of City to recover or collect funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by City as a result of fraud, intentional misrepresentation or bad faith waste, and/or any costs and expenses incurred by City in connection therewith (including without limitation reasonable attorneys' fees and costs).

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IN WITNESS WHEREOF, Trustor has duly executed this Subordinate Deed of Trust and Assignment of Rents as of the dates set forth below.

"TRUSTOR"

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

EXHIBIT "A" TO ATTACHMENT NO. 4

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

EXHIBIT A TO ATTACHMENT NO. 4

LEGAL DESCRIPTION

Page 1 of 1

EXHIBIT "B" TO ATTACHMENT NO. 4

CERTIFICATE OF ACCEPTANCE

City Loan Deed of Trust

This is to certify that the interest in real property conveyed by the foregoing Deed of Trust dated June __, 2017 from 10632 BOLSA AVENUE, LP to the CITY OF GARDEN GROVE, a California municipal corporation ("City"), is hereby accepted by the undersigned officer on behalf of City pursuant to authority conferred by Resolution of the City Council adopted on June 13, 2017, and City, as beneficiary, consents to recordation thereof by its duly authorized officer.

Dated : June __, 2017

CITY OF GARDEN GROVE, a California
municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

EXHIBIT B TO ATTACHMENT NO. 4

CERTIFICATE OF ACCEPTANCE

Page 1 of 1

ATTACHMENT NO. 5
SCOPE OF REHABILITATION

REHABILITATION SUMMARY

Following a walkthrough of certain Housing Units and a review of the resulting Physical Condition Assessment ("PCA"), Developer has developed a scope of work that will contribute to the long term viability of Sycamore Court as affordable housing in the Garden Grove community. A general description of the scope of the Rehabilitation is set forth below; a more detailed and descriptive list of specifications, including brand and quality information for interior and exterior improvements to be performed by Developer at the Project, is included in the Rehabilitation Plans and building permits to be approved and issued by the City subject to this Agreement. In addition, attached to this Scope of Rehabilitation is a copy of the 29-page "Schedule of Values" that Developer prepared for the Senior Lender and Investor, which includes detailed information on all aspects of the scope of the Rehabilitation to be undertaken by Developer, its contractors, its subcontractors and other agents. Developer acknowledges that City and its staff are relying on this Attachment No. 5 along with the working drawings and specifications that Developer and its contractors, subcontractors and other agents have submitted or will hereafter submit as the benchmark and standards for undertaking and completing the Rehabilitation and determination of the percentages toward 30%, 60%, 90% and 100% completion of the Rehabilitation in order to track the timing and eligibility for the City to disburse each post-Closing installment payment of the City Loan.

This scope of work shall be consistent in and among all Housing Units and shall include:

- New Kitchen cabinets, quartz countertops, plumbing fixtures, LED lighting, garbage disposals and sinks
- New appliances (refrigerators, range hoods, dishwashers and stoves)
- New recessed panel interior doors with hardware, knobs and handles
- New bathroom vanity, mirror, toilets, plumbing fixtures, towel racks, led light fixtures, new toilets, re-glazed bathtubs and showers
- New HVAC in all units including filters and registers (duct cleaning where applicable)
- Installation of new dual glazed retro-fit windows to meet Title 24 Energy
- Compliance standards in all units along with window coverings
- Replacement of existing individual water heaters that are in each unit
- Installation of new light switches, electrical and communications outlets and all related fixtures
- New smoke and carbon monoxide detectors
- New closet doors and shelving
- Installation of new flooring throughout each unit. Living, dining, bath and kitchen areas on the first floor will be an Armstrong© brand water resistant wood laminate and on second floor areas a Mohawk Smartstrand© stain resistant carpet will be installed.

ATTACHMENT NO. 5
SCOPE OF REHABILITATION

Page 1 of 2

- A re-imagined exterior façade to update the exterior of all the buildings that will include major wood replacement following extensive termite treatment, new structural steel and the use of stone veneer in accent areas
- Pest control treatment for termite and other non-wood destroying organisms
- New exterior LED lighting throughout all common and parking areas
- Complete interior and exterior paint
- Complete property-wide landscape and irrigation renovations using drought tolerant plant materials. This effort will include outdoor seating areas and common-area enhancements for outdoor use facilities.
- Repaving all parking areas and creation of 11 new parking spaces through reconfiguration
- Removal of the wood carport roofs and replacement with a standing seam or similar metal roof system
- Interior concrete walk-way replacement as necessary
- Installation of new playground equipment in a secure area
- Creation of a dog run and play area for furry friends\
- Renovation of the laundry room and installation of new laundry machines
- Renovation of the existing pool area and resident clubhouse with installation of a full kitchen, lounge area with TV and computer workstations for resident use.
- Other repairs or improvements identified during the course of our physical needs assessment of the property.

SCHEDULE OF VALUES

on attached pages and is a substantive part of this Scope of Work and HOME Agreement)

ATTACHMENT NO. 5 SCOPE OF REHABILITATION

Page 2 of 2

Category

Sitework
Plumbing
Electrical
Mechanical

Site Square Footages

Landscape
Parking
Concrete
Building Footprint
Roof
Carports

Units

78

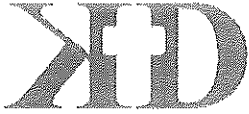
Sycamore Court	Project Name
Mariman & Co.	Client Name
Ray Englert Contracting	General Contractor
5/24/2017	Draw Deadline Date
5/24/2017 15:31	Print Date
5/24	Date Text

Sycamore Court - Materials List - 5/24

Exclude	Use	Material	Cost	Updated
Kwikset	Doors	S/N Balboa hall/closet door knob	\$ 20	Dec-16
Kwikset	Doors	S/N Balboa bed/bath door knob	\$ 20	Dec-16
Everbilt	Doors	S/N Solid doorstop	\$ 60	Dec-16
Everbilt	Doors	S/N Hinge pin doorstop	\$ 5	Dec-16
Everbilt	Doors	S/N 1 1/4" Round Cabinet Knob Kitch&bath	\$ 5	Dec-16
Everbilt	Doors	S/N 3" cabinet pull	\$ 5	Dec-16
Trimchoice	Doors	2 1/4" CGS Door casing	\$ 30	Dec-16
Advantage	Doors	24" HC 6 Panel S/O 5 1/4" jamb	\$ 50	Dec-16
Advantage	Doors	28" HC 6 Panel S/O 5 1/4" jamb	\$ 50	Dec-16
Advantage	Doors	30" HC 6 Panel S/O 5 1/4" jamb	\$ 50	Dec-16
Advantage	Doors	7' vinyl closet bypass door	\$ 150	Dec-16
Leviton	Electrical	GFCI Outlet	\$ 10	Dec-16
Leviton	Electrical	15a White Single pole switch	\$ 20	Dec-16
Leviton	Electrical	15a White Duplex outlet	\$ 5	Dec-16
Leviton	Electrical	20a White DBL Pole outlet 220v	\$ 15	Dec-16
Leviton	Electrical	1 gang Duplex Wallplate White	\$ 2	Dec-16
Leviton	Electrical	1 gang Switch Wallplate White	\$ 2	Dec-16
Leviton	Electrical	2 gang blank white	\$ 3	Dec-16
Midway	Electrical	1 gang Decora white	\$ 2	Dec-16
Leviton	Electrical	2 gang Decora	\$ 3	Dec-16
Midway	Electrical	1 gang Telephone jack	\$ 2	Dec-16
Midway	Electrical	1 gang cable plate	\$ 2	Dec-16
Kidde	Electrical	Smoke and Carbon Mono Alarm	\$ 40	Dec-16
Honeywell	Electrical	Thermostat	\$ 30	Dec-16
Hampton Bay	Lighting & Fan	52" BRSHD NKL Ceiling fan	\$ 100	Dec-16
Lithonia	Lighting & Fan	11" Rnd LED	\$ 50	Dec-16
Lithonia	Lighting & Fan	14" Rnd LED	\$ 65	Dec-16
Lithonia	Lighting & Fan	4' LED Linear	\$ 130	Dec-16
Hampton Bay	Lighting & Fan	4 Lt Brush Nkl Bath lite	\$ 20	Dec-16
Westinghouse	Lighting & Fan	Fan Brace box	\$ 30	Dec-16
HDX	Lighting & Fan	Appliance Cord	\$ 10	Dec-16
Cree	Lighting & Fan	G25 Globe bulb LED	\$ 15	Dec-16
Cree	Lighting & Fan	60W A-19 LED	\$ 10	Dec-16
Nutone	Lighting & Fan	Door bell module	\$ 50	Dec-16
Insinkerator	Plumbing	1/3hp disposal	\$ 90	Dec-16
Insinkerator	Plumbing	Power cord kit (disposal)	\$ 15	Dec-16
Glacier Bay	Plumbing	Dual Flush Toilet	\$ 130	Dec-16
Brasscraft	Plumbing	5/8 angle gas valve	\$ 15	Dec-16
Brasscraft	Plumbing	5/8 gas supply line	\$ 20	Dec-16
Southland	Plumbing	3/4 x 1 1/2" pipe nipple	\$ 5	Dec-16
Southland	Plumbing	1/2" Pipe plug	\$ 2	Dec-16
Delta	Plumbing	Kitchen Faucet	\$ 60	Dec-16
Glacier Bay	Plumbing	Bath Faucet	\$ 30	Dec-16
Brasscraft	Plumbing	Supply lines 1/2" x 20"	\$ 15	Dec-16
Brasscraft	Plumbing	Toilet supply line	\$ 10	Dec-16
Southland	Plumbing	P-Trap kit	\$ 10	Dec-16
Glacier Bay	Plumbing	SS sink strainer	\$ 10	Dec-16
Brasscraft	Plumbing	Angle stop	\$ 10	Dec-16
Glacier Bay	Plumbing	24" Towel Bar B/N	\$ 25	Dec-16
Glacier Bay	Plumbing	TP holder B/N	\$ 15	Dec-16

Sycamore Court - Materials List - 5/24

Exclude	Use	Material	Cost	Updated
Glacier Bay	Plumbing	Curved shower rod B/N	\$ 45	Dec-16
Glacier Bay	Plumbing	30' x36"Polished edgemirror	\$ 30	Dec-16
Glacier Bay	Plumbing	J-mold mirror	\$ 15	Dec-16
Frigidaire	Appliances	REFRIGERATOR 18 CUB. FT. STAINLESS STEEL	\$ 750	Dec-16
Frigidaire	Appliances	RANGE 30 INCH. GAS STAINLESS STEEL	\$ 650	Dec-16
Broan	Appliances	RANGE HOOD 30 INCH STAINLESS STEEL	\$ 100	Dec-16



Scope of Work

Project Name: Sycamore Court

Client: Mariman & Co.

SUMMARY

General Contractor: Ray Englert Contracting

Code	Budget
2000 - Kitchen Appliances	240,247
2001 - Appliance Installation	41,123
2070 - Security System	1,900
2080 - Blinds, Shades & Curtains	60,200
2100 - General Requirements	351,818
2160 - Building Permit Fee	15,000
2170 - Design & Engineering Services	53,500
2180 - Construction Management Services	71,111
2190 - Builder's risk	26,600
2200 - Site Work	377,720
2211 - Office / Clubhouse (FF&E)	22,400
2260 - Signage	3,500
2280 - Landscaping	111,370
2281 - Irrigation System	18,210
2300 - Plumbing	145,050
2391 - Boiler / Raypak Systems	41,400
2400 - Mechanical	28,291
2450 - HVAC Equipment	61,120
2500 - Electrical	96,130
2600 - Carpentry	272,740
2640 - Kitchen & Bath Cabinets & Casework	352,140
2650 - Counter Tops	93,607
2670 - Clean up	2,500
2700 - Doors	209,300
2730 - Fixtures & Hardware	10,000
2740 - Vinyl Windows	256,705
2800 - Roofing & Waterproofing	568,611
2900 - Exterior Paint & Stain	78,000
2910 - Interior Paint & Stain	145,900
2920 - Flooring & Drywall	400,909
2960 - Glazing, Tile & Tubs	33,300

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	WORK IN PLACE	STORED ON/OFF SITE	TOTAL COMPLETED TO DATE	%	RETAINED TO - BALANCE TO FINISH DATE	PLUS RETAINED
2000	Kitchen Appliances	240,247	-	-	-	-	0%	-	240,247
2001	Appliance Installation	41,123	-	-	-	-	0%	-	41,123
2070	Security System	1,900	-	-	-	-	0%	-	1,900
2080	Furnishings	-	-	-	-	-	-	-	-
2100	Builder Fee and General Requirements	-	-	-	-	-	-	-	-
2160	Building Permit Fee	15,000	-	-	-	-	0%	-	15,000
2170	Architectural Services	-	-	-	-	-	-	-	-
2180	Construction Management Services	71,111	-	-	-	-	0%	-	71,111
2190	Builder's risk	26,600	-	-	-	-	0%	-	26,600
2200	Site Work	377,720	-	-	-	-	0%	-	377,720
2211	Pool / Recreation	-	-	-	-	-	-	-	-
2260	Signage	3,500	-	-	-	-	0%	-	3,500
2280	Landscaping	111,370	-	-	-	-	0%	-	111,370
2281	Irrigation System	18,210	-	-	-	-	0%	-	18,210
2300	Plumbing	145,050	-	-	-	-	0%	-	145,050
2391	Boiler / Raypak Systems	41,400	-	-	-	-	0%	-	41,400
2400	Mechanical	28,291	-	-	-	-	0%	-	28,291
2450	HVAC Equipment	61,120	-	-	-	-	0%	-	61,120
2500	Electrical	96,130	-	-	-	-	0%	-	96,130
2600	Carpentry	272,740	-	-	-	-	0%	-	272,740
2640	Kitchen & Bath Cabinets & Casework	352,140	-	-	-	-	0%	-	352,140
2650	Counter Tops	93,607	-	-	-	-	0%	-	93,607
2670	Clean up	2,500	-	-	-	-	0%	-	2,500
2700	Doors	209,300	-	-	-	-	0%	-	209,300
2730	Garage Doors	-	-	-	-	-	-	-	-
2740	Vinyl Windows	256,705	-	-	-	-	0%	-	256,705
2800	Roofing & Waterproofing	568,611	-	-	-	-	0%	-	568,611
2900	Exterior Paint & Stain	78,000	-	-	-	-	0%	-	78,000
2910	Interior Paint & Stain	145,900	-	-	-	-	0%	-	145,900
2920	Flooring & Drywall	400,909	-	-	-	-	0%	-	400,909
2960	Glazing, Tile & Tubs	33,300	-	-	-	-	0%	-	33,300
TOTAL		3,692,483	-	-	-	-	0%	-	3,692,483

Sycamore Court - Sub List - 5/24

Abbr.	Company	Description	Contact	Phone	Email
A-1PC	A-1 Painting Concepts, Inc.	Exterior Paint		(714)879-4000	a-1paintconcept@hotmail.com
SQB	SunQuest Builders Inc.	Wood Fascia Repair/Replacement		(951)232-3101	erichir@sunquestbuilders.com
HW	Hardy Windows	Window Replacement	Jenny Schumann	(714)996-1807	
SQB	SunQuest Builders Inc.	Carport Roof Replacement		(951)232-3101	erichir@sunquestbuilders.com
IP	Ironwood Plumbing	Water Heater Replacement	Charlie Licona	(714)543-3773	Charlie@IronwoodPlumbing.com
DLE	DLE Lighting Electric	Exterior Lighting Upgrades		(949)481-7725	service@dlelighting.com
Ray	Ray Engert	Concrete R&R	Ray Engert	(714)981-7235	rayengert@roadrunner.com
PW	PaveWest	Slurry Seal		(562)694-3113	info@pavewest.com
TNTW	TNT Welding	Trash Enclosure R&R			
A-1PC	A-1 Painting Concepts, Inc.	Laundry Room Paint		(714)879-4000	a-1paintconcept@hotmail.com
CA	Curtis Allan	Laundry Room Flooring R&R		(951)278-1200	
DLE	DLE Lighting Electric	Laundry Room Lighting R&R		(949)481-7725	service@dlelighting.com
Ray	Ray Engert	Laundry Room Entry Door Hardware	Ray Engert	(714)981-7235	rayengert@roadrunner.com
CC	Community Controls	Key FOB system (property wide)			
RDA	RDA	Landscape & Irrigation Renovation			
LLM	Lanko Landscape Mgt.	Tree Trimming	Alberto Garcia	(714)6671121	
A-1PC	A-1 Painting Concepts, Inc.	Interior Painting		(714)879-4000	a-1paintconcept@hotmail.com
Ray	Ray Engert	Interior Demo	Ray Engert	(714)981-7235	rayengert@roadrunner.com
Ray	Ray Engert	Interior Door Replacement	Ray Engert	(714)981-7235	rayengert@roadrunner.com
ASF	All-Star Refinishing	Bath Tub Re-Glazing			
405C&S	405 Cabinets & Stone	Kitchen and Bath Cabinets and Countertops		(714)500-3855	
405C&S	405 Cabinets & Stone	Kitchen and Bath Sink Installation		(714)500-3855	
Ray	Ray Engert	Bathroom Hardware & Fixture Installation	Ray Engert	(714)981-7235	rayengert@roadrunner.com
Ray	Ray Engert	Kitchen Hardware & Fixture Installation	Ray Engert	(714)981-7235	rayengert@roadrunner.com
DLE	DLE Lighting Electric	Interior Unit lighting R&R		(949)481-7725	service@dlelighting.com
DLE	DLE Lighting Electric	Interior Unit Electric fixture R&R		(949)481-7725	service@dlelighting.com
Ray	Ray Engert	Interior Unit plumbing fixtures	Ray Engert	(714)981-7235	rayengert@roadrunner.com
CAFC	Curtis Allan Floor Covering	Unit Flooring R&R		(951)278-1200	
Ray	OCAP or HD	Appliances (Refrigerator, Stove, range hood)			
Ray	Ray Engert	Appliance Installation	Ray Engert	(714)981-7235	rayengert@roadrunner.com
APS	Aquarius Pool Service	Pool Drain repairs		(949)548-4970	aquariuspools2@sbcglobal.net
APS	Aquarius Pool Service	Pool Pump R&R		(949)548-4970	aquariuspools2@sbcglobal.net
DLE	DLE Lighting Electric	Office Lighting		(949)481-7725	service@dlelighting.com
Ray	Ray Engert	ADA Ramp (front of Property)	Ray Engert	(714)981-7235	rayengert@roadrunner.com
405C&S	A-1 Fence Company	Fencing Replacement		(714)630-3390	
405C&S	OCAP or HD	HVAC Unit Replacement			
Ray	Ray Engert	Closet Doors R&R	Ray Engert	(714)981-7235	rayengert@roadrunner.com
Ray	Ray Engert	Smoke & CO2 Detectors	Ray Engert	(714)981-7235	rayengert@roadrunner.com
6SF	Fire Safety First	Fire Sprinkler Service		(800)974-3473	customerservice@firesafetyfirst.com

Sycamore Court - Sub List - 5/24

Abbr.	Company	Description	Contact	Phone	Email
405C&S	405 Cabinets & Stone	Office Kitchen Cabinets & Countertops		(714)500-3855	
405C&S	405 Cabinets & Stone	Office Bath Cabinets & Countertops		(714)500-3855	
Ray	Ray Englert	Office Fixtures & Hardware	Ray Englert	(714)981-7235	rayenglert@roadrunner.com
CC	Community Controls	Vehicle Entry Gate Motor and Controller Replacement			
Ray	Ray Englert	Misc Exterior Doors	Ray Englert	(714)981-7235	rayenglert@roadrunner.com
PW	PaveWest	ADA Striping		(562)694-3113	info@pavewest.com
TNTW	TNT Welding	Misc Welding (pool fence)		(909)356-4868	
MCO	MCO	Pool & Common Area Furniture Replacement			
Ray	Ray Englert	Cabana / Patio Cover (pool #2) Rebuild	Ray Englert	(714)981-7235	rayenglert@roadrunner.com
MCO	MCO	Barbeque (install)			

Sycamore Court - Scope of Work - 5/24

No	Award	Bidder	Status	Scope	Amount	Estimate
1			Not Bidding	Construction Toilets		\$ 1,800
2			Not Bidding	Refuse Service		\$ 14,400
3			Not Bidding	Temporary Storage		\$ 24,100
4				Project Superintendent		
5				Rental Equipment		\$ 5,000
6			Out for bid	Interior Demolition		\$ 54,600
7		O.C. Demo		Site Demolition, Clearing, & Grubbing		\$ 25,000
8				Termite Control		\$ 78,000
9				Playground Renovation & Equipment		\$ 5,000
10				Drainage		\$ 2,500
11				Water Distribution		\$ 10,000
12				Electrical Distribution		\$ 3,000
13				Parking Lot & Accent Lighting		\$ 3,500
14 Tentative	ITS	Received		Paving	70,516.14	\$ 41,700
15 Tentative	ITS	Received		Parking Lot Striping	5,063.86	\$ 3,000
16	O.C. Demo			Curbs, Gutters, & Ext. Flatwork		\$ 15,000
17				Signage		\$ 3,500
18				Trash Enclosure		\$ 3,100
19	RDA			Tree Removal		\$ 7,500
20	RDA			Landscaping		\$ 111,370
21	RDA			Irrigation System		\$ 18,210
22	O.C. Demo			Curb, Gutters, & Sidewalks		\$ 5,000
23				Fire Hydrants		\$ 3,000
24				Misc. Debris Removal		\$ 2,500
25	O.C. Demo			Interior Concrete Flatwork		\$ 22,300
26	SB Xtreme			Sandblasting		\$ 5,000
27 Tentative	Memo's	Received		Equipment & Scaffolding	23,200	\$ 10,000
28		Not Bidding		Structural Steel		\$ 25,000
29 Tentative	Kim Iron	Received		Stairways & Railings	8,940	\$ 24,740
30				Equipment Rental		\$ 2,500
31				Rough Lumber		\$ 126,000
32				Plywood & Sheathing		\$ 15,000
33				Floor & Roof Trusses		\$ 15,000
34				Finish Lumber		\$ 41,600
35				General Carpentry Materials		\$ 15,000
36				Medicine Chests (Bathroom)		\$ 10,140
37				Misc Exterior Wood Repair		\$ 50,000
38 Tentative	405C&S	Received		Kitchen & Bath Cabinets & Casework	352,139.85	\$ 419,914
39 Tentative	405C&S	Received		Counter Tops	93,606.79	\$ 105,174
40	J.M. Roofing			Waterproofing		\$ 10,000
41				Wall & Ceiling Insulation		\$ 2,500
42 Tentative	J.M. Roofing	Received		Flat Roofing	269,750.00	\$ 170,800
43 Tentative	J.M. Roofing	Received		Sloping Roofing	65,100.00	\$ 20,000
44	J.M. Roofing			Sheet Metal Mansards & Roof Drains		\$ 125,000
45 Tentative	Baja Const.	Received		Carports Roof System	96,260.71	\$ 209,000

Sycamore Court - Scope of Work - 5/24

No	Award	Bidder	Status	Scope	Amount	Estimate
46				Exterior Doors Frames & Hardware		\$ 11,960
47			Out for bid	Interior Closet Doors		\$ 75,660
48			Out for bid	Interior Doors Frames & Hardware		\$ 121,680
49 Tentative	HW		Received	Vinyl Windows (Dual Galzed)	256,705.00	\$ 143,498
50			Out for bid	Glazing, Tile & Tubs		\$ 33,300
51			Not Bidding	Drywall		\$ 93,600
52 Tentative	CAFC		Received	Vinyl Flooring & Base	9,958.00	\$ 26,300
53 Tentative	CAFC		Received	Carpet	37,603.52	\$ 50,000
54 Tentative	CAFC		Received	Wood Laminate	259,747.00	\$ 179,360
55 Tentative	A-1PC		Received	Exterior Paint & Stain (Stucco)	78,000.00	\$ 76,910
56 Tentative	A-1PC		Received	Interior Paint & Stain	145,900.00	\$ 113,880
57				Accessories		\$ 19,980
58	SC Plumb		As needed	Boiler / Raypak Systems		\$ 41,400
59				Misc. Plumbing		\$ 23,400
60 Tentative	SC Plumb		Received	Fixtures, toilets, angles stops, hoses with installatic	101,670.00	\$ 101,670
61 Tentative	OCAP Supply		Received	Kitchen Appliances	120,123.69	\$ 112,600
62 Tentative	OCAP Supply		Received	Appliance Installation	20,422.18	\$ 19,500
63 Tentative	L&D Appliance		Received	Kitchen Appliances	120,123.69	\$ 112,600
64 Tentative	L&D Appliance		Received	Appliance Installation	20,701.27	\$ 19,500
65			Out for bid	Blinds, Shades & Curtains		\$ 50,200
66				Miscellaneous Furniture (Clubhouse)		\$ 10,000
67				Misc Hardware		\$ 10,000
68 Tentative	DLE		Received	Kitchen Lights	15,861.45	\$ 16,210
69 Tentative	DLE		Received	Bathroom Lighting	5,960.06	\$ 5,980
70 Tentative	DLE		Received	Exterior Lighting	11,151.08	\$ 11,330
71 Tentative	DLE		Received	Hallway Lighting	6,344.58	\$ 6,440
72 Tentative	SC Plumb		Received	Plumbing Subcontract	28,290.66	\$ 33,610
73				HVAC Equipment		\$ 40,840
74				Bathroom Fans		\$ 20,280
75 Tentative	DLE		Received	Electrical Subcontractor	19,514.39	\$ 19,870
76 Tentative	DLE		Received	Plugs, Switches, GFCI, Smoke, CO2	31,338.38	\$ 31,980
77 Tentative	DLE		Received	Smoke & CO2 Detectors	5,960.06	\$ 6,085
78				Misc. Office Equipment		\$ 3,200
79				Blinds, Shades, & Window Coverings		\$ 2,000
80				Kitchen Appliances & Utensils		\$ 5,600
81				Flooring		\$ 6,100
82				Video Camera System		\$ 3,000
83				Security System		\$ 1,900
84						
85						
86						
87						
88						
89						
90						

Sycamore Court - Scope of Work - 5/24

No	Award	Bidder	Status	Scope	Amount	Estimate
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Sycamore Court - Scope of Work - 5/24

Ref.	Scope	Quantity	Units	Price	Estimate
1	Construction Toilets	16	Toilet Months	\$112.50	\$1,800.00
2	Refuse Service	32	Bin Pickup Months	\$450	\$14,400.00
3	Temporary Storage	16	Bin Rental Months	\$1,506.25	\$24,100.00
4	Construction Security	1		\$25,000	\$25,000.00
5	Rental Equipment	1		\$5,000	\$5,000.00
6	Builder's Fee & General Profit	1		\$281,518.18	\$281,518.18
7	Interior Demolition	71,117	Square Feet	\$0.77	\$54,600.00
8	Site Demolition, Clearing, & Grubbing	1		\$25,000	\$25,000.00
9	Termite Control	1		\$78,000	\$78,000.00
10	Playground Renovation & Equipment	1		\$5,000	\$5,000.00
11	Drainage	1		\$2,500	\$2,500.00
12	Water Distribution	1		\$10,000	\$10,000.00
13	Electrical Distribution	1		\$3,000	\$3,000.00
14	Parking Lot & Accent Lighting	1		\$3,500	\$3,500.00
15	Paving	54,000	Square Feet	\$0.77	\$41,700.00
16	Parking Lot Striping	116	Count	\$25.86	\$3,000.00
17	Curbs, Gutters, & Ext. Flatwork	1		\$15,000	\$15,000.00
18	Signage	1		\$3,500	\$3,500.00
19	Trash Enclosure	3	Count	\$1,033.33	\$3,100.00
20	Tree Removal	20		\$375	\$7,500.00
21	Landscaping	30,765		\$3.62	\$111,370.00
22	Irrigation System	1		\$18,210	\$18,210.00
23	Curb, Gutters, & Sidewalks	1		\$5,000	\$5,000.00
24	Fire Hydrants	1		\$3,000	\$3,000.00
25	Misc. Debris Removal	1		\$2,500	\$2,500.00
26	Interior Concrete Flatwork	1		\$22,300	\$22,300.00
27	Sandblasting	1		\$5,000	\$5,000.00
28	Equipment & Scaffolding	1		\$10,000	\$10,000.00
29	Structural Steel	1		\$25,000	\$25,000.00
30	Stairways & Railings	300	Linear Feet	\$82.47	\$24,740.00
31	Equipment Rental	1		\$2,500	\$2,500.00
32	Rough Lumber	1		\$126,000	\$126,000.00

Sycamore Court - Scope of Work - 5/24

Ref.	Scope	Quantity	Units	Price	Estimate
33	Plywood & Sheathing	1		\$15,000	\$15,000.00
34	Floor & Roof Trusses	1		\$15,000	\$15,000.00
35	Finish Lumber	1		\$41,600	\$41,600.00
36	General Carpentry Materials	1		\$15,000	\$15,000.00
37	Medicine Chests (Bathroom)	78	Count	\$130	\$10,140.00
38	Misc Exterior Wood Repair	1		\$50,000	\$50,000.00
39	Kitchen & Bath Cabinets & Casework	1,146	Linear Feet	\$366.42	\$419,914.00
40	Counter Tops	1,146	Linear Feet	\$91.77	\$105,174.00
41	Waterproofing	1		\$10,000	\$10,000.00
42	Wall & Ceiling Insulation	1		\$2,500	\$2,500.00
43	Flat Roofing	37,023	Square Feet	\$4.61	\$170,800.00
44	Sloping Roofing	6,318	Square Feet	\$3.17	\$20,000.00
45	Sheet Metal Mansards & Roof Drains	10,875	Square Feet	\$11.49	\$125,000.00
46	Carpports Roof System	9	Count	\$23,222	\$209,000.00
47	Exterior Doors Frames & Hardware	84	Count	\$142.38	\$11,960.00
48	Interior Closet Doors	478	Count	\$158.28	\$75,660.00
49	Interior Doors Frames & Hardware	326	Count	\$373.25	\$121,680.00
50	Vinyl Windows (Dual Galzed)	371	Count	\$386.79	\$143,498.00
51	Glazing, Tile & Tubs	78	Count	\$426.92	\$33,300.00
52	Drywall	40		\$2,340	\$93,600.00
53	Vinyl Flooring & Base	35,392	Square Feet	\$0.74	\$26,300.00
54	Carpet	34,346	Square Feet	\$1.46	\$50,000.00
55	Wood Laminate	1		\$179,360	\$179,360.00
56	Exterior Paint & Stain (Stucco)	79,775	Square Feet	\$0.96	\$76,910.00
57	Interior Paint & Stain	169,086	Square Feet	\$0.67	\$113,880.00
58	Accessories	1		\$19,980	\$19,980.00
59	Boiler / Raypak Systems	1		\$41,400	\$41,400.00
60	Misc. Plumbing	1		\$23,400	\$23,400.00
61	Fixtures, toilets, angles stops, hoses with install	276	Count	\$368.37	\$101,670.00
62	Kitchen Appliances	158	Count	\$712.66	\$112,600.00
63	Appliance Installation	158	Count	\$123.42	\$19,500.00
64	Blinds, Shades & Curtains	276	Count	\$181.88	\$50,200.00
65	Miscellaneous Furniture (Clubhouse)	1		\$10,000	\$10,000.00
66	Misc Hardware	1		\$10,000	\$10,000.00

Sycamore Court - Scope of Work - 5/24

Ref	Scope	Quantity	Units	Price	Estimate
67	Kitchen Lights	1		\$16,210	\$16,210.00
68	Bathroom Lighting	1		\$5,980	\$5,980.00
69	Exterior Lighting	1		\$11,330	\$11,330.00
70	Hallway Lighting	1		\$6,440	\$6,440.00
71	Plumbing Subcontract	1		\$33,610	\$33,610.00
72	HVAC Equipment	1		\$40,840	\$40,840.00
73	Bathroom Fans	138	Count	\$146.96	\$20,280.00
74	Electrical Subcontractor	1		\$19,870	\$19,870.00
75	Plugs, Switches, GFI, Smoke, CO2	1		\$31,980	\$31,980.00
76	Smoke & CO2 Detectors	1		\$6,085	\$6,085.00
77	Building Plan Check Fee	1		\$5,000	\$5,000.00
78	Building Permit Fee	1		\$5,000	\$5,000.00
79	Electrical Permit Fee	1		\$2,500	\$2,500.00
80	Plumbing Permit Fee	1		\$2,500	\$2,500.00
81	Architectural Services	1		\$35,000	\$35,000.00
82	Civil Engineering	1		\$5,000	\$5,000.00
83	Construction Management Services	8		\$8,888.89	\$71,111.12
84	Landscaping Design	1		\$2,500	\$2,500.00
85	Surveys & Testing	1		\$10,000	\$10,000.00
86	Blueprinting	1		\$1,000	\$1,000.00
87	Signage Directories & Boards	1		\$2,500	\$2,500.00
88	Misc. Office Equipment	1		\$3,200	\$3,200.00
89	Blinds, Shades, & Window Coverings	1		\$2,000	\$2,000.00
90	Kitchen Appliances & Utensils	1		\$5,600	\$5,600.00
91	Flooring	1,379		\$4.42	\$6,100.00
92	Video Camera System	1		\$3,000	\$3,000.00
93	Security System	1		\$1,900	\$1,900.00
94	Builder's Risk Insurance	1		\$26,600	\$26,600.00
				Total	\$3,870,000

Notes: General requirements, overhead, and profit total \$351,818.18 (see items 1-6)

Sycamore Court - Scope of Work - 5/24

Ref.	Scope	Quantity	Units	Price	Estimate
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Amount: \$0.00

Number	Description	Category	Budget
2000	Kitchen Appliances	Appliances	\$240,247
2001	Appliance Installation	Appliances	\$41,123
2070	Security System	Security System	\$1,900
2080	Blinds, Shades & Curtains	Window Coverings & Furnishings	\$60,200
2100	General Requirements	General Requirements	\$351,818
2160	Building Permit Fee	Permits, Fees & Taxes	\$15,000
2170	Design & Engineering Services	Design & Engineering Services	\$53,500
2180	Construction Management Services	Consulting Services	\$71,111
2190	Builder's risk	Misc. Items	\$26,600
2200	Site Work	Site Work	\$377,720
2211	Office / Clubhouse (FF&E)	Office (FF&E)	\$22,400
2260	Signage	Site Work	\$3,500
2280	Landscaping	Site Work	\$111,370
2281	Irrigation System	Site Work	\$18,210
2300	Plumbing	Plumbing	\$145,050
2391	Boiler / Raypak Systems	Plumbing	\$41,400
2400	Mechanical	Mechanical	\$28,291
2450	HVAC Equipment	Mechanical	\$61,120
2500	Electrical	Electrical	\$96,130
2600	Carpentry	Carpentry	\$272,740
2640	Kitchen & Bath Cabinets & Casework	Carpentry	\$352,140
2650	Counter Tops	Carpentry	\$93,607
2670	Clean up	Carpentry	\$2,500
2700	Doors	Doors & Windows	\$209,300
2730	Fixtures & Hardware	Misc. Hardware	\$10,000
2740	Vinyl Windows	Doors & Windows	\$256,705
2800	Roofing & Waterproofing	Roofing & Waterproofing	\$568,611
2900	Exterior Paint & Stain	Finishes	\$78,000
2910	Interior Paint & Stain	Finishes	\$145,900
2920	Flooring & Drywall	Finishes	\$400,909
2960	Glazing, Tile & Tubs	Finishes	\$33,300

Code	
2000 - Kitchen Appliances	
2001 - Appliance Installation	
2070 - Security System	
2080 - Blinds, Shades & Curtains	
2100 - General Requirements	
2160 - Building Permit Fee	
2170 - Design & Engineering Services	
2180 - Construction Management Services	
2190 - Builder's risk	
2200 - Site Work	
2211 - Office / Clubhouse (FF&E)	
2260 - Signage	
2280 - Landscaping	
2281 - Irrigation System	
2300 - Plumbing	
2391 - Boiler / Raypak Systems	
2400 - Mechanical	
2450 - HVAC Equipment	
2500 - Electrical	
2600 - Carpentry	
2640 - Kitchen & Bath Cabinets & Casework	
2650 - Counter Tops	
2670 - Clean up	
2700 - Doors	
2730 - Fixtures & Hardware	
2740 - Vinyl Windows	
2800 - Roofing & Waterproofing	
2900 - Exterior Paint & Stain	
2910 - Interior Paint & Stain	
2920 - Flooring & Drywall	
2960 - Glazing, Tile & Tubs	

Type	Area	Class	Quantity	Carpet Area	Stairs Area	Vinyl Flooring Area
1BR-A	730	Residential	20	290		440
2BR-B	907	Residential	44	469		438
3BR-C	1061	Residential	14	565		496
Office	1379	Common	1	0		1379
Laundry	376	Common	1	0		376

Unit A		
	Floor Area	Wall Area
Living	230	325
Dining	80	168
kitchen	70	182
pantry	20	140
hall	70	115
bath 1	40	195
bath 2		
closet	40	185
Bedroom 1	180	420
Bedroom 2		
Bedroom 3		
	730	1730

Unit B		
	Floor Area	Wall Area
Living	208	275
Dining	85	212
kitchen	85	258
pantry		
hall/stairs	89	250
bath 1	25	127
bath 2	35	150
closet	40	200
Bedroom 1	200	360
Bedroom 2	140	350
Bedroom 3		
	907	2182

Wall Area	Upper Cabinets Linear Feet	Lower Cabinets Linear Feet	Window Area Square Feet	Window Count	Toilets
1730	5	8	48	5	1
2182	5	10	72	3	2
2541	5	10	66	3	2
2329	6	10	40	2	2
575				0	0

Unit C		
	Floor Area	Wall Area
Living	230	257
Dining	92	190
kitchen	92	202
pantry	10	100
hall/stairs	155	400
bath 1	25	157
bath 2	47	175
closet	60	200
Bedroom 1	140	305
Bedroom 2	100	260
Bedroom 3	110	295
	1061	2541

Sinks	Lavs	Tubs	Showers	Sliding Glass Doors	Interior Doors
1	1	1	0	1	3
1	2	1	0	1	4
1	2	1	0	2	6
0	2	0	4	3	6
0	0	0	0	0	0

Community	
Rec Room	800
Office	552
Maint	469
Men's RR	219
Women's RR	289
	2329

Laundry
575

Closet Doors	Exterior Doors	Lights	Ceiling Fans	AC Units
5	1			2
6	1			2
8	1			2
2	5			
0	1			

Quantity	Type	Building	Sq.Ft.	Class
4	1BR-A	10602	2,920	Residential
6	2BR-B	10602	5,442	Residential
2	3BR-C	10602	2,122	Residential
6	1BR-A	10632	4,380	Residential
6	2BR-B	10632	5,442	Residential
2	3BR-C	10632	2,122	Residential
6	1BR-A	10652	4,380	Residential
6	2BR-B	10652	5,442	Residential
4	3BR-C	10652	4,244	Residential
4	1BR-A	10692	2,920	Residential
6	2BR-B	10692	5,442	Residential
6	3BR-C	10692	6,366	Residential
14	2BR-B	10622	12,698	Residential
1	Laundry	10622	376	Common
6	2BR-B	10672	5,442	Residential
1	Office	Leasing	1,379	Common

Special Notes

width
10.583
14
10
4

height

7.5

345.3725

16

3

3

Building	Stories	Unit Count	Com Area	Res Area	Wall Area	Stucco Area
10602	2	12	0	10,484	15,900	12,190
10632	2	14	0	11,944	17,010	13,041
10652	2	16	0	14,066	19,170	14,697
10692	2	16	0	14,728	20,220	15,502
10622	2	14	376	12,698	18,750	14,375
10672	2	6	0	5,442	10,500	8,050
Leasing	1	0	1,379	0	3,600	1,920

Siding Area	Mansard Area	Perimeter	Height	Roof Siding Area	Roof Area
2,120	1,590	530	30	1,351	5,322
2,268	1,701	567	30	1,808	6,052
2,556	1,917	639	30	1,808	7,112
2,696	2,022	674	30	1,351	7,442
2,500	1,875	625	30	0	6,914
1,400	1,050	350	30	0	2,802
960	720	240	15	0	1,379

Footprint	Building Type	Special Notes
5,322	Residential	
6,052	Residential	
7,112	Residential	
7,442	Residential	
6,914	Residential	Includes laundry room
2,802	Residential	
1,379	Common	

Sycamore Court - Take Offs - 5/24

Num	Quantity	Units	Description	Category	Basis
1	276	Count	Windows to replace	Windows	Per unit plans
2	95	Count	Sliding Glass Doors to replace	Windows	Per unit plans
3	5,092	Sq. Ft.	Window area	Windows	Per unit plans
4	66	Count	Window coverings 60" wide	Windows	Per unit plans
5	130	Count	Window coverings 48" wide	Windows	Per unit plans
6	60	Count	Window coverings 36" wide	Windows	Per unit plans
7	20	Count	Window coverings 24" wide	Windows	Per unit plans
8	175,961	Sq. Ft.	Property	Site	Google measurement
9	4.04	Acres	Property	Site	Google measurement
10	1,175	Linear Ft.	Block Wall to be repaired	Site	Google measurement
11	9	Count	Carport roofs to be replaced	Site	Google measurement
12	15,200	Sq. Ft.	Carport roof area	Site	Google measurement
13	1,500	Sq. Ft.	Entry trellis to install	Site	Google measurement
14	1,500	Sq. Ft.	Entry trellis to demo	Site	Google measurement
15	48,773	Sq. Ft.	Hardscape to replace	Site	Approximation
16	30,765	Sq. Ft.	Turf to demolish	Site	Per Site plan
17		Linear Ft.	Irrigation to install	Site	Sub to provide
18	20	Count	Trees to remove	Site	Approximation
19	3	Count	Trash enclosures to repair	Site	Per Site plan
20	1	Count	Signage (Monument)	Site	Information Required
21	2,720	Linear Ft.	Fencing to be replace/repair	Site	Google measurement
22	2,400	Linear Ft.	Curb and gutter to repair/replace	Site	Google measurement
23	54,000	Sq. Ft.	A/C Paving to repair/replace	Site	Google measurement
24	600	Linear Ft.	Curb and gutter to install/replace	Off-site	Google measurement
25	1	Count	Fire Hydrants	Off-site	Google calculation
26	138	Count	Toilets to replace	Plumbing	Per unit plans
27	78	Count	Kitchen sinks to replace	Plumbing	Per unit plans
28	138	Count	Lavatories	Plumbing	Per unit plans
29	78	Count	Water Heater to replace	Plumbing	As needed
30	78	Count	Tubs to reglaze	Plumbing	Unit Count
31	7	Count	Buildings to paint	Paint	Per Site plan
32	79,775	Sq. Ft.	Stucco to paint	Paint	Google calculation
33	10,875	Sq. Ft.	Mansard to paint	Paint	Google calculation
34	14,500	Sq. Ft.	Midway siding to paint	Paint	Google calculation
35	84	Count	Exterior Doors	Paint	Per unit plans
36	326	Count	Interior Doors	Paint	Per unit plans
37	478	Count	Closet Doors	Paint	Per unit plans
38	300	Linear Ft.	Railings to paint	Paint	Approximation
39	4	Count	HC Parking to stripe	Paint	Google calculation
40	112	Count	Parking to restripe	Paint	Google calculation
41	169,086	Sq. Ft.	Interior walls to paint	Paint	Per unit plans
42	40	Count	Drywall repair	Finishes	Approximation
43	138	Count	Bathroom Fans	HVAC	Unit Count

Sycamore Court - Take Offs - 5/24

Num	Quantity	Units	Description	Category	Basis
44	156	Count	AC Units to replace	HVAC	Unit Count
45	130	Sq. Ft.	Framing in windows	Framing	Per unit plans
46	36,771	Sq. Ft.	Vinyl Flooring & Base	Flooring	Per unit plans
47	34,346	Sq. Ft.	Carpet to install	Flooring	Per unit plans
48	79	Count	Refrigerators to replace	Appliances	
49	79	Count	Range hoods	Appliances	
50	1,106	Count	Switches to replace	Electrical	Sub to provide
51	1,948	Count	Outlets to replace	Electrical	Sub to provide
52	390	Count	Outlets to replace with GFCI	Electrical	Sub to provide
53	272	Count	Smoke & CO2 Detectors	Electrical	Sub to provide
54		Count	Kitchen Lights	Electrical	Sub to provide
55	136	Count	Bathroom Lighting	Electrical	Sub to provide
56		Count	Exterior Lighting	Electrical	Sub to provide
57		Count	Hallway Lighting	Electrical	Sub to provide
58		Count	Ceiling fans to install	Electrical	Sub to provide
59		Count	Parking Lot & Accent Lighting	Electrical	Sub to provide
60	71,117	Sq. Ft.	Flooring to demo	Demolition	Per unit plans
61	78	Count	Medicine Chests (Bathroom)	Cabinets	Per unit plans
62	396	Linear Ft.	Upper cabinets to install	Cabinets	Per unit plans
63	750	Linear Ft.	Base cabinets to install	Cabinets	Per unit plans
64	3,625	Linear Ft.	Building perimeters	Buildings	Per unit plans
65	10,875	Sq. Ft.	Mansard siding to replace	Buildings	Approximation
66	14,500	Sq. Ft.	Midway siding to replace	Buildings	Approximation
67	6,318	Sq. Ft.	Sloping roofing replace/repair	Buildings	Per record plans
67	40	Count	Stucco to be repaired	Buildings	Approximation
68	69,362	Sq. Ft.	Residential area	Buildings	
70	1,755	Sq. Ft.	Common area	Buildings	
71	37,023	Sq. Ft.	Building coverage	Buildings	

ATTACHMENT NO. 6

Recording Requested By and
When Recorded Mail To:

**City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager**

(Space above for Recorder's use.)

(This document is exempt from the payment
of a recording fee pursuant to Government
Code Section 6103.)

RELEASE OF CONSTRUCTION COVENANTS

This **RELEASE OF CONSTRUCTION COVENANTS** ("Release") is hereby made as of _____, 201_, by the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"), in favor of **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer").

RECITALS

A. City and Developer have entered into a HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) dated as of _____, 2017 ("Agreement"), which Agreement provides for Developer's acquisition and Rehabilitation of certain real property situated in the City of Garden Grove, California collectively, the "Properties") and described in Exhibit "A" attached hereto and incorporated herein by this reference, which Properties are improved with a 78-unit rental apartment complex in six (6) separate two-story buildings. As required in the Agreement, City shall furnish Developer with this Release of Construction Covenants upon the completion of the Rehabilitation of the Properties, which Release shall be in such form as to permit it to be recorded in the Orange County Recorder's Office.

B. City has conclusively determined that the completion of the Rehabilitation of the Properties has been satisfactorily completed in accordance with the Agreement.

NOW, THEREFORE, City hereto certifies as follows:

1. As provided in the Agreement, City does hereby certify that the Rehabilitation of the Properties has been fully and satisfactorily performed and completed in accordance with the Agreement.

2. After the recordation of this Release, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Properties will not (because of such ownership,

**ATTACHMENT NO. 6
RELEASE OF CONSTRUCTION COVENANTS**

purchase, or acquisition) incur any obligation or liability under the Agreement relative to the Rehabilitation of the Properties, except that such party shall be bound by any and all of the use, occupancy, and other covenants, conditions, and restrictions which survive such recordation.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4. The recitals above are incorporated in full as part of the substantive text of this Release.

IN WITNESS WHEREOF, City has executed this Release as of the date first set forth above.

CITY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

[Developer consent to recordation appears on following page.]

ATTACHMENT NO. 6
RELEASE OF CONSTRUCTION COVENANTS

Page 2 of 3

DEVELOPER CONSENT TO RECORDATION:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

EXHIBIT "A" TO ATTACHMENT NO. 6

LEGAL DESCRIPTION OF PROPERTIES

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

EXHIBIT A TO ATTACHMENT NO. 6

LEGAL DESCRIPTION

Page 1 of 1

ATTACHMENT NO. 7

MEMORANDUM OF AGREEMENT

Recording Requested By and
When Recorded Mail To:

**City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager**

(Space above for Recorder's use.)

(This document is exempt from the payment of a recording
fee pursuant to Government Code Section 6103.)

**MEMORANDUM OF HOME INVESTMENT PARTNERSHIP AFFORDABLE
HOUSING AND LOAN AGREEMENT
(Sycamore Court Housing Project)**

This **MEMORANDUM OF HOME INVESTMENT PARTNERSHIP AFFORDABLE HOUSING AND LOAN AGREEMENT (Sycamore Court Housing Project)** ("Memorandum"), dated for identification purposes as of June __, 2017, is entered into by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"), and **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer").

A. Agreement. City and Developer have executed a HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) ("Agreement"), dated as of June 13, 2017, which provides for (1) Developer's acquisition and Rehabilitation of certain real property in the City of Garden Grove, California, more fully described in Exhibit "A" attached hereto and incorporated herein by this reference ("Properties"), improved with a 78-unit apartment complex, and (2) Developer's Rehabilitation of the multi-family apartment buildings and the apartment units located at the Properties ("Project"). The Agreement further provides for Developer to rent the rehabilitated apartment units to 50% AMI Very Low Income Households, and 60% AMI Low Income Households at an Affordable Rent for long term use and occupancy by such qualified households. The Agreement is available for public inspection and copying at the office of the City located at 11222 Acacia Parkway, Garden Grove, California. All of the terms, conditions, provisions and covenants of the Agreement are incorporated in this Memorandum by reference as though written out at length herein, and the Agreement and this Memorandum shall be deemed to constitute a single instrument or document.

B. Purpose of Memorandum. This Memorandum is prepared for recordation purposes and as such is and shall remain an advisement of record of all requirements and covenants by Developer to perform under the agreement. Nothing in this Memorandum in any way modifies the

ATTACHMENT NO. 7

**MEMORANDUM OF HOME INVESTMENT PARTNERSHIP AFFORDABLE
HOUSING AND LOAN AGREEMENT**

terms, conditions, provisions and covenants of the Agreement. In the event of any inconsistency between the terms, conditions, provisions and covenants of this Memorandum and the Agreement, the terms, conditions, provisions and covenants of the Agreement shall prevail.

C. Counterparts. This Memorandum may be executed in counterparts and may be delivered by facsimile or otherwise.

D. Term. This Memorandum shall terminate and be of no further force and effect upon the full repayment of the City Loan, thereafter, the only terms and provisions of the Agreement which shall survive and remain in effect are those set forth in the Regulatory Agreement (Attachment No. 11 to the Agreement).

NOW THEREFORE, the parties have executed this Memorandum of HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) as of the date specified in the first paragraph hereof.

DEVELOPER:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

[Signatures continue on following page.]

ATTACHMENT NO. 7
MEMORANDUM OF HOME INVESTMENT PARTNERSHIP AFFORDABLE
HOUSING AND LOAN AGREEMENT

[Signatures continue from previous page.]

CITY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

ATTACHMENT NO. 7
MEMORANDUM OF HOME INVESTMENT PARTNERSHIP AFFORDABLE
HOUSING AND LOAN AGREEMENT

Page 3 of 3

EXHIBIT "A" TO ATTACHMENT NO. 7

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

EXHIBIT A TO ATTACHMENT NO. 7

LEGAL DESCRIPTION

Page 1 of 1

ATTACHMENT NO. 8
REQUEST FOR NOTICE OF DEFAULT

Recording Requested By and
When Recorded Mail To:

City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager

(Space above for Recorder's use.)

(This document is exempt from the payment
of a recording fee pursuant to Government
Code Section 6103.)

REQUEST FOR NOTICE UNDER CIVIL CODE SECTION 2924B
(10632 Bolsa Avenue, LP)

In accordance with California Civil Code Section 2924b request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deeds of Trust recorded as Instrument Nos. _____, _____, and _____ on June __, 2017 in the Official Records of Orange County, California, and describing land therein as:

[See Exhibit A attached hereto]

executed by 10632 Bolsa Avenue, LP, a California limited liability company, as Trustor/Borrower, in which _____ is named as Beneficiary, and First American Title Insurance Company, a California Corporation is named as Trustee, be mailed to: City of Garden Grove, 11222 Acacia Parkway, Garden Grove, California 92840, Attn: City Manager.

[Request continued on next page]

ATTACHMENT NO. 8
REQUEST FOR NOTICE OF DEFAULT

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED THIS RECORDED REQUEST. IF ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

CITY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

EXHIBIT "A" TO ATTACHMENT NO. 8

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

**EXHIBIT A TO ATTACHMENT NO. 8
LEGAL DESCRIPTION**

Page 1 of 1

ATTACHMENT NO. 9
SECURITY AGREEMENT

This **SECURITY AGREEMENT** ("Agreement"), executed as of June __, 2017, is entered into by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City" or "Secured Party") and **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer" or "Debtor").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All initially capitalized terms used herein which are defined in that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) dated as of June 13, 2017 ("HOME Agreement") between Debtor, as borrower, and Secured Party, as lender, shall have the same meaning herein unless the context requires otherwise.

2. Creation of Security Interest. Debtor hereby grants to Secured Party a security interest in and to all personal property in which Debtor now or hereafter owns or acquires any interest or right, including, without limitation leased personal property and the personal property described in Exhibit "B" hereto and by this reference incorporated herein and which are now or hereafter are to be located on or used or useful in the Rehabilitation, operation, use or occupancy of the Project (as defined in the Agreement) or the land (commonly known as 10632 Bolsa Avenue in the City of Garden Grove, County of Orange, State of California) described in Exhibit "A" hereto and by this reference incorporated herein ("Properties"), and all insurance policies and proceeds from any policy of insurance covering any of the aforesaid Properties now or hereafter acquired by Debtor, whether required by the Project Documents or otherwise (such personal property and insurance policies and proceeds are hereinafter collectively called "Collateral"), for the purposes of securing: (a) payment of all amounts due under the City Loan Note, and all modifications, extensions, renewals and replacements thereof; (b) payment of all sums advanced by Secured Party to protect the Collateral, with interest thereon at the rate of ten percent (10%) per annum ("Alternate Rate"); (c) payment of all indebtedness of Debtor, or its successors or assigns, to Secured Party evidenced by a promissory note or notes or other instruments or agreements reciting that they are secured hereby; and (d) performance of every obligation, covenant and agreement of Debtor contained herein and in the Agreement and in any other loan agreement, promissory note or other agreement now or hereafter executed by Debtor which recites that performance of the obligations thereunder is secured hereby.

3. Warranties, Representations and Covenants of Debtor. To induce Secured Party to accept this Security Agreement, Debtor hereby represents, warrants, and covenants as follows:

(a) Except for the security interest granted hereby and the liens of other security agreements expressly approved by City or subordinated and subject to the lien of this Agreement, to Debtor's knowledge, without duty of inquiry, Debtor is, and as to portions of the Collateral to be acquired after the date hereof (subject to purchase money debt) will be, the sole owner of the Collateral, free from any adverse lien, security interest, or adverse claim of any kind whatsoever. Debtor will notify Secured Party of and will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

ATTACHMENT NO. 9
SECURITY AGREEMENT

(b) The Collateral is not used or bought for personal, family or household purposes.

(c) Except as otherwise provided in the Agreement, the tangible Collateral will be kept on or at the Properties and Debtor will not, without the prior written consent of Secured Party, which shall not be unreasonably withheld, remove the Collateral therefrom except such portions or items of Collateral which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Debtor with property of similar nature and equivalent or better quality and useful life.

(d) At the request of Secured Party, Debtor will execute one or more financing statements and fixture filings pursuant to the Uniform Commercial Code of California, in form satisfactory to Secured Party, and will pay the cost of filing the same in all public offices wherever filing is deemed by Secured Party to be necessary or desirable.

(e) Debtor's principal place of business is at the address set forth in the HOME Agreement. Debtor does not do business under any trade name or fictitious business name other than 10632 Bolsa Avenue, LP. Debtor will promptly notify Secured Party in writing of any change in its place of business or the adoption or change of any trade name or fictitious business name, and will upon request of Secured Party, execute any additional financing statements or other certificates necessary to reflect the adoption or change in trade names or fictitious business name.

(f) Debtor will not, without the prior written consent of Secured Party, sell, offer to sell or otherwise transfer, exchange or dispose of the Collateral or any interest therein, unless in the normal course of business the Collateral is being replaced by collateral of similar nature and equivalent or better quality and useful life. If the Collateral or any part thereof is sold, transferred, exchanged, or otherwise disposed of (either with or without the written consent of Secured Party), the security interest of Secured Party shall extend to the proceeds of such sale, transfer, exchange or other disposition and Debtor will hold said proceeds in a separate account for Secured Party's benefit and will, at Secured Party's request, transfer such proceeds to Secured Party in kind.

(g) Debtor will keep the Collateral in good condition and repair, and will not misuse, abuse, allow to deteriorate, waste or destroy the Collateral or any part thereof, except for casualty or ordinary wear and tear resulting from its normal and expected use in Debtor's business. Secured Party may examine and inspect the Collateral at any reasonable time during normal business hours and upon at least seventy-two (72) hours' prior written notice, wherever located.

(h) Debtor, in a timely manner, will execute any document, alone or with Secured Party, procure any document, give any notices, do all other acts, and pay all costs associated with the foregoing that Secured Party determines is reasonably necessary to protect the Collateral against rights, claims or interests of third parties, or will otherwise preserve the Collateral as security hereunder.

(i) Debtor shall promptly notify Secured Party of any claim against the Collateral adverse to the interest of Secured Party therein.

4. Preservation of Collateral by Secured Party. Should Debtor fail or refuse to make any payment, perform or observe any other covenant, condition, or obligation, or take any other

**ATTACHMENT NO. 9
SECURITY AGREEMENT**

Page 2 of 8

action which Debtor is obligated hereunder to make, perform, observe, take or do at the time or in the manner herein provided, then Secured Party may, at Secured Party's sole discretion, without notice to or demand upon Debtor and without releasing Debtor from any obligation, covenant, or condition hereof, make, perform, observe, take or do the same in such manner and to such extent as Secured Party may deem necessary to protect the security interest in or the value of the Collateral. Furthermore, Secured Party, in its sole discretion, may commence, appear or otherwise participate in any action or proceeding purporting to affect Secured Party's security interest in or the value or ownership of the Collateral. Debtor agrees to pay Secured Party, on demand, the amount of any payment made or expense incurred by Secured Party pursuant to the foregoing authorizations (including attorneys' fees), together with interest thereon at the Alternate Rate from the date of each such payment by Secured Party.

5. Use of Collateral by Debtor. Until the occurrence of a Default, Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with the Agreement and not inconsistent with any policy of insurance thereon.

6. Default. Debtor shall not be in default hereunder unless an Event of Default, as defined in the HOME Agreement, has occurred (a "Default").

7. Remedies Upon Default.

(a) Upon the occurrence of a Default hereunder, Secured Party may, at its option, do any one or more of the following:

(i) Declare all indebtedness secured hereby to be immediately due and payable, whereupon all unpaid principal of and interest on said indebtedness and other amounts declared due and payable shall be and become immediately due and payable without presentment, demand, protest or notice of any kind;

(ii) Either personally, or by means of a court appointed receiver, take possession of all or any part of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. In the event Secured Party demands, or attempts to take possession of the Collateral in the exercise of any rights under the Agreement, Debtor promises and agrees to promptly turn over and deliver complete possession thereof to Secured Party;

(iii) Require Debtor to assemble the Collateral, or any portion thereof, at a place designated by Secured Party and reasonably convenient to both parties, and promptly to deliver such Collateral to Secured Party, or an agent or representative designated by it. Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor's premises and property to exercise Secured Party's rights hereunder;

(iv) Foreclose the Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by any deed of trust or in any other document executed by Debtor in connection with indebtedness secured hereby, either concurrently or in such order as Secured Party may determine, and sell or

**ATTACHMENT NO. 9
SECURITY AGREEMENT**

cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral or the property described in any such deed of trust, or both, without affecting in any way the rights or remedies to which Secured Party may be entitled under the other such instruments;

(v) Sell, lease or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Secured Party may be a purchaser at any sale; and

(vi) Exercise any remedies of a secured party under the Uniform Commercial Code of California or any other applicable law.

(b) Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least five (5) days' prior written notice of the time and place of any public sale of the Collateral or other intended disposition thereof to be made. Such notice may be mailed to Debtor at the address set forth in the HOME Agreement.

(c) The proceeds of any sale under Paragraph 7(a) shall be applied by Secured Party, in its sole discretion, to any of the following:

(i) To the repayment of the reasonable costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including attorneys' fees and costs) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the amount then due and unpaid of the indebtedness of Debtor to Secured Party (including principal and interest) referred to in Paragraph 2 above;

(iii) To the payment of all other amounts (including principal and interest) then secured hereunder; and

(iv) The surplus, if any, shall be paid to the Debtor or whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Secured Party shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

8. Notices. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be given as provided in the HOME Agreement.

9. Other Remedies. Any and all remedies herein expressly conferred upon Secured Party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby or by

**ATTACHMENT NO. 9
SECURITY AGREEMENT**

law on Secured Party, and the exercise of any one remedy shall not preclude the exercise of any other.

10. Waiver. By exercising or failing to exercise any of its rights, options or elections hereunder, Secured Party shall not be deemed to have waived any Event of Default under the Agreement nor any Default on the part of Debtor or to have released Debtor from any of its obligations secured hereby, unless such waiver or release is in writing and is signed by Secured Party. In addition, the waiver by Secured Party of any Event of Default under the Agreement or any Default hereunder with respect to the payment of any indebtedness secured hereby shall not be deemed to constitute a waiver of any succeeding Event of Default under the Agreement or Default hereunder.

11. Affixed Collateral. The inclusion in the Agreement of any Collateral which may now be, or hereafter become, affixed or in any manner attached to the Properties shall be without prejudice to any claim at any time made by Secured Party that such Collateral is, or has become, a part of any improvements located on the Properties, or an accession to the Properties.

12. Further Security Agreements. Debtor further promises and agrees to execute from time to time, as Secured Party may reasonably require, security agreements and financing statements specifically including, in addition to the Collateral listed in Exhibit "B", such additional goods, documents, contract rights, accounts receivable or general intangibles of type or kind similar to those listed in Exhibit "B" in which Debtor hereafter owns or acquires any interest or right, including, without limitation, leased personal property, and which are now or hereafter located on or used or useful in the construction, use, ownership, or occupancy of the Project.

13. Attorneys' Fees. Debtor agrees to pay all charges, expenses and costs, including reasonable attorneys' fees, which may be incurred in the enforcement of the Agreement whether or not such enforcement includes the filing of a lawsuit. As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto (including, without limitation, in-house counsel employed by Secured Party) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

14. Binding Upon Successors. All agreements, covenants, conditions and provisions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of California.

16. Amendment. This Agreement can be modified or rescinded only by a writing expressly referring to the Agreement and signed by all of the parties.

**ATTACHMENT NO. 9
SECURITY AGREEMENT**

Page 5 of 8

17. Invalidity of Provisions. Every provision of the Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, and to the extent possible all of the other provisions shall nonetheless remain in full force and effect.

18. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which shall constitute one and the same Agreement with the same effect as if all parties had signed the same signature page. Any signature page of the Agreement may be detached from any counterpart of the Agreement and reattached to any other counterpart of the Agreement identical in form hereto but having attached to it one or more additional signature pages.

19. Non-Recourse Obligation. In the event of any Default under the terms of this Agreement or any of the other Project Documents, the sole recourse of City for any such Default shall be Developer's interest in the Properties and the Project and Developer and its partners and Affiliates shall not be personally liable for the payment of any obligations under this Agreement; provided, however, that the foregoing shall not in any way affect any rights City may have hereunder, or any right of City to recover or collect funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by City as a result of fraud, intentional misrepresentation or bad faith waste, and/or any costs and expenses incurred by City in connection therewith (including without limitation reasonable attorneys' fees and costs).

[Signatures appear on following pages]

IN WITNESS WHEREOF, Debtor has duly executed this Security Agreement as of the day and year first above written.

DEBTOR/Developer:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

[Signatures continue on following page.]

[Signatures continue from previous page.]

SECURED PARTY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

EXHIBIT "A" TO ATTACHMENT NO. 9

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

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EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

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EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

EXHIBIT A TO ATTACHMENT NO. 9

LEGAL DESCRIPTION

Page 1 of 1

EXHIBIT "B" TO ATTACHMENT NO. 9

FINANCING STATEMENT DESCRIPTION OF THE COLLATERAL

As used in this Exhibit "B", the term "Real Property" means that certain land (commonly known as 10632 Bolsa Avenue in the City of Garden Grove, County of Orange, State of California) described in Exhibit "A" to the Security Agreement, together with all improvements now or hereafter located thereon, more particularly described in Schedule 1 attached hereto.

1. All personal property, including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixture, machinery, inventory and construction materials which Debtor now or hereafter owns or in which Debtor now or hereafter acquires an interest or right, including, without limitation, those which are now or hereafter located on or affixed to the Real Property or used or useful in the operation, use or occupancy thereof or the construction of any improvements thereon, including, without limitation, any interest of Debtor in and to personal property which is leased or subject to any superior security interest, or which is being manufactured or assembled for later installation into the improvements to be located or constructed at the Real Property, wherever located, and all books, records, leases and other documents, of whatever kind or character, relating to the Real Property;

2. All fees, income, rents, issues, profits, earnings, receipts, royalties and revenues which, after the date hereof and while any portion of the indebtedness secured hereby remains unpaid, may accrue from said goods, fixtures, furnishings, equipment and building materials or any part thereof or from the Real Property or any part thereof, or which may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, or subleasing therefor;

3. All of Debtor's present and future rights to receive payments of money, services or property including, without limitation, rights to all deposits from tenants of the Real Property, accounts receivable, deposit accounts, chattel paper, notes, drafts, contract rights (including, without limitation, all rights under any interest rate hedging or similar agreement), instruments, general intangibles and principal, interest and payments due on account of goods sold, services rendered, loans made or credit extended, together with title or interest in all documents evidencing or securing the same;

4. All other intangible property and rights relating to the Real Property or the operation thereof, or used in connection therewith, including but not limited to all governmental permits relating to construction or other activities on the Real Property, all names under or by which the Real Property may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Real Property, good will in any way relating to the Real Property, and all licenses and permits relating in any way to, or to the operation of, the Real Property;

5. All proceeds from sale or disposition of the aforesaid collateral;

6. Debtor's rights under all insurance policies covering the Real Property or any of the aforesaid collateral (whether or not required by Project Documents, as such term is defined in that

EXHIBIT B TO ATTACHMENT NO. 9 FINANCING STATEMENT DESCRIPTION OF COLLATERAL

certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) by and between Debtor and Secured Party of even date herewith), and all proceeds, loss payments and premium refunds payable regarding the same;

7. All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on the land described in Schedule 1 attached;

8. All water stock relating to the Real Property or any portion of it;

9. All causes of action, claims, compensation and recoveries for any damage to or condemnation or taking of the Real Property or the aforesaid collateral, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Real Property or the aforesaid collateral, or for any loss or diminution in value of the Real Property or the aforesaid collateral;

10. All architectural, structural, mechanical and engineering plans and specifications prepared for construction or improvements or extraction of minerals from the Real Property and all studies, data and drawings related thereto; and also all contracts and agreements of the Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings or to the construction of improvements on or extraction of minerals or gravel from the property;

11. All Debtor's rights in proceeds of the loan evidenced by that certain City Loan Note, Promissory Note Secured by Deed of Trust of even date herewith executed by Debtor in favor of City;

All terms used herein which are defined in the California Commercial Code shall have the same meanings when used herein, unless the context requires otherwise.

**EXHIBIT B TO ATTACHMENT NO. 9
FINANCING STATEMENT DESCRIPTION OF COLLATERAL**

SCHEDULE 1 TO EXHIBIT "B" TO ATTACHMENT NO. 9

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

SCHEDULE 1 TO EXHIBIT B TO ATTACHMENT NO. 9

LEGAL DESCRIPTION

SCHEDULE 2 TO EXHIBIT "B" TO ATTACHMENT NO. 9

SIGNATURE OF DEBTOR

DEBTOR/DEVELOPER:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

SCHEDULE 2 TO EXHIBIT B TO ATTACHMENT NO. 9

SIGNATURE OF DEBTOR

ATTACHMENT NO. 10
AFFORDABLE RENT CALCULATION CHART
(Sycamore Court Housing Project)

[See attached]

Sycamore Court - Unit Mix and Affordable Rent Calculation Tables

Income Level	Bdrms	AMI	Units	Sq. Ft.	Monthly Gross Rents	Monthly Utility Allowance	Net Rent	Gross Annual Income	Most Restrictive Rent	HOME Units	TCAC Units	Senior Units N/A	Family Units	Program*
Very Low Income	1	50%	2	730	\$978.00	\$52.00	\$1,030.00	\$24,720.00	TCAC	2	2		2	TCAC/HOME/HAP
Low Income	1	60%	6	730	\$1,173.00	\$52.00	\$1,225.00	\$88,200.00	TCAC		6		6	TCAC/HAP
Low Income	1	60%	12	730	\$1,173.00	\$52.00	\$1,225.00	\$176,400.00	TCAC		12		12	TCAC
Very Low Income	2	50%	5	906.3	\$1,173.00	\$61.00	\$1,234.00	\$74,040.00	TCAC	4	5		5	TCAC/HOME/HAP
Low Income	2	60%	13	906.3	\$1,407.00	\$61.00	\$1,468.00	\$229,008.00	TCAC		13		13	TCAC/HAP
Low Income	2	60%	24	906.3	\$1,407.00	\$61.00	\$1,468.00	\$422,784.00	TCAC		24		24	TCAC
Very Low Income	3	50%	1	1060.2	\$1,356.00	\$96.00	\$1,452.00	\$17,424.00	TCAC	1	1		1	TCAC/HOME/HAP
Low Income	3	60%	4	1060.2	\$1,627.00	\$96.00	\$1,723.00	\$82,704.00	TCAC		4		4	TCAC/HAP
Low Income	3	60%	10	1060.2	\$1,627.00	\$96.00	\$1,723.00	\$206,760.00	TCAC		10		10	TCAC
2BD manager unit	2	100%	1	906.3	\$0.00	\$0.00	\$0.00	\$0.00	Unrestricted					MGR
			78	69,474			\$110,170	\$1,322,040		7	77		77	

TCAC = Tax Credit Rent

HOME = HOME Program Rent (Low HOME)

HAP = HUD Section 8 Housing Assistance Payment Rent

**ATTACHMENT NO. 10
AFFORDABLE RENT CALCULATION CHART**
Page 2 of 2

DOCSOC/1795759v14/022046-0048

ATTACHMENT NO. 11

REGULATORY AGREEMENT

Recording Requested By and
When Recorded Mail To:

**City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: City Manager**

(Space above for Recorder's use.)

(This document is exempt from the payment of a recording
fee pursuant to Government Code Section 6103.)

REGULATORY AGREEMENT

This **REGULATORY AGREEMENT** ("Agreement") is entered into this ____ day of June 2017, by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City") and **10632 BOLSA AVENUE, LP**, a California limited liability company ("Developer").

RECITALS

A. Developer has acquired those certain two (2) parcels of real property located at 10632 Bolsa Avenue in the City which are more particularly described in the legal description attached hereto as Exhibit A and fully incorporated by this reference ("Properties").

B. Developer desires to rehabilitate the existing seventy-eight (78) Housing Units on the Properties and to restrict occupancy to and make available all but one of such Housing Units to 50% AMI Very Low Income Households and 60% AMI Low Income Households, all at an Affordable Rent, one Housing Unit being reserved for an on-site property manager, and including the seven (7) HOME Units. Developer intends to acquire and rehabilitate the Properties utilizing the proceeds of a loan from City in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) sourced from HOME Program funds, or as much thereof as is disbursed by City to Developer.

C. City has agreed to extend the City Loan to Developer pursuant to the terms and conditions of that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) ("HOME Agreement") dated as of June 13, 2017 entered into by and between Developer and City.

D. City has agreed to make the City Loan to Developer on the condition that the Project be maintained and operated in accordance with the restrictions concerning affordability, operation, and maintenance of the Project, as specified in the HOME Agreement.

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

E. A purpose of the HOME Agreement is to ensure that the Housing Units rehabilitated and operated pursuant to the requirements hereunder shall be available at an Affordable Rent for fifty-five (55) years from the issuance by City and recordation of the Release of Construction Covenants pursuant to the HOME Agreement and that all but one Housing Units shall be restricted to rental to and occupancy by 50% AMI Very Low Income Households and 60% AMI Low Income Households paying an Affordable Rent in accordance with the provisions of the HOME Agreement and this Regulatory Agreement.

NOW, THEREFORE, the foregoing recitals are a substantive part of the Agreement and in consideration of the mutual covenants and conditions set forth herein and in the HOME Agreement, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. Capitalized words and terms used in this Regulatory Agreement, if not defined in this Regulatory Agreement, shall have the meanings ascribed thereto in the HOME Agreement.

ARTICLE 2

LAND USE RESTRICTIONS

2.1. Permitted Uses. The Properties shall be used only for private rental dwelling purposes and related amenity uses and for no other purposes. Commencing upon and throughout the Affordability Period, Developer covenants and agrees to make available, restrict occupancy to, and rent one hundred three (103) of the Housing Units at the Properties to 50% AMI Very Low Income Households, and 60% AMI Low Income Households, all at an Affordable Rent as set forth in Sections 2.2, 2.3, and 2.4 herein, one Housing Unit being reserved for the on-site property manager. None of the Housing Units at the Properties shall at any time be utilized on a transient basis, nor shall the Properties or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, short-term rental, vacation home such as Air BnB or VRBO, or hospital, nursing home, sanitarium or rest home. Developer shall not convert the Properties to condominium ownership during the Affordability Period without the prior consideration and action approving such conversion by the City Council, which approval may be granted, withheld or denied in the sole and absolute discretion of the City Council and until such approval is granted, if at all by City Council, it shall be a violation of such restriction to file a "White Report" and/or to record a condominium plan for the Properties. Developer shall not maintain or cause to be maintained any public nuisance or private nuisance on or about the Properties.

2.2 Tenant Selection Covenants.

2.2.1 Compliance with *Limon* Judgment; Selection of Tenants. Developer shall be responsible for the selection of tenants for the Housing Units in compliance with the applicable federal, state and local laws, Federal Program Limitations, the HOME Program and all lawful and reasonable criteria as set forth in the Management Plan that is required to be submitted to and approved by the City as a Condition Precedent and under the HOME Agreement and this Agreement.

ATTACHMENT NO. 11 REGULATORY AGREEMENT

Developer shall adopt a tenant selection system for the HOME Units in conformance with Section 92.253(d) of the HOME Regulations, which shall be approved by City Manager in his reasonable discretion, which establishes a chronological waiting list system for selection of tenants and meets the requirements of this Section 2.2.1 and the HOME Agreement.

(a) Following the completion of the Rehabilitation and re-occupancy by the existing occupants of the Housing Units, as applicable, as a critical and essential part of its tenant selection for vacant Housing Units, if any, and as Housing Units available for occupancy by 60% AMI Low Income Households first become vacant, subject to applicable Fair Housing Laws, the Developer shall grant a first priority to 60% AMI Low Income Households who were displaced from the former improvements called the "Travel Country Recreational Vehicle Park" ("RV Park") by activities of the Garden Grove Agency for Community Development ("Former Agency"), now a dissolved redevelopment agency, or as otherwise described in that certain Judgment in *Marina Limon v. Garden Grove Agency for Community Development, et al.*, Orange County Superior Court Case No. 30-2009-00291597 ("*Limon* Judgment"), and a second priority to any 60% AMI Low Income Households who were otherwise displaced by activities of the Former Agency at the income category that corresponds to the income of the displaced households.

(i) Developer shall provide written notice to the City at least thirty (30) days prior to Developer commencing its marketing activities for the initial lease-up of the Project in conformance with the approved Management Plan. In addition, this prior notice from Developer to City also shall include a complete copy of the form of the "application" with a description of necessary supporting materials to be completed by applicants for prospective tenancy at the Project, in particular so that the displacees described in the subparagraphs below (and the plaintiffs' counsels in the *Limon* Judgment) can be notified in writing and have an adequate time to prepare and submit an application and in order for the Garden Grove Housing Authority or the Successor Agency to the Garden Grove Agency for Community Development (or the City) to perform under and implement the requirements of such *Limon* Judgment.

(ii) Subject to applicable Fair Housing Laws, Developer's waiting list of prospective, eligible tenants for Housing Units at the Project shall include and follow the following order of priority for selection of tenants:

A. first priority to 60% AMI Low Income Households who were displaced from the RV Park by activities of the Former Agency or as otherwise described in the *Limon* Judgment;

B. second priority to 60% AMI Low Income Households who were otherwise displaced by activities of the Former Agency at the income category that corresponds to the income of the previously displaced households;

C. third priority to 50% AMI Very Low Income Households and 60% AMI Low Income Households, as applicable, who were previously displaced from their residences within the City of Garden Grove due to programs or projects implemented by the Garden Grove Housing Authority, the City, or another governmental entity that operates within the City of Garden Grove; and

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

D. fourth priority to 50% AMI Very Low Income Households and 60% AMI Low Income Households, as applicable, who then currently live and/or currently work in the City as of the date of application to Developer for prospective tenancy at the Project.

2.2.2 Selection of Tenants. In addition to Developer's compliance with Section 2.2.1 above, the Developer shall be responsible for the selection of tenants for the Housing Units in compliance with the HOME Program, the Federal Program Limitations and all lawful and reasonable criteria, as set forth in the Management Plan that is required to be submitted to and approved by City pursuant to this Agreement. Subject to Developer's first compliance with Section 2.2.1 above, Developer shall use its best efforts to rent vacant Housing Units to eligible households on the Garden Grove Housing Authority's tenant waiting list and eligible households currently holding portable Section 8 vouchers, who are otherwise qualified to be tenants in accordance with the approved tenant selection criteria. In addition, with respect to tenants selected to occupy Housing Units receiving Project Based Section 8 assistance, Developer shall give preference to eligible tenants who are elderly or disabled or to eligible tenant households receiving supportive services, in accordance with 24 CFR Section 983.56, who are otherwise qualified to be tenants in accordance with the approved tenant selection criteria. Developer shall adopt a tenant selection system for the HOME Units in conformance with Section 92.253(e) of the HOME Regulations, which shall be approved by City Manager in his reasonable discretion, which establishes a chronological waiting list system for selection of tenants. The tenant selection system shall include, without limitation, a method for investigation of the credit history of proposed tenants through obtaining a credit report on the proposed tenant. To the extent Housing Units are available, Developer shall not refuse to lease to a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a HOME Program, Section 8 program or other tenant-based assistance program solely on the basis of such certificate, voucher or comparable document, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria.

2.2.3 Income and Occupancy Restrictions. As included in the annual income certification provided by Developer or as otherwise reasonably requested by City, Developer shall endeavor to make available for City Manager's review and approval such information as Developer has reviewed and considered in its selection process, together with the statement by Developer that Developer has determined that each selected tenant will comply with all applicable terms and conditions of this Agreement in each tenant's occupancy of a Housing Unit, including without limitation, that each corresponding household satisfies the income eligibility requirements, Affordable Rent requirements, and other applicable requirements of this Agreement.

(a) In this regard, Developer covenants and agrees that (i) each tenant (other than the on-site property manager) shall and will be a 50% AMI Very Low Income Household or a 60% AMI Low Income Household as defined herein, and (ii) the cost to each tenant household (other than the on-site property manager) for the corresponding Housing Unit on the Properties shall be at and within the defined Affordable Rent for the a 50% AMI Very Low Income Household or a 60% AMI Low Income Household, and (iii) each tenant household (other than the on-site property manager) shall meet HQS occupancy standards for the Housing Unit (subject to Section 2.2.5), and (iv) the occupancy and use of the Properties shall comply with all other covenants and obligations of this Agreement (collectively, "Tenant Selection Covenants").

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

2.2.4 Income/Unit Mix. Developer covenants that:

(i) Two (2) of the 1-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent of which two (2) units shall be designated as Low HOME Units;

(ii) Eighteen (18) of the 1-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent;

(iii) Five (5) of the 2-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent of which four (4) units shall be designated as Low HOME Units;

(iv) Thirty-seven (37) of the 2-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent;

(v) One (1) of the 3-bedroom Housing Units at the Project shall be occupied by 50% AMI Very Low Income Households at an Affordable Rent and which unit shall be designated as a Low HOME Unit);

(vi) Fourteen (14) of the 3-bedroom Housing Units at the Project shall be occupied by 60% AMI Low Income Households at an Affordable Rent; and

(vii) one (1) 2-bedroom Housing Unit at the Project shall be occupied by an on-site property manager. The on-site manager is not required to income qualify as a 50% AMI Very Low Income Household or 60% AMI Low Income Household; nor shall the monthly housing payment charged for the on-site manager's Housing Unit be restricted to an Affordable Rent, nor shall Developer be required to comply with any other requirements set forth in this Agreement relating to the income or other Tenant Selection Covenants when selecting and retaining such on-site manager.

2.2.5 Minimum and Maximum Occupancy Limits. The minimum occupancy of the Housing Units in the Project shall not be less than one person per bedroom. The maximum occupancy of the Housing Units in the Project shall not exceed more than such number of persons as is equal to two persons per bedroom, plus one; thus: (i) for the one-bedroom Housing Units the maximum occupancy shall not exceed three (3) persons, (ii) for the two (2) bedroom Housing Units the maximum occupancy shall not exceed five (5) persons; and (iii) for the three (3) bedroom Housing Units the maximum occupancy shall not exceed seven (7) persons.

2.2.6 Housing Units Intended as Replacement Housing by City and its Affiliated Entities. Developer acknowledges that City is investing in the Project and providing the City Loan to Developer to cause long-term affordable housing, qualifying under the HOME Program as HOME Units during the HOME Compliance Period, qualifying as replacement housing required under that certain *Limon* Judgment (defined above) and qualifying as reserved or banked replacement housing under federal or state laws, as, if, and when applicable to the City or its affiliated entities such as the Garden Grove Housing Authority and the Successor Agency to the Garden Grove Agency for Community Development. Therefore, this Agreement shall serve as notice and evidence that the City is investing in the Project and providing the City Loan to Developer to qualify, use, and bank all

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78 affordable housing units in this Project (excluding the onsite manager's unit) for purposes of replacement housing (i) as defined and required under federal and state laws, as, if and when applicable, to the City, Housing Authority or Successor Agency, and (ii) in satisfaction of the Successor Agency's replacement housing obligations that may remain under and in implementation of the *Limon* Judgment.

2.3 Income Certification Requirements. Following the completion of the Rehabilitation and re-occupancy by the existing occupants of the Housing Units, and annually thereafter (on or before March 31 of each year), Developer shall submit to City, at Developer's expense, as part of the annual report required by Section 3.8 and Exhibit C, a written summary of the income, household size and rent payable by each of the tenants of the Housing Units. At City's request, but not less frequently than prior to each initial and subsequent rental of each Housing Unit to a new tenant household (but not lease renewals) and annually thereafter, Developer shall also provide to City completed income computation, asset evaluation, and certification forms, for any such tenant or tenants. Developer shall obtain, or shall cause to be obtained by the Property Manager, an annual certification from each household leasing a Housing Unit demonstrating that such household is a 50% AMI Very Low Income Household or 60% AMI Low Income Household, as applicable, and meets the eligibility requirements established for the Housing Unit. Developer shall verify, or shall cause to be verified by the Property Manager, the income certification of each tenant household. In order to comply with this Section, Developer shall submit to City any and all tenant income and occupancy certifications and supporting documentation required to be submitted to TCAC pursuant to the Tax Credit Rules and the Tax Credit Regulatory Agreement for the Project; provided, City may request (and Developer shall provide) additional documentation to assist City's evaluation of Developer's compliance with this Agreement, if determined to be necessary in the reasonable discretion of the City Manager, specifically including (without limitation) any documentation or additional certifications that may be necessary to verify compliance with the HOME Regulations and Federal Program Limitations, as applicable. This requirement is in addition to and does not replace or supersede Developer's obligation to annually submit the Certificate of Continuing Program Compliance to City.

2.3.1 Verification of Income of New and Continuing Tenants. Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with 25 Cal. Code Regs. Section 6914. Developer shall verify the income and information provided in the income certification of the proposed tenant as set forth below.

(a) Developer shall verify the income of each proposed tenant of the Project pursuant to the Tenant Selection Covenants set forth in Section 2.2 herein, and by at least one of the following methods as appropriate to the proposed tenant:

(i) obtain two (2) paycheck stubs from the person's two (2) most recent pay periods.

(ii) obtain a true copy of an income tax return from the person for the most recent tax year in which a return was filed.

(iii) obtain an income verification certification from the employer of the person.

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

(iv) obtain an income verification certification from the Social Security Administration and/or the California Department of Social Services if the person receives assistance from such agencies.

(v) obtain an alternate form of income verification reasonably requested by City, if none of the above forms of verification is available to Developer.

2.4 Affordable Rent.

2.4.1 Maximum Monthly Rent. The maximum monthly rent chargeable for the HOME Units during the HOME Compliance Period shall be annually determined by City in accordance with Section 92.252 of the HOME Regulations, and the maximum monthly rent chargeable for all other Housing Units (including the HOME Units after the HOME Compliance Period) shall be annually determined under the Tax Credit Regulatory Agreement and Tax Credit Rules, as applicable, under the following formulas:

(a) The Affordable Rent for the Housing Units to be rented to 50% AMI Very Low Income Households shall not exceed:

(i) for the seven (7) Low HOME Units: the rent shall be the *lesser* of: (A) one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate for the unit pursuant to the Tax Credit Rules or (B) the applicable Low HOME rent amount in compliance with the HOME Regulations;

(A) In clarification of the Affordable Rent for the seven (7) HOME Units as of June 6, 2016, HUD set the maximum rent inclusive of any utility allowance as listed below and adjustments (annual or more often as promulgated by HUD) shall be made by Developer in compliance with the HOME Regulations during the HOME Compliance Period:

- One bedroom Low HOME rent - \$914
- Two bedroom Low HOME rent - \$1,097
- Three bedroom Low HOME rent - \$1,267; and

(ii) for the Housing Units that are not HOME Units (and for the HOME Units after the HOME Compliance Period for the remaining term of the Affordability Period), the rent shall be one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate to the unit pursuant to the Tax Credit Rules.

(b) The Affordable Rent for the Housing Units to be rented to 60% AMI Low Income Households shall not exceed:

(i) one-twelfth (1/12) of thirty percent (30%) of sixty percent (60%) of AMI for Orange County as determined and published by TCAC for a family of a size appropriate to the unit pursuant to the Tax Credit Rules.

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For purposes of this Regulatory Agreement, "Affordable Rent" means the total of monthly payments for (a) use and occupancy of each Housing Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, or cable TV or internet services, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Developer.

2.4.2 Initial Rents for Existing Tenants. For the existing tenants of the Housing Units initially designated as one of the seven (7) HOME Units, who (1) were tenants at the Properties as of the date Developer acquires the Properties, (2) will be temporarily displaced (and not be permanently displaced) from the Project, and (3) will return to a Housing Unit after the completion of the Rehabilitation, for the first twelve (12) months of tenancy/occupancy after the completion of the Rehabilitation the tenant's monthly rent (inclusive of a utilities allowance) for such twelve month period shall be the greater of (i) thirty percent (30%) of such household's actual monthly gross income, or (ii) the actual gross Rent (inclusive of utilities) paid by such household as of the date Developer acquires the Properties, but in no event shall such Rent paid by such household exceed the Affordable Rent for the Housing Units under the HOME Agreement and this Agreement.

2.4.3 Rent Schedule and Utility Allowance. City will review and approve the Affordable Rents proposed by Developer for all of the Housing Units together with the monthly allowances proposed by Developer for utilities and services to be paid by the tenant. Developer must annually reexamine the income of each tenant household living in the Housing Units annually in accordance with Sections 2.3 and 3.8 herein. The maximum monthly rent must be recalculated by Developer and reviewed and approved by City annually, and may change as changes in the applicable gross Rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in Rents for the Housing Units is subject to the provisions of outstanding leases. Developer must provide all tenants not less than 30 days prior to written notice before implementing any increase in Rents.

2.4.4 Increases in Tenant Income. A tenant who qualifies as a 50% AMI Very Low Income Household or a 60% AMI Low Income Household prior to occupancy of a Housing Unit in compliance with the Agreement shall be deemed to continue to be so qualified until such time as the annual re-verification of such tenant's income demonstrates that such tenant no longer qualifies as a 50% AMI Very Low Income Household or a 60% AMI Low Income Household, as applicable. A tenant occupying a Housing Unit whose income increases, causing that tenant household to cease to be income qualified in the same category shall, if that tenant household continues to qualify in a higher income category provided for under this Agreement, be deemed to so qualify and the Housing Unit occupied by such tenant household shall be counted towards Developer's obligation to provide a Housing Unit for households in such income category. A tenant household whose income increases such that such tenant household ceases to be income qualified to occupy any Housing Unit at the Project, may continue to occupy his Housing Unit and be charged rent including a reasonable utility allowance, not greater than the lesser of thirty percent (30%) of the household's adjusted monthly income, recertified annually, or the market rent applicable to the Housing Unit as published by HUD.

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2.4.5 Most Restrictive Affordable Rent Covenants Govern. To the extent of an inconsistency between or among the foregoing covenants relating to Affordable Rent and other covenants or agreements applicable to the Project, the most restrictive covenants or agreement regarding the Affordable Rent for the Housing Units in the Project shall prevail.

2.4.6 Affordable Rent Calculation Chart. In illustration of the foregoing description of Affordable Rent, attached to this Agreement as Exhibit B and fully incorporated by this reference is an "Affordable Rent Calculation Chart (Sycamore Court Housing Project)." The chart is illustrative only and in the event of any inconsistency between such chart and the specific provisions of this Agreement, the provisions of this Agreement shall prevail.

2.5. Tenant Protections.

2.5.1 Lease. Developer shall execute or cause to be executed a written lease in a form approved in writing by City (other than immaterial modifications thereto) which complies with the applicable HOME Regulations, and all Federal Program Limitations, with each tenant household identifying by name all permitted occupants, both adults and minors, occupying each Housing Unit. The lease between tenants occupying the Housing Units and Developer must be for not less than one year, unless by mutual agreement between the tenant and Developer.

2.5.2 Prohibited Lease Terms. The lease for HOME Units may not contain any of the following provisions:

(i) *Agreement to be Sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of Developer in a lawsuit brought in connection with the lease;

(ii) *Treatment of Properties.* Agreement by tenant that Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Housing Unit after the tenant has moved out of the Housing Unit. Developer may dispose of this personal property in accordance with state law;

(iii) *Excusing Developer From Responsibility.* Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;

(iv) *Waiver of Notice.* Agreement of the tenant that Developer may institute a lawsuit without notice to the tenant;

(v) *Waiver of Legal Proceedings.* Agreement by the tenant that Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(vi) *Waiver of a Jury Trial.* Agreement by the tenant to waive any right to a trial by jury;

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(vii) *Waiver of Right to Appeal Court Decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

(viii) *Tenant Chargeable with Cost of Legal Actions Regardless of Outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

2.5.3 Termination of Tenancy. Developer may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME Unit within the Project except for failure to pay rent, serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by Developer's service upon the tenant of a written notice specifying the grounds for the action.

2.5.4 Tenant Selection. Developer shall not refuse to rent a Housing Unit in the Project to a holder of a Rental Voucher or a Rental Certificate or comparable document evidencing participation in the Section 8 Program or a HOME tenant-based assistance program solely on the basis of such participation, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria. Developer must adopt written tenant selection policies and criteria reasonably approved by City that:

(i) Are consistent with the purpose of providing housing for 50% AMI Very Low Income Households and 60% AMI Low Income Households;

(ii) Are reasonably related to HOME Program eligibility (if applicable), eligibility and the applicants' ability to perform the obligations of the lease;

(iii) Give reasonable consideration to the housing needs of senior citizens that would have a federal preference under 42 U.S.C. § 12744 of the Cranston-Gonzalez National Affordable Housing Act of 1992 and

(iv) Provide for:

(A) the selection of tenants from the Garden Grove Housing Authority's written tenant waiting list in the chronological order of their application, insofar as is practicable;

(B) reasonable preferences for tenants that currently hold portable Section 8 vouchers issued by the City; and

(C) the prompt written notification to any rejected applicant of the grounds for any rejection.

2.6. Compliance with Use and Occupancy Laws. Developer agrees that for each lease, Developer shall comply with all applicable State and local laws, statutes, ordinances, rules and regulations, which in any way restrict the use and occupancy and resale of the Properties, including

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the HOME Program, HOME Regulations, and Federal Program Limitations. Notwithstanding the foregoing, Developer shall not permit a Housing Unit to be occupied by a greater number of persons than permitted by the occupancy limits set forth in the Housing Quality Standards (HQS) in 24 CFR 982.401 published by HUD.

2.7. Nondiscrimination Covenants.

2.7.1 Nondiscrimination and Equal Opportunity. Developer hereby covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, to comply with the following laws relating to nondiscrimination and equal opportunity: (1) The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

2.7.2 Prohibition of Inquiries on Sexual Orientation or Gender Identity. Developer further covenants, by and for itself, its successors and assigns, and all persons claiming under or through them, not to inquire about the sexual orientation or gender identity of an applicant for, or occupant of, the Project or any Housing Unit at the Properties, for the purpose of determining eligibility for occupancy of such Housing Units or otherwise making such Housing Units available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. Further, determinations of eligibility for occupancy of Housing Units at the Project shall be made in accordance with the eligibility requirements provided for such program by HUD, and such Housing Units shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

The covenants established in this Section 2.7, *et seq.*, shall, without regard to technical classification and designation, be binding for the benefit and in favor of City and its successors and assigns, and shall remain in effect in perpetuity.

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ARTICLE 3

OPERATION AND MANAGEMENT OF THE PROJECT

3.1. Compliance with HOME Agreement. Developer shall comply with all the terms and provisions of the HOME Agreement.

3.2. Taxes and Impositions. After Developer's acquisition of the Properties from the Seller, Developer shall be responsible to and shall pay, prior to delinquency, all of the following (collectively, the "Impositions"): (i) all general and special real property taxes and assessments imposed on the Properties; and (ii) all other taxes and assessments and charges of every kind that are assessed upon the Properties and that create or may create a lien upon the Properties (or upon any personal property or fixtures used in connection with the Properties), including non-governmental levies and assessments pursuant to applicable covenants, conditions or restrictions. If permitted by law, Developer may pay any Imposition in installments (together with any accrued interest).

(a) Right to Contest. Developer shall not be required to pay any Imposition so long as (a) the validity of such Imposition is being actively contested in good faith and by appropriate proceedings, and (b) either (i) Developer has demonstrated to City's reasonable satisfaction that leaving such Imposition unpaid pending the outcome of such proceedings could not result in conveyance of any parcel in satisfaction of such Imposition or otherwise impair City's interests under the Project Documents, or (ii) Developer has furnished City with a bond or other security satisfactory to City in an amount not less than 120% of the applicable claim (including interest and penalties).

(b) Evidence of Payment. Upon demand by the City Manager from time to time, Developer shall deliver to the City Manager within thirty (30) days following the due date of any Imposition, evidence of payment of said Imposition reasonably satisfactory to the City Manager, unless Developer is contesting the imposition in conformity with Section 3.2(a). In addition, upon demand by City from time to time, Developer shall furnish to City a tax reporting service for the Properties of a type and duration, and with a company, reasonably satisfactory to City.

3.3 Management of the Project.

3.3.1 Property Manager. Developer shall cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with property management standards for other comparable high quality, well-managed rental housing projects in Orange County, California. Developer shall contract with a property management company or property manager to operate and maintain the Project in accordance with the terms of this Section 3.3 ("Property Manager"); provided, however, the selection and hiring of the Property Manager (and each successor or assignee Property Manager) is and shall be subject to prior written approval of City Manager in his sole and reasonable discretion and the City has previously approved QRM Corp. as the initial Property Manager of the Project. The Property Manager shall not be an Affiliate of Developer without the prior written consent of the City Manager, which consent shall not be unreasonably withheld, delayed or conditioned. Developer shall conduct due diligence and background evaluation of any potential outside property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have prior experience with rental housing projects and properties comparable to the Project and the references and credit record of such

manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to the City Manager for review and approval. A complete and true copy of the results of such background evaluation shall be provided to the City Manager. Approval of a Property Manager by City Manager shall not be unreasonably delayed but shall be in his sole and reasonable discretion, and City Manager shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing management of the Project. Furthermore, the identity and retention of any approved Property Manager shall not be changed without the prior written approval of the City Manager, which approval shall not be unreasonably withheld or delayed, but shall be in his sole and reasonable discretion. The selection by Developer of any new Property Manager also shall be subject to the foregoing requirements. The annual fee to be paid to the Property Manager shall not exceed five percent (5%) of annual gross income of the Project.

3.3.2 Management Plan. Prior to and as a Condition Precedent of the initial or any subsequent installment payment of the City Loan proceeds, Developer shall prepare and submit to the City Manager for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long term operation, maintenance, repair, security, social/supportive services, if any, for, and marketing of the Project, method of selection of tenants, rules and regulations for tenants, and other rental and operational policies for the Project ("Management Plan"). City Manager approval of the Management Plan shall not be unreasonably withheld or delayed. Subsequent to approval of the Management Plan by the City Manager the ongoing management and operation of the Project shall be in compliance with the approved Management Plan. Developer and Property Manager may from time to time submit to the City Manager proposed amendments to the Management Plan, which are also subject to the prior written approval of the City Manager.

(a) Gross Mismanagement. In the event of "Gross Mismanagement" (as that term is defined below) of the Project or any part of the Project, City Manager shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of written notice from City Manager. If Developer or Property Manager has commenced to cure such Gross Mismanagement condition(s) on or before the 20th day from the date of written notice (with evidence of such submitted to the City Manager), but has failed to complete such cure by the 30th day, then Developer or Property Manager shall have an additional ten (10) days to complete the cure of such Gross Mismanagement condition(s). In no event shall any condition of Gross Mismanagement continue uncured for a period exceeding forty-five (45) days from date of the initial written notice of such condition(s). If such condition(s) do persist beyond such period City Manager shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) replace the Property Manager with a new property manager of the City Manager's selection at the sole cost and expense of Developer. If Developer takes steps to select a new Property Manager that selection is subject to the requirements set forth above for selection of a Property Manager.

(i) For purposes of this Agreement, the term "Gross Mismanagement" shall mean management of the Project (or any part of the Project) in a manner which violates the terms and/or intention of this Agreement to operate a high quality, affordable

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rental housing complex comparable to other similar complexes in Orange County, California, and shall include, but is not limited to, any one or more of the following:

A. Knowingly leasing to tenants who exceed the prescribed income levels;

B. Knowingly allowing the tenants to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;

C. Knowingly allowing the tenants to allow or use any Housing Unit for vacation rental purposes without taking immediate action to stop such activity;

D. Underfunding required reserve accounts, unless funds are not reasonably available to deposit in such accounts;

E. Failing to timely maintain the Project in accordance with the Management Plan and the manner prescribed herein;

F. Failing to submit timely and/or adequate annual reports to City as required herein;

G. Fraud or embezzlement of Project funds, including without limitation funds in the reserve accounts;

H. Failing to reasonably cooperate with the Garden Grove Police Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime-free environment within the Project;

I. Failing to reasonably cooperate with the Garden Grove Fire Department or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project;

J. Failing to reasonably cooperate with the Garden Grove Planning & Building Department, including the Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project; and

K. Spending funds from the Capital Replacement Reserve account(s) for items that are not defined as capital costs under the standards imposed by generally accepted accounting principles (GAAP) (and/or, as applicable, generally accepted auditing principles.)

(ii) Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and shall use commercially reasonable efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and requirements of this Agreement within any contract between Developer and its Property Manager.

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(b) **Marketing.** Developer shall comply with an affirmative marketing plan reasonably approved by City, including methods for informing the public and potential tenants about the federal fair housing laws, procedures to inform and solicit applications from persons in the housing market area not likely to apply for tenancy at the Housing Units without special outreach and recordkeeping methods that will permit City to evaluate the actions taken by Developer (or Property Manager) to affirmatively market the Housing Units at the Project. Specific procedures for marketing and releasing Housing Units shall be set forth in the Management Plan and shall include:

(i) Posting advertisements and notices of the availability of the Housing Unit(s) in local newspapers and other publications. Such advertisements and notices shall include a description of the age and income requirements applicable to the Housing Unit(s).

(ii) Posting advertisements and notices of the vacancy(ies) at local religious institutions, community centers, public buildings such as post-offices and City Hall, and the Garden Grove Senior Center.

(iii) Posting advertisements and notices of the vacancy(ies) anywhere Developer believes tenant households eligible for occupancy in the Housing Units at the Project are likely to become informed.

3.3.3 Operation and Management of Properties Post-closing Pending Commencement of Rehabilitation. After the close of the Escrow and Developer's acquisition of the Properties, the day to-day management and operation of the existing seventy-eight (78) townhome apartment units and the overall Properties shall be undertaken by and shall be the sole legal and financial responsibility of Developer. Developer is and shall remain responsible for and shall exercise its best efforts to manage and operate the Properties consistent with good property management standards of comparable affordable residential rental properties in Orange County, California such as those owned or operated by Mariman & Co., or The Related Companies of California, or Jamboree Housing Corporation or other highly reputable owners and developers of high quality affordable rental housing projects in the County. In connection with such property management by Developer: (i) all rents and other income derived from such property management shall be retained by Developer in compensation for such management, and (ii) Developer shall be responsible to undertake, maintain, and pay for all ongoing maintenance, repair, security, and other upkeep of the Properties, (iii) City shall not be required to pay any property management fees to Developer for such management, operation and upkeep; and (iv) Developer shall be responsible to monitor, administer and oversee tenancies so as to not adversely impact the relocation objections triggered by this Project.

3.4 Code Enforcement. Developer acknowledges and agrees that City and City's employees and authorized agents shall have the right to conduct code compliance and/or code enforcement inspections of the Project and the individual units, both exterior and interior, at reasonable times during normal business hours and upon reasonable notice (not less than 72 hours prior notice) to Developer and/or an individual tenant. If such notice is provided by City representative(s) to Developer, then Developer (or its Property Manager) shall immediately and directly advise tenant of such upcoming inspection and cause access to the area(s) and/or units on the Project to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the approved lease/rental agreements for each Housing Unit in the Project in order for each and every tenant and tenant household to be aware of this inspection right.

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3.5 Capital Reserve Requirements. Developer shall annually set aside and fund the Capital Replacement Reserve amounts defined and required under this Agreement (Three Hundred Dollars (\$300) per year for each Housing Unit) or shall cause the Property Manager to do so; provided, that funding of replacement reserves pursuant to the requirements of the Primary Loan, so long as such replacement reserve deposits are no less than the amount required under this Section 3.5, shall satisfy this requirement. The Capital Replacement Reserve deposits shall be allocated from the gross collections for all rents of whatever source received from operation of the Properties and shall be deposited into a separate interest-bearing trust account. Funds in the Capital Replacement Reserve shall be used for capital replacements to the fixtures and equipment on the Properties (including common areas) that are normally capitalized under generally accepted accounting principles, including without limitation the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs, showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve Developer of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Properties and all common areas and common improvements in the manner prescribed herein.

(a) Annual Accounting of Reserve. Not less than once per year, Developer, at its expense, shall submit to City an accounting for the Capital Replacement Reserve set forth in the Annual Financial Statement, demonstrating compliance with this Section 3.5.

3.6 Operating Budget. Developer shall submit to City on not less than an annual basis the Operating Budget for the Project that sets forth the projected Operating Expenses for the upcoming year.

3.7 Capitalized Operating Reserve. Commencing on or before the Conversion, Developer shall, or shall cause the Property Manager to, set aside an amount equal to three (3) months of (i) Debt Service on the Primary Loan and (ii) Operating Expenses for the Project (the "Target Amount") in an Capitalized Operating Reserve to be held in a separate interest bearing trust account, which initial deposit shall be funded using proceeds of the Primary Loan and Tax Credit equity; provided, that funding of, and disbursements from, a capitalized operating reserve pursuant to the requirements of the Primary Loan or the Partnership Agreement, so long as such capitalized operating reserve amounts are no less than the amount required under this Section 3.7, shall satisfy this requirement. The Capitalized Operating Reserve shall thereafter be replenished from Annual Project Revenue (if any) only to the extent required by the Lender or the Developer's Tax Credit investor. The amount in the Capitalized Operating Reserve shall be retained to cover shortfalls between Annual Project Revenue and actual Operating Expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve.

(a) Annual Accounting of Reserve. Not less than once per year, Developer, at its expense, shall submit to City an accounting for the Capitalized Operating Reserve set forth in the Annual Financial Statement, demonstrating compliance with this Section 3.7.

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3.8 Monitoring and Recordkeeping. Throughout the Affordability Period, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in the HOME Program, including Section 92.508 (or successor regulation) of the HOME Regulations and shall annually complete and submit to City (a) an annual report including all information required by Exhibit C to this Agreement and (b) a Certification of Continuing Program Compliance substantially in the form of Attachment No. 13 to the HOME Agreement, or other form provided by City Manager. Developer agrees to maintain records in a businesslike manner, to make such records available to City upon seventy-two (72) hours' notice, and to maintain such records for the entire Affordability Period.

3.9 HOME Matching Requirement. Developer acknowledges that City will use HOME Funds to make the HOME Loan and that the HOME Program, specifically 24 CFR 92.218 through 24 CFR 92.222, contains a HOME Matching Requirement. Developer shall deliver documentation to City to assist City in evaluating whether any Developer expenditures or other subsidies to the Project are eligible to be applied to the HOME Matching Requirement in each annual progress report submitted by Developer pursuant to Section 2 of Exhibit C and shall maintain such records pursuant to Section 1 of Exhibit C.

3.10 Right of Entry for Inspection. Representatives of City shall be entitled to enter the Properties during normal business hours, upon at least seventy-two (72) hours' notice, to monitor compliance with the Agreement (including the terms and conditions of Section 3.8 above), to inspect the records of the Project with respect to the Housing Units, and to conduct an independent audit of such records. Developer agrees to reasonably cooperate with City in making the Properties and records relating to the Project available for such inspection. If for any reason City is unable to obtain Developer's consent to such an inspection, Developer understands and agrees that City may obtain at Developer's expense an administrative inspection warrant or other appropriate legal order to obtain access to and search the Properties.

3.11 Supportive Services. Developer shall provide supportive services to the tenant households of the Project as and to the extent required by HUD pursuant to the HAP Contract.

ARTICLE 4

OBLIGATION TO MAINTAIN, REPAIR AND REBUILD

4.1. Maintenance by Developer. Developer shall, at its sole cost and expense, maintain or cause to be maintained the interior and exterior of the Project and all Housing Units thereof and the Properties in a decent, safe and sanitary manner, in accordance with the HUD Housing Quality Standards (HQS) and the maintenance standards required by Section 92.251 of the HOME Regulations, and in accordance with the standard of maintenance of first class apartments within Orange County, California. None of the Housing Units in the Project shall at any time be utilized on a transient basis, nor shall the Properties or any portion of any unit or the Properties ever be used as a hotel, motel, vacation rental, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home, or be converted to condominium ownership. If at any time Developer fails to maintain the Project or the Properties in accordance with this Agreement and the HOME Agreement and such condition is not corrected within five (5) days after written notice from City with respect to graffiti, debris, and waste material, or thirty days after written notice from City with respect to general maintenance, landscaping and building improvements, then City, in addition to

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whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Project or the Properties and perform all acts and work necessary to protect, maintain, and preserve the Project and the Properties, and to attach a lien upon the Properties, or to assess the Properties, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by City and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Developer to City upon demand. The liens created under this Section shall be subject and subordinate to the lien of the mortgage or deed of trust encumbering the Properties (or any part of the Properties) for the Primary Loan approved pursuant to the terms of the HOME Agreement.

4.2. Maintenance and Replacement. Developer shall maintain the Properties in good repair and working order, and in a safe, decent and sanitary condition, including the walkways, driveways, alleyways and landscaping, and from time to time make all necessary and proper repairs, renewals, and replacements in order to keep the Properties in a safe, decent and sanitary condition. Developer shall manage and maintain the Project in accordance with all applicable HUD housing quality standards and local code requirements, including any regulations concerning marketing, operation, maintenance, repair, security, rental policy and method of selection of tenants.

4.3. Interior Maintenance. Developer shall maintain the interior of buildings, including carpet, drapes and paint, in habitable condition and shall clean each Housing Unit between tenancies.

4.4. Landscaping. All front setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped and maintained in good condition in accordance with the City Municipal Code.

ARTICLE 5

FEDERAL PROGRAM LIMITATIONS; COMPLIANCE WITH LAWS

Developer must carry out each activity in connection with the Project in conformance with the HOME Agreement, this Agreement and, to the extent applicable, with the HOME Program, HOME Regulations, Federal Program Limitations, and the HAL.

5.1 HOME Program. Because the City Loan to Developer will be provided with HOME Program funds, Developer shall carry out the Construction of the Housing Units and the operation of the Project in conformity with all requirements of the HOME Program (including the 2013 Final Rule) to the extent applicable to the Project. In the event Developer desires to change the affordable housing or maintenance requirements for the Properties from the specific requirements set forth in this Agreement in order to comply with a subsequently enacted amendment to the HOME Program, Developer shall notify City in writing of such proposed change and the amendment related thereto at least thirty (30) days prior to implementing such change. In the event City disapproves of such change and Developer's interpretation of the amendment related thereto, City shall notify Developer of its disapproval in writing and the parties shall seek clarification from the appropriate HUD Field Office. Only if HUD concurs with Developer's interpretation of the HOME Program shall Developer be permitted to implement the proposed change.

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Due to the source of funding for the City Loan from HOME Program funds, which is a federal revenue source, Developer shall comply with all applicable Federal Program Limitations, including without limitation, the following federal provisions.

5.2 Property Standards. Developer agrees to ensure that Construction of the Project will comply with all applicable requirements of the HOME Regulations, including 24 CFR §92.251, including the following requirements:

(a) State and Local Requirements. The Project and all Housing Units and common areas at the Properties shall meet all applicable State and local codes, ordinances, and zoning requirements, including all applicable requirements set forth in the Garden Grove Municipal Code and all applicable State and local residential and building codes. The Project and all Housing Units and common areas at the Properties must meet all such applicable requirements upon Project completion.

(b) HUD Requirements. The Project and all Housing Units and common areas at the Properties shall also meet the requirements described in paragraphs (i) through (iv) of this Section 5.2(b):

(i) Accessibility. The Project and all Housing Units and common areas at the Properties shall meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

(ii) Disaster Mitigation. Where relevant, the Project must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

(iii) Written Cost Estimates, Construction Contracts and Construction Documents. The Construction Contract(s) and Development Plans must describe the Construction work to be undertaken in adequate detail so that the City can conduct inspections in accordance with the HOME Regulations. The Developer shall also provide written cost estimates for Construction for City's review; City shall determine whether such cost estimates are reasonable.

(iv) Construction Progress Inspections. Developer shall permit and facilitate progress and final inspections of Construction by the City to ensure that work is done in accordance with the applicable codes, the Construction Contract(s), and Development Plans.

(c) Ongoing Property Condition Standards: Rental Housing. City has established property standards for rental housing ("City's Property Standards"), which standards include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures (Uniform Physical Condition Standards (UPCS)) prescribed by HUD pursuant to 24 CFR 5.705. Developer shall ensure that the Project, including all Housing Units and common areas at the Properties, shall comply with the City's Property Standards throughout the Affordability Period. In

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accordance with the City's Property Standards, Developer shall maintain the Project, including all Housing Units and common areas at the Properties: (i) as decent, safe, and sanitary housing in good repair, (ii) free of all health and safety defects and life-threatening deficiencies, and (iii) in compliance with the lead-based paint requirements in 24 CFR part 35.

(d) Inspections; Corrective and Remedial Actions. In accordance with the HOME Regulations, City shall undertake ongoing inspections of the Project in accordance with §92.504(d). City has developed written inspection procedures and procedures for ensuring that timely corrective and remedial actions are taken by the Developer to address identified deficiencies.

5.3 Labor Standards (Davis-Bacon). Due to only seven (7) HOME Units (i.e., < 11), the provisions of the Secretary of the United States Department of Labor under the Davis-Bacon Act (40 U.S.C. §276a-276a-5) ("Davis-Bacon") are not triggered for this Project. Further, the HAP Contract renewal, if implemented under Chapter 15 of the Section 8 Renewal Policy – Guidance for the Renewal of Project-Based Section 8 HAP Contracts memorandum effective as of November 1, 2015, and in the absence of FHA financing, will not trigger Davis-Bacon requirements. Developer acknowledges and understands that other federal and/or state funding sources and financing scenarios may trigger compliance with applicable state and federal prevailing wage laws and regulations. The highest applicable wage requirements will apply.

5.4 Handicapped Accessibility. Developer shall comply with (a) Section 504 of the Rehabilitation Act of 1973, and implementing regulations at 24 CFR 8C governing accessibility of projects assisted with federal funds; and (b) the Americans with Disabilities Act of 1990, and implementing regulations at 28 CFR 35-36 in order to provide handicapped accessibility to the extent readily achievable.

5.5 Use of Debarred, Suspended, or Ineligible Participants. Developer shall comply with the provisions of 24 CFR 24 relating to the employment, engagement of services, awarding of contracts, or funding of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status.

5.6 Maintenance of Drug-Free Workplace. Developer shall certify that Developer will provide a drug-free workplace in accordance with 2 CFR 2429.

5.7 Lead-Based Paint. City, as a recipient of federal funds, has modified and conformed all of its federally funded housing programs to the Lead-Based Paint Poisoning Prevention Act, Title X of the 1992 Housing and Community Development Act, 42 U.S.C. §4800, *et seq.*, specifically §§4821-4846, and the implementing regulations thereto. In this regard, Developer shall comply with all applicable federal requirements relating to lead-based paint.

5.8 Affirmative Marketing. Developer shall adopt and implement affirmative marketing procedures and requirements at the Properties in accordance with Section 92.351 of the HOME Regulations.

5.9 Nondiscrimination, Equal Opportunity and Fair Housing. Developer shall carry out the Project and perform its obligations under this Agreement and the HOME Agreement in compliance with all of the federal laws and regulations regarding equal opportunity and fair housing described in 24 CFR 92.350 and 24 CFR 5.105.

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5.10 Energy Conservation Standards. As applicable to the Project, Developer shall cause the Properties to meet the cost-effective energy conservation and effectiveness standards in 24 CFR 965 and 24 CFR 990.185.

5.11 Displacement and Relocation. Developer acknowledges and agrees that, pursuant to Federal Program Limitations and consistent with the other goals and objectives of that part and pursuant to the adopted relocation plan, City must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of the Construction work. Furthermore, to the extent feasible, and subject to the tenant screening criteria set forth in the Management Plan, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary and affordable Housing Unit at the Properties or comparable outside property upon completion of the Construction work. Developer shall cause all Relocation of tenants and occupants of the Properties to be conducted in accordance with the Relocation Laws and all Federal Program Limitations. Developer further agrees to cooperate with City in meeting the requirements of the Federal Program Limitations and shall take all actions and measures reasonably required by Executive Director (or his duly authorized representative) in connection therewith.

5.12 Requests for Disbursements of Funds. Developer may not request disbursements of funds hereunder until the funds are needed for payment of eligible costs of the Project. The amount of each request shall be limited to the amount needed for the acquisition of the Properties and the Construction as set forth in the Final Budget.

5.13 Eligible Costs. Developer shall only use HOME Program funds to pay costs defined as "eligible costs" under Federal Program Limitations.

5.14 Records and Reports. Developer shall maintain and from time to time submit to City such records, reports and information as Executive Director may reasonably require in order to permit City to meet the recordkeeping and reporting requirements required of them pursuant to 24 CFR 92.508. Without limiting the following, Developer shall maintain records and submit annual reports as required by this Agreement and Exhibit C hereto.

5.15 Conflict of Interest. Developer shall comply with and be bound by the conflict of interest provisions set forth at 24 CFR 570.611.

5.16 Conflicts between and among Federal Program Limitations and the HAL. If and to the extent applicable for any source of federal revenue expended to implement the Project and in the event of any conflict or inconsistency between applicable Federal Program Limitations and/or the HAL, then the more stringent requirement(s) shall control.

5.17 Flood insurance. Under the Flood Disaster Protection Act of 1973, HOME Program funds may not be used with respect to the acquisition or Rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(a) The community in which the area is situated is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and

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- (b) Flood insurance is obtained as a condition of approval of the commitment.

ARTICLE 6

COVENANTS

6.1. Affordability Period. The provisions of this Agreement shall apply to the Properties, even if the City Loan is paid in full, until the date which is fifty-five (55) years after the issuance by City and recordation of the Release of Construction Covenants for the Project. This Agreement shall bind any successor, heir or assign of Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, with or without the approval of City, except as expressly released by City. City has made the City Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

6.2. Covenants to Run With the Land. City and Developer hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Properties. Each and every contract, deed or other instrument hereafter executed covering or conveying the Properties or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless City expressly releases such conveyed portion of the Properties from the requirements of the Agreement.

6.3. Transfers; General Prohibition of Transfer without City Consent. The qualifications and identity of Developer as the qualified Developer and as an experienced and successful developer and operator/manager of affordable housing are of particular concern to City. It is because of these identities and the qualifications of each of the partners that comprise the Developer entity that City has entered into the HOME Agreement and this Agreement with Developer. Accordingly, commencing upon Developer's acquisition of the Properties and continuing through and including the completion of the Rehabilitation of the Properties and the final payment on the City Loan Note or the end of the Affordability Period, whichever occurs later, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under the HOME Agreement or this Agreement, nor shall Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the Properties, or any part thereof, or the HOME Agreement or this Agreement (collectively referred to herein as a "Transfer") without the prior written approval of City, except as expressly set forth herein, which approval shall not be unreasonably withheld or delayed.

(a) Permitted Transfers. Notwithstanding the provisions of this Agreement or any other Project Document prohibiting transfer of any interest in Developer, the Properties, the Project, the HOME Agreement, this Agreement or any of the other Project Documents, City approval of a Transfer shall not be required in connection with any of the following:

(i) The conveyance or dedication of any portion of the Properties to the City or other appropriate governmental agency, or the granting of easements or permits to facilitate the Rehabilitation (as defined herein).

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(ii) An assignment for financing purposes to secure the funds necessary for the acquisition of the Properties and undertaking through completion of the Rehabilitation or the refinancing thereof, so long as such construction and/or permanent loan documents have been duly reviewed and approved by City and City has approved such financing or refinancing pursuant to this Agreement.

(A) Further, the City and Developer acknowledge that the City, Developer and CalPFA (as defined in the Agreement) have entered into that certain Subordination Agreement (as defined in the Agreement) and this Regulatory Agreement is one of the Subordinate Loan Documents (described and defined in the Subordination Agreement) and this Regulatory Agreement is subject to such Subordination Agreement during the term thereof, which term ends as of the Maturity Date as such term is defined in the Subordination Agreement.

(iii) Leasing of individual Housing Units to qualified tenants in accordance with Section 1200, *et seq.* of the HOME Agreement and this Agreement.

(iv) The transfer of or all or any part of the Properties or the Project, or assignment of any Project Document to an entity controlled by AOF Pacific Affordable Housing Corporation, a nonprofit corporation ("Parent") in which a majority of the board of directors are members of the board of directors of the Parent (collectively "Parent Affiliate Entity"), or an entity or entities in which a Parent Affiliate Entity is a general partner or managing member.

(v) The substitution of the general partner of Developer (the "General Partner") as directed by the limited partner of Developer that is the tax credit equity investor (the "Investor Limited Partner") in accordance with the terms of the Partnership Agreement, subject to the following terms and conditions. Such Investor Limited Partner may substitute an affiliate (the "Interim General Partner") on an interim basis for a period reasonably calculated to identify and admit into the partnership a new general partner as set forth below (the "Substitute General Partner"). The Interim General Partner is hereby approved by the City. The Substitute General Partner must be an entity reasonably acceptable to the City Manager, which approval shall not be unreasonably withheld or delayed.

(vi) The pledge by the General Partner of Developer to the Investor Limited Partner of the General Partner's interest in Developer, as security for the performance of all of the General Partner's obligations under the Partnership Agreement.

(vii) The pledge by the General Partner of Developer to Lender of the General Partner's interest in Developer, as security for the performance of all of Developer's obligations under the Primary Loan (or any approved refinancing thereof).

(viii) The pledge by the Investor Limited Partner to Lender of the Investor Limited Partner's interest in Developer, as security for the performance of all of the Developer's obligations under the Primary Loan (or any approved refinancing thereof).

(ix) The sale, transfer or pledge of any limited partnership interest or non-managing member's interest in Developer or of any partnership or membership interest in the Limited Partner.

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(xi) Any dilution of the General Partner's interest in Developer in accordance with the Partnership Agreement.

(xii) The sale, transfer, or conveyance of the General Partner's interest in Developer to a Parent Affiliate Entity.

In the event of a Transfer by Developer not requiring City's prior approval, Developer nevertheless agrees that at least fifteen (15) days prior to such Transfer it shall give written notice to City of such assignment and satisfactory evidence that the assignee will and shall assume all of the obligations of this Agreement and the HOME Agreement in writing through an assignment and assumption agreement in a form reasonably acceptable to City. The form of each assignment and assumption agreement shall be submitted to City for review and approval by City's legal counsel not later than fifteen (15) days prior to the proposed date of the Transfer.

(b) City Consideration of Requested Transfer. City agrees that it will not unreasonably withhold, condition, or delay approval of a request for approval of a Transfer made pursuant to this Section 6.3, *et seq.*, provided Developer delivers written notice to City requesting such approval and includes the proposed assignment and assumption contract and, if required by City, all necessary and relevant background and experience information related to the proposed transferee.

An assignment and assumption agreement in form satisfactory to City's legal counsel shall be required for each proposed Transfer. Within fifteen (15) days after the receipt of Developer's written notice requesting City approval of a Transfer pursuant to this Section 6.3, *et seq.*, City shall either approve or disapprove such proposed assignment or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to City such further information as may be reasonably requested. Upon the effective date of the approved or permitted Transfer, if an assignment and assumption agreement acceptable to City has been executed and delivered to City, the assignor Developer shall be released by City from any and all obligations assumed by the approved or permitted assignee.

(c) Payment of City Third Party Costs re Proposed Transfer. Any and all third party costs incurred by City in connection with consideration and approval (or disapproval) of a proposed transferee for any Transfer shall be paid by Developer, and payment thereof shall be and remain a condition precedent to City's obligation to approve and execute any Transfer document, including without limitation any assignment and assumption agreement.

ARTICLE 7

[intentionally omitted]

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ARTICLE 8

ENFORCEMENT AND REMEDIES

8.1. Remedies. In the event of default or breach of any of the terms or conditions of this Agreement by Developer, its heirs, executors, administrators or assigns, City may pursue the remedy thereof by any and all means of enforcement, both in equity and at law, as provided by the laws of the State of California, including, but not limited to, injunctive relief and/or specific performance. The provisions of Section 1500, *et seq.*, of the HOME Agreement are hereby incorporated herein by this reference as if set forth in full.

8.2. Rights of City. City has the right to enforce all of the provisions of this Agreement. This Agreement does not in any way infringe on the right or duties of City to enforce any of the provisions of the Municipal Code including, but not limited to, the abatement of dangerous buildings. In addition to the general rights of enforcement, City shall have the right, through City's agents and employees, to enter upon any part of the Properties upon seventy-two (72) hours' notice and during normal business hours for the purpose of enforcing the California Vehicle Code and the ordinances and other regulations of City, and for maintenance and/or repair of any or all publicly owned utilities.

8.3. Nuisance. The result of every act or omission whereby there is a material violation by Developer of any of the covenants contained in the Agreement in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by City or its successors in interest, without derogation of City's rights under law. Developer does not by this Section 8.3 waive any procedural rights under applicable law (including, without limitation, the rights to notice, cure, and appeal, if any).

8.4. No Third Parties Benefited. Except as provided herein as to the Garden Grove Housing Authority, this Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person shall have any rights hereunder or by reason hereof.

8.5. Right of Entry for Maintenance and Repair. City has the right of entry during normal business hours and upon and after reasonable attempts to contact Developer or Property Manager, to effect emergency repairs or maintenance which Developer has failed to perform. Subsequent to sixty (60) days written notice to Developer (or Property Manager) specifically outlining the noncompliance, City shall have the right of entry during normal business hours to enforce compliance with the Agreement which Developer or Property Manager has failed to perform.

8.6. Costs of Repair. The costs borne by City of any such repairs or maintenance emergency and/or non-emergency pursuant to Section 8.5 above, shall become a charge for which Developer shall be responsible; and may, if unpaid, be assessed as a lien against the Properties.

8.6. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in the Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

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ARTICLE 9

HOLD HARMLESS, INDEMNITY AND INSURANCE

9.1. Hold Harmless and Indemnity. Developer shall, at Developer's expense, defend, indemnify, assume all responsibility for, and save and hold City and the Garden Grove Housing Authority and their past and present elected and appointed officials, officers, employees, attorneys, contractors, elective and appointive boards and commissions, representatives, agents, and volunteers ("Indemnitees") harmless from any and all losses, damages, liabilities, claims, causes of action, judgments, settlements, court costs, demands, defense costs, reasonable attorneys' fees, expert witness fees, and other legal expenses, costs of evidence of title, costs of evidence of value, and other expenses which they may suffer or incur and any liability of any kind or nature arising from or relating to the subject matter of this Agreement or the validity, applicability, interpretation or implementation hereof and for any damages to property or injuries to persons directly or indirectly related to or in connection with the Rehabilitation, operation, management, or ownership of the Properties, including accidental death (including reasonable attorneys' fees and costs), whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer shall not be obligated to indemnify the Indemnitees for property damage or bodily injury to the extent occasioned by the negligence or willful misconduct of any of the Indemnitees or the breach of any of the Project Documents by any of them. Developer shall have the obligation to defend any such action; provided, however, that this obligation to defend shall not be effective if and to the extent that Developer determines in its reasonable discretion that such action is meritorious or that the interests of the parties justify a compromise or a settlement of such action, in which case Developer shall compromise or settle such action in a way that fully protects the Indemnitees from any liability or obligation. In this regard, Developer's obligation and right to defend shall include the right to hire (subject to reasonable written approval by City) attorneys and experts necessary to defend, the right to process and settle reasonable claims, the right to enter into reasonable settlement agreements and pay amounts as required by the terms of such settlement, and the right to pay any judgments assessed against Developer or any other Indemnitees. If Developer defends any such action, as set forth above, (i) to the extent of Developer's indemnification obligations as set forth herein, Developer shall indemnify and hold harmless Indemnitees from and against any claims, losses, liabilities, or damages assessed or awarded against either of them by way of judgment, settlement, or stipulation and (ii) City shall be entitled to settle any such claim only with the written consent of Developer and any settlement without Developer's consent shall release Developer's obligations under this Section 9.1 with respect to such settled claim. The foregoing agreements by Developer shall remain in effect for the Affordability Period. At the request of Developer, City shall cooperate with and assist Developer in its defense of any such claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense; provided that City shall not be obligated to incur any expense in connection with such cooperation or assistance.

9.2. Developer Insurance Requirements. In addition to the separate and severable indemnification covenants and provisions provided by Developer to City in this Article 9, Developer shall provide insurance according to the requirements set forth below, except to the extent alternative coverages are approved in writing by City's Risk Manager, in his or her sole and absolute discretion. Developer shall maintain the following coverages on behalf of the Indemnitees for all claims, damages to property and injuries to persons, including death (including attorneys' fees and litigation costs), which may be caused by any of Developer's activities under this Agreement or related in any respect whatsoever to the Project, regardless of whether such activities or performance thereof be by

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Developer or anyone directly or indirectly employed or contracted with by Developer and regardless of whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer shall cause all requirements of this Section to be obtained and maintained until expiration of the Affordability Period.

(a) Commencement of Work. Developer shall not commence work under this Agreement until all certificates and endorsements have been received and approved by City. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify City of any material change, cancellation, or termination at least thirty (30) days in advance.

(b) Workers Compensation Insurance. For the duration of this Agreement, Developer and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. The insurer shall waive its rights of subrogation against City and its respective officers, agents, employees, and volunteers, and shall issue an endorsement to the policy evidencing the same.

(c) Insurance Amounts. Developer shall maintain the following insurance until expiration of the Affordability Period:

(i) Commercial General Liability in an amount not less than \$3,000,000 per occurrence and \$4,000,000 general aggregate. Claims made and modified occurrence policies are not acceptable. Insurance companies must be acceptable to City and have a Best's Guide Rating of A- Class VII or better, as approved by City.

(ii) Automobile liability in an amount not less than \$3,000,000 combined single limit. Claims made and modified occurrence policies are not acceptable. Insurance companies must be acceptable to City and have a Best's Guide Rating of A- Class VII or better, as approved by City.

(iii) [intentionally omitted]

(iv) [intentionally omitted]

(v) [intentionally omitted]

(vi) [intentionally omitted]

(vii) An umbrella "Excess Liability Policy in an amount of \$10,000,000.

A. The Parties intend that the Excess Liability Policy is intended both for increased coverage amounts related to the Commercial General Liability coverage of (a) above and in the event any other underlying policies required hereunder do not meet contractual policy limits.

(viii) [omitted due to duplication in (xx) below]

(ix) An Additional Insured Endorsement(s), commercial general liability policy for the policy under Section 901.3(a) that shall designate the City, and its respective officers,

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officials, agents, employees, and volunteers (together, "Indemnitees") as additional insureds for liability arising out of work or operations performed by or on behalf of the Developer. (Form CG 20 26 11 85 or equivalent).

(x) An Additional Insured Endorsement(s), automobile liability policy, automobile liability, for the policy under Section 901.3(b), shall designate the Indemnitees as additional insureds for automobiles owned, leased, hired, or borrowed, by or on behalf of Developer and mobile equipment, if any. (Form CA 20 48 02 99 or equivalent for the automobile liability policy, and the mobile equipment coverage by separate endorsement).

(xi) [intentionally omitted]

(xii) [intentionally omitted]

(xiii) [intentionally omitted]

(xiv) [intentionally omitted]

(xv) An Additional Insured Endorsement(s) for the Excess Liability Policy required under Section 901.3(g) shall designate the Indemnitees as additional insureds for liability arising out of work or operations performed by or on behalf of the Developer.

(xvi) A Schedule of Underlying Policies for the Excess Liability Policy, for the policy under Section 901.3(g), including policy numbers for the excess liability policy and underlying policies.

(xvii) An Insurance Certificate, Excess Liability Policy, for the policy under Section 901.3(g), stating that the excess liability policy "Follows Form."

(xviii) [intentionally omitted]

(xix) All carriers shall provide an endorsement for each respective policy giving the City of Garden Grove thirty (30) days advance written notice prior to any material change, cancellation, or termination.

(xx) All insurance companies providing insurance policies required by this Agreement must be acceptable to City and have a Best's Guide Rating of A-Class VII or better, as approved by City. For all insurance policies and endorsements required by this Agreement Developer shall provide to City proof of insurance and endorsement forms that conform to the requirements set forth herein.

(d) Primary Insurance. For any claims related to this Agreement, Developer's insurance coverage shall be primary insurance as respects to the Indemnitees. Any insurance or self-insurance maintained by City and Garden Grove Housing Authority and their officers, officials, employees, agents, or volunteers shall be in excess of the Developer's insurance and shall not contribute with it.

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(e) General Conditions Pertaining to Provision of Insurance Coverage by Developer. Developer agrees to the following provisions regarding all insurance provided by Developer for the Project:

(i) Developer agrees to provide insurance in accordance with the requirements set forth herein. If Developer uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Developer agrees to amend, supplement or endorse the existing coverage to do so. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Developer.

(ii) The coverage required here will be renewed annually by Developer as long as Developer continues to provide any services under this or any other contract or agreement with City during the Affordability Period.

(iii) No liability insurance coverage provided to comply with this Agreement shall prohibit Developer, or Developer's employees, or agents, from waiving the right of subrogation prior to a loss. Developer waives its right of subrogation against City.

(iv) The provisions of any workers' compensation or similar act will not limit the obligations of Developer under this Agreement. Developer is and shall at all times be considered an independent contractor, and expressly agrees not to use any statutory immunity defenses under such laws with respect to City and its employees, officials and agents.

(v) No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured.

(vi) All insurance coverage and limits provided by Developer and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

(vii) Any "self-insured retention" must be declared and approved by City. Self-funding, policy fronting or other mechanisms to avoid risk transfer are not acceptable. If Developer has such a program, Developer must fully disclose such program to City.

(viii) Developer shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Developer's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five (5) days of the expiration of the coverages.

(ix) Developer agrees to provide evidence of the insurance required herein, satisfactory to City Manager and the City's Risk Manager, consisting of: certificate(s) of

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insurance evidencing all of the coverages required and an additional insured endorsement to Developer's general liability policy using Insurance Services Office endorsement form No. CG 20 26 1185 or an equivalent additional insured endorsement form(s) presented to and reviewed and approved by the City's Risk Manager in his or her sole, reasonable discretion. Developer agrees, upon request by City Manager or City Risk Manager, to provide complete, certified copies of any policies required by this Section, within ten (10) days of such request. Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard. Future insurance requirements will remain the same as long as the loss experience remains insignificant.

(x) Certificate(s) must reflect that the insurer will provide thirty (30) days' notice to City of any cancellation of coverage. Developer agrees to require its insurer to modify such certificates to delete any exculpatory wording which denies an obligation of the insurer to provide such notice or which states that failure of the insurer to mail written notice of cancellation imposes no liability, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify City of any material change, cancellation, or termination at least thirty (30) days in advance. An endorsement shall be provided for each policy wherein each carrier will give the City thirty (30) days written notice in the event of any material change, cancellation or termination of the respective policy.

(xi) Developer agrees to require each and all contractors, subcontractors, or other parties hired for this Project to provide workers' compensation, general liability and automobile liability insurance, unless otherwise agreed to by City with minimum liability limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate. The contractor's and subcontractor's general liability insurance shall add as additional insureds the Indemnitees using Insurance Services Office additional insured endorsement form No. CG 20 26 1185 or equivalent additional insured endorsement form(s) presented to and reviewed and approved by the City risk management department in its sole, reasonable discretion. Developer agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here.

(xii) Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

(xiii) Developer agrees to provide prompt notice to City Manager and City's Risk Manager of any claim or loss against Developer that includes City as a defendant and of any claim or loss arising out of the Rehabilitation or the Project in which the demand or probable ultimate cost exceeds \$25,000. City assumes no obligation or liability by such notice, but City shall have the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

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(xiv) The insurance requirements set forth in this Section 9.2 are intended to be separate and distinct from any other provision in this Agreement and are intended to be interpreted as such.

(xv) The requirements in this Section 9.2 supersede all other Sections and provisions of this Agreement to the extent that any other Section or provision conflicts with or impairs the provisions of this Section.

(xvi) For purposes of insurance coverage only, this Agreement will be deemed to have been executed as of the Date of Agreement.

(xvii) If any contractor and/or subcontractor maintains higher insurance limits than the minimums shown above, such contractor and/or subcontractor shall provide coverage for the higher insurance limits otherwise maintained by the contractor and/or subcontractor.

9.3. Knowledge of Claim. If at any time Developer or any of its contractors and/or subcontractors becomes aware of a claim or a potential claim related to the Project in which the demand or probably ultimate cost exceeds \$25,000, Developer (and as applicable each and all of its contractors and subcontractors) shall promptly provide written notice ("Claim Notice") to City which sets forth the nature of the claim or potential claim and the date on which Developer became aware of such claim or potential claim and shall provide City with copies of any documents relating to such claim or potential claim.

9.4. Notice of Change in Coverage. If, at any time, Developer or any of its contractors and/or subcontractors becomes aware that any of the coverages provided above are going to be canceled, limited in scope or coverage, terminated or non-renewed, then Developer and each contractor and/or subcontractor shall promptly provide City with written notice ("Insurance Notice") of such cancellation, limitation, termination or non-renewal. Upon the receipt of the Insurance Notice or the Claim Notice, or at any time when City has knowledge of (i) the cancellation, limitation, termination or non-renewal of one or more of Developer's or any of its contractors and/or subcontractors insurance policies enumerated above or (ii) a claim or potential claim under one or more of such policies in accordance with Section 9.3 above, then, in addition to its other rights and remedies pursuant to this Agreement, City shall have the right to suspend City's obligations under this Agreement until such time as Developer and each of its contractors and/or subcontractors furnishes, or causes to be furnished to City, duplicate originals or appropriate certificates of insurance for coverages in the amount of not less than those specified above or until the time such claim or potential claim has been resolved to the reasonable satisfaction of City, whichever first occurs.

9.5. Waiver of Subrogation. Developer and each of its contractors and subcontractors hereby waive all rights to recover against the Indemnitees for any loss incurred by Developer and each or any of its contractors and subcontractors from any cause insured against or required by any Project Document to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Developer and each of its contractors and subcontractors shall use their best efforts to obtain only policies that permit the foregoing waiver of subrogation.

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

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9.6. Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to the provisions below and to the rights of the Lender and any replacement primary Lender if the Project shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project improvements to substantially the same condition as the Project improvements existed immediately prior to the casualty, if and to the extent the insurance proceeds are available and sufficient to cover the actual cost of repair, replacement, or restoration, and Developer shall complete the same as soon as possible thereafter so that the Project Improvements can be occupied in accordance with this Agreement. Subject to force majeure delays as set forth in Section 1505 of the Agreement, in no event shall the repair, replacement, or restoration period exceed two (2) years from the date Developer obtains insurance proceeds unless City Manager, in his reasonable discretion, approves a longer period of time. City shall cooperate with Developer, at no expense to City, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Properties do not permit the repair, replacement, or restoration, Developer may elect not to repair, replace, or restore the Project Improvements by giving notice to City (in which event Developer will be entitled to all insurance proceeds but Developer shall be required to remove all debris from the applicable portion of the Properties) or Developer may reconstruct such other improvements on the Properties as are consistent with applicable land use regulations and approved by the City and the other governmental agency or agencies with jurisdiction.

9.7. Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the Project Improvements are completely destroyed or substantially damaged by a casualty for which Developer is not required to (and has not) insured against, or if insurance proceeds are insufficient to rebuild, and subject to the rights of the Lender and any replacement primary Lender, then Developer shall not be required to repair, replace, or restore such improvements and may elect not to do so by providing City with written notice of election not to repair, replace, or restore within ninety (90) days after such substantial damage or destruction. In such event, Developer shall concurrently repay the full outstanding balance of the City Loan to City and this Agreement shall be automatically terminated. As used in this Section 9.7, "substantial damage" caused by a casualty not required to be (and not) covered by insurance shall mean damage or destruction which is ten percent (10%) or more of the replacement cost of the improvements comprising the Project Improvements. In the event Developer does not timely elect to repair, replace, or restore the Project Improvements as set forth in the first sentence of this Section 9.7, Developer shall be conclusively deemed to have waived its right to repair, replace, or restore the Project Improvements.

9.8. Non Liability of City. Developer acknowledges and agrees that:

(a) The relationship between Developer and City is and shall remain solely that of borrower and lender, and by this Agreement or any of the other Project Documents, City neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Scope of Rehabilitation, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, or (iii) the progress of the Rehabilitation of the Project and its conformity with the Scope of Rehabilitation; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledges that any review,

**ATTACHMENT NO. 11
REGULATORY AGREEMENT**

inspection, supervision, approval or information supplied to Developer by City in connection with such matters is solely for the protection of City and that neither Developer nor any third party is entitled to rely on it;

(b) Notwithstanding any other provision of any Project Document: (a) City is not a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and City does not intend to ever assume any such status; (b) City's activities in connection with the Properties shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as modified or recodified from time to time, and City does not intend to ever assume any responsibility to any person for the quality or safety of the Properties; and (c) City shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) City shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction on, or occupancy or use of, the Properties, whether arising from: (a) any defect in any building, grading, landscaping or other on-site or off-site improvement; (b) any act or omission of Developer or any of Developer's agents, employees, independent contractors, licensees, invitees or volunteers; or (c) any accident on the Properties or any fire or other casualty or hazard thereon; and

(d) By accepting or approving anything required to be performed or given to City under the Project Documents, including any certificate, financial statement, survey, appraisal or insurance policy, City shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by City to anyone.

Nothing in this Article 9 shall be construed as limiting in any way the extent to which Developer may be held responsible for payments of damages to persons or property resulting from Developer's performance of the work covered under the HOME Agreement or this Agreement.

9.9. Reimbursement of City for Enforcement of Project Documents. Developer shall reimburse City within thirty (30) days upon written demand itemizing all costs reasonably incurred by City (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of City) in connection with the enforcement of the Project Documents including the following: (a) City's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to any Project Document, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which City is indemnified under the Project Documents and defense of any action if City has tendered the defense of such action to Developer and Developer fails to defend any such action. Such reimbursement obligations shall bear interest from the date occurring 10 days after City gives written demand to Developer at the same rate as is provided in the City Loan Note (or if different interest rates are specified therein, the highest non-default interest rate), and shall be secured by the City Loan Deed of Trust. Such reimbursement obligations shall survive the cancellation of the City Loan Note, release and reconveyance of the City Loan Deed of Trust, issuance of the Release of Construction Covenants, and termination of this Agreement.

ARTICLE 10

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ASSIGNMENT OF AGREEMENT

This Agreement shall be binding upon Developer, its executors, administrators and assigns and all persons claiming under or through Developer. Wherever this Agreement employs the term "Developer," it shall be deemed to include Developer, its executors, administrators and assigns and all persons claiming under or through Developer. Except for Permitted Transfers, Developer shall not voluntarily assign any of its rights or obligations under this Agreement without the prior written consent of City and any purported assignment made without said consent shall be null and void for all purposes.

ARTICLE 11

RECORDATION

Developer agrees that this Agreement and any amendment or cancellation hereof shall be recorded in the official records of Orange County by Developer within ten (10) days after the effective date of this Agreement and within ten (10) days after any amendment or cancellation hereof. Developer agrees to provide City with two copies of the recorded Agreement (or any amendment) within five (5) days of the recording date.

ARTICLE 12

NOTICE

Written notice, demands and communications between City and Developer shall be deemed sufficient if dispatched by personal delivery, overnight delivery by a reputable courier service, registered or certified mail, postage prepaid, return receipt requested to the principal offices of City and Developer, the addresses of which are hereinafter set forth. Such written notices, demands and communications may be sent in the manner prescribed to each other's addresses as either party may, from time to time, designate by mail, or the same may be delivered in person to representatives of either party upon such premises. Said addresses are as follows:

If to Developer: 10632 Bolsa Avenue, LP
c/o SC-MCO, LLC
500 Newport Center Drive, Suite 200
Newport Beach, CA 92660
Attn: Shawn Boyd

with copy to: 10632 Bolsa Avenue, LP
c/o AOF Sycamore Court, LLC
7755 Center Ave., Suite 575
Huntington Beach, CA 92647
Attn: Ajay Nayar

If to City: City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840
Attn: City Manager

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With copies to: Omar Sandoval, Esq., City Attorney
11222 Acacia Parkway
Garden Grove, CA 92840

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660-6422
Attn: Celeste Stahl Brady

Notices herein shall be deemed given as of the date of personal service or three (3) consecutive calendar days after deposit of the same in the custody of the United States Postal Service.

ARTICLE 13

WAIVER

Failure by a party to insist upon the strict performance of any of the provisions of the Agreement by the other party or the failure by the party to exercise its rights under or upon a default by the other party herein shall not constitute a waiver of such party's right to demand strict compliance from such other party in the future.

ARTICLE 14

SUBORDINATION

Subordination Agreement. Of even date herewith, Developer and the California Public Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California ("CalPFA") will be entering into or have entered into that certain Subordination Agreement (Affordable) ("Subordination Agreement"). CalPFA is defined as the "Senior Lender" in the Subordination Agreement and such term includes its successors and assigns and any other Person who becomes the legal holder of the Senior Loan after the date of this Agreement (as such capitalized terms are defined therein). As Senior Lender, the Subordination Agreement agrees to permit the Subordinate Loan (which is the City loan hereunder) and to allow the subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in such Subordination Agreement. Further, the Subordination Agreement establishes rights, benefits and obligations between and among the parties relating defaults, mortgagee protections, rights to cure, etc. and shall apply as and between City and Developer until the Maturity Date as defined and set forth therein.

Estoppels and Reaffirmation of Subordination. The Subordination Agreement includes the terms and conditions relating to refinancing and modifications of the Senior Loan (as defined therein) and City agrees to provide estoppel(s) and reaffirmation thereof; provided, however, the reaffirmation shall be evidenced by an agreement in a form reasonably acceptable to City and City's legal counsel. If and to the extent any reaffirmation, new, or amended subordination, or any estoppel certificates, or similar documents are requested and/or necessary, Developer expressly acknowledges and agrees that any and all third party cost incurred or to be incurred by City, including for example attorney fees or other consultant's costs, are and shall be the sole financial responsibility of Developer (or its Lender or other third party, but in no event City). City shall have no obligation to

ATTACHMENT NO. 11 REGULATORY AGREEMENT

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commence work on such additional work relating to subordination or reaffirmation of subordination without a deposit of the estimated third party costs which City may draw upon to pay such third party costs.

ARTICLE 15

SEVERABILITY

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

ARTICLE 16

CAPTION AND PRONOUNS

The captions and headings of the various Articles and Sections of this Agreement are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine and neuter shall be freely interchangeable.

ARTICLE 17

ATTORNEYS' FEES

In any action to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees and expert witness fees.

ARTICLE 18

MODIFICATION OF AGREEMENT

This Agreement may be modified or amended by mutual consent of the parties, provided that all amendments are in writing.

ARTICLE 19

SOLE AND ONLY AGREEMENT

This Agreement and all other Project Documents contain the sole and entire agreement and understanding of the parties with respect to the subject matter hereof. No representations, oral or otherwise, express or implied, other than those contained herein, have been made by the parties. In the event of a conflict between the provisions of this Agreement and the HOME Agreement, this Agreement shall control.

[Signatures appear on following pages]

ATTACHMENT NO. 11 REGULATORY AGREEMENT

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IN WITNESS WHEREOF, the parties hereto have caused this Regulatory Agreement to be executed as of the day and year first above written.

DEVELOPER:

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

[Signatures continue on following page.]

[Signatures continue from previous page.]

CITY:

CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
City Manager or Authorized Designee

ATTEST:

City Clerk

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH

Special Counsel to City

EXHIBIT "A" TO ATTACHMENT NO. 11

LEGAL DESCRIPTION

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

**EXHIBIT A TO ATTACHMENT NO. 11
LEGAL DESCRIPTION**

Page 1 of 1

EXHIBIT "B" TO ATTACHMENT NO. 11
AFFORDABLE RENT CALCULATION CHART
(Sycamore Court Housing Project)

[Attached on next page]

Sycamore Court - Unit Mix and Affordable Rent Calculation Tables as of June 2017

<i>Income Level</i>	<i>Bdrms</i>	<i>AMI</i>	<i>Units</i>	<i>Sq. Ft.</i>	<i>Monthly Gross Rents</i>	<i>Monthly Utility Allowance</i>	<i>Net Rent</i>	<i>Gross Annual Income</i>	<i>Most Restrictive Rent</i>	<i>HOME Units</i>	<i>TCAC Units</i>	<i>Senior Units N/A</i>	<i>Family Units</i>	<i>Program*</i>
Very Low Income	1	50%	2	730	\$978.00	\$52.00	\$1,030.00	\$24,720.00	TCAC	2	2		2	TCAC/HOME/HAP
Low Income	1	60%	6	730	\$1,173.00	\$52.00	\$1,225.00	\$88,200.00	TCAC		6		6	TCAC/HAP
Low Income	1	60%	12	730	\$1,173.00	\$52.00	\$1,225.00	\$176,400.00	TCAC		12		12	TCAC
Very Low Income	2	50%	5	906.3	\$1,173.00	\$61.00	\$1,234.00	\$74,040.00	TCAC	4	5		5	TCAC/HOME/HAP
Low Income	2	60%	13	906.3	\$1,407.00	\$61.00	\$1,468.00	\$229,008.00	TCAC		13		13	TCAC/HAP
Low Income	2	60%	24	906.3	\$1,407.00	\$61.00	\$1,468.00	\$422,784.00	TCAC		24		24	TCAC
Very Low Income	3	50%	1	1060.2	\$1,356.00	\$96.00	\$1,452.00	\$17,424.00	TCAC	1	1		1	TCAC/HOME/HAP
Low Income	3	60%	4	1060.2	\$1,627.00	\$96.00	\$1,723.00	\$82,704.00	TCAC		4		4	TCAC/HAP
Low Income	3	60%	10	1060.2	\$1,627.00	\$96.00	\$1,723.00	\$206,760.00	TCAC		10		10	TCAC
2BD manager unit	2	100%	1	906.3	\$0.00	\$0.00	\$0.00	\$0.00	Unrestricted					MGR
			78	69,474			\$110,170	\$1,322,040		7	77		77	

TCAC = Tax Credit Rent
HOME = HOME Program Rent (Low HOME)
HAP = HUD Section 8 Housing Assistance Payment Rent

**EXHIBIT B TO ATTACHMENT NO. 11
AFFORDABLE RENT CALCULATION CHART**

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DOCSOC/1795759v14/022046-0048

EXHIBIT "C" TO ATTACHMENT NO. 11

HOME DOCUMENTATION, RECORDKEEPING, REPORTING AND MONITORING REQUIREMENTS

Developer shall comply with the requirements set forth in this Exhibit C at all times during the term of that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) ("HOME Agreement") and that certain Regulatory Agreement to which this Exhibit is attached ("Regulatory Agreement"; and, together with the HOME Agreement, the "Agreement") between City and Developer, to which this Attachment is attached.

1. Documentation and Recordkeeping.

(a) **Records to be maintained.** Developer shall maintain all records required by the federal regulations specified in 24 CFR 92.508(a)(3), which are pertinent to the Construction and operation of the Project funded under this Agreement. Records shall be maintained for each tenant household, each Housing Unit, and each expenditure of HOME Funds for the acquisition of the Properties and Construction of the Project pursuant to the Agreement. Such records shall include but are not limited to:

(i) Records providing a full description of each activity undertaken for which HOME Funds were applied;

(ii) Records required to determine the eligibility of activities for use of HOME Funds;

(iii) Records (including property inspection reports) demonstrating that each Housing Unit meets the property standards of 24 CFR 92.251(d) and 24 CFR 982.401 upon occupancy and at the time of each annual inspection and was constructed and is maintained in accordance with the Agreement.

(iv) Records demonstrating compliance with the property standards and financial reviews and actions pursuant to 24 CFR §92.504(d).

(v) Records demonstrating the eligibility of each tenant household, including documentation showing income eligibility in accordance with 24 CFR 92.203 (for the HOME Units) and Section 1204 of the Agreement, verification that such household satisfied the priorities set forth in Section 1202.1 of the Agreement, and for households to which Developer has provided a preference based on Developer's determination that the households are "Unstably Housed," that such households satisfy the definition of "Unstably Housed. Retained documentation shall include all source documentation collected by the Developer or the Property Manager, written eligibility determinations and documentation regarding any appeals of eligibility determinations.

(vi) Records indicating the designation of each Housing Unit as a HOME Unit and/or HAP Unit, as applicable.

EXHIBIT C TO ATTACHMENT NO. 11 HOME DOCUMENTATION, RECORDKEEPING, REPORTING AND MONITORING REQUIREMENTS

(vii) With respect to the HOME Units, records demonstrating that Developer is in compliance with the City's written tenant selection policies and criteria of 24 CFR 92.209(c), including any targeting requirements, the rent reasonableness requirements of 24 CFR 92.209(f), the maximum subsidy provisions of 24 CFR 92.209(h), and calculation of each Subsidy Payment.

(viii) Records demonstrating that each rental agreement or lease for tenant household occupying a Housing Unit complies with the tenant and participant protections of 24 CFR 92.253 (for the HOME Units) and the Agreement (for all Housing Units).

(ix) Records documenting compliance with Developer's marketing and outreach obligations under the Agreement, including compliance with the fair housing and equal opportunity components of the HOME program, HUD's Affirmative Fair Housing and Marketing regulations and the City's Affirmative Fair Housing Marketing Plan, when adopted.

(x) Records documenting compliance with the lead-based hazards requirements under the Agreement, the HOME Program, and 24 CFR Part 35, subparts A, B, J, K, M and R.

(xi) Financial records as required by 24 CFR §92.508(a)(5) and 24 CFR §84.21-28.

(xii) Records documenting the expenditures at the Project that may be eligible to be applied to the HOME Matching Contributions pursuant to the HOME Program, specifically including 24 CFR 92.218 through 24 CFR 92.222.

(xiii) The specific waiting list or person or entity from which tenant household referrals were received for each tenant household occupying a Housing Unit at the Project.

(xiv) Records demonstrating compliance by Developer, and each of its contractors and subcontractors with Section 3 and all applicable prevailing wage and labor compliance requirements set forth in the Agreement or otherwise required by applicable law.

(b) **Retention.** The Developer shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years after the end of each Developer's fiscal year. Notwithstanding the above, if there are litigation matters, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then all pertinent records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

(c) **Client Data.** The Developer shall maintain data regarding each tenant household that rents and occupies a Housing Unit at the Project demonstrating eligibility under the Agreement. Such data shall include, but not be limited to, client name, address, income level, and for any household to which Developer has provided a preference based on Developer's determination that the household is Unstably Housed, evidence that the household was Unstably Housed before the household occupied the Housing Unit, or other basis for determining eligibility, Housing Unit

**EXHIBIT C TO ATTACHMENT NO. 11
HOME DOCUMENTATION, RECORDKEEPING,
REPORTING AND MONITORING REQUIREMENTS**

occupied and all written notices or other communications with the household, including any defaults under the applicable lease for nonpayment of rent or otherwise. Such information shall be made available to City monitors or their designees for review upon request.

(d) **Disclosure.** The Developer understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Developer's responsibilities with respect to Developer's performance under this Agreement, is prohibited unless written consent is obtained from such person receiving housing or any services and, in the case of a minor, that of a responsible parent/guardian.

(e) **Close Outs.** The Developer's obligation to the City shall not end until all close-out requirements are completed. Activities during the close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the City), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Developer has control over HOME Funds, including program income.

(f) **Audits and Inspections.** In accordance with Section 203.3 of the Agreement, all Developer records with respect to any matters covered by this Agreement shall be made available to the City of Garden Grove, the Garden Grove Housing Authority, HUD and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Developer within 30 days after receipt by the Developer. Failure of the Developer to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The Developer hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning Developer audits and OMB Circular A-122.

2. Annual Reports. Developer shall submit annual reports to the City in a form approved or directed by the City on or before each April 30, which shall include all of the following information regarding Developer's activities during the prior calendar:

(a) The number of tenant applications received, processed, approved and disapproved.

(b) The property inspection report for the Properties, the Project and each Housing Unit therein and confirmation of compliance with the applicable property standards as set forth in the Agreement.

(c) Specific information regarding the number of and ages of all tenant household members, income categories, and Affordable Rent amounts for each Housing Unit and a description of each tenant household's participation in optional supportive services programs, if any, made available to tenant households at the Project or through Developer's supportive services provider, if

**EXHIBIT C TO ATTACHMENT NO. 11
HOME DOCUMENTATION, RECORDKEEPING,
REPORTING AND MONITORING REQUIREMENTS**

any. Documentation regarding the eligibility of each new tenant household to occupy a Housing Unit, in accordance with Section 1(a)(v) above.

(d) The designation of each Housing Unit as a HOME Unit, HAP Unit, MHSA Unit and/or Density Bonus Housing Agreement Unit, as applicable.

(e) The Affordable Rent charged for each Housing Unit and an explanation for the calculation of each such Affordable Rent.

(f) Budget reconciliation information (construction and/or operating budgets, as applicable), including year-to-date expenditures and remaining balance available for Operating Expenses, Debt Service and outstanding Construction Costs or Project costs (as applicable) in accordance with the Agreement.

(g) Number of vacant Housing Units and an explanation for any vacancies lasting over 60 days.

(h) Information regarding any complaints received from tenant households and any correspondence received from community members or organizations or other nonprofit organizations regarding the Project, the Properties, or the Construction or operation of the Project or the Properties.

(i) Documentation of expenditures at the Project that may be eligible to be applied to the HOME Matching Contributions pursuant to the HOME Program, specifically including 24 CFR 92.218 through 24 CFR 92.222.

(j) Evidence that Developer is maintaining a waiting list in accordance with Section 1202.1 of the Agreement.

3. Performance Monitoring.

(a) **Periodic Meetings.** Developer shall be available to attend meetings with City staff every two weeks during the Construction, to review the Construction progress and pending or upcoming draw requests on the HOME Loan and/or other funding sources for the Project. Following completion of Construction Developer shall be available upon request by City staff to review Developer's activities under the Agreement and to ensure the Project is operating in accordance with the Agreement and the HOME Program.

(b) **City Oversight and Review.** In connection with the City's oversight and compliance by Developer and each of its contractors and subcontractors as to all applicable federal and state labor laws, and if applicable, prevailing wage laws, Developer acknowledges that City already has retained and has under contract a professional services agreement with an experienced, professional labor compliance consultant- Labor Compliance Management ("Labor Compliance Consultant"). In this regard, Developer agrees to pay for and reimburse the City for the services provided by the Labor Compliance Consultant within thirty (30) days of the City's submittal of an invoice therefor. Developer shall maintain records, and the Labor Compliance Consultant, will oversee Developer's compliance with and submittal of all labor-related reports including certified

EXHIBIT C TO ATTACHMENT NO. 11 HOME DOCUMENTATION, RECORDKEEPING, REPORTING AND MONITORING REQUIREMENTS

payroll records for review by the City not less frequently than once per month. In the event the City is required to conduct an audit of each of Developer's contractor's and subcontractor's labor compliance activities and/or records to evaluate noncompliance with labor laws evidenced in Developer's submittals under this Section 1303.2, Developer shall pay the City's third party costs incurred in accordance with such labor compliance audit by the Labor Compliance Consultant.

(i) In the event City becomes aware of any noncompliance with federal Section 3 requirements, Labor Code Section 1720, *et seq.*, or other applicable labor requirements, City shall have the right to require the Developer to set aside into a third party escrow account moneys in an amount reasonably determined by City to be sufficient to remedy such noncompliance.

**EXHIBIT C TO ATTACHMENT NO. 11
HOME DOCUMENTATION, RECORDKEEPING,
REPORTING AND MONITORING REQUIREMENTS**

ATTACHMENT NO. 12

COMPLETION AND LABOR COMPLIANCE GUARANTY (Sycamore Court)

This **COMPLETION AND LABOR COMPLIANCE GUARANTY (Sycamore Court)** ("Guaranty") is made as of June __, 2017 by **MARIMAN & CO.**, a California corporation and by **RUDY A. MARIMAN**, a married man, (each a "Guarantor" and together, jointly and severally, the "Guarantor"), in favor of the **CITY OF GARDEN GROVE**, a California municipal corporation ("City").

RECITALS

A. City, and 10632 Bolsa Avenue, LP, a California limited partnership ("Developer") entered into that certain HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project), dated as of June 13, 2017 ("HOME Agreement"), under which Developer agreed to acquire and rehabilitate an affordable rental housing development on certain Properties within the time, as capitalize terms are defined in and in accordance with the terms and conditions of the HOME Agreement.

B. Under the HOME Agreement, the City agreed to make a loan to Developer in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) ("City Loan") to finance part of the acquisition and substantial rehabilitation of the Properties and development on the Properties, which loan is evidenced by an City Loan Note and secured by an City Loan Deed of Trust encumbering Developer's fee interest in the Properties (together with the HOME Agreement, the "Loan Documents").

C. Guarantor, Mariman & Co., is an Affiliate of Developer, has a substantial financial interest in the business and affairs of Developer, serves as the President of Mariman & Co. which corporation is the sole member of the limited liability company that is the co-general partner of the Developer entity under the HOME Agreement and which entity will receive substantial economic benefit should Developer be permitted to acquire, rehabilitate and operate the Properties in the manner and in accordance with the terms of the HOME Agreement.

D. Guarantor, Rudy A. Mariman, is a married man and enters into this Guaranty as a personal guarantor; and in both his capacities, as an individual and as President of Mariman & Co., has a substantial financial interest in the business and affairs of Developer and he will receive substantial economic benefit should Developer be permitted to acquire, rehabilitate and operate the Properties in the manner and in accordance with the terms of the HOME Agreement.

E. Both Guarantor Mariman & Co. and Guarantor Rudy A. Mariman jointly and severally intend to enter into this Guaranty.

THEREFORE, to induce the City to enter into the Loan Documents and to make the City Loan, and in consideration thereof, each Guarantor and both Guarantors, jointly and severally, unconditionally guarantee and agree as follows:

ATTACHMENT NO. 12 COMPLETION AND LABOR COMPLIANCE GUARANTY

1. HOME Agreement. Guarantor acknowledges receipt of a copy of the HOME Agreement and all of the instruments described therein and/or attached thereto. HOME Agreement as used herein shall mean, refer to and include the HOME Agreement, as well as any riders, exhibits, addenda, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the HOME Agreement. Any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the HOME Agreement.

2. Guaranty. Guarantor hereby guarantees the performance by Developer of its obligation to complete the Rehabilitation of Project and all associated on-site and off-site improvements (collectively, the "Improvements") on the Properties under the terms and conditions set forth in the HOME Agreement and in accordance with the Schedule of Performance attached to the HOME Agreement. Without limiting the generality of the foregoing, Guarantor guarantees that: (a) such Rehabilitation shall be substantially completed within the time limits set forth in the HOME Agreement, subject to force majeure delays, as provided therein; (b) the Rehabilitation of the Properties and completion of the Project shall be undertaken and substantially completed in accordance with the Rehabilitation Plans and all other plans, specifications and the other provisions of the HOME Agreement (collectively, "Specifications") without substantial deviation therefrom, as the same may be modified from time to time in accordance with the HOME Agreement; (c) the Rehabilitation of the Properties and completion of the Project shall be undertaken and completed free and clear of any mechanic's liens, materialmen's liens and equitable liens; and (d) all costs of Rehabilitation shall be paid prior to delinquency.

3. Lien Free Completion. Substantial completion of the Rehabilitation the Properties free and clear of liens shall be deemed to have occurred upon ("Lien Free Completion"): (a) (i) City's receipt of all required occupancy permit(s) for Project issued by the local government agency having jurisdiction and authority to issue same, and (ii) the expiration of the statutory period(s) within which valid mechanic's liens, materialmen's liens and/or stop notices may be recorded and/or served by reason of the Rehabilitation of the Properties and completion of the Project, or, alternatively, City's receipt of valid, unconditional releases thereof from all persons entitled to record said liens or serve said stop notices; or (b) City's receipt of such other evidence of lien free completion as City deems satisfactory in its reasonable discretion.

4. Obligations of Guarantor upon Default by Developer. If the Rehabilitation of the Properties and completion of the Project are not substantially completed in the manner and within the time required by the HOME Agreement, Guarantor shall, within thirty (30) days of receipt of written demand of the City subject to force majeure delays: (a) diligently proceed to complete the Rehabilitation of the Properties and completion of the Project at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the Rehabilitation of the Properties and completion of the Project; and (c) release and discharge all claims of stop notices, mechanic's liens, materialmen's liens and equitable liens that may arise in connection with the Rehabilitation of the Properties and completion of the Project. Guarantor's obligations hereunder shall be subject to City's unconditional and irrevocable agreement to make the undisbursed City Loan funds available to Guarantor (under the terms and conditions of the Loan Documents) for the purposes of completing the Rehabilitation of the Properties and completion of the Project and fulfilling Guarantor's other obligations under this Guaranty; provided, however, that the obligation of City to make such undisbursed City Loan funds available to

**ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY**

Guarantor is expressly conditioned upon there being no continuing default by Guarantor under this Guaranty.

5. Remedies. If Guarantor fails to promptly subject to force majeure delays perform its obligations under this Guaranty, the City shall have the following remedies:

5.1 At the City' option with written notice to Guarantor, and without any obligation to do so, to proceed to perform on behalf of Guarantor any or all of Guarantor's obligations hereunder and Guarantor shall, upon demand and whether or not the Rehabilitation of the Properties and completion of the Project are actually completed by the City, pay to the City all sums expended by the City in performing Guarantor's obligations hereunder together with interest thereon at the highest rate specified in the City Loan Note; and

5.2 From time to time and without first requiring performance by Developer or exhausting any or all security for the City Loan, to bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder, and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by the City as a direct or indirect consequence of the failure of Guarantor to perform its obligations.

6. Rights of the City. Guarantor authorizes the City, without giving notice to Guarantor or obtaining Guarantor's consent and without affecting the liability of Guarantor, from time to time to: (a) approve modifications to the Rehabilitation Plans so long as such modifications do not materially increase the cost of completing the Rehabilitation of the Properties and completion of the Project nor materially increase the time necessary to complete the Project; (b) change the terms or conditions of disbursement of the City Loan so long as such changes do not materially interfere with Developer's ability to complete the Rehabilitation of the Properties and completion of the Project as and when required under the HOME Agreement; (c) otherwise modify the Loan Documents, including, without limitation, making changes in the terms of repayment of the City Loan or modifying, extending or renewing payment dates; releasing or subordinating security in whole or in part; changing the interest rate; or advancing additional funds in its discretion for purposes related to the purposes specified in the Loan Documents; or (d) assign this Guaranty in whole or in part.

7. Guarantor's Waivers. Guarantor waives: (a) any defense based upon any legal disability or other defense of Developer, any other guarantor or other person, or by reason of the cessation or limitation of the liability of Developer from any cause other than full payment and performance of those obligations of Developer which are guaranteed hereunder; (b) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Developer or any principal of Developer or any defect in the formation of Developer or any principal of Developer; (c) any defense based upon the application by Developer of the proceeds of the City Loan for purposes other than the purposes represented by Developer to the City or intended or understood by the City or Guarantor; (d) any and all rights and defenses arising out of an election of remedies by the City, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (e) any defense based upon the City' failure to disclose to Guarantor any information concerning Developer's financial condition or any other circumstances bearing on Developer's ability to pay and perform its obligations under the City Loan Note or any of the other Loan Documents; (f) any defense based upon any statute or rule of law

**ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY**

which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (g) any defense based upon the City' election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (h) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (i) any right of subrogation, any right to enforce any remedy which any of the City may have against Developer and any right to participate in, or benefit from, any security for the City Loan Note or the other Loan Documents now or hereafter held by the City; (j) presentment, demand, protest and notice of any kind; and (k) the benefit of any statute of limitations affecting the liability of Guarantor hereunder or the enforcement hereof.

Guarantor further waives all rights and defenses that Guarantor may have because the Developer's debt is secured by real property. This means, among other things: (1) the City may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Developer. (2) If any of the City forecloses on any real property collateral pledged by Developer: (A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price. (B) the City may collect from Guarantor even if the City, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Developer. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Developer's debt is secured by real property. These rights and defenses being waived by Guarantor include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

Without limiting the generality of the foregoing or any other provision hereof, Guarantor further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any of such sections. Finally, Guarantor agrees that the performance of any act or any payment which tolls any statute of limitations applicable to the City Loan Note or any of the other Loan Documents shall similarly operate to toll the statute of limitations applicable to Guarantor's liability hereunder.

8. Guarantor's Warranties. Guarantor warrants and acknowledges that: (a) City would not make the City Loan but for this Guaranty; (b) Guarantor has reviewed all of the terms and provisions of the Loan Documents, including the HOME Agreement, Rehabilitation Plans, and Specifications; (c) there are no conditions precedent to the effectiveness of this Guaranty; (d) Guarantor has established adequate means of obtaining from sources other than the City, on a continuing basis, financial and other information pertaining to Developer's financial condition, the Property, the progress of the Rehabilitation of the Properties and completion of the Project, and the status of Developer's performance of its obligations under the Loan Documents, and the City have made no representation to Guarantor as to any such matters; (e) the most recent financial statements of Guarantor previously delivered to lender are true and correct in all material respects, have been prepared in accordance with generally accepted accounting principles consistently applied (or other principles acceptable to the City) and fairly present in all material respects the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the respective dates thereof and (f) Guarantor has not and will

**ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY**

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not, without the prior written consent of the City, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein, other than in the ordinary course of Guarantor's business.

9. Subordination. Guarantor subordinates all present and future indebtedness owing by Developer to Guarantor to the obligations at any time owing by Developer to the City under the City Loan Note and the other Loan Documents. Guarantor assigns all such indebtedness to the City as security for this Guaranty, the City Loan Note and the other Loan Documents. Guarantor agrees to make no claim for such indebtedness until all obligations of Developer under the City Loan Note and the other Loan Documents have been fully discharged. Guarantor further agrees not to assign all or any part of such indebtedness unless the City is given prior notice and such assignment is expressly made subject to the terms of this Guaranty. If the City so request, (a) all instruments evidencing such indebtedness shall be duly endorsed and delivered to the City, (b) all security for such indebtedness shall be duly assigned and delivered to the City, (c) such indebtedness shall be enforced, collected and held by Guarantor as trustee for the City and shall be paid over to the City on account of the City Loan but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty, and (d) Guarantor shall execute, file and record such documents and instruments and take such other action as the City deem necessary or appropriate to perfect, preserve and enforce the City's rights in and to such indebtedness and any security therefor. If Guarantor fails to take such action, the City, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor. The foregoing power of attorney is coupled with an interest and cannot be revoked. Nothing contained in the foregoing shall prohibit or prevent distributions from Developer to Guarantor in the ordinary course of business provided no Event of Default is continuing.

10. Bankruptcy of Developer. In any bankruptcy or other proceeding in which the filing of claims is required by law, Guarantor shall file all claims which Guarantor may have against Developer relating to any indebtedness of Developer to Guarantor and shall assign to the City all rights of Guarantor thereunder. If Guarantor does not file any such claim, the City, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor or, in the City's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of the City's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. The City or their nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the City the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to the City all of Guarantor's rights to any such payments or distributions; provided, however, Guarantor's obligations hereunder shall not be satisfied except to the extent that the City receive cash by reason of any such payment or distribution. If the City receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guaranty. If all or any portion of the obligations guaranteed hereunder are paid or performed, the obligations of Guarantor hereunder shall continue and shall remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from the City as a preference, fraudulent transfer or otherwise under the Bankruptcy Code or other similar laws, irrespective of (a) any notice of revocation given by Guarantor prior to such avoidance or recovery, or (b) full payment and performance of all of the indebtedness and obligations evidenced and secured by the Loan Documents.

ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY

11. City Loan Sales and Participations; Disclosure of Information. Guarantor agrees that City may elect, at any time with written notice to Developer and Guarantor, to sell, assign, or grant participations in all or any portion of its rights and obligations under the Loan Documents and this Guaranty, and that any such sale, assignment or participation may be to one or more financial institutions, private investors, and/or other entities, at City's sole discretion. Guarantor further agrees that City may disseminate to any such actual or potential purchaser(s), assignee(s) or participant(s) all documents and information (including, without limitation, all financial information) which has been or is hereafter provided to or known to City with respect to: (a) the Property and Project and their operation; (b) any party connected with the City Loan (including, without limitation, the Guarantor, the Developer, any partner, joint venturer or member of Developer, any constituent partner, joint venturer or member of Developer, any other guarantor and any non-borrower trustor); and/or (c) any lending relationship other than the City Loan which City may have with any party connected with the City Loan in all cases subject to the City's typical confidentiality practices. In the event of any such sale, assignment or participation, City and the parties to such transaction shall share in the rights and obligations of City as set forth in the Loan Documents only as and to the extent they agree among themselves. In connection with any such sale, assignment or participation, Guarantor further agrees that the Guaranty shall be sufficient evidence of the obligations of Guarantor to each purchaser, assignee, or participant, and upon written request by City, Guarantor shall consent to such amendments or modifications to the Loan Documents as may be reasonably required in order to evidence any such sale, assignment, or participation. Anything in this Guaranty to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Guaranty, including this Section, any lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Loan Documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release such lender from its obligations thereunder.

12. Additional, Independent and Unsecured Obligations. This Guaranty is independent of the obligations of Developer under the City Loan Note, the City Loan Deed of Trust and the other Loan Documents. The City may bring a separate action to enforce the provisions hereof against Guarantor without taking action against Developer or any other party or joining Developer or any other party as a party to such action. Except as otherwise provided in this Guaranty, this Guaranty is not secured and shall not be deemed to be secured by any security instrument unless such security instrument expressly recites that it secures this Guaranty.

13. Attorneys' Fees; Enforcement. If any attorney is engaged by the City to enforce or defend any provision of this Guaranty, or any of the other Loan Documents relating to the Rehabilitation of the Properties and completion of the Project, or as a consequence of any Default, breach or failure of condition under the Loan Documents relating to the Rehabilitation of the Properties and completion of the Project, with or without the filing of any legal action or proceeding, Guarantor shall pay to the City, immediately upon demand all reasonable attorneys' fees and costs incurred by the City in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance of the City Loan Note as specified therein.

14. Rules of Construction. The word "Developer" as used herein shall include both the named Developer and any other person at any time assuming or otherwise becoming primarily liable for all or any part of the obligations of the named Developer under the City Loan Note and the other Loan Documents. The term "person" as used herein shall include any individual, company, trust or

**ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY**

other legal entity of any kind whatsoever. If this Guaranty is executed by more than one person, the term "Guarantor" shall include all such persons. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

15. Credit Reports. Each legal entity and individual obligated on this Guaranty hereby authorizes the City to order and obtain, from a credit reporting agency of the City's choice, a third party credit report on such legal entity and individual.

16. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California, except to the extent preempted by federal laws. Guarantor and all persons and entities in any manner obligated to the City under this Guaranty consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by California or federal law.

17. Miscellaneous. The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, nominees, successors and assigns of Guarantor and the City. The liability of all persons and entities that are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.

18. Enforceability. Guarantor hereby acknowledges that: (a) the obligations undertaken by Guarantor in this Guaranty are complex in nature, and (b) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, and (c) as part of the City's consideration for entering into this transaction, the City has specifically bargained for the waiver and relinquishment by Guarantor of all such defenses, and (d) Guarantor has had the opportunity to seek and receive legal advice from skilled legal counsel in the area of financial transactions of the type contemplated herein. Given all of the above, Guarantor does hereby represent and confirm to the City that Guarantor is fully informed regarding, and that Guarantor does thoroughly understand: (i) the nature of all such possible defenses, and (ii) the circumstances under which such defenses may arise, and (iii) the benefits which such defenses might confer upon Guarantor, and (iv) the legal consequences to Guarantor of waiving such defenses. Guarantor acknowledges that Guarantor makes this Guaranty with the intent that this Guaranty and all of the informed waivers herein shall each and all be fully enforceable by the City, and that the City are induced to enter into this transaction in material reliance upon the presumed full enforceability thereof. This Guaranty shall automatically terminate upon the first to occur of the following: (i) Lien-Free Completion of the Improvements as such term is defined in Section 3, (ii) payment in full of all principal and interest due under the Loan Documents or (iii) Developer's dispossession from the Properties by either or both of the City.

19. Spousal Consent. Rudy A. Mariman agrees to cause his spouse, Gloria L. Soto, to receive a copy of this Guaranty and to obtain her signature on the attached form of "spousal consent".

ATTACHMENT NO. 12
COMPLETION AND LABOR COMPLIANCE GUARANTY

IN WITNESS WHEREOF, Guarantor has executed this Completion Guaranty (Hermosa Village Project) as of the date appearing on the first page of this Guaranty.

“GUARANTOR”

MARIMAN & CO., a California corporation

By: _____
Rudy Mariman, President

By: _____
[other authorized corporate officer per
Corporations Code]

Its: _____

“GUARANTOR”

RUDY A. MARIMAN, a married man

Rudy A. Mariman

[notarized signatures; add notary forms/jurats]

CONSENT OF SPOUSE RE COMPLETION AND LABOR COMPLIANCE GUARANTY

I, the undersigned **GLORIA L. SOTO**, by this *Consent of Spouse Re Completion and Labor Compliance Guaranty* ("Consent") agree, represent, warrant and consent as follows:

I am the spouse of **RUDY A. MARIMAN**.

I acknowledge that I have received a complete copy of that certain *Completion and Labor Compliance Guaranty* dated as of June __, 2017 ("Guaranty") and that I have read the Guaranty and understand its contents.

I am aware that under the provisions of the Guaranty that my spouse, Rudy A. Mariman, agrees, among other promises, and provides his personal guarantee related to the acquisition, rehabilitation and completion of an affordable housing project referred to as "Sycamore Court", which is more fully described in that certain *HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project)* dated as of June 13, 2017 entered into between the City of Garden Grove and 10632 Bolsa Avenue, LP, a California limited partnership. My husband is the President of Mariman & Co., which corporation is the sole member of the limited liability company that is the co-general partner of 10632 Bolsa Avenue, LP, and also a guarantor under the Guaranty.

The Guaranty made by my spouse, Rudy A. Mariman, would include my community interests, and I hereby knowingly and intentionally consent to my spouse providing the personal guaranty under the Guaranty, my spouse executing such Guaranty and, my spouse performing under such Guaranty, if ever to be performed thereunder.

Capitalized terms used and not otherwise defined in this Consent have the respective meanings given to them in the Guaranty and HOME Agreement.

I have had the opportunity to obtain legal advice from counsel of my choosing and independent of my spouse, Rudy A. Mariman, as to the legal effect of this Consent.

Dated: June __, 2017

Gloria L. Soto, a married woman

[notarized signature; add notary form/jurat]

ATTACHMENT NO. 12

SPOUSAL CONSENT TO COMPLETION AND LABOR COMPLIANCE GUARANTY

EXHIBIT A TO COMPLETION GUARANTY

LEGAL DESCRIPTION OF PROPERTIES

That real property located in the State of California, County of Orange, City of Garden Grove, and described as follows:

PARCEL 1:

THE NORTH 350.00 FEET OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE WEST 462.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, EXCEPT THE GRANTOR WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET, AS RESERVED BY CARL JACOBBER AND EDNA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 52, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

PARCEL 2:

THE NORTH 350.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 260.00 FEET THEREOF.

ALSO EXCEPT ONE-HALF OF ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND EXCEPT THAT THE GRANTORS WILL NOT HAVE ANY SURFACE RIGHTS TO A DEPTH OF 500 FEET AS RESERVED BY LOUIS JACOBBER AND CORA JACOBBER, HUSBAND AND WIFE, IN DEED RECORDED MARCH 16, 1955 IN BOOK 2997, PAGE 59, OFFICIAL RECORDS.

ALSO EXCEPT ALL WATER IN OR UNDER SAID LAND.

APNs: 108-492-77 (Parcel 1) and 108-083-38 (Parcel 2)

ATTACHMENT NO. 13

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

_____, a duly authorized officer of and on behalf of
10632 BOLSA AVENUE, LP ("Owner/Operator"), hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of the **HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project)** ("Agreement") by and between the **City of Garden Grove ("City")** and **10632 Bolsa Avenue, LP** of which this certification is an attachment.

2. As of the date of this certification, each Housing Unit on the Properties (other than one on-site manager's unit) (i) is currently occupied by tenants qualifying as 50% AMI Very Low Income Households and 60% AMI Low Income Households at an Affordable Rent (as such terms are defined in the Agreement); or (ii) is currently vacant and being held available for occupancy by such tenants in accordance with the Agreement and have been so held continuously since the date the previous qualifying tenant vacated such Housing Unit, as indicated: **[describe number of vacant Housing Units and length of time each such Housing Unit has remained vacant]**; or (iii) is occupied by qualifying tenants whose incomes have increased above such qualifications in accordance with the terms and conditions of Section 2.4 of the Regulatory Agreement.

3. The unit size, the rental amount charged and collected by Owner/Operator, the number of occupants and the income of the occupants for the Properties is set forth below: **[Add attachment if needed]**

This affidavit is made with the knowledge that it will be relied upon by City to determine compliance with the Agreement. Owner/Operator warrants that all information set forth in this document is true, correct and complete and based upon information Owner/Operator deems reliable and based upon such investigation as Owner/Operator deemed necessary.

Owner/Operator acknowledges that Owner/Operator has been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of the Agreement with City and may entitle City to initiate and pursue all applicable legal and equitable remedies with respect such Agreement.

[CONTINUED ON NEXT PAGE]

ATTACHMENT NO. 13

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Owner/Operator does hereby swear under penalty of perjury that the foregoing statements are true and correct and that this certificate was executed on _____, 20__ at Garden Grove, California.

"OWNER/OPERATOR"

10632 BOLSA AVENUE, LP,
a California limited partnership

By: AOF SYCAMORE COURT, LLC,
a California limited liability company,
its Managing General Partner

By: AOF / GOLDEN STATE
COMMUNITY DEVELOPMENT
CORP., a California nonprofit public
benefit corporation,
its Manager

By: _____
Ajay Nayar, Vice President

By: SC-MCO, LLC,
a California limited liability company,
its Co-General Partner

By: MARIMAN & CO., a California
corporation,
its Sole Member

By: _____
Rudy Mariman, President

ATTACHMENT NO. 14

CERTIFICATE OF SUBCONTRACTOR

This **CERTIFICATE OF SUBCONTRACTOR** ("Certificate") is hereby made as of _____, 201_, by [insert name of each subcontractor] and a duly licensed in the State of California ("subcontractor"), in favor of the **CITY OF GARDEN GROVE**, a California municipal corporation ("City"). Any capitalized terms used herein and not defined shall have the same meanings as set forth in the Agreement.

RECITALS

A. City and 10632 Bolsa Avenue, LP ("Developer") have entered into an HOME Investment Partnership Affordable Housing and Loan Agreement (Sycamore Court Housing Project) dated as of June 13, 2017 ("Agreement"), which Agreement provides for Developer's acquisition and Rehabilitation of certain real property situated in the City of Garden Grove, California ("Properties") improved with a 78-unit townhome apartment complex. The Properties are generally located at 10632 Bolsa Avenue in the City.

B. As required in the Agreement, subcontractor shall furnish City with this Certificate of subcontractor acknowledging that any construction performed pursuant to the terms of the Agreement shall comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, *et seq.*, as amended, and the prevailing wage requirements set forth in the federal Davis-Bacon Act (40 U.S.C. §276a-276a-5).

C. Capitalized terms used herein have the meanings set forth in the Agreement.

NOW, THEREFORE, subcontractor hereto certifies as follows:

1. As provided in the Agreement, subcontractor does hereby certify that it understands that the provisions of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, *et seq.*, as amended, and the provisions of the Davis-Bacon Act (40 U.S.C. §276a-276a-5) shall be applicable to any construction work performed pursuant to the Agreement;

2. subcontractor shall be solely responsible for determining the requirements under Section 3 and the prevailing wage laws, and for complying with such requirements; and

3. The recitals above are incorporated in full as part of the substantive text of this Certificate.

IN WITNESS WHEREOF, subcontractor does hereby swear under penalty of perjury that the foregoing statements are true and correct and that this certificate was executed on _____, 20__ at Garden Grove, California.

SUBCONTRACTOR:

By: _____

Name: _____

Title: _____

ATTACHMENT NO. 14
CERTIFICATE OF SUBCONTRACTOR

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ATTACHMENT NO. 15

(Reserved)

ATTACHMENT NO. 15

[Reserved]

Page 1 of 1

ATTACHMENT NO. 16

[Reserved]

ATTACHMENT NO. 16

[Reserved]

Page 1 of 1

ATTACHMENT NO. 17

DISBURSEMENT PROCEDURES

The proceeds of the City Loan shall be disbursed pursuant to the *HOME Agreement* dated as of June 13, 2017 ("Agreement") and in accordance with the following disbursement procedures. All initially capitalized terms used herein have the meanings set forth in the Agreement unless expressly otherwise defined herein.

These City of Garden Grove Disbursement Procedures ("GG Procedures") are also subject to that certain Senior Lender document titled "Modifications to Multifamily Loan and Security Agreement (Rehabilitation Reserve – Moderate Rehabilitation) ("JLL Disbursement Procedures"). The City and Developer acknowledge that each disbursement of the City Loan proceeds, with the exception of the initial disbursement toward acquisition costs at the Close of Escrow, will be remitted to the Senior Lender (Jones Lang LaSalle Multifamily, LLC) ("JLL") and not to Developer. And, to the extent there is any inconsistent provision between these GG Procedures and the JLL Disbursement Procedures, in all events the JLL Disbursement Procedures shall prevail.

A. ACQUISITION AMOUNT

Subject to the satisfaction of all Conditions Precedent to the initial disbursement of the City Loan, City shall disburse \$360,000 into Escrow concurrently with the Closing, which proceeds shall be used solely for the cost of acquisition of the Properties pursuant to the Agreement.

B. RELOCATION COSTS

Developer shall pay all Relocation costs in accordance with all Relocation Laws and the Agreement from funds sourced from the proceeds of the Bonds/Primary Loan, Tax Credit equity, the Deferred Developer Fee, or other sources of funding or financing but in no event shall such Relocation costs (including without limitation, temporary moves (or permanent displacement, if any), advisory assistance, and monetary benefits paid to eligible persons (as reviewed by City or City's consultant), consultant fees, attorneys' fees, and court costs arising or in any way connected with claims for Relocation assistance or benefits under the Relocation Laws as may be asserted by any existing or previous resident of the Properties) be eligible for payment from City Loan proceeds.

C. REHABILITATION

1. Disbursement Account. The balance of City Loan proceeds will not to be disbursed into Escrow but shall be retained by City and deposited into a "Disbursement Account" established in accordance with the provisions set forth herein for the "Eligible Costs" for the Rehabilitation. Notwithstanding the following provisions, the City's obligation to make any disbursement of the proceeds of the City Loan is expressly conditioned on the availability to City of HOME Funds and City shall have no obligation to use any other source of funding to make the City Loan to Developer.

(a) Subject to the satisfaction of all Conditions Precedent to the disbursement of the City Loan, City has established a progress payment Disbursement Account for the Rehabilitation. The amount deposited in the Disbursement Account shall be the total unexpended balance of the City

Loan, which as of the Date of Agreement is estimated to be approximately \$840,000. All interest, if any, earned on the Disbursement Account shall accrue to City.

(i) Following the initial disbursement of City Loan proceeds at the Close of Escrow, City will make four installment payments of the City Loan as follows:

(A) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 30% completion of the Rehabilitation;

(B) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 60% completion of the Rehabilitation;

(C) 20% of the City Loan (\$252,000) when Developer meets the completion milestone of 90% completion of the Rehabilitation; and

(D) 10% of the City Loan (\$84,000) concurrent with the City's issuance of the final certificate of occupancy by the City's Building Official and recordation of the Release of Construction Covenants evidencing that all of the Rehabilitation is complete.

(b) Upon meeting the applicable completion milestone of Rehabilitation work at the Properties, Developer may submit a request for disbursement of City Loan proceeds from the Disbursement Account.

(c) City shall disburse funds from the Disbursement Account on the basis of milestone completion certificates executed by Developer and the applicable contractors and subcontractors and delivered to City, certifying that the percentage of the Rehabilitation work for which payment is requested has been accomplished in accordance with the approved plans and specifications for the Project, including the Rehabilitation Plans ("Plans and Specifications"), and upon approval by the Monitor (as defined below) of (i) such certificates and (ii) the completed Rehabilitation work for which disbursement of City Loan proceeds is being requested. Each such certificate shall be in a form approved by City.

(d) Notwithstanding Developer's compliance with all other Conditions Precedent set forth in Section 403, *et seq.* of the Agreement, City shall not make the Final Disbursement of City Loan Proceeds in the amount of Eighty-Four Thousand Dollars (\$84,000) until City the City's Building Official certifies that 100% of the Rehabilitation work of the Project is complete and final inspection has occurred with issuance of a final certificate of occupancy by the City Building Official and the City has executed and caused to be recorded the Release of Construction Covenants for the Project.

(e) At City's option, and with Senior Lender's consent, disbursements from the Disbursement Account may be made (i) to Developer, or (ii) as joint disbursements to Developer and Mariman & Co., or (iii) as joint disbursements to Developer and Mariman & Co. and one or more contractors and/or subcontractors as determined by the Monitor and City.

(f) All funds disbursed to Developer shall be immediately used to pay or reimburse bills and charges for labor and/or materials with respect to the Rehabilitation in

ATTACHMENT NO. 17
DISBURSEMENT PROCEDURES

accordance with the milestone completion certificate submitted by Developer as provided in paragraph (c) above.

(g) If at any time proposed changes in the Rehabilitation process shall increase the cost of the Project, Developer shall notify City thereof and City may withhold consent to such changes until Developer deposits sufficient funds in the Disbursement Account to cover the increased costs of such proposed changes and furnishes City with written consents to such changes from the sureties on any applicable bonds.

(h) Developer shall evidence continuing compliance with the Section 3 Clause, as set forth in the Agreement.

2. Rehabilitation Monitor. City shall appoint a staff member to serve as a Rehabilitation work monitor ("Monitor") to review the Plans and Specifications, to review periodically the progress of the Rehabilitation, to review, verify the accuracy of, and approve each of the milestone completion certificates submitted by Developer, and each of its applicable contractors and subcontractors, with Developer's written requests for disbursement of City Loan proceeds. City shall have the right to rely on, and City shall have the right to disburse funds in accordance with, each disbursement certificate approved by the Monitor in accordance with Paragraph 1(c) above.

3. Protection of Security. Representatives of City shall have the right to enter upon the Properties during normal business hours and upon seventy-two (72) hours' notice. If in City's opinion the work does not conform with the final, approved Plans and Specifications (as amended or modified with the consent of City), City shall have the right to stop the work and order its replacement whether or not such unsatisfactory work has theretofore been incorporated in the Properties or the improvements thereon, and to withhold all disbursements from the Disbursement Account until the work is satisfactory. If correction of the work is not commenced within thirty (30) calendar days from the date City notifies Developer of the unsatisfactory work, failure to do so shall constitute an Event of Default under the Agreement.

(a) Developer expressly agrees and acknowledges that City (i) does not assume the duties of Developer's or any of its contractors and subcontractors, or architect, (ii) is not required to make inspections of the Rehabilitation work, (iii) does not represent that the funds deposited in the Disbursement Account are sufficient to complete the Rehabilitation (and if such funds are not sufficient for such purpose, City shall not have any obligation to complete the Rehabilitation with City's funds or with any other funds). City's execution of the Agreement and City's selection and engagement of the Monitor shall not constitute a representation that the Rehabilitation conforms to any existing covenants, laws, regulations or codes relating to the Properties. Any inspection by City shall be made solely for the benefit and protection of City. Developer may not rely on any inspection by City. Developer shall notify City in writing if, during the course of its own inspection of the work comprising the Rehabilitation, any labor or materials used therefor are not satisfactory to Developer.

(b) City agrees that City will select the Monitor. City shall have no liability to Developer for such selection or for any inspection, report or other action taken or not taken by the Monitor in connection with the Rehabilitation and disbursements from the Disbursement Account.

ATTACHMENT NO. 17
DISBURSEMENT PROCEDURES

**APPLICATION FOR DISBURSEMENT
SYCAMORE COURT HOUSING PROJECT**

TO: CITY OF GARDEN GROVE ("City")
FROM: 10632 Bolsa Avenue, LP ("Developer")
MILESTONE COMPLETION CERTIFICATE; DISBURSEMENT REQUEST NO. ____ [1-4]
DATE: _____, 201__

Under that certain *HOME Agreement* dated as of _____, 2017 ("Agreement") entered into between Developer and City, Developer hereby requests that City disburse \$ _____ of the City Loan. This disbursement is requested to pay for various expenses incurred in reaching the [__%] completion milestone in connection with the Sycamore Court Housing Project ("Project"), as summarized on the schedule attached hereto and detailed in the invoices submitted herewith. Developer hereby certifies that the amounts shown on the attached schedule and the accompanying invoices represent costs set forth in the approved Final Budget and Construction Contract for the Rehabilitation which are eligible for reimbursement at this milestone completion time in accordance with the provisions of the Agreement.

Developer acknowledges that any increased costs of construction arising out of change orders or otherwise are not included in, or provided for, in the Construction Contract or the Final Budget and cannot be invoiced on this Application for Disbursement unless and until such change orders and/or other increases in costs have been approved in writing by City, except as otherwise provided in the Agreement.

Developer certifies that there have been no change orders or changes in the work of the Project increasing the cost of the Project by \$5,000 or more, individually, or when taken together with all previous change orders for the Project, by \$15,000 or more, except as previously expressly approved by City in writing, or as referenced below, with a copy of the appropriate documentation describing the change attached hereto (whether or not a disbursement is requested herein on account of such change). The following change orders, identified by number and date, have been proposed and/or approved since the last Application for Disbursement: _____

SUBMITTED BY: _____

Date: _____, 201__

REVIEWED AND APPROVED BY: _____
City Construction Monitor

Date: _____, 20__

**ATTACHMENT NO. 17
DISBURSEMENT PROCEDURES**

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SUPPORTING DOCUMENTS FOR DISBURSEMENT

[to be attached by Developer or Mariman & Co.]

ATTACHMENT NO. 18
SECTION 3 CHECKLIST

HOME Funds Recipient-Section 3 Checklist

HUD may monitor funding recipients (Developer/owner), contractors and subcontractors based on these mandatory requirements. HUD-funded projects that involve construction, reconstruction, rehabilitation, or demolition are subject to Section 3 compliance.

Basis for Section 3 Requirements (24 CFR 135)

- Housing & Urban Development Act of 1968 (12 U.S.C. 1701u) ("Section 3")
- Section 3 Clause [24 CFR 135.38] must appear in all Section 3-covered HUD contracts [24 CFR 135.3].

Responsibilities of Developer to City of Garden Grove and HUD:

To the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations:

- Demonstrate good faith efforts to notify Section 3 residents and businesses about training, employment, and contracting opportunities generated by this Section 3 covered assistance.
- Prepare and maintain records and all supporting documents and actions taken to comply with Section 3 and verifiable, justifiable records reasons if unable to comply.
- Submit Summary Reports (based on form HUD-60002).

As a recipient HUD HOME Program Funds in excess of \$200,000, you are required to comply with Section 3. As a recipient of HUD assistance, you are obligated to meet the safe harbor goals even if none of your contracts exceed \$200,000.

- HUD Section 3 website has sample forms re compliance with Section 3. (https://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opportunity/section3/section3)

Section 3 requires that you and your contractors and subcontractors with contracts of more than \$100,000 who hire or award contracts associated with the project take steps so that low- and very low-income residents and Section 3 business concerns have an opportunity to benefit from the project.

Described below are steps you must take to ensure that you comply with Section 3:

1. Include the Section 3 clause in all of your contracts and subcontracts.
2. Develop a list of Section 3 business concerns to use in selecting your contractors and to distribute to your contractors, subcontractors, and persons you will pay or provide any funds.
3. Require all of your contractors and subcontractors to provide you copies of subcontracts over \$100,000 showing inclusion of the Section 3 Clause and retain them for later review by the City of Garden Grove and by HUD and their representatives.
4. If you hire employees for the Project, provide documentation of your efforts to identify and provide training and employment opportunities to Section 3 residents.

ATTACHMENT NO. 18
SECTION 3 CHECKLIST

Page 1 of 2

5. If you award contracts for more than \$100,000 you must take steps to provide contracts to Section 3 business concerns and document your efforts.
6. If you or your contractors and subcontractors encounter impediments in hiring Section 3 residents or awarding contracts to Section 3 business concerns, provide the City of Garden Grove a written explanation of the impediments before any contracts are signed for the Project.
7. Keep and maintain organized records and supporting documentation of the above items and retain all records for later review by HUD, the City and their representatives.
8. Collect from all of your contractors and subcontractors with contracts over \$100,000 a completed Section 3 data form regarding each entity's efforts and success in providing training and employment opportunities to Section 3 residents, and contracting with Section 3 business concerns.
9. Submit the Section 3 data to City of Garden Grove after the bids have been received but before construction contracts are signed. If new subcontractors are hired, submit the forms before their contracts are signed.

ATTACHMENT NO. 18
SECTION 3 CHECKLIST

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City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Approval of a Lease Agreement with Steelcraft Long Beach, LP for real property located at 12900 Euclid Street, Garden Grove. (Revenue: \$8,120 per month) (<i>Action Item</i>)	Date:	6/13/2017

OBJECTIVE

For the City Council to consider approval of a Lease Agreement by and between the City of Garden Grove (Landlord) and SteelCraft Long Beach, LP (Tenant) for real property located at 12900 Euclid Street (Property), Garden Grove.

BACKGROUND

The subject Property consists of a vacant 1.864 acre site that was formerly occupied by the Black Angus Restaurant from 1988 through 2005. The property was acquired by the Garden Grove Redevelopment Agency in July 2009, and with the Redevelopment Dissolution, the property was subsequently listed on the Long Range Property Management Plan and transferred to the City for future Civic Center needs.

DISCUSSION

In April 2017, the City received an unsolicited proposal from SteelCraft Long Beach, LP, for the development of an outdoor urban eatery built primarily out of recycled metal shipping containers. The proposed project would be up to 14 users in shipping containers occupied by boutique eateries, brewery, wine vendor, micro retail space, incubator space, and communal eating areas throughout the project site. The development would illustrate SteelCraft's values, which are restoration, the celebration of local craft and artisans, and community engagement.

The developer, Howard CDM, was formed in 1996 and has directed the development and construction of projects of up to \$10,000,000 and a cumulative investment value nearing \$1 billion. Their team brings 45 years of experience in design, innovation, strategy and development.

The City's economic consultant, Tierra West Advisors, conducted an economic analysis of the project. The analysis consisted of a financial proforma of developer's cost and revenue assumptions, review of land values in the region for similarly zoned properties, and public parking rates in the region in order to establish a land value and determine a land lease rate and terms of the lease agreement.

Negotiations have been finalized, and the proposed terms are summarized below:

- Ten-year term with up to four 5-year extensions (total of 20 additional years) to be exercised at the election of the tenant;
- 1.864 acre site; and
- Triple-net monthly lease payment of \$8,120.00.

FINANCIAL IMPACT

The City will receive net proceeds to the General Fund of \$8,120.00 monthly or \$97,440.00. In addition, the anticipated future use of the Property is expected to generate additional property and sales tax revenues of approximately \$85,000.00 annually to the City.

RECOMMENDATION

It is recommended that the City Council:

- Approve the Lease Agreement by and between the City of Garden Grove and SteelCraft Long Beach, LP for real property located at 12900 Euclid Street, Garden Grove, in the amount of \$8,120 per month; and
- Authorize the City Manager to sign the Lease Agreement and make modifications as needed.

By: Monica Covarrubias, Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Lease Agreement	6/8/2017	Backup Material	6-13-17_SteelCraft_Ground_Lease-_FINAL-2-2.pdf

LEASE AGREEMENT BETWEEN
CITY OF GARDEN GROVE
AND
STEELCRAFT LONG BEACH, LP

12900 Euclid Street

This Lease Agreement (the “Lease”) is made and entered into this ____ Day of _____, 2017 (“Effective Date”) by and between CITY OF GARDEN GROVE, a municipal corporation of the State of California (“Landlord”), and STEELCRAFT LONG BEACH LP., a California Limited Partnership (“Tenant”). The undersigned parties agree to this Lease based upon the following facts and upon the following terms and conditions.

RECITALS

- A. Landlord is the owner of certain 1.864 acre unimproved real property in the City of Garden Grove, County of Orange, State of California, identified as APN 090-16-437 (12900 Euclid Street), and more particularly described on Exhibit “A” attached hereto and made part hereof (“the Property”). Collectively, the Property, including all rights and appurtenances pertaining to such land, including all adjacent streets, parking lots, alleys or rights of way, is referenced throughout this Lease as the “Premises.”
- B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord, the Premises pursuant to the terms and conditions set forth herein.

NOW THEREFORE, the Undersigned parties hereto agree as follows:

AGREEMENT

- 1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term (as hereinafter defined) and upon the terms and conditions as set forth herein. Tenant accepts the Premises in an “As Is” condition without any representation or warranties being made by Landlord. Landlord expressly disclaims any warranty or representation with regard to the condition, safety or security of the Premises or suitability of the Premises for the Tenant’s intended use. This is a Triple-Net Lease.
- 2. Use.
 - 2.1. Generally. Tenant shall use the Premises for the purposes of developing, constructing and operating restaurant, retail, and office space within recycled shipping containers, along with ancillary seating and outdoor space, and for other reasonable associated uses consistent with current zoning (except residential) or Tenant’s purposes, as approved by the Landlord. Notwithstanding the foregoing, Tenant shall not cause or permit

the Premises to be used in any way which (i) constitutes a violation of any law, ordinance, or governmental regulation or order regulating the manner of use by Tenant of the Premises (including, without limitation, any law ordinance, regulation, or order relating to Hazardous Materials), (ii) constitutes a nuisance or waste, or (iii) increases the cost of any insurance relating to the Premises paid by Landlord. Tenant shall obtain, at its sole cost and expense, all governmental permits, licenses and authorizations of whatever nature required by any governmental agencies having jurisdiction over Tenant's use of the Premises. Further, Tenant, at its sole cost, will comply with all applicable governmental laws and regulations in connection with its operations within the City of Garden Grove. Tenant will also comply with any and all reasonable rules and regulations promulgated by Landlord. The Premises shall be used solely for the use described in this Section and for no other use or purpose.

- 2.2. Hazardous Materials. As used in this Lease, the term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state, or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. However, "Hazardous Materials" shall not include ordinary and general office supplies and common household cleaning materials. Tenant shall not cause or permit any Hazardous Materials to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sublessees or invitees in violation of any applicable laws, codes ordinances or regulations governing the same. Tenant shall be solely responsible, both financially and legally, for remediation of Hazardous Materials on the Premises to the extent such Hazardous Materials were released, discharged, used, or stored on or about the Premises during the Term or any extension or holdover period of this Lease. Landlord shall be solely responsible, both financially and legally, for remediation of Hazardous Materials on the Premises to the extent such Hazardous Materials were released, discharged, used, or stored on or about the Premises prior to the Effective Date of this Lease and not caused by Tenant.
3. Term. The term of this lease shall be 10 years, commencing on the Effective Date (the "Term"), unless terminated earlier as provided in this lease. Tenant may extend the term for up to four 5-year extensions (a total of 20 additional years) upon giving

Landlord written notice of its election to extend the term 180 days but no less than 90 days prior to the end of the initial term and any subsequent 5-year term extension.

4. Taxes.

4.1. Real Property Taxes and Assessments. Should the property interest conveyed by this Lease be subject to real property taxation and/or assessments, Tenant shall pay, before delinquency, all lawful taxes, assessments, fees or charges which may be levied by the State, County, City, or any other tax or assessment-levying body upon the Premises and any improvement thereon. TENANT UNDERSTANDS THAT THIS LEASE MAY SUBJECT TENANT TO PROPERTY AND POSSESSORY INTEREST PROPERTY TAXATION as set out in Revenue & Taxation Code Section 107.6 *et seq.*

4.2. Personal Property Taxes. Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant, if any. Tenant shall use commercially reasonable efforts to have personal property taxes separately from the Premises if any tax becomes due as to the Premises. If any of Tenant's personal property is taxed with the Premises and paid by Landlord, Tenant shall reimburse Landlord the taxes for personal property within 15 days after tenant receives a written statement from Landlord for such personal property taxes, together with reasonable evidence showing the amount of personal property taxes paid by Landlord.

4.3. Payment of Taxes and Assessments. To the extent that any taxes or assessments are separately assessed to Tenant, Tenant shall pay the same before delinquency. If Tenant fails to pay any such taxes or assessments as and when Tenant is required to do so hereunder, Landlord shall have the option, but not the obligation, to pay such amount together with any and all interest and penalties, in which case the total amount so paid together with interest thereon at the rate of 10% per annum, calculated from the date of payment by Landlord to the date of repayment by Tenant, shall be due and payable by Tenant to Landlord upon receipt of written notice from Landlord. All taxes and assessments not separately assessed to Tenant shall be paid by Landlord to the taxing authority, but the amount thereof shall be payable by Tenant to Landlord within 30 days of Landlord's invoice therefor.

5. Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal and all other utilities and services used at the Premises or supplied to the Premises at Tenant's request.

6. Rent.

- (a) Commencing on the date of the issuance of the Certificate of Occupancy, Tenant agrees to pay Landlord, without notice or demand, monthly rent of EIGHT THOUSAND ONE HUNDRED TWENTY dollars (\$8,120.00) in advance, on or before the first business day of each and every successive month during the Term. Rent for any period which is less than one month shall be a prorated portion of the monthly installment based upon a 30 day month.
- (b) Rent shall be paid to Landlord without deduction or offset, in lawful money of the United States of America at 11222 Acacia Parkway, Garden Grove, California, 92840, or such other place as Landlord may from time to time designate in writing.
- (c) Commencing with the third anniversary of the term, and every third year thereafter, including any extension period, rent shall be increased in an amount equal to the lesser of (i) the percentage increase in the Consumer Price Index for the Los Angeles-Orange County Metropolitan Area, all consumers, for the prior 36 month period, or (ii) three percent (3.0%).
- (d) Rent shall be increased by 3% annually at the anniversary of any holdover period.
- (e) Late Charges. Tenant acknowledges that late payment of rent or other sums due will cause Landlord to incur costs, the exact amount of which will be difficult to ascertain. Accordingly, if any installment of rent or any other sum due from the Tenant is not received by Landlord within five (5) days of the date on which it is due, Tenant shall pay to Landlord as additional rent the lesser of the maximum amount allowed by law or five percent (5%) of such overdue amount. In addition, Tenant shall pay Landlord any attorneys' fees or notice/process service fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. In addition, all unpaid amounts shall accrue interest from the date due the lesser of the maximum rate allowed by law or 10% per annum until paid.
- (f) No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any payment of Rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment of Rent or to pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this Lease or Tenant's right of possession of the Premises shall reinstate, continue or extend the Term.

7. Improvements.

7.1 As Necessary to Use, Landlord Consent. Tenant shall, at its sole expense, make improvements to the Premises as necessary to fulfill or engage in its use of the Premises described herein. No construction or improvements to any part of the Premises shall be allowed unless Tenant first seeks and obtains Landlord's consent thereto, together with any necessary permits, approvals, licenses or other land use entitlements (in the aggregate, "Consent"). Such Consent, to the extent controlled by Landlord, shall not be unreasonably withheld or delayed.

7.2. Required Improvements by Tenant.

7.2.1. Tenant Improvements.

Tenant agrees to design, develop and construct improvements generally consisting of restaurant, retail, and office space within recycled shipping containers and ancillary seating and outdoor space, as more particularly displayed in the conceptual site plan and elevations in Exhibit "B" attached hereto and made part hereof ("Tenant Improvements"). Tenant shall be solely responsible for obtaining all necessary governmental approvals for the implementation of the design and construction of the Tenant Improvements. Landlord shall be allowed adequate opportunity to post Notices of Non-responsibility or other similar notices at the location of any Tenant Improvement before the commencement of work thereon.

7.2.2. All Work on Written Contract.

All work required in the construction of the Tenant Improvements, shall be performed only by competent contractors licensed under the laws of the State of California and shall be performed in accordance with written contracts with those contractors. Each such contract shall provide that the final payment under the contract due to the contractor shall be in an amount equaling at least 5 percent of the full amount payable under the contract and shall not be paid to contractor until whichever of the following last occurs: (i) The expiration of 35 days from the date of recording by Tenant as owner of a Notice of Completion of the Tenant Improvements, Tenant agreeing to record that Notice of Completion promptly within the time specified by law for the recording of that notice; or (ii) The settlement and discharge of all liens of record claimed by persons who supplied either labor or materials for the construction of the Tenant Improvements.

7.2.3. Time for Completion.

Tenant shall cause construction of the Tenant Improvements to be commenced no later than 120 days after obtaining permits, and shall then cause construction of the Tenant Improvements to be diligently pursued without unnecessary interruption, and shall cause the Tenant Improvements to be completed and ready for occupancy per Exhibit “C” Schedule of Performance. The Garden Grove City Manager is authorized to approve modifications to the Schedule of Performance and the compliance dates for the milestones therein on behalf of Landlord. Tenant shall be excused for any delays in construction or commencement of construction caused by the act of Landlord, the act of any agent of Landlord, the act of any governmental authority, the act of any public enemy, acts of God, the elements, war, war defense conditions, litigation, strikes, walkouts, or other causes beyond Tenant's control. Tenant shall, however, use reasonable diligence to avoid any such delay and to resume construction as promptly as possible after the delay.

- 7.3 Submission of Plans. Within 90 days of Landlord's approval of the lease, the Tenant shall submit final site plans, floor plans and elevations, and other such information to Landlord as Landlord may reasonably request, to allow Landlord to evaluate compliance with the construction of Tenant Improvements and any proposed alterations to Tenant Improvements. Such plans shall be prepared by a licensed architect or engineer. Landlord shall approve such plans within 14 days of Tenant's formal submission thereof. Tenant shall make any corrections within 14 of Landlord's notice of required corrections.
- 7.4. Compliance with Governmental Regulations. The term “Governmental Regulations” means all federal, state, county, or municipal laws, ordinances, rules, regulations, directives, orders, or requirements now in force or which may hereafter be in force. Subject to Tenant's right to contest the same, Tenant shall, at all times, comply with all applicable Governmental Regulations, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards, applicable federal and state labor standards, applicable prevailing wage requirements, zoning and development, building, plumbing, mechanical and electrical codes, and all other provisions of the City of Garden Grove Municipal Code, and all applicable disabled and handicapped access requirements, including, without the limitation, the Americans With Disability Act, 42 U.S.C. §12101 et seq., Government Code §4450 et seq., and the Unruh Civil Rights Act, Civil Code §51 et seq. Nothing in this Lease is a representation or warranty by Landlord, and Tenant hereby expressly acknowledges and agrees that Landlord has not previously affirmatively represented to Tenant or its agents, in writing or otherwise, that any Tenant improvement or construction or erection of improvements performed on the Premises on or after the date of this Lease is not a “public work,” as defined in Section 1720 et seq. of the California Labor Code,

including but not limited to Sections 1771 and 1781. Tenant hereby agrees that Tenant shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. In addition to any other Tenant indemnifications of Landlord set forth in this Lease, Tenant shall indemnify, protect, defend and hold harmless the Landlord and its officers, employees, contractors and agents, with counsel reasonably acceptable to Landlord, from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the construction (as defined by applicable law) and/or operation of the Premises, results or arises in any way from any of the following: (1) the noncompliance by Tenant of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages and to hire apprentices); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Tenant to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the Parties that, in connection with any construction (as defined by applicable law) of improvements on the Premises, maintenance and repairs by Tenant, Tenant shall bear all risks of payment or non-payment of prevailing wages and hiring of apprentices under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Lease.

- 7.5. Removal and Retention of Improvements. Upon termination or expiration of this lease, Tenant shall, at its sole cost and expense, remove all non-fixed improvements (including, but not limited to, containers and furniture) or alterations to the Premises upon written request and authorization by the Landlord, and shall return the Premises to Landlord in substantially the same condition as they were on the Effective Date of this Lease, or as improved via structural alteration approved by Landlord, ordinary wear and tear excepted. Any fixture or structural alteration or improvement to the Premises shall remain on and be surrendered with the Premises upon the termination or expiration of the Lease without compensation to Tenant, unless Landlord specifically directs Tenant in writing to remove all or any such fixture or alteration. Such direction to remove a fixture or structural alteration (a "Removal Directive") shall be given not less than sixty (60) days before the date of termination or expiration of the Lease. Tenant shall be solely responsible for implementing any Removal Directive and

restoring the Premises to substantially the same condition as upon the Effective Date of this Lease.

- 7.6. Quitclaim Deed. Upon termination of this Lease for any reason, including but not limited to termination because of default by Tenant, Tenant shall execute, acknowledge, and deliver to Landlord within 30 days after receipt of written demand therefor, a good and sufficient deed whereby all right, title and interest of Tenant in the Premises and any improvements which are not to be removed therefrom pursuant to this Lease is quitclaimed to Landlord. Should Tenant fail or refuse to deliver the required deed to Landlord, Landlord may prepare and record a notice reciting the failure of Tenant to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all right of Tenant or of those claiming under Tenant in and to the in the Premises and said improvements.
- 7.7. Signage, Limitations of Landlord Approval. Tenant expressly agrees to comply with all applicable signage ordinances. No structure, sign or other improvement of any kind shall be constructed on the Premises by Tenant, its employees, agents or contractors without the prior written approval of Landlord in each case. Approval may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. No changes, modifications or alterations from approved plans and specifications may be made without Landlord's prior written approval. No approval by Landlord of any plans specifications shall constitute: (i) approval of architectural or engineering sufficiency or representation (ii) warranty by Landlord as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Tenant's use or purpose. Landlord, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications.
8. Encumbrance of Leasehold
- 8.1 Tenant's Right to Encumber. Tenant may encumber to any institutional construction lender regulated by state or federal authority (referred to in this lease as "Lender"), by deed of trust or mortgage or other security instrument, all of Tenant's interest under this lease and the leasehold estate hereby created in Tenant (referred to in this lease as a "Leasehold Encumbrance") for purposes only related to the construction of the Tenant Improvements. However, no Leasehold Encumbrance incurred by Tenant in accordance with this Section shall, and Tenant shall not have power to incur any encumbrance that shall constitute in any way a lien or encumbrance on Landlord's fee interest in the Premises. Any Leasehold Encumbrance shall be subject to all covenants, conditions, and restrictions set forth in this lease and to all rights and interests of Landlord, except as is otherwise provided in this lease. Tenant shall give Landlord prior written

notice of any Leasehold Encumbrance, together with a copy of the deed of trust, mortgage, or other security interest evidencing the Leasehold Encumbrance.

- 8.2. Notice to and Service on Lender. Landlord shall mail to any Lender who has given Landlord written notice of its name and address, a duplicate copy of any and all notices Landlord may from time to time give to or serve on Tenant in accordance with or relating to this lease, including but not limited to any notice of default, notice of termination, or notice regarding any matter on which Landlord may predicate or claim a default. Any notices or other communications permitted by this or any other section of this lease or by law to be served on or given to Lender by Landlord shall be deemed duly served on or given to Lender when deposited in the United States mail, first-class postage prepaid, addressed to Lender at the last mailing address for Lender furnished in writing by Lender to Landlord.
- 8.3. No Modification Without Lender's Consent. For as long as there is any Leasehold Encumbrance in effect, Tenant and Landlord hereby expressly stipulate and agree that they will not modify this lease in any way nor cancel this lease by mutual agreement without the written consent of Lender having that Leasehold Encumbrance.
- 8.4. Right of Lender to Realize on Security. A Lender with a Leasehold Encumbrance shall have the right at any time during the term of this lease and the existence of the encumbrance to do both of the following:
 - 8.4.1. Any act or thing required of Tenant under this lease, and any such act or thing done and performed by Lender shall be as effective to prevent a forfeiture of Tenant's rights under this lease as if done by Tenant; and
 - 8.4.2. Realize on the security afforded by the leasehold estate by foreclosure proceedings, accepting an assignment in lieu of foreclosure, or other remedy afforded in law or in equity or by the security instrument evidencing the Leasehold Encumbrance (referred to in this lease as "the Security Instrument"), and
 - 8.4.3. To transfer, convey, or assign the title of Tenant to the leasehold estate created by this lease to any purchaser at any foreclosure sale, whether the foreclosure sale is conducted under court order or a power of sale contained in the Security Instrument, or to an assignee under an assignment in lieu of foreclosure; and
 - 8.4.4. To acquire and succeed to the interest of Tenant under this lease by virtue of any foreclosure sale, whether the foreclosure sale is conducted under a court order or a power of sale contained in the

Security Instrument, or by virtue of an assignment in lieu of foreclosure.

The Lender or any person or entity acquiring the leasehold estate shall be liable to perform Tenant's obligations under this lease only during the period, if any, in which that entity or person has ownership of the leasehold estate or possession of the Premises.

- 8.5. Right of Lender to Cure Defaults. For as long as there is in effect any Leasehold Encumbrance, before Landlord may terminate this lease because of any default under or breach of this lease by Tenant, Landlord must give written notice of the default or breach to Lender and afford Lender the opportunity after service of the notice to do one of the following:

8.5.1. Cure the breach or default within 10 days after expiration of the time period granted to Tenant under this lease for curing a default, when the default can be cured by the payment of money to Landlord or some other person;

8.5.2. Cure the breach or default within 30 days after expiration of the time period granted to Tenant under this lease for curing a default, when the breach or default must be cured by something other than the payment of money and can be cured within that time; or

8.5.3. Cure the breach or default in any reasonable time that may be required when something other than money is required to cure the breach or default and cannot be performed within 30 days after expiration of the time period granted to the tenant under this lease for curing a default, provided that acts to cure the breach or default are commenced within that time period after service of notice of default on Lender by Landlord and are thereafter diligently continued by Lender.

- 8.6. Foreclosure in Lieu of Curing Default. Notwithstanding any other provision of this lease, a Lender under a Leasehold Encumbrance may forestall termination of this lease by Landlord for a default under or breach of this lease by Tenant by commencing proceedings to foreclose the Leasehold Encumbrance. The proceedings so commenced may be for foreclosure of the Leasehold Encumbrance by order of court or for foreclosure of the Leasehold Encumbrance under a power of sale contained in the Security Instrument. The proceedings shall not, however, forestall termination of this lease by Landlord for the default or breach by Tenant unless all of the following conditions are met:

8.6.1. The proceedings are commenced within 30 days after service on Lender of the notice described in subsection (f) of Section 8;

- 8.6.2. The proceedings are, after having been commenced, diligently pursued in the manner required by law to completion; and
 - 8.6.3. Lender keeps and performs all of the terms, covenants, and conditions of this lease requiring the payment or expenditure of money by Tenant until the foreclosure proceedings are complete or are discharged by redemption, satisfaction, payment, or conveyance of the leasehold estate to Lender.
- 8.7. Assignment Without Consent on Foreclosure. A transfer of Tenant's leasehold interest under this lease to any of the following shall not require the prior consent of Landlord:
- 8.7.1. A purchaser at a foreclosure sale of the Leasehold Encumbrance, whether the foreclosure sale is conducted under court order or a power of sale in the instrument creating the encumbrance, provided Lender under the Leasehold Encumbrance gives Landlord written notice of the transfer, including the name and address of the purchaser and the effective date of the transfer;
 - 8.7.2. An assignee of the leasehold estate of Tenant under an assignment in lieu of foreclosure, provided Lender under the Leasehold Encumbrance gives Landlord written notice of the transfer, including the name and address of the assignee and the effective date of the assignment; or
 - 8.7.3. A purchaser or assignee of the purchaser at a foreclosure sale of the Leasehold Encumbrance or of the assignee of the leasehold estate of Tenant acquired under an assignment in lieu of foreclosure, provided the purchaser or assignee delivers to Landlord its written agreement to be bound by all of the provisions of this lease.
- 8.8. New Lease to Lender. Notwithstanding any other provision of this lease, should this lease terminate because of any default under or breach of this lease by Tenant, Landlord may enter into a new lease for the Premises with Lender under a Leasehold Encumbrance, as Tenant, provided all of the following conditions are satisfied:
- 8.8.1. A written request for the new lease is served on Landlord by Lender within 30 days after service on Lender of the notice described in Subsection (f) of Section 8 of this lease;
 - 8.8.2. The new lease

- 8.8.2.1. Is for a term ending on the same date the term of this lease would have ended had this lease not been terminated;
- 8.8.2.2. Provides for the payment of rent at the same rate that would have been payable under this lease during the remaining term of this lease had this lease not been terminated; and
- 8.8.2.3. Contains the same terms, covenants, conditions, and provisions as are contained in this lease (except those that have already been fulfilled or are no longer applicable);
- 8.8.3. Lender, on execution of the new lease by Landlord, shall pay any and all sums that would at the time of the execution of the new lease be due under this lease but for its termination and shall otherwise fully remedy, or agree in writing to remedy, any other defaults under or breaches of this lease committed by Tenant that can be remedied;
- 8.8.4. Lender, on execution of the new lease, shall pay all reasonable costs and expenses, including attorneys' fees and court costs, incurred in terminating this lease, recovering possession of the Premises from Tenant or the representative of Tenant, and preparing the new lease;
- 8.8.5. The new lease shall be subject to all existing subleases between Tenant and subtenants, provided that for any sublease, the subtenant agrees in writing to attorn to Lender (or its assignee); and
- 8.8.6. The new lease shall be assignable by Lender but not by any assignee of Lender without the prior written consent of Landlord.
- 8.9. No Merger of Leasehold and Fee Estates. For as long as any Leasehold Encumbrance is in existence, there shall be no merger of the leasehold estate created by this lease and the fee estate of Landlord in the Premises merely because both estates have been acquired or become vested in the same person or entity, unless Lender otherwise consents in writing.
- 8.10. Lender as Assignee of Lease. No Lender under any Leasehold Encumbrance shall be liable to Landlord as an assignee of this lease unless and until Lender acquires all rights of Tenant under this lease through foreclosure, an assignment in lieu of foreclosure, or as a result of some other action or remedy provided by law or by the instrument creating the Leasehold Encumbrance.
- 8.11. Lender as Including Subsequent Security Holders. The term "Lender" as used in this lease shall mean not only the institutional lender that loaned money to Tenant and is named as beneficiary, mortgagee, secured party, or security holder in the Security Instrument creating any Leasehold

Encumbrance, but also all subsequent purchasers or assignees of the leasehold interest secured by the Leasehold Encumbrance.

- 8.12. Two or More Lenders. In the event two or more Lenders each exercise their rights under this lease and there is a conflict that renders it impossible to comply with all requests of Lenders, the Lender whose Leasehold Encumbrance would have senior priority in the event of a foreclosure shall prevail.

9. Maintenance and Repair.

- 9.1. General Maintenance and Repairs. Tenant shall be responsible to perform general maintenance and repair of the Premises, including but not limited to all common areas, landscaping, irrigation and parking facilities, and keep all portions of the Premises in a clean and orderly condition. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant, sub-tenants or its employees, agents, contractors and invitees. Upon termination of this Lease, Tenant shall peaceably surrender and quit the Premises in good order, condition and repair, reasonable wear and tear excepted, and at its sole expense, except as otherwise specified in Section 7.5 above, shall remove all of its trade fixtures and personal property and repair any damage to the Premises occasioned by removal of these items.

- 9.2. Capital Repairs and Improvements. Tenant acknowledges and agrees that Tenant has inspected the Premises and has substantial knowledge as to the condition of the Premises. Landlord shall not be responsible for capital repairs or improvements to the Premises. Subject to the terms herein, Tenant hereby waives its rights to compel Landlord to repair, replace, upgrade or otherwise maintain the Premises.

- 9.3. Destruction of Premises. If the Premises, or any portion thereof, are destroyed or damaged by any reason, Landlord and Tenant agree as follows: If the damage is covered by Tenant's insurance maintained per Section 12 below, Tenant shall immediately submit appropriate claims to effect repair and restoration of the Premises. If insurance proceeds are insufficient to fully effect such repair and restoration, or if the damage is not covered by Tenant's insurance, Tenant and Landlord shall work together to determine how to proceed, recognizing the special nature of the Premises.

10. Liens. Except as provided for in Section 8, Tenant shall not permit to be placed against the Premises, or any part of the Premises, any mechanics', materialmen's, contractors', subcontractors', or other liens. Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord harmless from all liability for any and all liens, claims, demands, together with the costs of defense and reasonable attorneys' fees related to same. Landlord reserves the right, at any time and from time to time, to post and maintain on the Premises, any portion thereof or

on the improvements on the Premises any notices of non-responsibility or other notice as may be desirable to protect Landlord against liability. In addition to and not in limitation of Landlord's other rights and remedies under this Lease, should Tenant fail, within ten (10) days of a written request from Landlord, to discharge any lien or claim related to Tenant's use of the Premises, or to indemnify, hold harmless and defend Landlord from and against any loss, damage, injury, liability or claim arising out of Tenant's use of the Premises as provided above, then Landlord, at its option, may elect to pay any lien, claim, loss, demand, injury, liability or damages or settle or discharge any action or satisfy any judgment and all costs, expenses, and attorney's fees incurred in doing so shall be paid to Landlord by Tenant upon written demand, together with interest thereon at the rate of seven percent (7%) per annum (but in no event more than maximum interest rate permitted by law) from the date incurred or paid through and including the payment date.

11. Indemnity. As a material part of the consideration to Landlord, to the fullest extent allowed by law, Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord, together with Landlord's agents, employees, officers, officials, and volunteers, harmless from and against any loss, damage, injury, accident, casualty, liability, claim, cost or expense (including, but not limited to, reasonable attorney's fees) of any kind or character to any person, including wrongful death, or property (collectively, "Claims") arising from or related to: (i) Tenant's occupation and/or use of the Premises, before, during, and after the Term and/or (ii) any act or omission of Tenant, its employees, agents, contractors or invitees. Tenant shall not be liable for such Claims to the extent and in the proportion that the same is ultimately determined to be attributable to the sole gross negligence or intentional misconduct of Landlord. All indemnity obligations under this Section shall survive the expiration or termination of this Lease. Landlord shall not be liable for any loss or theft or any property on the Premises.

12. Insurance.

- 12.1. Coverage. Tenant, at its sole cost and expense, shall, during the entire Term, keep in full force and effect: (i) a worker's compensation insurance policy as required by the State of California; and (ii) a policy or policies of general liability and property damage insurance, with respect to the Premises, in which the combined single limit of liability shall not be less than TWO MILLION DOLLARS (\$2,000,000). Tenant shall also maintain a standard form all-risk policy covering fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and other perils of direct physical loss or damage insuring the personal property, trade fixtures and equipment of Tenant. Said policies shall name Landlord as additional insured and contain a clause that the insurer may not cancel or change the insurance coverage limits without first giving Landlord thirty (30) days' prior written notice, except cancellation for nonpayment of premium, in which case only ten (10) days' prior written notice shall be required.

Tenant's general liability insurance shall include a contractual liability endorsement insuring performance of all indemnities of Tenant under this Lease and a cross-liability endorsement to the extent insurable. Said insurance policy shall be with an insurance company or companies with general policy holders' rating of not less than "A-VIII" as rated in the most current available Best's Key Rating Guide and which are qualified to do business in the state in which the Premises are located.

- 12.2. Risk of Loss. Landlord shall not be liable for injury to any person or for any damage to personal property sustained by Tenant or others that arises from or relates to : (i) any defect or alleged defect in the Premises or any service facilities, (ii) the occurrence of any accident, including but not limited to damage cause by water, wind, storm, or by any gas, steam, electrical wiring, sprinkler system, plumbing, heating or conditioning apparatus, (iii) Tenant's acts or omissions or those of Tenant's agents, employees, invitees/customers, officers, volunteers or other occupants of the Premises, present with Tenant's permission or knowledge, (iv) any part or appurtenance of the Premises, including any and all furniture, fixtures, and equipment of Tenant becoming out of repair
- 12.3. Waiver of Subrogation. Tenant hereby releases Landlord from liability and waives all right of recovery against Landlord for any loss in or about the Premises from perils insured against under its fire or liability insurance contracts, including any and all risk endorsements thereof, whether due to negligence or any other cause. However, this Section shall be inapplicable as to a particular insurance contract to the extent it would have the effect of invalidating the coverage provided by that contract, whether of Landlord or Tenant. Nothing herein shall relieve Tenant of its obligation to request and procure, to the extent available on a commercially reasonable basis, the necessary endorsements required to validly waive subrogation in accordance with this paragraph. Tenant shall, at the request of Landlord, execute and deliver to Landlord a Waiver of Subrogation in the form and content as reasonably required by Landlord's risk manager. To the extent Tenant fails to maintain the insurance required under the terms of this lease, such failure shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant due to circumstances that would have been covered had such required insurance been maintained.
- 12.4. Certificate of Insurance. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Tenant under the provisions of this Lease shall be delivered to Landlord upon or before the delivery of the Premises to Tenant for any purpose. Each of said certificates of insurance and each such policy of insurance required to be maintained by Tenant hereunder shall expressly evidence insurance coverage as required by this Lease.

13. Defaults and Remedies.

13.1. Events of Default. Should Tenant be in default in the prompt and full performance of any obligation of the Lease for more than ten (10) days, (unless due to the nature of such default it is not capable of being cured within ten (10) days, in which event Tenant shall be in default unless it commences to cure such obligation within such ten (10) day period and thereafter diligently prosecute such cure to completion), after written notice from Landlord specifying the particulars of the default (any such notice being required by this Section for any breach, being deemed in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, or any similar superseding statute), or should Tenant vacate or abandon the Premises, or should Tenant make any general assignment for the benefit of creditors (other than as provided in Section 8), or should substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease be attached or judicially seized where the seizure is not discharged within thirty (30) days, then Landlord may treat the occurrence of any one (1) or more of the foregoing events as a breach of this Lease and, in addition to any or all other rights or remedies of Landlord by law provided, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant or any other person: (i) to declare the Term ended and to re-enter and take possession of the Premises and remove all persons, property and improvements therefrom, or (ii) to re-enter the Premises, without declaring this Lease terminated and without terminating Tenant's rights to possession, and to occupy the whole or any part for and on account of Tenant, and to collect any unpaid rentals and other charges which have become payable or which may thereafter become payable, or (iii) to terminate this Lease and all of Tenant's rights as to the Premises hereunder, even though it may have previously re-entered the Premises without terminating this Lease. In any case in which Landlord shall re-enter and occupy the whole or any part of the Premises, by unlawful detainer proceedings or otherwise, Landlord, at its option, may repair, alter, subdivide, or change the character of the Premises from time to time in such manner as Landlord deems best, may re-let the Premises or any part thereof and receive the rents therefor, and none of such actions shall constitute a termination of this Lease, a release of Tenant from any liability hereunder. Landlord shall not be deemed to have terminated this Lease or liability of Tenant to pay any rent or other charges later accruing by any re-entry of the Premises as provided above, or by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has so elected to terminate this Lease. Notwithstanding anything to the contrary set forth above, if the default complained of, other than a default for the payment of monies, cannot be rectified or cured within the period requiring rectification or curing, as specified in the written notice relating to the default, then, as to a default susceptible to being cured, the default

shall be deemed to be rectified or cured if Tenant, within the notice period, shall have commenced to rectify or cure the default and shall thereafter diligently and continuously prosecute same to completion.

- 13.2. Termination of Lease. Should Landlord elect to terminate this Lease pursuant to this Section, Landlord may recover from Tenant all damages caused as a result of Tenant's default.
14. Waiver. Any waiver by Landlord of any default or breach of any covenant, condition, term, and agreement contained in this Lease, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by Landlord to require exact, full, and complete compliance with any of the covenants, conditions, terms, or agreements contained in this Lease be construed as changing the terms of this Lease in any manner or preventing Landlord from enforcing the full provisions hereof. No delay, failure, omission of Landlord to exercise any right, power, privilege, or option arising from any default or breach, nor any subsequent acceptance of payment then or thereafter by Landlord, shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or breach, or as relinquishment of any right. The rights, powers, options, privileges, and remedies available to Landlord under this Lease shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this lease.
15. Attorneys' Fees. Should either party to this Lease have to resort to litigation to enforce any provision of this Lease, the prevailing party shall be entitled to its attorneys' fees and reasonable costs incurred in litigating any dispute.
16. Landlord's Access and Parking Lot Use.
- 16.1 Access and Inspection. Landlord and its representatives, employees, agents or independent contractors shall have access to the Premises, or any portion thereof, at all times, upon reasonable notice to Tenant, for purposes of inspection, to show the Premises to prospective purchasers, to provide necessary services, to make necessary repairs or perform other services, or to post appropriate Notices of Non-Responsibility, all without being liable for any breach of a covenant of quiet enjoyment possessed by Tenant, of eviction of Tenant, or any other damage to Tenant or its operations. In exercising these rights, Landlord shall use its best efforts to minimize disruption or inconvenience to Tenant, and shall unless in an emergency, provide reasonable advance notice of any such entry onto the Premises or inspection thereof.
- 16.2 Parking Lot Use. Landlord shall have use of a portion of the parking lot, consisting of not less than 20 parking spaces, located at the southeast end of the Property as generally delineated in Exhibit D, attached hereto and

made a part hereof, provided that such use shall be limited to Mondays through Friday from 7:00 a.m. to 5:30 p.m.

17. Prohibition on Assignment and Subletting.

17.1. Landlord's Consent. Tenant may sublease space within containers installed or brought upon the Premises by Tenant in accordance with, and for uses authorized by, this Lease; provided, however, that no such sublease shall relieve Tenant of any of its obligations under the Lease. Except as otherwise provided in the foregoing sentence and in Section 8, Tenant may not assign, sublet or otherwise transfer its interest, under this Lease without Landlord's prior written consent, which consent may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. Any attempted assignment, sublet or transfer made in violation of this provision shall be void.

17.2. Approved Assignments. The following events shall not be considered a transfer of interest under Section 17.1 above: (a) a change in ownership of Tenant as a result of a merger, consolidation, reorganization, or joint venture; (b) the sale, exchange, issuance, or other transfer of Tenant's stock on a national exchange or between Tenant's parent company, if any, and any subsidiary, affiliate, related entity, or other entity that controls, is controlled by, or is under common control with Tenant; (c) the Transfer of this Lease to Tenant's parent entity, if any, or any subsidiary, affiliate, related entity, an entity that controls, is controlled by, or is under common control with Tenant; or (d) a collateral assignment of Tenant's interest in this Lease to a lender as security for any indebtedness of Tenant to the lender. Tenant shall not be required to obtain Landlord's consent and Landlord shall have no right to delay, alter, or impede any of the foregoing transactions or combinations thereof, but such transfer of interest shall be effective only upon not less than sixty (60) days written notice to Landlord.

18. Notices. All written notices required to be given pursuant to the terms hereof shall be either (a) personally delivered, (b) deposited in the United States express mail or first class mail, registered or certified, return receipt requested, postage prepaid, (c) delivered by overnight courier service, or (d) by electronic mail in Portable Document Format (PDF) with confirmation of receipt, in which case notice shall be deemed delivered upon receipt of confirmation of receipt. All such notices shall be deemed delivered upon actual receipt (or upon the first attempt at delivery pursuant to the methods specified in clauses (a), (b) or (c) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses, or to such other address as the receiving Party may from time to time specify by written notice to the other Party:

To Tenant: SteelCraft Long Beach LP
3750 Long Beach Blvd., Suite 200

Long Beach CA 90807 Attn.: William Burkett
Phone: 562-427-4124

To Landlord: City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840
Attn.: City Manager
Phone: (714) 741-5100

19. No Principal/Agent Relationship. Nothing contained in this Lease shall be construed to render Landlord in any way or for any purpose a partner, joint venturer, or associate in any relationship with Tenant other than that of Landlord and Tenant, nor shall this lease be construed to authorize either to act as an agent for the other.
20. Entire Agreement, Modification. This lease constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter of this Lease and supersedes all prior and contemporaneous agreements, representations and understandings of Landlord and Tenant, oral or written. No supplement, modifications or amendment of this Lease shall be binding unless in writing and executed by Tenant and Landlord.
21. Applicable Law and Venue. This Lease shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The parties consent to the jurisdiction of California Courts with venue in Orange County.
22. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.
23. Headings and Recitals. The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of any provision.
24. Construction. The Parties acknowledge that each Party and its counsel have reviewed and revised this Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Lease or any amendments hereto.
25. Memorandum of Lease for Recording. Landlord and Tenant shall, at the request of either at any time during the term of this lease, execute a memorandum or "short form" of this lease for purposes of, and in a form suitable for, recordation. The memorandum or "short form" of this lease shall describe the parties, set forth a description of the leased premises, specify the term of this lease, incorporate this lease by reference, and include any other provisions required by Lender(s).

26. Termination; Holdover. This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Premises.
27. Incorporation of Attachments. All Attachments included herein or attached hereto are hereby incorporated into this Lease by this reference, and constitute an integral part of this Lease.
28. Time. Time is of the essence of every provision contained in this Lease.
29. Severability. If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable term or provision had never been contained herein.
30. Waiver of Relocation Rights. As consideration for entering into this Lease, Tenant expressly, voluntarily and knowingly understands, acknowledges and agrees that its status is and will be and remain as a “post-acquisition tenant” with no eligibility or rights to relocation assistance or benefits thereunder pursuant to the Relocation Assistance Laws. Tenant acknowledges the rights granted by State and/or Federal Relocation Assistance Laws and regulations and, notwithstanding any other provision of this Lease, expressly waives all such past, present and future rights, if any, to which Tenant might otherwise be or become entitled with regard to this Lease. Tenant hereby waives any right to relocation assistance, moving expenses, goodwill or other payments to which Tenant might otherwise be entitled under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 et seq., and/or the California Relocation Assistance Law, as amended, Government Code § 7260 et seq. Tenant fully, intentionally, knowingly and voluntarily waives, releases and discharges Landlord, and its appointed and elected officials, officers, directors, employees, contractors, and agents (together “Indemnitees”) from all and any manner of rights, demands, liabilities, obligations, claims, or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to (i) the sale of the Premises or the relocation of any of Tenant’s operations or the relocation of any person or persons, business or businesses, or other occupant or occupants located on the Premises, including the specific waiver and release of any right to any relocation benefits, assistance and/or payments under the Relocation Assistance Laws notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under such state or federal law; and (ii) compensation for any interest in the operations at, on, or about the Premises including, but not limited to, land and improvements, fixtures, furniture, or equipment thereon, leasehold interest, goodwill, severance damage, attorneys’ fees or any other compensation of any nature whatsoever.

31. Brokers. There have been no brokers, finders or agents involved in this Lease, and each party agrees to hold the other harmless from the failure to pay any other broker, finder or agent making a claim for compensation, commission or charges with respect to this Lease and/or the negotiation hereof.
32. Right of First Refusal. Tenant is hereby granted a Right of First Refusal to purchase the Property as follows:
- (a) Prior to soliciting any offer for sale of the Property or disposition of any interest in the Property, or accepting any offer to purchase the Property or any beneficial ownership interests in the Property, Landlord shall notify Tenant of such interest to sell or offer and deliver to Tenant a copy thereof. Tenant may exercise the Right of First Refusal by delivering to Landlord a written notice of exercise within ninety (90) days after Tenant has received Landlord's notice of an intent to sell. The purchase price shall be the fair market value of the Property determined as follows. Landlord shall provide Tenant with a list of no fewer than three appraisers for Tenant's approval. Tenant shall select one appraiser to perform the appraisal and determine the fair market value of the Property. Tenant may reject any appraiser for a reasonable cause. If any appraiser(s) are rejected with cause, Landlord will provide alternative appraiser(s) of an equal number. In the event Tenant fails to select an appraiser within fifteen (15) days of receiving the list of appraisers, Landlord may select an appraiser. Landlord shall pay the cost of the appraiser. Any appraiser selected pursuant to this section shall be an MAI appraiser with at least five years of experience.
 - (b) In the event Tenant does not exercise the Right of First Refusal pursuant to subparagraphs (a) above, Landlord may sell the Property.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument of the Effective Date.

LANDLORD
CITY OF GARDEN GROVE, a California
Municipal Corporation

TENANT
STEELCRAFT LONG BEACH LP, a
California Limited Partnership

City Manager

Date: _____

Attest:

City Clerk

Approved as to form:

City Attorney

By: _____
As agent and manager

By: _____

Date: _____

By: _____

Date: _____

Exhibit "A"
LEGAL DESCRIPTION

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

PARCEL 1 AS SHOWN ON A MAP RECORDED IN BOOK 126, PAGES 18 AND 19 OF
PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY,
CALIFORNIA.

APN: 090-16-437

Exhibit “B”

PRELIMINARY CONCEPTUAL SITE PLAN AND ELEVATIONS



Exhibit "C"

SCHEDULE OF PERFORMANCE

MILESTONE	COMPLIANCE DATE
1. Obtain all Entitlements and Building Permits	Within 180 days of lease approval by City Council.
2. Submit evidence of financing to construct Tenant Improvements.	Within 180 days of lease approval by City Council.
3. Commence Construction.	Within 240 days of lease approval by City Council.
4. Completion of Construction.	Within 540 days (approximately 18 months) of lease approval by City Council, not later than December 5, 2018.

**The Garden Grove City Manager is authorized to approve modifications to the Schedule of Performance and the compliance dates for the milestones therein on behalf of Landlord.

Exhibit "D"

PARKING LOT AREA RESERVED FOR LANDLORD'S USE

Monday - Friday
7:00 a.m. - 5:30 p.m.



City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	City Manager	Dept.:	Community and Economic Development
Subject:	Adoption of a Resolution approving the Garden Grove Tourism Improvement District Advisory Board's 2017-18 Annual Report, Declaration of Intention to levy assessments for Fiscal Year 2017-18, and setting the time and date to conduct a Public Hearing on the proposed assessment. (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

To adopt a Resolution approving the Annual Report of the Garden Grove Tourism Improvement District Advisory Board ("Advisory Board"), declaring intention to levy assessments for Fiscal Year 2017-2018 for the Garden Grove Tourism Improvement District (GGTID) based on the Advisory Board Report and setting a Public Hearing thereon.

BACKGROUND

The GGTID was established by the City Council in accordance with the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Section 36500 et seq., (the "Law") through the adoption of Resolution No. 9009-10 on August 24, 2010, and Ordinance No. 2782 on October 26, 2010.

The purpose of the GGTID is to provide revenue to defray the costs of advertising and marketing efforts designed to increase overnight stays in the GGTID, construction and maintenance of improvements in the GGTID, and other services, activities, and programs that promote and encourage tourism within the GGTID, which benefit the operators of hotels paying assessments through the promotion of scenic, recreational, cultural, and other attractions.

The GGTID includes the hotels along Harbor Boulevard from the boundary within the city of Anaheim to Garden Grove Boulevard. It is divided into two (2) separate

benefit zones:

- Tier I includes the hotels north of Lampson Avenue, which are subject to an assessment of up to 2.5% of gross rent charged per room occupancy per night. There are currently nine (9) hotels in Tier I.
- Tier II encompasses those hotels south of Lampson Avenue, which are subject to an assessment of up to 0.5% of gross rent charged per room occupancy per night. There is currently one hotel in Tier II, The Great Wolf Lodge Southern California.

Pursuant to the Law and the Ordinance, the City Council is required to re-levy the assessment annually, based on the recommendations set forth in the annual report of the Advisory Board.

DISCUSSION

Annual Advisory Board Report

In accordance with Ordinance No. 2782, the Board of Directors of the Garden Grove Tourism Promotion Corporation (GGTPC) serves as the Advisory Board. Pursuant to the Ordinance and the Law, the Advisory Board is required to submit an annual report to the City. The annual report is required to include the following:

- Any proposed changes in the boundaries of the GGTID or in any of the benefit zones;
- A description of the improvements and activities to be provided for the upcoming fiscal year;
- An estimate of the cost of providing the improvements and the activities for that fiscal year;
- The recommended method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year;
- The amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
- The amount of any contributions to be made from sources other than the assessments levied.

The Advisory Board's annual report serves as the basis for the levying of assessments each year.

The Advisory Board has prepared the annual report for Fiscal Year 2017-2018, which contains a proposed budget for use of the anticipated assessment revenues for the year. No changes are proposed (i) to the boundaries of the GGTID, (ii) in the GGTID improvements and activities authorized by Resolution No. 9009-10 and Ordinance No. 2782, or (iii) in the amount of the annual assessment or the method and basis for the levying the assessment.

The Advisory Board is recommending that the annual assessments for Fiscal Year 2017-2018 continue to be two and one-half percent (2.5%) of the gross rent

charged by the Operator per room occupancy per night for all transient occupancies for each visitor accommodation facility in Tier I and (ii) one-half percent (0.5%) of the gross rent charged by the operator per room occupancy per night for all transient occupancies for each visitor accommodation facility in Tier II.

On February 22, 2011, the City Council approved an agreement with the Anaheim/Orange County Visitor & Convention Bureau ("VCB"), pursuant to which, approximately 80% of the GGTID assessment revenue collected is allocated to the VCB to fund collective tourism marketing efforts or retained by the City for future Harbor Boulevard median improvements and a future transit system.

The remaining (approximately 20%) of the GGTID assessment would be allocated to fund specific improvements along Harbor Boulevard and other tourism promotion activities in Garden Grove in accordance with the budget included in the annual report. These funds are administered by the GGTPC pursuant to an agreement with the GGTPC approved by the City Council on September 27, 2011.

Levying of Assessment for Fiscal Year 2017-2018

State Law requires that each year the City Council adopt a Resolution declaring its intention to levy an annual assessment for the upcoming fiscal year based on the Advisory Board's Annual Report and scheduling a Public Hearing on the proposed assessment. The attached proposed Resolution contains the items required by State Law and sets a Public Hearing on the matter for June 27, 2017. After City Council adoption, the Resolution will be published in a local paper of general circulation at least seven (7) days before the Public Hearing pursuant to the Law.

At the Public Hearing scheduled for June 27, 2017, the City Council may order changes in any of the matters provided in the Advisory Board's Annual Report, including changes in the proposed assessments, the proposed improvements and activities to be funded, and the proposed boundaries of the area. At the conclusion of the Public Hearing, the City Council may adopt a Resolution confirming the annual report as originally filed or as changed by it. The adoption of that Resolution shall constitute the levy of an assessment for the 2017-2018 Fiscal Year.

A similar Resolution must be adopted annually by the City Council in order to continue to levy the assessment in the succeeding fiscal years.

FINANCIAL IMPACT

It is not anticipated that the City will incur significant direct costs as a result of this action. It is estimated that the GGTID will produce approximately \$3 million dollars in new annual revenues and \$445,000 in carryover for fiscal year 2017-2018 for local tourism promotion efforts, and most of these funds will be administered by the VCB and the GGTPC. Any actual administrative costs incurred by the City in relation to the GGTID will be reimbursed through assessment revenues, up to a percentage cap of assessments collected.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution approving the Garden Grove Tourism Improvement District Advisory Board Annual Report; declaring its intention to levy assessments for Fiscal Year 2017-2018 for the Garden Grove Tourism Improvement District; and setting June 27, 2017, as the time and place of the Public Hearing thereon and giving notice thereof.

By: Greg Blodgett, Sr. Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Annual Report for GGTID Fiscal Year 2017-2018	5/31/2017	Backup Material	GGTID_Annual_Report_2017-2018.pdf
GGTPC Proposed Budget FY 2017-18	6/8/2017	Backup Material	6-13-17_GGTPC_Proposed_Budget.pdf
GGTID Resolution	6/7/2017	Resolution Letter	6-13-17_GGTID_Resolution_For_Levey_FY_2017-2018.pdf
GGTID VCB 2017-18 Budget	6/8/2017	Backup Material	6-13-17_Anaheim_VCB_GG_TID_Budget.pdf

GARDEN GROVE TOURISM IMPROVEMENT DISTRICT ADVISORY BOARD
REPORT FOR FISCAL YEAR 2017-2018

The Garden Grove Tourism Improvement District (GGTID) was established by the Garden Grove City Council in accordance with the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code section 36500 et seq., (the "Law") through the adoption of Resolution No. 9009-10 on August 24, 2010 and Ordinance No. 2782 on October 26, 2010.

The purpose of the GGTID is to provide revenue to defray the costs of advertising and marketing efforts designed to increase overnight stays in the GGTID, construction and maintenance of improvements in the GGTID, and other services, activities, and programs that promote and encourage tourism within the GGTID, and other services, activities, and programs that promote and encourage tourism within the GGTID, which will benefit the Operators of Visitor Accommodation Facilities paying assessments through the promotion of scenic, recreational, cultural, and other attractions.

Pursuant to Ordinance No. 2782, the Board of Directors of the Garden Grove Tourism Promotion Corporation, a California non-profit mutual benefit corporation, serves as the GGTID Advisory Board. In accordance with Ordinance No. 2782 and California Streets and Highways Code section 36533, the Advisory Board is required to annually prepare and submit to the City a report for the upcoming fiscal year, which is required to contain the following:

1. Any proposed changes in the boundaries of the GGTID or the benefit zones within the GGTID.
2. The GGTID improvements and activities to be provided in the upcoming fiscal year from GGTID assessment revenues and/or any other contributions from sources other than GGTID assessment revenues.
3. An estimate of the cost of providing the GGTID improvements and the activities for the upcoming fiscal year.
4. The method and basis of levying the assessment in sufficient detail to allow each Visitor Accommodation Facility to estimate the amount of the assessment to be levied against the Visitor Accommodation Facility for the fiscal year, and any proposed changes to the method and basis of levying the assessment.
5. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.

6. The amount of any contributions to the GGTID to be made from sources other than assessments levied against the Visitor Accommodation Facilities.

1. CHANGES TO BOUNDARIES

The boundaries of the GGTID generally include certain real property within that area of Garden Grove fronting, bordering, or near Harbor Boulevard from the City of Anaheim to Garden Grove Boulevard. The GGTID is divided into two (2) separate zones: (i) Tier I, which includes that real property within the GGTID north of Lampson Avenue, and (ii) Tier II, which includes that real property within the GGTID south of Lampson Avenue. A map showing the precise area and boundaries of the GGTID and the two benefit zones is on file with the Garden Grove City Clerk.

No changes to boundaries of the GGTID are proposed.

2. IMPROVEMENTS & ACTIVITIES

The improvements and activities that occurred during the 2016-2017 Fiscal Year included Grove District banners installed on light poles on Harbor Blvd. Maintenance and improvements of all the sidewalks and adjacent to the TID hotels were completed on a monthly basis. GGTID contributed to the landscaping and lighting improvements on Harbor Boulevard from the Great Wolf Lodge to Twin Tree Lane. GGTID paid for private security to enhance security in the district. GGTID also contributed significant sponsorship and support to the Garden Grove Community Foundation Golf Tournament, the Garden Grove Strawberry Festival, Resort Transportation, and sponsorship of the Garden Grove Chamber of Commerce. The Grove District also approved funding new monument signs consistent with the City design standards signs for businesses within the GGTID.

The improvements and activities anticipated to be undertaken in the GGTID for the 2017-2018 Fiscal Year generally include tourism and marketing programs to promote the GGTID area and benefitted Visitor Accommodation Facilities as a tourism destination; GGTID and Anaheim/Orange County Visitor & Convention Bureau ("VCB") administrative oversight; physical improvements and maintenance along the right-of-way, median, and sidewalks adjacent to the benefitted Visitor Accommodation Facilities; and other projects, programs and activities that benefit the Visitor Accommodation Facilities located and operating within the GGTID, as further described in Resolution No. 9009-10. The anticipated improvements and activities anticipated to be undertaken in the 2017-2018 Fiscal Year are more specifically delineated in the attached Budgets.

3. ESTIMATED COST OF IMPROVEMENTS & ACTIVITIES

No changes in the GGTID improvements and activities authorized by Resolution No. 9009-10 and Ordinance No. 2782 are proposed.

The attached Budgets show the estimated assessment revenues and costs for the GGTID for FY 2017-2018.

Pursuant to an agreement between the City of Garden Grove and the VCB entered into on or about February 22, 2011, approximately eighty percent (80%) of the net GGTID assessment revenues (i.e., 2.0% of the total 2.5% assessment in Tier I and 0.4% of the total 0.5% assessment in Tier II), will be allocated to the VCB to administer and use for marketing and promotion of tourism and conventions benefitting the Visitor Accommodation Facilities as part of the "Anaheim Resort District." However, the City of Garden Grove will retain \$7,500 per month from this allocation (for a total of \$90,000 in FY 2017-2018) for the purpose of funding future median improvements along Harbor Boulevard within the GGTID. For FY 2017-2018 the City is retaining one half of one percent (0.5%) of gross rent charged for per room night occupied for transit or transportation system benefiting the GGTID. **The first Budget shows the estimated GGTID assessment revenues to be allocated to the VCB in Fiscal Year 2017-2018 and the estimated costs of those categories of improvements and activities to be funded by this portion of the GGTID assessment revenues.**

The remaining approximately twenty percent (20%) of the net GGTID assessment revenues will be allocated to improvements and activities within and to benefit the GGTID other than those provided by the VCB. These funds are administered by the Garden Grove Tourism Promotion Corporation ("GGTPC") pursuant to an agreement with the City. **The second Budget shows this portion of the estimated GGTID assessment revenues for Fiscal Year 2017-2018 and the estimated costs of those categories of improvements and activities to be funded by this portion of the GGTID assessment revenues and any surplus assessment revenues carried over from Fiscal Year 2017-2018.**

4. METHOD AND BASIS FOR LEVYING THE ASSESSMENT

No change in the amount of the annual assessment for FY 2017-2018 or the method and basis for levying the assessment is proposed.

It is recommended that the annual assessments for FY 2017-2018 continue to be two and one-half percent (2.5%) of the gross rent charged by the Operator per room occupancy per night for all Transient Occupancies for each Visitor Accommodation Facility in Tier I and (ii) one-half percent (0.5%) of the gross rent

charged by the Operator per room occupancy per night for all Transient Occupancies for each Visitor Accommodation Facility in Tier II.

In accordance with Ordinance No. 2782, the assessments shall be collected monthly, based on the applicable percentage of the amount of gross rent charged by the Operator per room occupancy per night for all Transient Occupancies in the prior calendar month, in the same manner and at the same frequency as the City's Hotel Visitors Tax imposed pursuant to Chapter 12 of Title 3 of the Garden Grove Municipal Code.

5. PRIOR YEAR SURPLUS OR DEFICIET TO BE CARRIED OVER

It is estimated that there will be approximately \$445,566 in surplus assessment revenues from Fiscal Year 2016-2017. It is recommended that these surplus assessment revenues be carried over to Fiscal Year 2017-2018 to fund the costs of the anticipated GGTID improvements and activities to be provided in Fiscal Year 2017-2018, as more specifically delineated in the attached Budgets.

6. OTHER CONTRIBUTIONS

No contributions to the GGTID from sources other than the assessments levies are anticipated in Fiscal Year 2017-2018.

GGTPC Proposed Budget
Fiscal Year 2017 - 2018

Statement of Expense Summary				
Estimated Revenue	\$			640,200.00
Carry Over	\$			445,566.29
Total Revenue	\$			1,085,766.29
Expenses:				
Fund Advertising & Marketing	\$	12%		130,291.95
Fund Parking Upgrades, Improvements	\$	10%		108,576.63
Economic Development	\$	10%		108,576.63
Sponsorships	\$	20%		217,153.26
Private Security	\$	12%		130,291.95
Education	\$	5%		54,288.31
Contingency/"Hotel Back"	\$	5%		54,288.31
Resort Community Support	\$	5%		54,288.31
Harbor Blvd maintenance/utilities/repairs (from curb including sidewalk)	\$	11%		119,434.29
Tourism Related studies/consultants	\$	5%		54,288.31
City Admin Fees (per Agreement)	\$	3%		32,572.99
Administrative/Accounting/Auditing (per Agreement)	\$	2%		21,715.33
Total	\$	100%		1,085,766.29

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE ANNUAL REPORT OF THE GARDEN GROVE TOURISM IMPROVEMENT DISTRICT ADVISORY BOARD, DECLARING ITS INTENTION TO LEVY ASSESSMENTS FOR FISCAL YEAR 2017-2018 FOR THE GARDEN GROVE TOURISM IMPROVEMENT DISTRICT, FIXING THE TIME AND PLACE OF PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

WHEREAS, the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Section 36500 et seq., (the "Law") authorizes cities to establish parking and business improvement areas for the purpose of funding certain improvements and activities, including the promotion of tourism, through assessments upon the businesses that benefit from those improvements and activities and to levy an assessment upon businesses within a parking and business improvement area, which is in addition to any assessments, fees, charges, or taxes imposed in the City;

WHEREAS, the Garden Grove Tourism Improvement District (GGTID) was established October 26, 2010, by City Council adoption of Ordinance No. 2782; and

WHEREAS, in accordance with Section 36533 of the Law, the GGTID Advisory Board has prepared and filed with the City Clerk, and the City Clerk has presented to the City Council, a report for fiscal year 2017-2018 in connection with the proposed levy of an assessment against visitor accommodation facilities within the GGTID for fiscal year 2017-2018 (the "Annual Report").

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY RESOLVES, DETERMINES, AND FINDS AS FOLLOWS:

SECTION 1. The recitals set forth herein are true and correct.

SECTION 2. The City Council has examined and reviewed the Annual Report, and such Annual Report is hereby approved and filed.

SECTION 3. The City Council hereby declares its intention to levy and collect assessments from those visitor accommodation facilities within the boundaries of the Garden Grove Tourism Improvement District ("GGTID") for the 2017-2018 fiscal year, commencing July 1, 2017, and continuing through June 30, 2018.

SECTION 4. The Annual Report is on file with the Garden Grove City Clerk and contains a full and detailed description of the activities to be provided, the boundaries of the area, and proposed assessments to be levied upon the visitor accommodation facilities in the area.

SECTION 5. The boundaries of the GGTID generally include certain real property within that area of Garden Grove fronting, bordering, or near Harbor

Boulevard from the city of Anaheim to Garden Grove Boulevard. The GGTID is divided into two (2) separate zones: (i) Tier I, which includes that real property within the GGTID north of Lampson Avenue, and (ii) Tier II, which includes that real property within the GGTID south of Lampson Avenue. A map showing the precise area and boundaries of the GGTID and the two benefit zones is on file with the Garden Grove City Clerk.

SECTION 6. The types of improvements and activities to be funded by the levy of assessments on visitor accommodation facilities within the GGTID are the GGTPC and Visit Anaheim formerly known as, Anaheim/Orange County Visitor and Convention Bureau ("VCB") tourism and marketing programs to promote the area and benefitted visitor accommodation facilities as a tourism destination; GGTID and VCB administrative oversight; physical improvements and maintenance along the right-of-way, median, and sidewalks adjacent to the benefitted visitor accommodation facilities; and other projects, programs, and activities that benefit the visitor accommodation facilities located and operating within the GGTID.

SECTION 7. The time and place for a Public Hearing on the levy of assessments for the GGTID is hereby set for June 27, 2017 at 6:30 p.m., or as soon thereafter as practicable, in the Council Chamber at the Garden Grove Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

SECTION 8. The City Clerk is hereby directed to give proper notice of the above-described public meeting and Public Hearing in accordance with law.

SECTION 9. At the Public Hearing, the testimony of all interested persons for or against the levying of assessments on the visitor accommodation facilities in the GGTID for fiscal year 2017-2018, the extent of the GGTID, or the furnishing of specified types of improvements or activities will be heard. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made. To count in the majority protest against the GGTID, a protest must be written. A written protest may be withdrawn in writing at any time before the conclusion of the Public Hearing. Each written protest shall contain a written description of the business in which the person signing the protest is interested, sufficient to identify the business and its address. If the person signing the protest is not shown on the official records of the City of Garden Grove as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business. If the owner of the business is a corporation, LLC, partnership or other legal entity, the authorized representative for the entity shall be authorized to sign the protest. Written protests must be received by the City Clerk of the City of Garden Grove before the close of the Public Hearing scheduled herein and may be mailed to the City Clerk, City of Garden Grove, P.O. Box 3070, Garden Grove, California 92842, or delivered in person to the City Clerk at City Hall, 11222 Acacia Parkway, Garden Grove, California 92840.

SECTION 10. Pursuant to California Streets and Highways Code Section 36525, if at the conclusion of the Public Hearing, there are of record, valid written protests by the owners of the businesses within the GGTID that will pay fifty percent (50%) or more of the total assessments of the entire GGTID, no assessment will be levied for fiscal year 2016-2017. In order to determine the projected assessments for purposes of establishing voting percentages, the City shall make projections based on the prior three-year average of gross rental revenues for the applicable visitor accommodation facilities. Since such information is proprietary, the City, alone, will determine the total percentage protest and provide such percentage at the Public Hearing.

SECTION 11. This Resolution is effective upon its adoption.

Anaheim VCB
Garden Grove TID Budget
2017-2018



Statement of Expense Summary - Marketing		Statement of Expense Summary - Convention Sales	
Budget Highlights Marketing		Budget Highlights- Convention Sales	
Brand Advertising		Solicitation, Travel, Promotions	\$120,000
Industry Partnerships	\$115,000	Client Events	\$150,000
Research	\$50,000	Sports Anaheim Development	\$40,000
Collateral (Sales Tools)	\$15,000	Exhibits Attend	\$48,000
Exhibiting	\$10,000		
Promotion & Travel	\$12,000	Restricted Reserves to host Industry Conventions	\$200,000
Web Development - Technology	\$40,000	Subsidy to offset costs for groups	\$275,000
Co-Op Promotions	\$30,000	Destination Site Manager	X
	\$25,000	Sports Specialist changed to Sports Events Mgr	X
		Sports Coordinator	X
Salaries & Related Costs		Salaries & Related Costs	\$469,600
	\$264,000		
Total Marketing Expense	\$561,000	Total Convention Sales Expense	\$1,302,600
Total GGTID		\$1,863,600	

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William Murray

Dept.: City Manager Dept.: Public Works

Subject: Award of contract to Date: 6/13/2017
Siemens Industry, Inc., for
on-call traffic signal and
street lighting maintenance
and repair services. (Cost:
\$300,000) (*Action Item*)

OBJECTIVE

To request that the City Council award a contract to Siemens Industry, Inc., for on-call signal and street lighting maintenance and repair services.

BACKGROUND

The City of Garden Grove owns and maintains 672 streetlights and 132 traffic signals. The Engineering Division currently oversees a Traffic Management Center (TMC), 35 CCTV cameras, three permanent changeable message signs, and approximately 30 miles of fiber optics.

The Engineering Division has a staff of two signal maintenance electricians (one position is currently vacant) who perform the daily maintenance on these systems. The proposed on-call contractor would primarily respond to emergency situations when accidents cause poles and controller cabinets to be damaged or knocked down, and also assist in performing routine maintenance when City staff is unavailable.

DISCUSSION

The City's current on-call contract, approved on January 24, 2012, for traffic signal and street lighting maintenance and repair services will expire on June 30, 2017.

Staff solicited requests for proposals and received two proposals. A panel consisting of three staff members rated the proposals on the basis of qualifications, work plan, and references. Based on the evaluation results, Siemens Industry, Inc., rated the highest. The following is a summary of the ratings:

	Siemens Industry,	Aegis ITS
--	--------------------------	------------------

	Inc.	
Rater A	164	147.5
Rater B	179.25	173.75
Rater C	167.5	159
Totals	510.75	480.25

The proposed agreement shall be for a period of three years commencing upon the date of execution and shall include options for two additional one year terms.

FINANCIAL IMPACT

Funds to cover contractual services will be included in the proposed Fiscal Year 2017/18 base budget. There is no additional impact to the General Fund.

RECOMMENDATION

It is recommended that the City Council:

- Award a contract, in an amount not to exceed \$300,000 for a three year term with two one-year extensions, to Siemens Industry, Inc., for on-call traffic signal and street lighting maintenance and repair services; and
- Authorize the City Manager to sign the contract on behalf of the City.

By: Dai C. Vu, P.E., Traffic Engineer

ATTACHMENTS:

Description	Upload Date	Type	File Name
Agreement	6/1/2017	Backup Material	Siemens_Industry_Inc._Agreement.pdf

CONSULTANT AGREEMENT

THIS AGREEMENT is made this **13th** day of **June 2017**, by the CITY OF GARDEN GROVE, a municipal corporation, ("CITY"), and **Siemens Industry, Inc.**, a California Corporation ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to CITY OF GARDEN GROVE Council authorization dated June 13th, 2017
2. CITY desires to utilize the services of CONSULTANT to provide on-call traffic signal and street lighting maintenance and repair services as more specifically described in CONSULTANT'S Proposal, which is attached hereto as Exhibit "A" and incorporated herein.
3. CONSULTANT is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement:** This Agreement shall cover services rendered from date of Agreement until compensation reaches the not to exceed amount, or sooner should the term of the contract be reached or Section 3.5 is enacted. The contract performance term is for three (3) years and allows for two 1-year extensions at the sole option of the City.
2. **Services to be Provided:** The services to be performed by CONSULTANT shall consist of the services as further specified in CONSULTANT'S proposal attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT agrees that its provision of Services under this agreement shall be within accepted accordance with customary and usual practices in CONSULTANT'S profession. By executing this Agreement, CONSULTANT warrants that it has carefully considered how the work should be performed and fully understands the facilities, difficulties, and restrictions attending performance of the work under this agreement. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONSULTANT shall be compensated as follows:
 - 3.1 **Amount.** CONSULTANT shall be compensated in accordance with the rate schedule set forth in Exhibit "A".
 - 3.2 **Not to Exceed.** The Parties agree that CONSULTANT shall bill for the Services provided by CONSULTANT to City on an hourly basis, except where otherwise set forth herein, provided compensation under this

Proposal shall not exceed **\$300,000.00**. CONSULTANT warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this Agreement, which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. The Proposal and this Agreement do not guarantee any specific amount of work.

- 3.3 Payment. For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, a written authorization by CITY will be required and payment shall be based on hourly rates as provided in Exhibit "A".
- 3.4 Records of Expenses. CONSULTANT shall keep complete and accurate records of payroll costs, travel and incidental expenses. These records will be made available at reasonable times to CITY.
- 3.5 Termination. CITY and CONSULTANT shall each have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice of termination to the other party. If CITY terminates the project, then the provisions of paragraph 3 shall apply to that portion of the work completed.

4. **Insurance Requirements**

- 4.1 Commencement of Work CONSULTANT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 Workers Compensation Insurance For the duration of this Agreement, CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. The insurer shall waive its rights of subrogation against the CITY, its officers, officials, agents, employees, and volunteers.
- 4.3 Insurance Amounts CONSULTANT shall maintain the following insurance for the duration of this Agreement:
 - a) Commercial general liability in the amount of \$2,000,000 per occurrence; (claims made and modified occurrence policies are not acceptable); Insurance companies must be admitted and licensed in California and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY;

- b) Automobile liability in the amount of \$1,000,000 per occurrence; (claims made and modified occurrence policies are not acceptable) Insurance companies must be admitted and licensed in California and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
- c) Professional liability in the amount of \$1,000,000 per occurrence; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

An Additional Insured Endorsement, **ongoing and completed operations**, for the policy under section 4.3 (a) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to city's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, lease, hired, or borrowed by CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects to CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONSULTANT in the event of

any default or breach by CITY, or for any amount, which may become due to CONSULTANT.

6. **Non-Discrimination.** CONSULTANT covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONSULTANT shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.
8. **Compliance With Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government. CONTRACTOR shall comply with, and shall be responsible for causing all contractors and subcontractors performing any of the work pursuant to this Agreement to comply with, all applicable federal and state labor standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. The City makes no warranty or representation concerning whether any of the work performed pursuant to this Agreement constitutes public works subject to the prevailing wage requirements.
9. **Disclosure of Documents.** All documents or other information developed or received by CONSULTANT are confidential and shall not be disclosed without authorization by CITY, unless disclosure is required by law.
10. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.
11. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
12. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.

(a) Address of CONSULTANT is as follows:

Steven Teal
Director of Services
2200 W. Orangewood Ave., Suite 210
Orange, CA 92868

(b) Address of CITY is as follows (with a copy to):

Engineering:
Dai C. Vu
City of Garden Grove
11222 Acacia Prkwy
Garden Grove, CA 92840

City Attorney
City of Garden Grove
11222 Acacia Prkwy
Garden Grove, CA 92840

13. **CONSULTANT'S Proposal.** This Agreement shall include CONSULTANT'S proposal, Exhibit "A" hereto, which shall be incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
14. **Licenses, Permits and Fees.** At its sole expense, CONSULTANT shall obtain a **Garden Grove Business License**, all permits and licenses as may be required by this Agreement.
15. **Familiarity With Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.
16. **Time of Essence.** Time is of the essence in the performance of this Agreement.
17. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability and reputation of CONSULTANT, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONSULTANT shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONSULTANT is permitted to subcontract any part of this Agreement, CONSULTANT shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and CITY. All persons engaged in the work will be considered employees of CONSULTANT. CITY will deal directly with and will make all payments to CONSULTANT.
18. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.

19. **Indemnification.** To the fullest extent permitted by law, CONSULTANT agrees to protect, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONSULTANT, CONSULTANT'S agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT in the performance of the Agreement. The only exception to CONSULTANT'S responsibility to protect, defend, and hold harmless CITY, is due to the negligence, recklessness and/or wrongful conduct of CITY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

20. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual written agreement executed by CITY and CONSULTANT.
21. **Waiver.** All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the CITY and CONSULTANT.
22. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.
23. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties
24. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS THEREOF, these parties hereto have caused this Agreement to be executed as of the date set forth opposite the respective signatures.

"CITY"
CITY OF GARDEN GROVE

Dated: _____, 2017

By: _____
City Manager

ATTEST

"CONSULTANT"
SIEMENS INDUSTRY, INC.

City Clerk

By: _____
Title: Steven Teal-Director of Service

Dated: _____, 2017

Dated: 5/24/2017, 2017

APPROVED AS TO FORM:

If CONSULTANT/CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY

Amay Sandoval
Garden Grove City Attorney

Dated: 5-19, 2017

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray/Todd D. Elgin
Dept.:	City Manager	Dept.:	Public Works
Subject:	Award of contract to Thomco Construction, Inc., for Project No. 7008/6708 Garden Grove Police Department Records Section Remodel and approval of appropriation of bond proceeds. (Cost: \$793,518.76) (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

For City Council to award a contract to Thomco Construction, Inc., for Project No. 7008/6708 Garden Grove Police Department Records Section Remodel.

DISCUSSION

The proposed project consists of renovation of front lobby area and Records section of the Police Department. As part of the renovation, the final ADA upgrades will bring the Records Section into ADA compliance and fire sprinklers to the current code. Additional upgrades include IT and audio/visual upgrades, bullet resistant public service windows and wall, replacing floor finishes, new cubical offices, repair, patching, and painting.

Staff solicited bids for this project pursuant to Municipal Code Section 2.50.100.

Two (2) qualified bids were received and opened in the City Clerk's office at 11:00 a.m. on May 25, 2017. The lowest qualified bidder is Thomco Construction, Inc., with a total bid of \$793,518.76. The bid is within the current project budget. The licenses and references of the contractor have been reviewed and verified by staff, and all other documentation is in order.

The anticipated contract schedule is as follows:

1. *Award Contract - June 13, 2017*
2. *Begin Construction - July 10, 2017*

3. *Complete Construction - October 31, 2017.*

FINANCIAL IMPACT

There is no financial impact to the General Fund. Proceeds from the issuance of the Lease Revenue Bonds, Series 2015A will be used to finance this Project. It is requested that the bond proceeds be appropriated to this contract in the current fiscal year.

RECOMMENDATION

It is recommended that the City Council:

- Award a contract to Thomco Construction, Inc. in the amount of \$793,518.76, for Project No.7008/6708 Garden Grove Police Department Records Section Remodel; and
- Authorize the City Manager to execute the contract, and make minor modifications as appropriate thereto, on behalf of the City; and
- Appropriate \$793,518.76 of the bond proceeds held by fiscal agent; and
- Authorize the Finance Director to request for construction fund disbursements as necessary from the fiscal agent construction fund and account for all related contract transactions in fund 105 (Public Safety Fund).

By: Ed Leiva, Police Captain

ATTACHMENTS:

Description	Upload Date	Type	File Name
BID SUMMARY	5/31/2017	Cover Memo	attachment_1bidsummary.pdf
AGREEMENT	5/31/2017	Cover Memo	attachment_2_agreement.pdf

**CITY OF GARDEN GROVE
PUBLIC WORKS DEPARTMENT
Engineering Division**

BID SUMMARY SHEET

FOR

PROJECT: - GARDEN GROVE POLICE DEPARTMENT RECORDS SECTION REMODEL

PROJECT NO. 7008

BID OPENING: DATE: May 25, 2017

TIME: 11:00 A.M.

ENGINEER'S ESTIMATE: \$ 600,000.00

<i>Bidder's Name</i>	<i>Total Bid</i>	<i>% Under/Over Engrs. Est</i>
<i>Thomco Construction, Inc., Anaheim</i>	<i>\$ 793,518.76</i>	<i>32.25% Over</i>
<i>Kazoni Construction, Huntington Beach</i>	<i>\$ 999,954.00</i>	<i>66.66% Over</i>

CONSTRUCTION AGREEMENT**THOMCO CONSTRUCTION, INC.**

THIS AGREEMENT is made this _____ day of _____, 2017 by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY"), and **THOMCO CONSTRUCTION, INC.**, hereinafter referred to as ("CONTRACTOR").

RECITALS:

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove City Council Authorization dated _____.
2. CITY desires to utilize the services of CONTRACTOR to furnish material, equipment, and labor for the **GARDEN GROVE POLICE DEPARTMENT REMODEL, PROJECT NO. 7008**
3. CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 5.1 General Conditions.** CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this Contract based upon CONTRACTOR'S investigation of all such matters and is in no way relying upon any opinions or representations of CITY. It is agreed that this Contract represents the entire agreement. It is further agreed that the Contract Documents including the Notice Inviting Bids, Special Instructions to Bidders, if any, Plans, Specifications, and CONTRACTOR's Proposal, are incorporated in this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its subcontractors, if any, will be and are bound by any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Contract.

"Project" as used herein defines the entire scope of the work covered by all the Contract Documents. Anything mentioned in the Specifications and not indicated in the Plans, or indicated in the Plans and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Plans or Specifications, the matter shall be immediately submitted to CITY'S Engineer, without whose decision CONTRACTOR shall not adjust said discrepancy save only at CONTRACTOR'S own risk and expense. The decision of the Engineer shall be final.

SECTION 5 - AGREEMENT (Continued)

5.2 Materials and Labor. CONTRACTOR shall furnish, under the conditions expressed in the Plans and Specifications, at CONTRACTOR'S own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by the CITY, to construct and complete the project, in good workmanlike and substantial order. If CONTRACTOR fails to pay for labor or materials when due, CITY may settle such claims by making demand upon the surety to this Agreement. In the event of the failure or refusal of the surety to satisfy said claims, CITY may settle them directly and deduct the amount of payments from the Contract price and any amounts due to CONTRACTOR. In the event CITY receives a stop notice from any laborer or material supplier alleging non-payment by CONTRACTOR, CITY shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.

5.3 Project. The PROJECT is described as: **GARDEN GROVE POLICE DEPARTMENT REMODEL, PROJECT NO. 7008.**

5.4 Plans and Specifications. The work to be done is shown in a set of detailed Plans and Specifications entitled: **GARDEN GROVE POLICE DEPARTMENT REMODEL PROJECT NO. 7008.** Said Plans and Specifications and any revision, amendments or addenda thereto are attached hereto and incorporated herein as part of this Contract and referred to by reference. The work to be done must also be in accordance with the General Provisions, Standard Specifications and Standard Plans of the CITY, which are also incorporated herein and referred to by, reference.

5.5 Time of Commencement and Completion.

The Contract time shall commence on the fifteenth (15th) calendar day following the Notice to Proceed issued by the City or the first construction work day shall be July 10, 2017 and all work shall be completed within sixty (60) working days and the CONTRACTOR agrees to submit shop drawings within fourteen (14) calendar days. The CONTRACTOR shall diligently prosecute the work on Garden Grove POLICE DEPARTMENT REMODEL within sixty (60) working days to completion as required per the plans and specifications excluding delays caused or authorized by the CITY as set forth in Sections 5.7, 5.8 and 5.9 hereof.

5.6 Time is of the Essence. Time is of the essence of this Contract.

Contractor shall have **fourteen (14) calendar days from the award of the Contract** to execute the Contract and supply CITY with all of the documents and information required by the Instruction to Bidders and the other Contract Documents, including but not limited to, the necessary bonds and insurance certificates and endorsements. Once the CITY receives the executed Contract and all of the other properly drafted and executed documents and information, it may issue a Notice to Proceed to the CONTRACTOR. If CONTRACTOR refuses or fails to execute the Contract or refuses or fails to provide the required documents and information within the fourteen (14) calendar days, the CITY may then rescind

SECTION 5 - AGREEMENT (Continued)

the award of the Contract and then award the Contract to the next lowest responsible and responsive bidder.

As required by the Contract Documents, CONTRACTOR shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR'S work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the work covered by this Contract with that of all other CONTRACTORS, subcontractors and of the CITY, in a manner that will facilitate the efficient completion of the entire work in accordance with Section 5.5 herein. CITY shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of CONTRACTOR on the premises.

- 5.7 Excusable Delays.** CONTRACTOR shall be excused for any delay in the prosecution or completion of the Project caused by acts of God; inclement weather; damages caused by fire or other casualty for which CONTRACTOR is not responsible; any act of negligence or default of CITY; failure of CITY to make timely payments to CONTRACTOR; late delivery of materials required by this CONTRACT to be furnished by CITY; combined action of the workers in no way caused by or resulting from default or collusion on the part of CONTRACTOR; a lockout by CITY; or any other delays unforeseen by CONTRACTOR and beyond CONTRACTOR'S reasonable control.

CITY shall extend the time fixed in Section 5.5 herein for completion of the Project by the number of days CONTRACTOR has thus been delayed, provided that CONTRACTOR presents a written request to CITY for such time extension within fifteen (15) days of the commencement of such delay and CITY finds that the delay is justified. CITY'S decision will be conclusive on the parties to this Contract. Failure to file such request within the time allowed shall be deemed a waiver of the claim by CONTRACTOR.

No claims by CONTRACTOR for additional compensation or damages for delays will be allowed unless CONTRACTOR satisfies CITY that such delays were unavoidable and not the result of any action or inaction of CONTRACTOR and that CONTRACTOR took all available measures to mitigate such damages. Extensions of time and extra compensation as a result of incurring undisclosed utilities would be determined in accordance with SPECIAL PROVISIONS and Section 3-3 of the Standard Specifications for Public Works Construction 2006 Edition (GREEN BOOK). The CITY'S decision will be conclusive on all parties to this Contract.

- 5.8 Extra Work.** The Contract price includes compensation for all work performed by CONTRACTOR, unless CONTRACTOR obtains a written change order signed by a designated representative of CITY specifying the exact nature of the extra work and the amount of extra compensation to be paid all as more particularly set forth in Section 5.9 hereof.

SECTION 5 - AGREEMENT (Continued)

CITY shall extend the time fixed in Section 5.5 for completion of the Project by the number of days reasonably required for CONTRACTOR to perform the extra work, as determined by CITY'S Engineer. The decision of the Engineer shall be final.

5.9 Changes in Project.

5.9.1 CITY may at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the work within the general scope of the Contract, including but not limited to changes:

- a. In the Specifications (including drawings and designs);
- b. In the time, method or manner of performance of the work;
- c. In the CITY -furnished facilities, equipment, materials, services or site; or
- d. Directing acceleration in the performance of the work.

If CONTRACTOR believes that the written order issued as part of this Section 5.9.1 has caused an increase in costs or time, the CONTRACTOR shall submit a written request for equitable adjustment to the CITY that includes a detailed cost breakdown and time impact analysis in sufficient detail to allow the CITY to analyze the request. Said notice shall be submitted via certified mail within twenty (20) days of the CONTRACTOR'S receipt of the written order. CONTRACTOR'S failure to submit the written request for equitable adjustment within the required twenty (20) days shall constitute a waiver of any potential change order or claim for said alleged change. The CITY shall review CONTRACTOR'S request and shall provide a written response within thirty (30) days of receipt of the request either approving or denying the request.

5.9.2 A change may also be any other conflict, difficulty or issue which the CONTRACTOR believes caused any change to the CONTRACTOR'S costs or project schedule, provided CONTRACTOR gives the CITY written notice and a request for equitable adjustment that includes a detailed cost breakdown and time impact analysis in sufficient detail to allow the CITY to analyze the request. The notice shall also state the date the CONTRACTOR became aware of the issue, circumstances and source of the issue and that CONTRACTOR regards the issue as a change order. Said written notice shall be delivered to the CITY via certified mail within twenty (20) days of CONTRACTOR'S first notice of the issue. CONTRACTOR'S failure to submit the notice, which includes the written request for equitable adjustment within the required twenty (20) days shall constitute a waiver of any potential change order or claim for said alleged change. The CITY shall review CONTRACTOR'S request and shall provide a written response within thirty (30) days of receipt of the request either approving or denying the request.

SECTION 5 - AGREEMENT (Continued)

- 5.9.3** Except as provided in this Section 5.9, no order, statement or conduct of the CITY or its representatives shall be treated as a change under this Section 5.9 or entitle CONTRACTOR to an equitable adjustment.
- 5.9.4** Except for claims based on defective specifications, no claim for any change under paragraph 5.9.1 or 5.9.2 above shall be allowed for any work performed more than 20 days before the CONTRACTOR gives written notice as required in paragraphs 5.9.1 and 5.9.2. In the case of defective specifications for which the CITY is responsible, the equitable adjustment shall include any increased direct cost CONTRACTOR reasonably incurred in attempting to comply with those defective specifications.
- 5.9.5** If CONTRACTOR intends to assert a claim for an equitable adjustment under this Section 5.9, it must, within thirty (30) days after receipt of a denial of a request for equitable adjustment under paragraphs 5.9.1 and 5.9.2, submit a written statement to the CITY setting forth the general nature and monetary extent of such claim. The CITY may extend the 30-day period. CONTRACTOR'S failure to submit the notice of a claim, within the required thirty (30) days shall constitute a waiver of the claim by the CONTRACTOR.
- 5.9.6** No claim by CONTRACTOR for an equitable adjustment shall be allowed if made after final payment under this Agreement.
- 5.9.7** CONTRACTOR hereby agrees to make any and all changes, furnish the materials and perform the work that CITY may require without nullifying this Contract. CONTRACTOR shall adhere strictly to the Plans and Specifications unless a change there from is authorized in writing by the CITY. Under no condition shall CONTRACTOR make any changes to the Project, either in additions or deductions, without the written order of the CITY and the CITY shall not pay for any extra charges made by CONTRACTOR that have not been agreed upon in advance in writing by the CITY. CONTRACTOR shall submit immediately to the CITY written copies of its firm's cost or credit proposal for change in the work. Disputed work shall be performed as ordered in writing by the CITY and the proper cost or credit breakdowns therefore shall be submitted without delay by CONTRACTOR to CITY.
- 5.10 Liquidated Damages for Delay.** The parties agree that if the total work called for under this Contract, in all parts and requirements, is not completed within the time specified in Section 5.5 herein, plus the allowance made for delays or extensions authorized under Sections 5.7, 5.8 and 5.9 herein, the CITY will sustain damage which would be extremely difficult and impractical to ascertain. The parties therefore agree that CONTRACTOR will pay to CITY the sum of **Eighteen Hundred and Seventy-Five Dollars (\$1,875.00) per day** for each and every calendar day during which completion of Garden Grove POLICE DEPARTMENT REMODEL have not been completed within their sixty (60) working day period. CONTRACTOR agrees to pay such liquidated damages and further

SECTION 5 - AGREEMENT (Continued)

agrees that CITY may offset the amount of liquidated damages from any monies due or that may become due CONTRACTOR under the Contract.

- 5.11 Contract Price and Method of Payment.** CITY agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any subsequent additions or deductions as provided in approved change orders, the sum of **Seven hundred and Ninty Three Thousand Five Hundred and Eighteen Dollars and Seventy Six Cents (\$793,518.76)** as itemized in the bid proposal.

Progress payments shall be made to the CONTRACTOR on a monthly basis for each successive month as the work progresses. The CONTRACTOR shall be paid such sum as will bring the total payments received since the commencement of the work up to ninety-five percent (95%) of the value of the work completed, less all previous payments, provided that the CONTRACTOR submits the request for payment prior to the end of the day required to meet the payment schedule. The CITY will retain five percent (5%) of the amount of each such progress estimate and material cost until 30 days after the recordation of the Notice of Completion.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the CITY'S Engineer, stating that the work for which payment is demanded has been performed in accordance with the terms of the Contract. Partial payments of the Contract price shall not be considered as an acceptance of any part of the work.

- 5.12 Substitution of Securities in Lieu of Retention of Funds.** Pursuant to California Public Works Contract Code § 22300, the CONTRACTOR will be entitled to post approved securities with the CITY or an approved financial institution in order to have the CITY release funds retained by the CITY to ensure performance of the Contract. CONTRACTOR shall be required to execute an addendum to this Contract together with escrow instructions and any other documents in order to effect this substitution.

- 5.13 Completion.** Within 10 days after the contract completion date of the Project, CONTRACTOR shall file with the CITY'S Engineer its affidavit stating that all workers and persons employed, all firms supplying materials, and all subcontractors upon the Project have been paid in full, and that there are no claims outstanding against the Project for either labor or material, except those certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California. CITY may require affidavits or certificates of payment and/or releases from any subcontractor, laborer or material supplier.

5.14 CONTRACTOR 's Employees Compensation

- 5.14.1 General Prevailing Rate.** CITY has ascertained CONTRACTOR shall comply with all applicable requirements of Division 2, Part 7, Chapter 1 of the California Labor Code and all applicable federal requirements respecting the payment of prevailing wages. If there is a difference between the minimum wage rates predetermined by the Secretary of

SECTION 5 - AGREEMENT (Continued)

Labor and the prevailing wage rates determined by the Director of the Department of Industrial Relations (DIR) for similar classifications of labor, the CONTRACTOR and its Subcontractors shall pay not less than the higher wage rate. The DIR will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal Wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the CONTRACTOR and Subcontractors, the CONTRACTOR and its Subcontractors shall pay not less than the Federal Minimum wage rate which most closely approximates the duties of the employees in question."

5.14.2 Forfeiture for Violation. CONTRACTOR shall, as a penalty to the CITY, forfeit one hundred dollars (\$100.00) for each calendar day or portion thereof for each worker paid (either by the CONTRACTOR or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.

5.14.3 Apprentices. Section 1777.5, 1777.6 and 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices is applicable to this Contract and the CONTRACTOR shall comply therewith; provided, however, that this requirement shall not apply if and/or to the extent that the Contract of the general CONTRACTOR, or the contracts of specialty contractors not bidding for work through a general or prime contractor involve less than thirty thousand dollars (\$30,000.00).

5.14.4 Workday. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (5.14.2) above. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (Sections 1810 et seq.) of the Labor Code of the State of California and shall forfeit to the CITY as a penalty, the sum of twenty-five Dollars (\$25.00) for each worker employed in the execution of this Contract by CONTRACTOR or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said Article. CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by CONTRACTOR in connection with the Project.

5.14.5 Record of Wages: Inspection. CONTRACTOR agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time and overtime hours worked

SECTION 5 - AGREEMENT (Continued)

each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by it in connection with the Project and agrees to require that each of its subcontractors does the same. The applicable CONTRACTOR or subcontractor or its agent having authority over such matters shall certify all payroll records as accurate. CONTRACTOR further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with all of the provisions of Labor Code Section 1776, in general. CONTRACTOR shall comply with all of the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code section 1771.4(a)(3). The CONTRACTOR shall submit copies of certified payroll reports **and cancelled checks** for labors, every two weeks to the Engineer. Certified payroll and cancelled checks submittals are due one month after start of construction and every two weeks thereafter. *If the certified payroll and cancelled checks are not submitted, the CONTRACTOR will be notified that compliance is required within five (5) working days or contract work must cease. The CITY will not be responsible for any delay or acceleration charges or any incurred costs or damages as a result of the work stoppage due to CONTRACTOR's failure to comply.* Work shall be ceased in an orderly, safe fashion with all vehicle access restored. Should this not occur, CITY will correct the deficiencies and deduct the cost from funds due to the CONTRACTOR. In addition, no progress payment shall be made until the copies of certified payroll reports and cancelled checks are submitted.

5.14.6 Contractor Registration. CONTRACTOR and its subcontractors must be registered with the California Department of Industrial Relations pursuant to Labor Code Section 1725.5. This Agreement shall not be effective until CONTRACTOR provides proof of registration to the CITY.

5.14.7 Posting of Job Site Notices. CONTRACTOR shall comply with the job site notices posting requirements established by the Labor Commissioner pursuant to Title 8, California Code of Regulations Section 16461(e) or other regulation promulgated pursuant to Labor Code Section 1771.4(a)(2).

5.14.7 Notice of DIR Compliance Monitoring and Enforcement. Pursuant to Labor Code Section 1771.4, this Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

5.15 Surety Bonds. CONTRACTOR shall, prior to entering into performance of this Agreement, furnish a performance bond, on the CITY's bond form in the amount of one hundred percent (100%) of the Contract price, to guarantee the faithful performance of the work, and a payment bond, on the CITY's form in the amount of one hundred percent (100%) of the Contract price, to guarantee payment of all claims for labor and materials furnished. Bonds submitted on any form other

SECTION 5 - AGREEMENT (Continued)

than the CITY's form will be rejected. The required bonds shall be from a surety licensed to do business in the State of California and with a current A.M. Best's rating of A-, VII. This Contract shall not become effective until such bonds are supplied and approved by the CITY."

5.16 Insurance.

5.16.1 COMMENCEMENT OF WORK. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a statement of obligation on the part of the carrier to notify the city of any material change, cancellation, or termination at least **thirty (30) days** in advance. A **waiver of subrogation** shall be provided by the insurer for **each policy** waiving subrogation against CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, Claims **made** and **modified occurrence** policies **shall not be accepted** for any policy. All Subcontractors shall be required to provide and maintain the same insurances as required of CONTRACTOR under this contract. CONTRACTOR shall be required to collect and maintain all required insurances from all Subcontractors.

5.16.2 CONTRACTOR is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this Contract.

5.16.3 CONTRACTOR and all Subcontractors shall carry workers' compensation insurance for the protection of its employees during the progress of the work. The insurer shall waive its rights of subrogation against the CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, and shall issue a waiver of subrogation.

5.16.4 Before CONTRACTOR performs any work at, or prepares or delivers materials to, the site of construction, CONTRACTOR shall furnish:

Additional Insured Endorsements, **ongoing and products-completed operations**, for the **Commercial General Liability policy**, including mobile equipment and not excluding XCU. Endorsements shall designate CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

SECTION 5 - AGREEMENT (Continued)

(**Form CG 20 26 07 04 & Form CG 20 37 07 04** or equivalent) (**Claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to CITY and have a minimum A.M. Best Guide rating of A-, class VII or better, as approved by CITY).

An Additional Insured Endorsement for an **Automobile Liability** policy and shall designate CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, as additional insureds for automobiles owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY. (**Form CA 20 48 02 99** or equivalent) (**Claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to CITY and have a minimum A.M. Best Guide rating of A-, class VII or better, as approved by CITY).

A Loss Payee Endorsement for the **Course of Construction** policy designating the City of Garden Grove as Loss Payee. (**Claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to CITY and have a minimum A.M. Best Guide rating of A-, class VII or better, as approved by CITY).

In the event any of CONTRACTOR'S underlying policies do not meet policy limits as required here in, CONTRACTOR shall provide the schedule of underlying policies for a **follows form excess liability** policy, state that the excess policy follows form on the insurance certificate, and an additional insured endorsement for the excess liability policy designating CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, as additional insureds. (**Claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to CITY and have a minimum A.M. Best Guide rating of A-, class VII or better, as approved by CITY).

For any claims related to this Project, the CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, and volunteers for this contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by the CITY, shall be excess of the CONTRACTOR's insurance and not contribute with it.

SECTION 5 - AGREEMENT (Continued)

5.16.5 Before CONTRACTOR performs any work at, or prepares or delivers materials to, the site of construction, CONTRACTOR shall furnish:

CONTRACTOR shall maintain all of the foregoing insurance coverage in force until the work under this Contract is fully completed. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of CITY by CONTRACTOR under Section 5.17 of this Contract. Notwithstanding nor diminishing the obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, the following insurance in amounts not less than the amounts specified and issued by a company admitted and licensed in California and having a Best's Guide Rating of A-Class VII or better (claims made and modified occurrence policies are not acceptable):

Workers' Compensation	As required by the State of California.
Employer's Liability	Not less than \$1,000,000 per accident for bodily injury or disease.
Commercial General Liability (including on-going operations, products - completed operations, and mobile equipment, and not excluding XCU)	Not less than \$5,000,000 per occurrence for bodily injury, personal injury and property damage.
Automobile Liability, for all automobiles including non-owned and hired vehicles	Not less than \$2,000,000 combined single limit for bodily injury and property damage.
Course of Construction	Completed value of the project with no coinsurance penalty provisions.
Follows Form Excess Liability	Required for any underlying policy that does not meet the underlying policy limits required herein.

If contractor maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher limits otherwise maintained by the CONTRACTOR.

CITY or its representatives shall at all times have the right to inspect and receive a certified copy of all said policies of insurance, including certificates and endorsements at CONTRACTORS sole cost and expense. CONTRACTOR shall pay the premiums on the insurance hereinabove required.

SECTION 5 - AGREEMENT (Continued)

5.17 Risk and Indemnification. All work covered by this Contract done at the site of construction or in preparing or delivering materials to the site shall be at the risk of CONTRACTOR alone. CONTRACTOR agrees to save, indemnify and keep the CITY, its Officers, Agents, Employees, Engineers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their directors, Officers, Agents and Employees harmless against any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (CONTRACTOR'S employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by CONTRACTOR, save and except claims or litigation arising through the sole negligence or sole willful misconduct of CITY and will make good to reimburse CITY for any expenditures, including reasonable attorneys' fees CITY may incur by reason of such matters, and if requested by CITY, will defend any such suits at the sole cost and expense of CONTRACTOR.

5.18 Termination.

5.18.1 This Contract may be terminated in whole or in part in writing by the CITY for its convenience, provided that the CONTRACTOR is given (1) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.

5.18.2 If termination for default or convenience is effected by the CITY, an equitable adjustment in the price provided for in this Contract shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due to the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default.

5.18.3 Upon receipt of a termination action under paragraph (5.18.1) or (5.18.2) above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the CONTRACTOR in performing this Contract whether completed or in process.

5.18.4 Upon termination under paragraphs (5.18.1) and (5.18.2) above, the CITY may take over the work and may award another party an agreement to complete the work under this Contract.

5.19 Warranty. The CONTRACTOR agrees to perform all work under this Contract in accordance with the CITY's designs, drawings and specifications.

The CONTRACTOR guarantees for a period of one (1) year from the date of the notice of completion of the work that the completed work is free from all defects due to faulty materials, equipment or workmanship and that he shall promptly make whatever adjustments or corrections which may be necessary to cure any

SECTION 5 - AGREEMENT (Continued)

defects, including repairs or any damage to other parts of the system resulting from such defects. The CITY shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, the CITY may do so and charge the CONTRACTOR the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR'S obligations under this clause are in addition to the CONTRACTOR'S other express or implied assurances of this Contract or state law and in no way diminish any other rights that the CITY may have against the CONTRACTOR for faulty materials, equipment or work.

5.20 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Contract, each shall bear its own attorneys' fees, costs and necessary disbursements. Notwithstanding the foregoing, if any action is brought against the CONTRACTOR or any subcontractor to enforce a Stop Notice or Notice to Withhold, which named the CITY as a party to said action, the CITY shall be entitled to reasonable attorneys' fees, costs and necessary disbursements arising out of the defense of such action by the CITY. The CITY shall be entitled to deduct its costs for any Stop Notice filed, whether court action is involved or not.

5.21 Notices. Any notice required or permitted under this Contract may be given by ordinary mail at the address set forth below. Any party whose address changes shall notify the other party in writing.

TO CITY:

*City of Garden Grove
Public Works Department
Attention: Navin B. Maru
11222 Acacia Parkway
Garden Grove, CA 92842
(714) 741-5180
(714) 741-5578 Fax*

TO CONTRACTOR:

*Thomco Construction, Inc.
Diana L. Thompson, President
1279 N. Patt Street
Anaheim, CA 92801
(714) 447 - 0100
(714) 447 - 0170 Fax*

SECTION 5 - AGREEMENT (Continued)

IN WITNESS THEREOF, these parties have executed this Construction Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE

By: _____

Scott C. Stiles
City Manager

ATTEST:

City Clerk

Date: _____

"CONTRACTOR"

THOMCO CONSTRUCTION, INC.

CONTRACTOR'S State License No. **730401**
(Expiration Date: 2/28/2018)

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Garden Grove City Attorney

Date _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William Murray
Dept.:	City Manager	Dept.:	Public Works
Subject:	Award of contract to R.J. Noble Company for Project No. 7229, Westminster Avenue, Buaro Street, Twintree Avenue, Dorothy Avenue, Coleman Place, and Stanrich Place, Roadway Rehabilitation. (Cost: \$1,864,336.25) (<i>Action Item</i>)		
		Date:	6/13/2017

OBJECTIVE

For the City Council to award a contract to R.J. Noble Company, for Project No. 7229, Westminster Avenue, Buaro Street, Twintree Avenue, Dorothy Ave, Coleman Place, and Stanrich Place Roadway Rehabilitation.

BACKGROUND

The proposed project generally consists of roadway rehabilitation by full depth reclamation and cement treatment, asphalt paving, cold milling, replacement of PCC sidewalk, curb & gutter, drive approach, cross gutter, bus pad, local depression, and handicap ramps, installation of catch basin inlet filters, adjustment of utility covers to finish grade, installation of traffic signal detector loops, installation of traffic striping, raised pavement markers, and signage re-establishment of center-line ties and monuments.

The proposed street reconstruction project will significantly improve ride, safety and appearance of these city streets and reduce maintenance.

DISCUSSION

Staff solicited bids for this project pursuant to Municipal Code Section 2.50.100. Six (6) qualified bids were received and opened in the City Clerk's office at 11:00 a.m. on May 23, 2017. The lowest qualified bidder is R.J. Noble Company, with a total bid of \$1,864,336.25. This bid is within the current project budget. The licenses and references of the contractor have been reviewed and verified by staff, and all

other documentation is in order.

The anticipated contract schedule is as follows:

1. Award Contract - June 13, 2017
2. Begin Construction (estimated) - July 10, 2017
3. Complete Construction (estimated) - December 21, 2017.

FINANCIAL IMPACT

There is no financial impact to the General Fund. This improvement is included in the 2016-17 Capital Improvement Budget and is funded by Measure "M2" Fairshare, Gas Tax, Community Development Block Grant (CDBG), and California State Tire Recycle Grant funds.

RECOMMENDATION

It is recommended that the City Council:

- Award a Contract to R.J. Noble Company, Inc., in the amount of \$1,864,336.25, for Project No. 7229 Westminster Avenue, Buaro Street, Twintree Avenue, Dorothy Avenue, Coleman Place, and Stanrich Place Rehabilitation; and
- Authorize the City Manager to execute the agreement, and make minor modifications as appropriate thereto, on behalf of the City.

By: Navin Maru, Associate Engineer

ATTACHMENTS:

Description	Upload Date	Type	File Name
BID SUMMARY	5/25/2017	Cover Memo	bidsummarysheet_7229.pdf
AGREEMENT	5/25/2017	Cover Memo	agreement_7229.pdf

**CITY OF GARDEN GROVE
PUBLIC WORKS DEPARTMENT
Engineering Division**

BID SUMMARY SHEET

FOR

**PROJECT NO. 7229WESTMINSTER AVE, BUARO STREET, TWINTREE AVENUE,
DOROTHY AVE, COLEMAN PLACE AND STANRICH PLACE REHABILITATIONS**

BID OPENING: DATE: May 23, 2017

TIME: 11:00 A.M.

ENGINEER'S ESTIMATE: \$ 2,000,000.00

<i>Bidder's Name</i>	<i>Total Bid</i>	<i>% Under/Over Engrs. Est</i>
<i>R.J. Noble Company, Orange</i>	<i>\$1,864,336.25</i>	<i>-6.78% Under</i>
<i>All American Asphalt, Corona</i>	<i>\$1,940,656.00</i>	<i>-2.97% Under</i>
<i>Sequal Contractors, Inc., Santa Fe Springs</i>	<i>\$2,015,235.00</i>	<i>00.76 % Over</i>
<i>Griffith Company, Santa Fe Springs</i>	<i>\$2,039,890.00</i>	<i>01.89% Over</i>
<i>Excel Paving Company, Long Beach</i>	<i>\$2,253,785.00</i>	<i>12.69 % Over</i>
<i>Sully Miller, Brea</i>	<i>\$2,272,709.00</i>	<i>17.11 % Over</i>

CONSTRUCTION AGREEMENT

R J NOBLE COMPANY

ATTACHMENT # 2

THIS AGREEMENT is made this _____ day of _____, 2017, by the CITY OF GARDEN GROVE, a municipal corporation, ("CITY"), and R J NOBLE COMPANY hereinafter referred to as ("CONTRACTOR").

WHEREAS, the Federal Department of Housing and Urban Development is providing partial funding for this Contract to CITY through a Community Development Block Grant;

WHEREAS, CITY has solicited bids for a public works project, hereinafter referred to as "PROJECT," more fully described as WESTMINSTER AVENUE, DOROTHY AVENUE, COLEMAN PLACE, STANRICH PLACE, TWINTREE AVENUE AND BUARO STREETS REHABILITATION, in the City of Garden Grove; and

CONTRACTOR has been selected to perform said services,

NOW, THEREFORE, in consideration of the promises and agreements hereinafter made and exchanged, the parties covenant and agree as follows:

1. STATEMENT OF WORK ACCEPTANCE OF RISK

CONTRACTOR shall complete and construct the PROJECT pursuant to this Agreement and the Contract Documents (as hereinafter defined) and furnish, at its own cost and expense, all labor, plans, tools, equipment, supplies, transportation, utilities and all other items, services and facilities necessary to complete and construct the PROJECT in a good and workmanlike manner.

CONTRACTOR agrees to fully assume the risk of all loss or damage arising out of the nature of the PROJECT, during its progress or prior to acceptance by CITY, from the action of the elements, from any unforeseen difficulties which may arise or be encountered in the prosecution of work, and for all other risks of any description in connection with the work, including, but not limited to, all expenses incurred by or in consequence of the suspension or discontinuance of work, except such as are herein expressly stipulated to be borne by CITY, and for well and faithfully completing the work within the stipulated time and in the manner shown and described in this Agreement, and in accordance with the requirements of CITY for the compensation set forth in the accepted bid proposal.

2. ACCEPTANCE OF CONDITIONS OF WORK• PLANS AND SPECIFICATIONS

CONTRACTOR acknowledges that it is fully familiar with all the terms, conditions and obligations of this Agreement and the Contract Documents (as defined below in this Section), the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Agreement based upon its thorough investigation of all such matters and is relying in no way upon any opinions or representations of CITY.

It is agreed that the Contract Documents are incorporated into this Agreement by this reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its subcontractors, if any, shall be bound by the Contract Documents insofar as they relate in part or in any way, directly or indirectly, to the work covered by this Agreement.

"Contract Documents" as defined herein mean and include:

- A. This Agreement;
- B. Bonds covering the work herein agreed upon;
- C. The CITY's standard Plans and Specifications and special contractual provisions, including those on file in the office of the Director of Public Works of CITY and adopted by the City Council, and any revisions, amendments or addenda thereto;
- D. The edition of Standard Specifications for Public Works Construction, published by Builders' News, Inc., 10801 National Boulevard, Los Angeles, CA 90064, and all amendments thereto, written and promulgated by the Southern California chapter of the American Public Works Association and the Southern California District Associated General Contractors of the California Joint Cooperative Committee as specified in the particular Plans, Specifications, Special Provisions and Addenda applicable to the Project;
- E. All bid documents, including the Notice Inviting Bids, the Special Instructions to Bidders, the CONTRACTOR's proposal, (attached as Exhibit "A"), "Form HUD-4010," the Federal Labor Standards Provision of the United States (attached as Exhibit "B"), and "Standard Federal Equal Employment Opportunity Construction Contract Specifications," as established by Federal Executive Order 11246 (attached as Exhibit "C").
- F. The particular Plans, Specifications, Special Provisions and Addenda applicable to the PROJECT. Anything mentioned in the Specifications and not indicated in the Plans or indicated in the Plans and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of a discrepancy between any Plans, Specifications, Special provisions, or Addenda, the matter shall be immediately submitted by CONTRACTOR to the Department of Public Works of CITY (hereinafter referred to as "DPW"), and CONTRACTOR shall not attempt to resolve or adjust the discrepancy without the decision of DPW, save only at its own risk and expense.

Should there be any conflict between the terms of this Agreement and the bid or proposal of CONTRACTOR, then this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of the bid or proposal which is in conflict herewith.

3. COMPENSATION

CITY agrees to pay and CONTRACTOR agrees to accept as full compensation for the faithful performance of this Agreement, subject to any additions or deductions made under the provisions of this Agreement or the Contract Documents, a sum not to exceed Dollars **\$1,864,336.25 (\$ One Million Eight Hundred and Sixty Four Thousand Three Hundred and Thirty Six Dollars and Twenty Five Cents)**, as set forth in the Contract Documents, to be paid as provided in this Agreement.

4. COMMENCEMENT OF PROJECT

CONTRACTOR agrees to commence the PROJECT within ten (10) working days after the Notice to Proceed is issued and diligently prosecute the PROJECT to completion within **seventy five (75) working days** from the day the Notice to Proceed is issued by DPW, excluding delays provided for in this Agreement.

The first construction work day for both of work is July 10, 2017 and all work shall be completed within 75 working days.

5. TIME OF THE ESSENCE

The parties hereto recognize and agree that time is of the essence in the performance of this Agreement and each and every provision of the Contract Documents.

CONTRACTOR shall prepare and obtain approval as required by the Contract Documents for all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of its work in conformance with the progress schedule set forth in the Contract Documents. CONTRACTOR shall coordinate its work with the work of all other contractors, subcontractors, and CITY forces working on the PROJECT in a manner that will facilitate the efficient completion of the PROJECT and in accordance with the terms and provisions of this Agreement. CITY shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time and order in which the various portions of the work shall be performed and the priority of the work of other contractors, subcontractors and CITY forces and, in general, all matters concerning the timely and orderly conduct of the work of CONTRACTOR on the premises.

6. CHANGES

CONTRACTOR shall adhere strictly to the plans and specifications set forth in the Contract Documents unless a change therefrom is authorized in writing by DPW. CONTRACTOR agrees to make any and all changes, furnish materials and perform all work necessary within the scope of the PROJECT as DPW may require in writing. Under no condition shall CONTRACTOR make any changes without the prior written order or acceptance of DPW, and CITY shall not pay any extra charges made by CONTRACTOR that have not been agreed upon in writing by DPW.

When directed to change the work, CONTRACTOR shall submit immediately to DPW a written cost proposal reflecting the effect of the change. Should DPW not agree to such cost proposal, the work shall be performed according to the changes ordered in writing by DPW and the proper cost thereof shall be negotiated by the parties upon cost and pricing data submitted by CONTRACTOR; thereupon, CITY will promptly issue an adjusted change order to CONTRACTOR and the Agreement price will be adjusted upward or downward accordingly.

7. NOTICE TO PROCEED

No work, services, material, or equipment shall be performed or furnished under this Agreement unless and until a Notice to Proceed has been given to CONTRACTOR by CITY. CITY does not warrant that the work will be available on the date the Notice to Proceed is issued. In the event of a delay in commencement of the work due to unavailability of the job site, for any reason, relief to CONTRACTOR shall be limited to a time extension equal to the delay due to such unavailability.

8. BONDS

Only bonds issued by California admitted sureties will be accepted. CONTRACTOR shall, prior to its performance of this Agreement, furnish the following two (2) bonds approved by the City Attorney: One in the amount of one hundred percent (100%) of the Agreement price to guarantee the CONTRACTOR's faithful performance of the work, and one in the amount of one hundred percent of the Agreement price to guarantee payment of all claims for labor and materials furnished.

In addition, CONTRACTOR shall submit to CITY a bond in the amount of one hundred percent (100%) of the final Agreement price, including all change orders, to warrant such performance

for a period of one (1) year after CITY's acceptance thereof within ten (10) days of filing of the Notice of Completion.

9. WARRANTIES

CONTRACTOR unconditionally guarantees all work done under this Agreement including, but not limited to, any workmanship, installation, fabrication, material or structural facilities constructed. CONTRACTOR, within ten (10) days after notice by CITY of any defect in the work, shall have the option to make appropriate repairs or replace the defective item or items. Upon expiration of such ten- (10) day period, CITY may then make appropriate repair or replacement at CONTRACTOR's risk and own cost and expense.

10. INDEPENDENT CONTRACTOR

It is understood and agreed that CONTRACTOR is, and shall be, acting at all times hereunder as an independent contractor and not an employee of CITY. CONTRACTOR shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONTRACTOR and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services performed hereunder.

11. LIQUIDATED DAMAGES/DELAYS

It is agreed by the parties hereto that in case the total work called for hereunder is not in all parts and requirements finished or completed within the number of calendar days as set forth herein, damage will be sustained by CITY; and that it is, and would be, impractical and extremely difficult to ascertain and determine the actual damage which CITY would sustain in the event of and by reason of such delay. It is, therefore, agreed that CONTRACTOR will pay to CITY, as liquidated damages and not as a penalty, the sum of **Eighteen hundred Dollars (\$ 1,800.00)** per each calendar days delay in completing the work in excess of the number of working/calendar days set forth herein, which represents a reasonable endeavor by the parties hereto to estimate a fair compensation for the foreseeable damages CITY would sustain in the event of and by reason of such delay; and CONTRACTOR agrees to pay these damages herein provided, and further agrees that CITY may deduct the amount thereof from any monies due or that may become due to CONTRACTOR hereunder. For projects on the National Highway System (NHS), the local formula for liquidated damages will be provided.

CONTRACTOR will be granted an extension of time and will not be assessed damages for any portion of the delay in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of CONTRACTOR, including, but not limited to, acts of God or of the public enemy, fire, floods, epidemics, quarantine restrictions, strikes, unsuitable weather, or delays of subcontractors due to such causes.

CONTRACTOR shall, within fifteen (15) days from the beginning of any such delay (unless DPW shall grant a further period of time), notify DPW in writing of the cause of the delay and CITY shall extend the time for completing the work if, in its judgment, the findings of fact thereon justify the delay; and the decision of DPW shall be conclusive on the parties hereto.

Should CONTRACTOR be delayed in the prosecution or completion of the work by the act, neglect or default of CITY, or should CONTRACTOR be delayed by waiting for materials required by this Agreement to be furnished by CITY, or by damage caused by fire or other casualty at the job site for which CONTRACTOR is not responsible, or by the combined action of the workers, in no way caused by or resulting from default or collusion on the part of CONTRACTOR, or in the event of a lockout by CITY, then the time herein fixed for the completion of the work shall be extended by the number of days CONTRACTOR has thus been delayed, but no allowance or extension shall be made unless a claim therefor is presented in writing to CITY within fifteen (15) days of the commencement of such delay.

No claims for additional compensation or damages for delays, irrespective of the cause thereof, and including without limitation the furnishing of materials by CITY or delays by other contractors or subcontractors, will be allowed and an extension of time for completion shall be the sole remedy of CONTRACTOR.

12. DEMANDS FOR ADDITIONAL TIME OR MONEY

A. Definitions.

(1) "Change Order" means a document signed by the CONTRACTOR and CITY which authorizes an addition, deletion or revision in the work, or an adjustment in the Compensation under Section 3, or the Completion Time specified at Section 4.

(2) "Demand" means a written demand for a Change Order by the CONTRACTOR for any of the following:

(a) A time extension;

(b) Payment of money or damages arising from work done by, or on behalf of, the CONTRACTOR pursuant to this Agreement and payment of which is not expressly permitted pursuant to Section 3 of this Agreement;

(c) Payment of an amount the CITY disputes;

(d) Any disputes and other matters relating to the acceptability of the work performed or the interpretation of the Contract Documents;

(e) A request for a time extension or additional payment based upon differing site conditions, such as subsurface or latent physical conditions at the job site differing materially from those indicated in this Agreement or the Contract Documents, or unknown physical conditions at the job site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent to work of the PROJECT; or

(f) A request for a time extension or additional payment based upon acts of neglect by CITY or due to fires, floods, labor disputes, epidemics, abnormal weather conditions or acts of God.

B. A Demand for a time extension or payment of money or damages may only be granted by a Change Order.

C. No Change Order may be granted except where the Contractor has submitted a Demand to the DPW (or his or her written designee). All Demands shall be submitted promptly, but in no event later than thirty (30) days after the occurrence of the event giving rise to the Demand. The Demand shall be in writing and include all documents necessary to substantiate the Demand. The DPW shall act on the Demand within fifteen (15) days after receipt, including by requesting additional information from the CONTRACTOR to determine whether to approve the Change Order the Demand seeks. The DPW shall act on the Demand within fifteen (15) days after receipt of the additional information or within a period of time no greater than the time the CONTRACTOR took to produce the additional information requested, whichever is greater.

D. Notwithstanding the thirty (30) days to submit a Demand under Subparagraph C, in the case of differing or unknown site conditions, immediately upon encountering the conditions, CONTRACTOR shall notify the DPW in writing of the conditions, so that the CITY may promptly investigate the conditions.

E. If the CONTRACTOR disputes the DPW's written response on the Demand, or the CITY fails to respond within the time prescribed, the CONTRACTOR may so notify the City Engineer, in writing, either within fifteen (15) days of receipt of the City Engineer's response or within fifteen (15) days of the DPW's failure to respond within the time prescribed, respectively, and request an informal conference to meet and confer for settlement of the Demand. Upon the

CONTRACTOR's request, the DPW shall schedule a meet and confer conference within thirty (30) days to seek to resolve.

F. CITY and CONTRACTOR shall execute appropriate Change Orders covering changes to the time or price by executing the Change Order by mutual agreement. If the CITY and CONTRACTOR are unable to reach a mutual agreement, then the City Engineer shall issue a written decision on the claim within a reasonable time.

G. Following the meet and confer conference, if the Demand remains in dispute, the CONTRACTOR may file a claim with the City as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the time the CONTRACTOR submits his or her Demand until the Demand is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

13. VARIATIONS IN ESTIMATED QUANTITIES

The quantities listed in the bid schedule will not govern final payment. Payment to CONTRACTOR will be made only for the actual quantities of Agreement items used in construction of the PROJECT, in accordance with the plans and specifications. Upon completion of the PROJECT, if the actual quantities used are either more than or less than the quantities listed in the bid schedule, the bid price shall prevail subject to the provisions of this Section. DPW may, at its sole discretion, when warranted by the facts and circumstances, order an equitable adjustment, upwards or downwards, in payment to CONTRACTOR where the actual quantities used in construction of the PROJECT are in variation to the quantities listed in the bid schedule. No claim by CONTRACTOR for an equitable adjustment in price or time for completion shall be allowed if asserted after final payment under this Agreement. If the quantity variation is such as to cause an increase in the time necessary for completion, DPW shall ascertain the facts and circumstances and make such adjustment for extending the completion date as in its sole judgment the findings warrant.

14. PROGRESS PAYMENTS

Each month DPW will make an estimate in writing of the work performed by CONTRACTOR and the value thereof. From each progress estimate, five percent (5%) will be deducted and retained by CITY and the remainder of the progress estimate, less the amount of all previous payments since commencement of the work, will be paid to CONTRACTOR.

When CONTRACTOR has, in the judgment of DPW, faithfully executed fifty percent (50%) or more of the value of the work as determined from the bid schedule, and if DPW finds that satisfactory progress has been and is being made, CONTRACTOR may be paid such sum as will bring the payments of each month up to one hundred percent (100%) of the value of the work completed since the commencement of the PROJECT, as determined in its sole discretion by DPW, less all previous payments and less all previous retained amounts.

CITY's final payment to CONTRACTOR, if unencumbered, or any part thereof unencumbered, shall be made thirty (30) days after the acceptance of the work and the filing of a Notice of Completion by CITY. Provided, however, that in the event of a dispute between CITY and CONTRACTOR, CITY may withhold from the final payment an amount not to exceed 150 percent of the value of any disputed amount of work. Payments shall be made on demands drawn in the manner required by law, each payment to be accompanied by a certificate signed by DPW, affirming that the work for which payment is demanded has been performed in accordance with the terms of the Agreement and that the amount stated in the certificate is due under the terms of the Agreement. Partial payments on the contract price shall not be considered as an acceptance of any part of the work.

15. WITHHELD CONTRACT FUNDS SUBSTITUTION OF SECURITIES

At the request and at the sole cost and expense of CONTRACTOR, who shall retain beneficial ownership and receive interest, if any thereon, CITY shall permit the substitution and deposit therewith of securities equivalent to the amount of any monies withheld by CITY to ensure performance under the terms of this Agreement.

16. AFFIDAVITS OF SATISFACTION OF CLAIMS

After the completion of the work contemplated by this Agreement, CONTRACTOR shall file with DPW its affidavit stating that all workers and persons employed, all firms supplying materials and all subcontractors working upon the PROJECT have been paid in full and that there are no claims outstanding against the PROJECT for either labor or material, except certain items, if any, to be set forth in CONTRACTOR's affidavit covering disputed claims, or items in connection with Notices to Withhold, which have been filed under the provisions of the statutes of the State of California.

17. WAIVER OF CLAIMS

The acceptance by CONTRACTOR of the payment of the final certificate shall constitute a waiver of all claims against CITY under or arising out of this Agreement.

18. INDEMNIFICATION DEFENSE HOLD HARMLESS

CONTRACTOR hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents, and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands, defense costs, and consequential damage or liability of any kind or nature, however caused, including those resulting from death or injury to CONTRACTOR's employees and damage to CONTRACTOR's property, arising directly or indirectly out of the obligations or operations herein undertaken by CONTRACTOR, caused in whole or in part by any negligent act or omission of the CONTRACTOR, any subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence, or willful misconduct of the CITY, its officers, elected or appointed officials, employees, agents, and volunteers. CONTRACTOR will conduct all defense at its sole cost and expense and CITY shall approve selection of CONTRACTOR's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

19. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE

Pursuant to California Labor Code Section 1861, CONTRACTOR acknowledges awareness of Section 3700 et seq. of this Code, which requires every employer to be insured against liability for workers' compensation; CONTRACTOR covenants that it will comply with such provisions prior to commencing performance of the work hereunder.

CONTRACTOR shall maintain workers' compensation and employer's liability insurance in an amount of not less than the State statutory limits.

CONTRACTOR shall require all subcontractors to provide such workers' compensation and employer's liability insurance for all of the subcontractors' employees. CONTRACTOR shall furnish to CITY a certificate of waiver of subrogation under the terms of the workers' compensation and employer's liability insurance and CONTRACTOR shall similarly require all subcontractors to waive subrogation.

20. INSURANCE

In addition to the workers' compensation and employer's liability insurance and CONTRACTOR's covenant to defend, hold harmless and indemnify CITY, CONTRACTOR shall obtain and furnish to CITY, a policy of general public liability insurance, including motor vehicle coverage covering the PROJECT. This policy shall indemnify CONTRACTOR, its officers, employees and agents while acting within the scope of their duties, against any and all claims arising out or in connection with the PROJECT, and shall provide coverage in not less than the following amount: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability, of One Million Dollars (\$2,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than One Million Dollars (\$5,000,000) for this PROJECT. This policy shall name CITY, its officers, elected or appointed officials, employees, agents, and volunteers as (the "Additionally Insured Parties") as Additional Insureds, and shall specifically provide that any other insurance coverage which may be applicable to the PROJECT shall be deemed excess coverage and that CONTRACTOR's insurance shall be primary and non-contributory with any other valid and collectible insurance or self-insurance available to the Additionally Insured Parties. Any available insurance proceeds in excess of the minimum coverage amount specified herein shall be available to the Additionally Insured Parties. All coverage available to CONTRACTOR shall also be available to the Additionally Insured Parties. Under no circumstances shall said above-mentioned insurance contain a self-insured retention without the express written consent of CITY; however, an insurance policy "deductible" of \$5,000.00 is permitted. CONTRACTOR shall be responsible for causing all Subcontractors to maintain the same types and limits of insurance coverage as that required of CONTRACTOR by this Agreement.

21. CERTIFICATES OF INSURANCE • ADDITIONAL INSURED ENDORSEMENTS

Prior to commencing performance of the work hereunder, CONTRACTOR shall furnish to CITY certificates of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverages as required by this Agreement; the certificates shall:

1. provide the name and policy number of each carrier and policy;
2. state that the policy is currently in force; and
3. promise to provide that such policies will not be canceled or modified without thirty (30) days' prior written notice of CITY.

CONTRACTOR shall maintain the foregoing insurance coverages in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverages shall not derogate from the provisions for indemnification of CITY by CONTRACTOR under the Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of all the policies of insurance. CONTRACTOR shall pay, in a prompt and timely manner, the premiums on all insurance hereinabove required.

CONTRACTOR shall provide a separate copy of the additional insured endorsement to each of CONTRACTOR's insurance policies, naming CITY, its officers, elected and appointed officials, employees, agents and volunteers as Additional Insureds, to the City Attorney for approval prior to any payment hereunder.

22. CALIFORNIA PREVAILING WAGE LAW AND FEDERAL DAVISBACON ACT.

A. The CITY has ascertained from the Director of Industrial Relations of the State of California the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Agreement, and the same has been set forth by resolution on file in the office of the City Clerk of CITY. CONTRACTOR and any subcontractor under it shall pay not less than said prevailing wage rates to all workers employed on this public works Agreement, as required by California Labor Code Sections 1771 and 1774. In accordance with the provisions of Section 3700 of the California Labor Code, CONTRACTOR agrees to secure payment of compensation to every employee.

B. Pursuant to this Agreement and in accordance with Section 1774 and 1775 of the California Labor Code, CONTRACTOR shall, as penalty to CITY, forfeit twenty-five dollars (\$25) for each calendar day or portion thereof for each worker paid (either by CONTRACTOR or any of its subcontractors) less than the prevailing wage rate established for that particular craft or type of work.

C. This Agreement also is subject to the Federal Davis-Bacon Act. The minimum rate of wages for each craft or type of worker needed to execute the PROJECT shall be those as determined by the United States Secretary of Labor. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California Department of Industrial Relations for similar classifications of labor, the CONTRACTOR and subcontractors shall pay not less than the higher wage rate.

23. CALIFORNIA EIGHT-HOUR LAW

A. California Labor Code, Sections 1810 et seq, shall apply to the performance of this Agreement; thereunder, not more than eight (8) hours shall constitute one day's work and CONTRACTOR and each subcontractor employed by its hereunder, shall not require more than eight (8) hours of labor per day or forty (40) hours per week from any one person employed by it hereunder, except as stipulated in California Labor Code Section 1815. CONTRACTOR and each subcontractor employed by it hereunder shall, in accordance with California Labor Code Section 1812, keep an accurate record, open to inspection at all reasonable hours, showing the name and actual hours worked each calendar day and each calendar week by each worker employed in connection with the PROJECT.

B. Pursuant to this Agreement and in accordance with California Labor Code Section 1813, CONTRACTOR shall, as a penalty to CITY, forfeit twenty-five dollars (\$25) for each worker employed hereunder by CONTRACTOR or any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day or forty (40) hours in any one (1) calendar week in violation of California Labor Code Section 1815.

24. PAYMENT OF TRAVEL AND SUBSISTENCE ALLOWANCE

Section 1773.8 of the California Labor Code, regarding the payment of travel and subsistence allowance is applicable to this PROJECT.

25. EMPLOYMENT OF APPRENTICES

Section 1777.5 of the California Labor Code, regarding the employment of apprentices is applicable to this PROJECT.

26. PAYROLL RECORDS

CONTRACTOR agrees to keep accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice or worker employed by it in

connection with the PROJECT and agrees to require each of its subcontractors to do the same. CONTRACTOR further agrees that its payroll records and those of its subcontractors, if any, shall be available at all reasonable times to the CITY, and the employee or his representative, and the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards, and to comply with all of the provisions of California Labor Code Section 1776, in general.

27. NOTICE OF THIRD-PARTY CLAIM

Pursuant to Public Contracts Code 59202, CITY shall provide notice to CONTRACTOR of receipt of any claim filed with CITY or a court of competent jurisdiction which arises out of performance of this agreement within ten (10) days of receipt of such claim or claims.

28. DEFAULT AND TERMINATION

If CONTRACTOR fails or refuses to prosecute the work hereunder with diligence, or fails to complete the work within the time specified, or is adjudged bankrupt or makes an assignment for the benefit of creditors or becomes insolvent, or violates any provision of this Agreement or the Contract Documents, CITY may give CONTRACTOR notice in writing of its intention to terminate this Agreement. Unless the violation is cured within ten (10) days after such Notice of Intention has been served on CONTRACTOR, CITY may, without prejudice to any other remedy it may have, terminate this Agreement upon the expiration of that time.

Upon such default by CONTRACTOR, CITY may elect not to terminate this Agreement; in such event CITY may make good the deficiency in which the default consists and deduct the resulting costs from the progress payments then or to become due to CONTRACTOR.

If it is subsequently determined by a court of competent jurisdiction that CITY's termination of this Agreement under this Section was wrongful, such termination shall be converted to a termination for convenience under Section 29 and any damages shall be assessed as set forth in Section 29.

29. TERMINATION FOR CONVENIENCE

CITY may terminate this Agreement for convenience at any time with or without cause, and whether or not PROJECT is fully complete upon seven (7) calendar day's written notice to CONTRACTOR. In the event of termination, under this Section CITY shall pay CONTRACTOR for value of work in place on the PROJECT through the termination period less all such payments already made. In case of such termination for convenience, the CONTRACTOR shall be entitled to receive payment for work executed, and costs incurred by reason of such termination. In no event shall CONTRACTOR be entitled to recover overhead, profit or CONTRACTOR's fee on work not performed. Such payment by CITY shall be CONTRACTOR's sole and exclusive remedy for termination by CITY for its convenience and CITY shall have no further obligation to CONTRACTOR.

30. DISPOSITION OF PLANS ESTIMATES AND OTHER DOCUMENTS

CONTRACTOR agrees that upon completion of the work to be performed hereunder, or upon expiration or earlier termination of this Agreement, all original plans, specifications, drawings, reports, calculations, maps and other documents pertaining to this Agreement shall be delivered to CITY and become its sole property at no further cost.

31. NONASSIGNABILITY

CONTRACTOR shall not sell, assign, transfer, convey or encumber this Agreement, or any part hereof, or any right or duty created herein, without the prior written consent of CITY and the surety.

32. CITY EMPLOYEES AND OFFICIALS

CONTRACTOR shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the California Government Code.

33. STOP NOTICES• RECOVERY OF ADMINISTRATIVE COSTS

CITY shall be entitled to all reasonable administrative costs and necessary disbursements arising out of the processing of Stop Notices, Notices to Withhold, or any similar legal document. This obligation shall be provided for in the labor and materials payment bond required of CONTRACTOR. CITY may charge an administrative fee of One Hundred Dollars (\$100) for every Stop Notice filed in excess of two (2), regardless of whether or not CITY is named in an action to enforce such stop notices. CITY may set off any unreimbursed cost or expense so incurred against any sum or sums owed by CITY to CONTRACTOR under this Agreement.

34. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONTRACTORs agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below; provided that CITY and CONTRACTOR, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent:

TO CITY:

City of Garden Grove
ATTN: Navin B. Maru
11222 Acacia Parkway
Garden Grove, CA 92648
(714) 741-5180 Phone
(714) 741-5578 Fax

TO CONTRACTOR:

R J Noble Company
Attn: Steve Mendoza, Secretary
15505 E. Lincoln Avenue
Orange, CA 92865
(714) 637-1550
(714) 637- 6321Fax

35. SECTION HEADINGS

The titles, captions, section, paragraph, and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

36. IMMIGRATION

CONTRACTOR shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the Immigration Reform and Control Act of 1978 (8 USC Section 1324a) regarding employment verification.

37. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONTRACTOR and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONTRACTOR understands that pursuant to Garden Grove City Charter

Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONTRACTOR.

38. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees and the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

39. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

40. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

41. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

42. CONSENT

Where CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be consent/approval to any subsequent occurrence of the same or any other transaction or event.

43. CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT

CONTRACTOR agrees to comply with all requirements and utilize fair employment practices in accordance with California Government Code Sections 12900 et seq.

44. SIGNATORIES

Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and

shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

45. ENTIRETY

The foregoing, and Exhibits "A" and "B" attached hereto, set forth the entire Agreement between the parties. No waiver or modification of this Agreement shall be valid unless in writing duly executed by both parties.

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiations, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement.

46. **FHWA-1273 REQUIRED CONTRACT PROVISIONS FOR FEDERAL-AID CONTRACTS**

(See Next 10 Pages)

FHWA-1273 -- Revised May 1, 2012

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on [Form FHWA-1391](#). The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such

laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b. (1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually

identifying number for each employee (e.g. , the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of

Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or

subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;

(2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer,

or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character,

quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.

2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency

determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contractor). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

IN WITNESS THEREOF, these parties have executed this Construction Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE

By: _____

Scott C. Stiles
City Manager

ATTEST:

City Clerk

Date: _____

"CONTRACTOR"

R J NOBLE COMPANY
CONTRACTOR'S State License No. **782908 CLASS A**
(Expiration Date: 08/31/2018)

By:

Title: _____

Date: _____

APPROVED AS TO FORM:

Garden Grove City Attorney

Date: _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kingsley Okereke/Tom Schultz
Dept.:	City Manager	Dept.:	Finance
Subject:	Consideration of an Ordinance for the Paramedic Tax Override Rate for Fiscal Year 2017-18. (<i>Action Item</i>)	Date:	6/13/2017

OBJECTIVE

For the City Council to approve a 1 cent adjustment to the Paramedic Override Tax rate, and adopt the Paramedic Tax Override Rate ordinance for Fiscal Year 2017-18.

BACKGROUND

In June 1974, Garden Grove voters approved a property tax increase (override) to pay for emergency paramedic services. The approved ballot measure established a property tax specifically to pay for a "mobile intensive care program" in an amount not to exceed 10 cents per \$100 of assessed valuation.

City Council Resolution No. 4547-74, which authorized the ballot measure, stated the specific purposes for which the property tax was proposed; namely, to provide for (1) an emergency medical care system with a response time of five minutes; (2) to pay salaries; and (3) to purchase and maintain vehicles, radio, telemetry and intensive care equipment, and all necessary supplies.

In June 2012, the City Council set the tax at 7.0 cents (\$.070) per one-hundred dollars (\$100) of assessed valuation.

DISCUSSION

Over the years, the cost of providing paramedic services has increased. In order to maintain and pay for paramedic emergency medical care services, it is necessary to adjust the paramedic tax override to generate sufficient revenue to cover current program costs. Since 2012, the volume of paramedic calls has greatly increased.

Between 2012 and 2016, the Fire Department has averaged 11,848 calls for service per year. Of those calls, an average of 5,872 were for paramedic level services. In 2016, calls for service greatly increased to 14,914 of which 10,149 were for medical aid calls, with 6,077 of those calls requiring paramedic level service, representing about 60% of the total cost.

As the paramedic program expanded to meet the five-minute response standard, the cost to maintain the program also grew. The current property tax override of 7 cents per \$100 of assessed valuation is no longer adequate to cover program costs. Currently, the paramedic program does not meet the five minute response time the majority of the time.

The City's General Fund has made up the difference between what the property tax override generated and the cost of providing paramedic services. The projected FY 2017-18 cost of providing paramedic services is approximately \$9.8 million (See Attachment 1).

FINANCIAL IMPACT

An adjustment of an additional 1 cent per \$100 of assessed valuation would address the shortfall between program costs and revenue currently collected. Adjusting the rate to 8 cents will generate approximately \$10.18 million annually. This will fully fund the city's paramedic program for FY 2017-18 estimated cost of \$9.8 million, with the balance (approximately \$380 thousand) carried forward to fund FY 2018-19 costs.

RECOMMENDATION

It is recommended that the City Council:

- Introduce and conduct the first reading of the attached Ordinance authorizing a property tax override of 8 cents per \$100 of assessed value beginning with the Fiscal Year 2017-18 paramedic program.

Attachment 1: Paramedic Program Cost Analysis

Attachment 2: Ordinance

ATTACHMENTS:

Description	Upload Date	Type	File Name
Paramedic Program cost	6/8/2017	Backup Material	Paramedic_Program_cost_analysis_6-13-17.pdf
Ordinance	6/7/2017	Ordinance	6-13-17_Paramedic_Tax_Ordinance_FY_17-18.pdf

PARAMEDIC PROGRAM COST ANALYSIS
PARAMEDIC TAX REIMBURSEMENT
FY 2017 - 2018

(IN JURISDICTION ONLY)

2016 Total Calls for Service	14,914
2016 Medical Aid Calls	10,149
2016 Paramedic Unit Service Calls	6,077
2016 Paramedic Unit Service Call Ratio	0.5988

Paramedic Program Cost Analysis

	Full Cost
Direct Cost (Division 52)	
Labor	4,388,494
Non-Labor	186,200
Equip Pool (Paramedic Trucks)	85,176
Insurance	7,805
Telephones	7,128
	<u>4,674,803</u>
Other Allocable Costs	
Dispatch Costs 60% of \$686,593	411,117
Training Support 60% of \$35,900	21,496
Inter-City Charges 60% of \$181,388	108,611
Fire Engines (6) 58% of \$701,880	407,090
Captains (24) 58% of \$5,252,232	3,046,295
Engineers (18) 58% of \$3,067,398	1,779,091
	<u>5,773,700</u>
Gross Paramedic Program Cost	<u>10,448,503</u>
Reimbursements	
Paramedic Personnel Reimbursement	258,701
Medical Supply Reimbursement	174,786
Non-Resident Reimbursement	214,048
	<u>647,535</u>
Net Paramedic Program Cost	<u><u>9,800,968</u></u>

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ESTABLISHING THE AMOUNT OF MONEY FOR PARAMEDIC SERVICES THAT MUST
BE RAISED BY AN AD VALOREM TAX OVERRIDE AND THE SETTING OF THE TAX
RATE OF SAID OVERRIDE

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS
FOLLOWS:

SECTION 1: In June 1974, over sixty percent (60%) of the Garden Grove voters approved an ad valorem tax override to provide emergency medical care service (Paramedic Services) to the community and thereby incurring a debt consisting of personnel and equipment payment obligations.

SECTION 2: Property taxes for indebtedness approved by the voters prior to July 1, 1978, are authorized pursuant to Section 93 of the Revenue and Taxation Code.

SECTION 3: The City Council of the City of Garden Grove hereby declares it is necessary to raise an estimated \$9,800,968 through the use of an ad valorem tax override on the taxable property within the City of Garden Grove to maintain and pay for the emergency medical care services. Such indebtedness to be paid includes personnel salaries, training costs, equipment purchases, and maintenance of all equipment acquired previously for paramedic services purpose.

SECTION 4: The tax rate for the authorized ad valorem tax override as approved by voters of all assessable real and personal property for the Fiscal Year 2017-18 shall be 8.0 cents (\$.080) per one-hundred dollars (\$100) of assessed valuation, using as a basis the value of the property as assessed and equalized by the County of Orange, State of California, and shown on the 2017-18 assessment roll of said county.

SECTION 5: This ordinance shall exclude from Section 4 annexations of assessable, real and personal property to the City of Garden Grove after July 1, 1978, indicated by the listing on the attached document designated Exhibit "A".

SECTION 6: Severability. If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, 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, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words, or portions thereof be declared invalid or unconstitutional.

SECTION 7: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

EXHIBIT "A"

Listed Annexations Finalized After July 1, 1978 and
Not Subject to Paramedic Tax Override

Annexation No./ Reorganization No.	City Resolution Number	Date Completed
1-78	5573-78	August 8, 1978
2-78	5634-78	October 24, 1978
3-78	5637-78	November 28, 1978
4-78	5670-78	November 30, 1978
5-78	5671-78	November 30, 1978
7-78	5731-79	March 30, 1979
1-79	5813-79	July 30, 1979
141	7875-96	May 29, 1996

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Ordinance No. 2880 Date: 6/13/2017
presented for second reading
and adoption

Attached is Ordinance No. 2880, recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance 2880	5/30/2017	Ordinance	2880_GPA-001- 2017__PUD-006- 2017;_Lewis_Street.pdf

ORDINANCE NO. 2880

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING PLANNED UNIT DEVELOPMENT NO. PUD-006-2017 TO AMEND THE CITY'S OFFICIAL ZONING MAP TO CHANGE THE ZONING FOR THE PORTION OF THE PROJECT SITE THAT IS LOCATED WITHIN THE CITY OF GARDEN GROVE AND TO "PRE-ZONE" THE PROPERTIES TO BE ANNEXED TO RESIDENTIAL PLANNED UNIT DEVELOPMENT ZONING (PUD-006-2017) WITH R-1 (SINGLE-FAMILY RESIDENTIAL) BASE ZONING

City Attorney Summary

This Ordinance approves an amendment to the City's Official Zoning Map to change the zoning for the portion of the Project site that is located within the City of Garden Grove and to "pre-zone" the properties to be annexed to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning. This Ordinance will take effect if the Resolution approving General Plan Amendment No. GPA-001-2017, adopted by the Garden Grove City Council on May 23, 2017, takes effect.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, Shea Homes, the applicant, submitted a request to develop a gated small lot subdivision with 70 single-family detached residential units and related street and open space improvements on a 9.01-acre site located in the Cities of Garden Grove and Orange, at the northwest corner of Lewis Street and Garden Grove Boulevard, at 12901 Lewis Street (Assessor's Parcel Nos. 231-041-26, 231-041-27, 231-041-28, and 231-255-01) (the "Property"), which is owned by Christ Catholic Cathedral Facilities Corporation;

WHEREAS, the applicant has requested the following approvals to facilitate the proposed development: (i) detachment from the City of Orange and annexation to the City of Garden Grove and the Garden Grove Sanitary District of 39,328 square feet or 0.901 acres; (ii) General Plan Amendment No. GPA-001-2017 to amend the City of Garden Grove General Plan Land Use Map to apply a General Plan Land Use Designation of Low Density Residential to the Property; (iii) Planned Unit Development No. PUD-006-2017 to rezone and "pre-zone" the Property residential Planned Unit Development with R-1 (Single-Family Residential) base zoning; (iv) Tentative Tract Map No. TT-17927-2017 to subdivide the subject property into 70 single-family residential lots; (v) Site Plan No. SP-028-2017; and (vi) Development Agreement No. DA-006-2017 (collectively, the "Project");

WHEREAS, following a Public Hearing held on April 6, 2017, the Garden Grove Planning Commission (1) adopted Resolution No. 5877-17 recommending the City Council adopt a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the Project and approve General Plan

Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017, and (2) adopted Resolution No. 5878-17 approving Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017, subject to (i) the City Council's approval of a Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project, General Plan Amendment No. GPA-001-2017, Planned Unit Development No. PUD-006-2017, and Development Agreement No. DA-006-2017; and (ii) LAFCO approval of the proposed sphere of influence amendments and detachment/annexation;

WHEREAS, on May 23, 2017, the City Council adopted Resolution No. 9418-17 adopting a Mitigated Negative Declaration and an associated Mitigation Monitoring and Reporting Program for the Project;

WHEREAS, on May 23, 2017, the Garden Grove City Council adopted Resolution No. 9419-17 authorizing initiation of, and recommending the Orange County Local Agency Formation Commission (LAFCO) take, proceedings for the Lewis Street Reorganization (RO 01-17), consisting of the detachment and annexation of approximately 0.901 acres of territory from the City of Orange to the City of Garden Grove and the Garden Grove Sanitary District, and related sphere of influence changes, in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, on May 23, 2017, the Garden Grove City Council adopted Resolution No. 9420-17 approving General Plan Amendment No. GPA-001-2017 to amend the City of Garden Grove's General Plan Land Use Map (1) to modify the General Plan Land Use Designation of the portion of the project site that is located within the City of Garden Grove from Civic/Institutional to Low Density Residential and (2) to apply the General Plan Land Use Designation of Low Density Residential to the territory to be annexed, upon approval of the Lewis Street Reorganization (RO 01-17) by the Orange County Local Agency Formation Commission;

WHEREAS, the adoption of the necessary land use actions by the City of Garden Grove to extend the City's General Plan to cover the properties to be annexed and to "pre-zone" the properties are prerequisites to LAFCO's approval of the proposed sphere of influence amendments and detachment/annexation;

WHEREAS, proposed Planned Unit Development No. PUD-006-2017 would amend the City of Garden Grove Zoning Map to "pre-zone" the portion of the Property to be annexed and to change the zoning of the portion of the Property located in Garden Grove to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning, incorporating the special requirements for Small Lot Subdivisions set forth in Garden Grove Municipal Code Section 9.12.040.060 as the applicable development standards for the Planned Unit Development PUD-006-2017 and Tentative Tract Map No. TT-17927-2017 and Site Plan No. SP-028-2017 and their associated conditions of

approval as the development plan for the Planned Unit Development PUD-006-2017;

WHEREAS, pursuant to a legal notice, a Public Hearing was held by the City Council on May 23, 2017, and all interested persons were given an opportunity to be heard;

WHEREAS, the City Council gave due and careful consideration to the matter during its meeting of May 23, 2017; and

WHEREAS, the City Council of the City of Garden Grove hereby makes the following findings regarding Planned Unit Development No. PUD-006-2017:

A. The location of the buildings, architectural design, and proposed use are compatible with the character of existing residential development in the vicinity, and the Project will be well-integrated into its setting. The Project is designed to be an attractive, modern small-lot, single-family residential community that is within the allowable density for the Low Density Residential General Plan Land Use Designation and complies with the special requirements for Small Lot Subdivisions set forth in Garden Grove Municipal Code Section 9.12.040.060. The proposed development includes active open space along with private rear yard areas for the individual property owners. The main entry into the development is from Lewis Street and includes decorative paving, enhanced landscaping, and fencing. The new development will improve the site and is in keeping with well-designed modern residences. The site's proposed single-family residential type housing is similar and compatible with the surrounding properties, which have both single-family and multi-family housing. The design of the project provides a community of single-family homes on the site that will improve the appearance of the neighborhood.

B. The plan will produce a stable and desirable environment and will not cause undue traffic congestion on surrounding streets. The design of the Project complies with the spirit and intent of the Garden Grove Municipal Code for residential development. The City's Traffic Engineering Division has reviewed the plan and all appropriate conditions of approval have been incorporated to minimize any adverse impacts on surrounding streets. In addition, a traffic impact analysis for the Project was prepared by the City's consultant in conjunction with preparation of the Initial Study for the Project, which concludes that the additional vehicle trips anticipated to be generated as a result of the Project will have a less than significant impact on traffic congestion at impacted nearby intersections.

C. Provision is made for both public and private open spaces. The Project has been designed in accordance with City Code provisions for providing an adequate amount of public and private open spaces as required by the City's Small-Lot

Subdivision Ordinance. The site provides active open space/recreation areas for the prospective residents.

D. Provision is made for the protection and maintenance of private areas reserved for common use. The conditions of approval for the Project require the formation of a Homeowners Association (HOA) and recordation of CC&Rs (Covenants, Conditions, and Restrictions) providing for long-term maintenance of common areas by the Homeowners' Association, which will be enforceable by the City. Through the conditions of approval for the Project, all necessary agreements for the protection and maintenance of private areas reserved for common use will be in place prior to the start of construction and will be required to be adhered to for the life of the Project.

E. The quality of the Project achieved through the proposed Planned Unit Development zoning is greater than could be achieved under the current zoning. The Project was designed to create a residential community with a combination of active open space areas, landscaped streets, and on-street guest parking areas on the site. The PUD zoning allows the project to be designed as an integrated community on a network of streets and driveways. The Project meets City Code standards for parking, vehicle access and circulation, and landscaping. The PUD zoning allows the Project to have an overall quality that is greater than the current zoning as it allows a more integrated design of single-family buildings. The design creates a sense of neighborhood with sidewalks, tree-lined streets, and shared open space amenities.

F. Proposed Planned Unit Development No. PUD-006-2017 is consistent with the General Plan. As part of the Project, the City's Zoning Map would be amended to adopt Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning for the portion of the project site that is located within the city of Garden Grove and amend the City's official Zoning Map to "pre-zone" the annexed properties and adopt Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning. The zoning of the site and pre-zoning of the properties to be annexed to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning is consistent with the proposed General Plan Land Use designation of Low Density Residential. The Low Density Residential (LDR) Land Use Designation is intended for the development of single-family residential neighborhoods. According to the General Plan, densities for the LDR designation range from 1 to a maximum of 9 dwelling units per acre. The proposed project will have a net density of 7.8 dwelling units per acre, which is below the maximum allowed. The proposed adoption of Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning will also facilitate the annexation of the subject 0.901 acres to the City of Garden Grove, which is consistent with General Plan Land Use Element Policy LU-14.2, which directs the City to pursue to the extent feasible exchanges of land with contiguous cities, that will rationalize and clarify City boundaries and will provide minimal costs and

maximum benefits to the City. The subject 0.901 acres borders the city of Garden Grove, so extension of the City's boundaries to include the property is rational. Further, the additional cost to the City to provide City services to the property will be minimal, and will be offset by the Development Agreement fees, the additional ad valorem property tax revenue and generally applicable City tax and assessment revenue the City will receive.

G. Proposed adoption of Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning, will promote the public interest, health, safety and welfare. The proposed adoption of Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning will facilitate the annexation of the subject 0.901 acres to the City of Garden Grove, thereby rationalizing municipal boundaries in the area, extending police, fire, and other City services to the property. In conjunction with the proposed adoption of Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning, the proposed 70-unit small lot subdivision development will ensure that the future use and development of the property will be consistent with the use and development permitted on nearby properties within the City of Garden Grove.

H. The parcels covered by the proposed amendment to the Zone Map are physically suitable for the Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning, pre-zoning designation. The adoption of Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning, for the Property would allow for the subject site to be redeveloped with a gated small lot subdivision with 70 single-family detached residential units on separate lots and related street and open space improvements. The site is a large contiguous site with access to all necessary public infrastructure to adequately serve the proposed residential development. The proposed development meets the development standards for Small Lot Subdivisions set forth in Garden Grove Municipal Code Section 9.12.040.060 and is large enough to accommodate the required parking on-site. The net density of the Property with the proposed Project would be 7.8 dwelling units per acre, which is below the maximum allowed for the Low Density General Plan Land Use Designation.

I. The parcels covered by the proposed amendment to the Zone Map are compatible with surrounding land uses, and the proposed zoning of the site and pre-zoning of the properties to be annexed to Residential Planned Unit Development zoning (PUD-006-2017), with R-1 (Single-Family Residential) base zoning, will ensure a degree of compatibility with the surrounding properties and uses. Surrounding properties contain single-family and multi-family residential housing. Adoption of Planned Unit Development No. PUD-006-2017, with R-1 (Single-Family Residential) base zoning, for the Property would allow for the subject site to be redeveloped with a gated small lot subdivision with 70 single-family detached residential units on separate lots and related street and open space improvements, converting the use of the Property to a use similar to the use of the surrounding properties. A Planned Unit Development (PUD) is a precise plan, adopted by

ordinance that provides the means for the regulation of buildings, structures and uses of land in order to facilitate the implementation of the General Plan. Pursuant to Garden Grove Municipal Code Section 9.16.030, the regulations of the planned unit development are intended to provide for a diversity of uses, relationships, and open spaces in an innovative land plan and design, while ensuring compliance with the provisions of the Municipal Code. A small lot subdivision development adds to the diversity of existing uses, through innovative land plan and design, while ensuring that the proposed development is suitable and compatible with existing surrounding uses. The zoning of the site and pre-zoning of the properties to be annexed to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning is consistent with the proposed General Plan Land Use designation of Low Density Residential, and the proposed single-family residential type housing will be similar and compatible with the surrounding properties and uses.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

Section 1. The City Council finds that the above recitations are true and correct.

Section 2. The facts and reasons stated in Planning Commission Resolution No. 5877-17 recommending approval of General Plan Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017, a copy of which is on file in the Office of the City Clerk, are hereby incorporated herein by reference with the same force and effect as if set forth in full.

Section 3. Planned Unit Development No. PUD-006-2017 is hereby approved.

Section 4. Upon approval of the Lewis Street Reorganization (RO 01-17) by the Orange County Local Agency Formation Commission, the zoning of the portion of the Project site that is located within the City of Garden Grove shall be re-zoned, and the territory to be annexed shall be pre-zoned, to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning, as shown on the attached map. Zone Map part T-12 shall be amended accordingly. Upon the effective date of annexation of the property to the City of Garden Grove pursuant to the Lewis Street Reorganization (RO 01-17), the zoning designation of said annexed property shall be Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning. Should the Lewis Street Reorganization (RO 01-17) not be approved, the zoning designation of the portion of the Project site that is located within the jurisdictional boundaries of the City of Garden Grove shall not change and shall remain as it existed immediately prior to the effective date of this Ordinance.

Section 5. Severability. If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, 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, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words, or portions thereof be declared invalid or unconstitutional.

Section 6. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect on the later of (i) the date that is thirty (30) days after adoption, or (ii) the date the Resolution approving General Plan Amendment No. GPA-001-2017 becomes effective.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the ____ day of _____.

ATTEST:

MAYOR

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

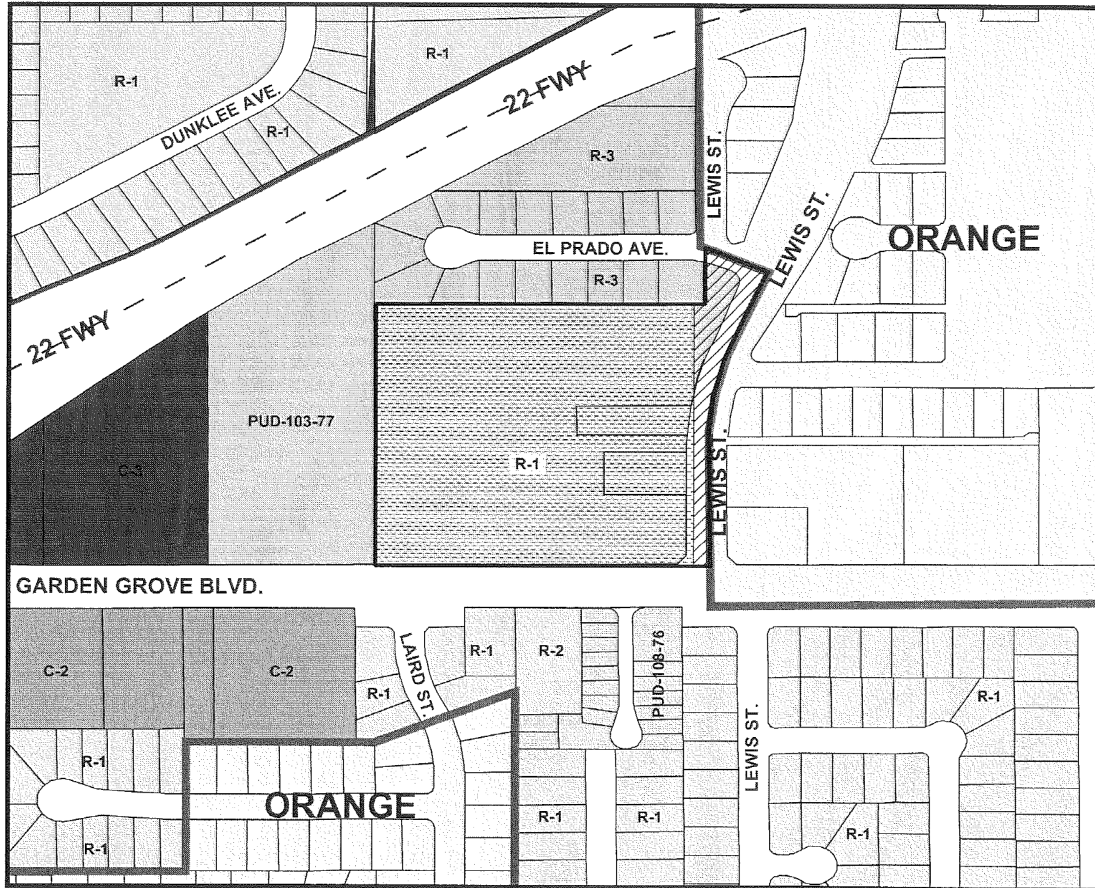
I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on May 23, 2017, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(7)	BEARD, O'NEILL, NGUYEN T., BUI, KLOPFENSTEIN, NGUYEN K., JONES
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE



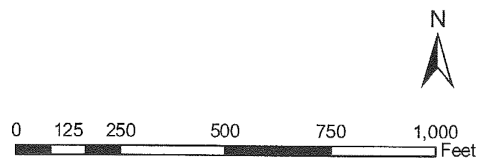
GARDEN GROVE

PROPOSED SPHERE OF INFLUENCE PRE-ZONE TO PLANNED UNIT DEVELOPMENT NO. PUD-006-2017



LEGEND

- RE-ZONE TO PUD-006-2017 WITH BASE ZONE OF R-1-6
- PRE-ZONE TO PUD-006-2017 WITH BASE ZONE OF R-1-6



NOTES

1. SITE ADDRESS - 12901 LEWIS STREET

CITY OF GARDEN GROVE
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
PLANNING DIVISION
GIS SYSTEM
APRIL 2017

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Ordinance No. 2881 Date: 6/13/2017
presented for second reading
and adoption

Attached is Ordinance No. 2881, recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance No. 2881	5/30/2017	Ordinance	2881_GPA-001- 2017_DA_Christ_Catholic_Cathedral.pdf
Development Agreement	6/1/2017	Exhibit	2881_GPA-001- 2017_DA_attachment.pdf

ORDINANCE NO. 2881

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND CHRIST CATHOLIC CATHEDRAL FACILITIES CORPORATION FOR PROPERTY LOCATED ON THE NORTHWEST CORNER OF LEWIS STREET AND GARDEN GROVE BOULEVARD, AT 12901 LEWIS STREET, ASSESSOR'S PARCEL NOS. 231-041-26, 231-041-27, 231-041-28, AND 231-255-01

City Attorney Summary

This Ordinance approves a Development Agreement between the City of Garden Grove and Christ Catholic Cathedral Facilities Corporation, the owner and developer of a 70 unit single-family residential small lot subdivision and related improvements on a 9.01-acre located on the northwest corner of Lewis Street and Garden Grove Boulevard, at 12901 Lewis Street, Assessor's Parcel Nos. 231-041-26, 231-041-27, 231-041-28, and 231-255-01. The agreement provides that the developer will be entitled to build the project in accordance with the land use entitlements approved pursuant to General Plan Amendment No. GPA-001-2017, Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 for a period of 4 years from the date that the General Plan and Zoning Map amendments reflected in General Plan Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017 take effect. The agreement further provides for a development agreement payment to the City of Garden Grove in an amount not to exceed \$134,120.00.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, the City of Garden Grove has received an application from Christ Catholic Cathedral Facilities Corporation and Shea Homes for Development Agreement No. DA-006-2017 for the development of a gated small lot subdivision with 70 single-family detached residential units and related street and open space improvements on a 9.01-acre site located in the Cities of Garden Grove and Orange, at the northwest corner of Lewis Street and Garden Grove Boulevard, at 12901 Lewis Street (Assessor's Parcel Nos. 231-041-26, 231-041-27, 231-041-28, and 231-255-01) (the "Property"), which is owned by Christ Catholic Cathedral Facilities Corporation;

WHEREAS, the applicant has requested the following approvals to facilitate the proposed development: (i) detachment from the City of Orange and annexation to the City of Garden Grove and the Garden Grove Sanitary District of 39,328 square feet or 0.901 acres; (ii) General Plan Amendment No. GPA-001-2017 to amend the City of Garden Grove General Plan Land Use Map to apply a General Plan Land Use Designation of Low Density Residential to the Property; (iii) Planned Unit Development No. PUD-006-2017 to rezone and "pre-zone" the Property residential

Planned Unit Development with R-1 (Single-Family Residential) base zoning; (iv) Tentative Tract Map No. TT-17927-2017 to subdivide the subject property into 70 single-family residential lots; (v) Site Plan No. SP-028-2017; and (v) Development Agreement No. DA-006-2017 (collectively, the "Project");

WHEREAS, following a Public Hearing held on April 6, 2017, the Garden Grove Planning Commission (1) adopted Resolution No. 5877-17 recommending the City Council adopt a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the Project and approve General Plan Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017, and (2) adopted Resolution No. 5878-17 approving Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017, subject to (i) the City Council's approval of a Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project, General Plan Amendment No. GPA-001-2017, Planned Unit Development No. PUD-006-2017, and Development Agreement No. DA-006-2017; and (ii) LAFCO approval of the proposed sphere of influence amendments and detachment/annexation;

WHEREAS, following a duly noticed Public Hearing, the City Council adopted Resolution No. 9418-17 during its meeting on May 23, 2017, adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project pursuant to the California Environmental Quality Act, California Public Resources Section 21000 et seq. ("CEQA") and CEQA's implementing guidelines, California Code of Regulations, Title 14, Sections 15000 et seq.;

WHEREAS, on May 23, 2017, the Garden Grove City Council adopted Resolution No. 9419-17 authorizing initiation of, and recommending the Orange County Local Agency Formation Commission (LAFCO) take, proceedings for the Lewis Street Reorganization (RO 01-17), consisting of the detachment and annexation of approximately 0.901 acres of territory from the City of Orange to the City of Garden Grove and the Garden Grove Sanitary District, and related sphere of influence changes, in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000;

WHEREAS, pursuant to Resolution No. 9420-17 adopted on May 23, 2017, the City Council approved General Plan Amendment No. GPA-001-2017 to amend the City of Garden Grove's General Plan Land Use Map (1) to modify the General Plan Land Use Designation of the portion of the Property that is located within the City of Garden Grove from Civic/Institutional to Low Density Residential and (2) to apply the General Plan Land Use Designation of Low Density Residential to the territory to be annexed, upon approval of the Lewis Street Reorganization (RO 01-17) by the Orange County Local Agency Formation Commission;

WHEREAS, pursuant to Ordinance No. 2880, introduced on May 23, 2017 and adopted on June 13, 2017, the City Council approved Planned Unit Development No. PUD-006-2017 to amend the City of Garden Grove Zoning Map to

"pre-zone" the portion of the Property to be annexed and to change the zoning of the portion of the Property located in Garden Grove to Residential Planned Unit Development zoning (PUD-006-2017) with R-1 (Single-Family Residential) base zoning, upon approval of the Lewis Street Reorganization (RO 01-17) by the Orange County Local Agency Formation Commission;

WHEREAS, Development Agreement No. DA-06-2017 is consistent with the General Plan Land Use Designation of Low Density Residential and zoning designation of PUD-006-2017, including the goals and policies of the Garden Grove General Plan; and

WHEREAS, pursuant to a legal notice, a Public Hearing was held by the City Council on May 23, 2017, and all interested persons were given an opportunity to be heard.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The City Council finds that the above recitations are true and correct.

Section 2. Environmental Review. City Council Resolution No. 9418-17 adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project is incorporated by reference as if set forth fully herein.

Section 3. Approval. Development Agreement No. DA-006-2017 is hereby adopted for property located on the northwest corner of Lewis Street and Garden Grove Boulevard, at 12901 Lewis Street, Assessor's Parcel Nos. 231-041-26, 231-041-27, 231-041-28, and 231-255-01. A copy of Development Agreement No. DA-006-2017 is attached to this Ordinance and is on file in the City Clerk's Office.

Section 4. Recording. Pursuant to California Government Code Section 65868.5, the City Clerk shall record a copy of the Development Agreement with the County Recorder for the County of Orange within 10 days after the Development Agreement is executed.

Section 5. Severability. If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, 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, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words, or portions thereof be declared invalid or unconstitutional.

Section 6. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption, or (ii) the date the Resolution approving General Plan Amendment No. GPA-001-2017 becomes effective.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the ____ day of _____.

ATTEST:

MAYOR

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on May 23, 2017, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(7)	BEARD, O'NEILL, NGUYEN T., BUI, KLOPFENSTEIN, NGUYEN K., JONES
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

City Clerk's Office)
City of Garden Grove)
11222 Acacia Parkway)
Garden Grove, CA 92840)
)
)

(Space above for Recorder.)

This document is exempt from payment of a recording fee pursuant to Government Code Section 6103.

Dated: _____

DEVELOPMENT AGREEMENT NO. DA-006-2017

SP-028-2017 and TT-17927-2017

(Christ Catholic Cathedral Facilities Corporation)

THIS DEVELOPMENT AGREEMENT ("Agreement" or "Development Agreement") is made this ___ day of _____, 2017, by the CITY OF GARDEN GROVE, a municipal corporation ("CITY"), on the one hand, and Christ Catholic Cathedral Facilities Corporation, a California nonprofit religious corporation ("DEVELOPER"), on the other hand, pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division I of Title 7, Sections 65864 through 65869.5 of the California Government Code.

RECITALS

The following recitals are a substantive part of this Agreement:

- A. The CITY and DEVELOPER desire to enter into this Development Agreement for the construction of a 70-unit single-family residential small-lot subdivision on a 9.01-acre site and related improvements (the "PROJECT") on that certain real property located on the northwest corner of Lewis Street and Garden Grove Boulevard, at 12901 Lewis Street, Assessor's Parcel Nos. 231-041-26, 231-041-27, 231-041-28, & 231-255-01, which is described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property").

- B. In order to implement the PROJECT, DEVELOPER has requested approval of, and CITY has approved, General Plan Amendment No. GPA-001-2017 applying a General Plan Land Use Designation of Low Density Residential to the Property, Planned Unit Development No. PUD-006-2017 applying Residential Planned Unit Development zoning with R-1 (Single-Family Residential) base zoning to the Property, Tentative Tract Map No. TT-17927-2017, Site Plan No. SP-028-2017, and associated Conditions of Approval, for the PROJECT. The effectiveness of each of the foregoing approvals is subject to approval by the Orange County Local Agency Formation Commission ("LAFCO") of a proposed detachment of approximately 0.901 acres of the Property from the City of Orange and annexation of said portion of the Property to the City of Garden Grove, along with related amendments to the Cities' spheres of influence. On May 23, 2017, the City Council adopted a Mitigated Negative Declaration and an associated Mitigation Monitoring and Reporting Program for the Project.
- C. The CITY, and DEVELOPER desire to enter into this Development Agreement for the construction of the PROJECT pursuant to Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 of Title 7 of the California Government Code (the "Development Agreement Statute").
- D. The PROJECT is a development requiring certain discretionary approvals by the CITY before it may be constructed.
- E. The Development Agreement Statute provides the authority for CITY to enter into binding development agreements with a person having a legal and equitable interest in real property.
- F. DEVELOPER represents that it owns the PROPERTY in fee.
- G. As consideration for the benefits gained by DEVELOPER from the vested rights acquired pursuant to the Development Agreement Statute, CITY is requiring that DEVELOPER construct and install as part of development of the PROJECT certain public improvements and provide other public benefits

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **DURATION.** This Development Agreement and Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017 shall expire four (4) years from the date that the General Plan and Zoning Map amendments reflected in General Plan Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017 take effect, unless any duty specified remains executory, in which case this Agreement may be renewed for a successive one year term

at discretion of CITY, pursuant to law, until all duties are performed. In the event that the General Plan and Zoning Map amendments reflected in General Plan Amendment No. GPA-001-2017 and Planned Unit Development No. PUD-006-2017 fail to take effect due to denial by LAFCO of the proposed detachment/annexation and related sphere of influence amendments, or for any other reason, this Development Agreement shall be deemed null and void and DEVELOPER shall have no rights hereunder.

2. Permitted Uses/Land Use Entitlements. The following uses are permitted on the PROPERTY: A 70-unit single-family residential small-lot subdivision that includes 70 two-story, single-family homes along with active common usable open space for recreational purposes. The units range in size from 2,451 square feet to 2,689 square feet. The PROJECT has been granted the following land use entitlements: General Plan Amendment No. GPA-001-2017, Planned Unit Development No. PUD-006-2017, and Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017 (subject to associated conditions of approval). A Mitigated Negative Declaration and an associated Mitigation Monitoring and Reporting Program for the PROJECT have been adopted. Development of the PROJECT is permitted in accordance with Planned Unit Development No. PUD-006-2017. Except as otherwise expressly provided in Planned Unit Development No. PUD-006-2017, the PROJECT is subject to the development standards of the City's Small Lot Subdivision Ordinance (Section 9.12.40.060: Special Requirements Small Lot Subdivisions of Title 9 of the City's Municipal Code) and the base zoning of R-1 (Single-Family Residential) and the Conditions of Approval to Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017.
3. Density/Intensity. The density or intensity of the PROJECT is as follows: Single-family residential small-lot subdivision project consisting of 70 two-story units with related improvements on a 9.01-acre site, resulting in a net density of 7.8 dwelling units per acre.
4. Maximum Height and Building Size. The maximum height and building sizes are as follows: The maximum building height shall be two (2) stories with an overall height not to exceed 28'-0" and the building area is comprised of 70 single-family dwelling units ranging in size from 2,451 square feet to 2,689 square feet, as indicated on the approved site plan, floor plan, and elevations.
5. Reservation or Dedication. The reservation of easements or dedication of property to the CITY to allow the construction of the proposed residential development shall be as shown on and/or conditioned in the approved Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017.
6. Improvements. The improvements described in Planning Commission Resolution No. 5878-17 shall be constructed prior to the occupancy of the

proposed development or the issuance of any certificate of occupancy for any unit of the development, all in accordance with the terms and conditions of Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017.

7. Scope of PROJECT. The PROJECT shall consist of a single-family residential project consisting of two-story homes that range in size from 2,451 square feet to 2,689 square feet, for a total of 70 dwelling units with related improvements.
8. Resolution/Material Terms. All Conditions of Approval of Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017, as per Planning Commission Resolution No. 5878-17, attached hereto and incorporated herein as "Exhibit B," are material terms of this Development Agreement. Breach of any condition of approval shall be deemed to be a breach of this Development Agreement.
9. Development Agreement Payment. DEVELOPER shall pay a development agreement payment to the CITY as follows:
 - 9.1 Amount. \$750 per unit and shall be paid prior to issuance of any building permits.
 - 9.2 Amount. The DEVELOPER shall make a contribution of \$1,166 per unit toward construction of a Fire Station, including, but not limited to, related equipment, furnishings, and fixtures, etc., as part of this Development Agreement and shall be paid prior to issuance of any building permits.
 - 9.3 Not to Exceed. Payment under this Development Agreement shall not exceed \$134,120.00.
10. City Agreement. CITY agrees that the sums to be paid to the CITY, pursuant to Paragraph 9, will reimburse CITY for the cost of certain CITY services required by the PROJECT that are not otherwise being reimbursed to CITY.
11. Payment Due Date. The payment amount of \$134,120.00 shall be due and payable prior to the issuance of building permits for the PROJECT.
12. Termination Provisions. This Agreement may be terminated upon the happening of any of the following events:
 - A. Failure of DEVELOPER to perform any of the provisions of this Agreement, or
 - B. Mutual agreement of the parties.

13. Periodic Review. CITY's Director of Community and Economic Development shall review DEVELOPER'S performance every twelve (12) months at the anniversary of the adoption of this Development Agreement. DEVELOPER shall demonstrate good faith compliance with the terms of this Agreement. If as a result of the review, CITY's Community and Economic Development Director determines that DEVELOPER has not demonstrated good faith compliance with this Agreement, CITY shall hold a public hearing before CITY's City Council. If, following such public hearing, CITY's City Council finds and determines, based upon substantial evidence, that DEVELOPER has not complied in good faith with terms or conditions of this Agreement, CITY may terminate the Agreement.
14. City Discretion. So long as this Development Agreement remains in effect, DEVELOPER shall have the full vested right to construct and complete development of the PROJECT and the use of the PROPERTY consistent with the land use entitlements identified in Paragraph 2. Otherwise, CITY retains its right and discretion, under all applicable Codes, to approve or disapprove any item related to this PROJECT that it has not specifically agreed to via this Agreement. DEVELOPER acknowledges that it shall comply with all CITY requirements for applications and permits of any nature that apply to the PROJECT and the PROPERTY and that this Development Agreement does not relieve DEVELOPER of the necessity of filing applications for and obtaining any such permits.
15. Improvement Schedule. The following improvements shall be constructed by the stated dates:

All repairs and improvements to the public right-of-way required pursuant to Planning Commission Resolution No. 5878-17 shall be completed prior to the issuance of any certificates of occupancy or release of any public utilities.
16. Developer Breach. Failure of DEVELOPER to construct improvements as specified, or to pay amounts specified in a timely fashion, shall result in the withholding of building permits, any other permit or certificate of occupancy until the breach is remedied.
17. Non-Liability of Officials and Employees of the City. No official or employee of CITY shall be personally liable to DEVELOPER in the event of any default or breach by CITY, or for any amount that will become due to DEVELOPER, or any obligation under the terms of this Agreement.
18. Notices. All notices shall be personally delivered or mailed to the below listed address, or to such other address as may be designated by written notice. These addresses shall be used for delivery of service of process.

- A. Address of DEVELOPER is as follows:
Christ Catholic Cathedral Facilities Corporation
13280 Chapman Avenue
Garden Grove, CA 92840
- B. Address of CITY is as follows:
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840
19. DEVELOPER'S Proposal. The PROJECT shall include DEVELOPER's proposal, as modified by Planning Commission and City Council, including all Conditions of Approval contained in Planning Commission Resolution No. 5878-17, which shall be incorporated herein by this reference. In the event of any inconsistency between terms of the proposal and this Agreement, the terms of this Agreement shall govern.
20. Licenses, Permits, Fees, and Assessments. At its sole expense, DEVELOPER shall obtain all licenses, permits, and approvals as may be required by this Agreement, or by the nature of the PROJECT.
21. Time of Essence. Time is of the essence in the performance of this Agreement.
22. Successor's In Interest. The provisions of this Agreement shall be binding upon and inure to successors in interest of the parties and shall be specifically binding upon and for the benefit of any future lessees or other owners of an interest in PROPERTY.
23. Authority to Execute. The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
24. Indemnification. DEVELOPER agrees to protect, defend, and hold harmless CITY and their elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of this Development Agreement by DEVELOPER, DEVELOPER'S agents, officers or employees, developers, contractors, or subcontractors hired by DEVELOPER.
25. Modification. This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written, regarding the subject matter set forth herein. This Agreement may be modified only by subsequent mutual written agreement executed by CITY and the DEVELOPER

and approved by CITY in accordance with the Development Agreement Statute.

26. Recordation. The City Clerk shall cause this Agreement to be recorded against the PROPERTY within ten (10) days of the effective date of the Garden Grove City Council Ordinance approving this Development Agreement.
27. Remedies. The breach or default of any term or provision of this Agreement by either party shall give the nondefaulting party the right to proceed with any and all remedies set forth in this Agreement, including an action for damages, an action or proceeding at law or in equity to require the defaulting party to perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement, and the right to terminate this Agreement.
28. Force Majeure. Subject to the party's compliance with the notice requirements as set forth below, performance by either party hereunder shall be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or default are due to causes beyond the control and without the fault of the party claiming an extension of time to perform, which may include, without limitation, the following: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, material or tools, acts or omissions of the other party, or acts or failures to act of any public or governmental entity (except that the City's acts or failure to act shall not excuse performance of the City hereunder). An extension of the time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause.
29. Attorney's Fees. In addition to any other remedies provided hereunder or available pursuant to law, if either party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder, the prevailing party shall be entitled to recover from the other party its costs of suit and reasonable attorney's fees.
30. Remedies Cumulative. No right, power, or remedy given by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each other and every such right, power, remedy shall be cumulative and in addition to every other right, power, or remedy given by the terms of any such instrument, or by any statute or otherwise.

31. Waiver of Terms and Conditions. The CITY may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.
32. Non-Liability of City Officials and Employees. No member, official, employee or agent of the CITY shall be personally liable to the DEVELOPER, or any successor in interest, in the event of any default or breach by the CITY or for any amount that may become due to the DEVELOPER or its successors, or on any obligations under the terms of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE, a
municipal corporation

BY _____

ATTEST:

CITY CLERK

DATE: _____

"DEVELOPER"
CHRIST CATHOLIC CATHEDRAL
FACILITIES CORPORATION, a
California nonprofit religious corporation

By: _____

Its: _____

Date: _____
(Signature must be notarized.)

By: _____

Its: _____

Date: _____
(Signature must be notarized.)

APPROVED AS TO FORM:

Garden Grove City Attorney

Date: _____

If DEVELOPER is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 231-041-26, 27 AND 28)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SAID SECTION IS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10, MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION DEEDED TO THE STATE OF CALIFORNIA IN DEED RECORDED MAY 1, 1962 IN BOOK 6093, PAGE 418 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL REMAINING OIL, GAS, OTHER HYDROCARBONS AND OTHER MINERALS IN AND TO SAID LAND, TOGETHER WITH THE RIGHT AS HEREINAFTER LIMITED TO DRILL, REDRILL, DEEPEN, COMPLETE, AND MAINTAIN WELLS HOLES UNDER, THROUGH AND BEYOND, AND TO DRILL FOR, PRODUCE, EXTRACT, TAKE AND REMOVE OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES (AND WATER NECESSARY THEREFOR) AND OTHER MINERALS FROM AND THROUGH SAID REAL PROPERTY, TOGETHER WITH RIGHTS OF WAY AND EASEMENTS FOR ANY AND ALL OF THE ABOVE MENTIONED PURPOSES, BUT WITH NO RIGHT OF ENTRY UPON OR THROUGH SAID LAND, EXCEPT BENEATH A DEPTH OF 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, AS RESERVED IN DEED FROM THE ROMAN CATHOLIC ARCHBISHOP OF LOS ANGELES, RECORDED JULY 23, 1976 IN BOOK 11784, PAGE 827 OF OFFICIAL RECORDS.

PARCEL 2: (APN: 231-255-01)

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, ACQUIRED BY THE STATE OF CALIFORNIA BY PARCEL 1 OF FINAL ORDER OF CONDEMNATION, SUPERIOR COURT CASE NO. 90107, DEED A1353, RECORDED IN BOOK 5980, PAGE 723 OF OFFICIAL RECORDS IN SAID OFFICE, AND BY FINAL ORDER OF INVERSE CONDEMNATION, SUPERIOR COURT CASE NO. 127970, DEED A1354, RECORDED IN BOOK 8781, PAGE 658 OF SAID OFFICIAL RECORDS, INCLUDED WITHIN THE FOLLOWING DESCRIBED PARCEL OF LAND:

**EXHIBIT A
(Continued)**

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF LEWIS STREET, 40 FEET WIDE, AS SHOWN ON MAP OF TRACT NO. 3210, RECORDED IN BOOK 154, PAGES 47 AND 48 OF SAID MISCELLANEOUS MAPS, WITH THAT CURVE SHOWN AS HAVING A RADIUS OF 740.00 FEET AND BEING CONCAVE SOUTHEASTERLY IN THE GENERAL WESTERLY LINE OF PARCEL 4 OF STATE HIGHWAY RELINQUISHMENT NO. 376 RECORDED IN BOOK 8989, PAGE 762 OF SAID OFFICIAL RECORDS; THENCE NORTHEASTERLY ALONG SAID CURVE FROM A TANGENT WHICH BEARS NORTH 19 DEGREES 35' 48" EAST, THROUGH AN ANGLE OF 2 DEGREES 49' 40", AN ARC DISTANCE OF 36.52 FEET TO THE POINT OF TANGENCY WITH THAT COURSE SHOWN AS HAVING A BEARING AND LENGTH OF NORTH 22 DEGREES 25' 28" EAST, 138.75 FEET IN SAID GENERAL WESTERLY LINE; THENCE ALONG SAID COURSE NORTH 22 DEGREES 25' 28" EAST, 138.75 FEET TO A TANGENT CURVE SHOWN AS HAVING A RADIUS OF 27.00 FEET AND BEING CONCAVE SOUTHWESTERLY IN SAID GENERAL WESTERLY LINE; THENCE NORTHWESTERLY ALONG LAST SAID CURVE THROUGH AN ANGLE OF 90 DEGREES 00' 00", AN ARC DISTANCE OF 42.41 FEET TO THE POINT OF TANGENCY WITH THAT COURSE SHOWN AS HAVING A BEARING AND LENGTH OF NORTH 67 DEGREES 34' 32" WEST, 16.72 FEET IN SAID GENERAL WESTERLY LINE; THENCE ALONG LAST SAID COURSE NORTH 67 DEGREES 34' 32" WEST, 16.72 FEET TO A TANGENT CURVE SHOWN AS HAVING A RADIUS OF 85.00 FEET AND BEING CONCAVE NORTHEASTERLY IN SAID GENERAL WESTERLY LINE; THENCE NORTHWESTERLY ALONG LAST SAID CURVE THROUGH AN ANGLE OF 28 DEGREES 08' 14", AN ARC DISTANCE OF 41.74 FEET TO THE CENTER LINE OF LEWIS STREET, 40 FEET WIDE; THENCE ALONG SAID CENTER LINE SOUTH 0 DEGREES 40' 18" WEST, 228.59 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE UNDERLYING INTEREST, IF ANY, APPURTENANT TO THE ABOVE DESCRIBED PROPERTY IN AND TO THE ADJOINING PUBLIC WAY, SAID LEWIS STREET, INCLUDED WITHIN THE ABOVE DESCRIBED PARCEL OF LAND.

EXCEPTING THEREFROM, ALL OIL, MINERALS, NATURAL GAS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE HEREIN CONVEYED PARCEL OF LAND, AND THE RIGHTS THERETO, TOGETHER WITH CERTAIN OTHER CONDITIONS, AS EXCEPTED AND RESERVED IN SAID PARCEL 1.

EXHIBIT "B"

CONDITIONS OF APPROVAL

Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017

12901 Lewis Street

CONDITIONS OF APPROVAL

General Conditions

1. The applicant and each owner of the property shall execute, and the applicant shall record a "Notice of Agreement with Conditions of Approval and Discretionary Permit of Approval," as prepared by the City Attorney's Office, on the property. Proof of such recordation is required within 30 days of this approval. All Conditions of Approval set forth herein shall be binding on and enforceable against each of the following, and whenever used herein, the term "applicant" shall mean and refer to each of the following: the project applicant, Shea Homes, the developer of the project, the current owner of the Property, Christ Catholic Cathedral Facilities Corporation, the future owner(s) and tenants(s) of the Property, and each of their respective successors and assigns. All Conditions of Approval are required to be adhered to for the life of the project, regardless of property ownership. Any changes of the Conditions of Approval require approval by the Planning Commission. All Conditions of Approval herein shall apply to Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017.
2. Approval of Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017 shall be contingent upon City Council adoption of a Mitigated Negative Declaration and an associated Mitigation Monitoring and Reporting Program for the Project, a resolution approving General Plan Amendment No. GPA-001-2017, an ordinance approving Planned Unit Development No. PUD-006-2017, and an ordinance approving Development Agreement No. DA-006-2017, and Orange County Local Agency Formation Commission ("LAFCO") approval of the subject sphere of influence change and annexation, and shall not be construed to mean any waiver of applicable and appropriate zoning and other regulations; and wherein not otherwise specified, all requirements of the City of Garden Grove Municipal Code shall apply.
3. Minor modifications to the Site Plan and/or these Conditions of Approval may be approved by the Community and Economic Development Director, in his or her discretion. Proposed modifications, to the project and/or these Conditions of Approval, determined by the Community and Economic Development Director

not to be minor in nature shall be subject to approval of new and/or amended land use entitlements by the applicable City hearing body.

4. All lighting structures shall be placed so as to confine direct rays to the subject property. All exterior lights shall be reviewed and approved by the City's Planning Section. Lighting adjacent to residential properties shall be restricted to low decorative type wall-mounted lights, or a ground lighting system. Lighting shall be provided throughout all private drive aisles and entrances to the development per City standards for street lighting. Lighting in the common areas shall be directed, positioned, or shielded in such manner so as not to unreasonably illuminate the window area of nearby residences.
5. The applicant shall submit detailed plans showing the proposed location of utilities and mechanical equipment to the Community and Economic Development Department for review and approval prior to Building Division Plan Check. The project shall also be subject to the following:
 - a. All on-site and off-site utilities (off-site refers to the areas within public right-of-way to the center line of the streets adjacent to the subject property) within the perimeter of the site and to the centerline of the adjacent streets shall be installed or relocated underground. If the power poles, fronting Garden Grove Boulevard or Lewis Street, are determined by SCE (Southern California Edison) as high voltage transmission power poles, then there will be no need to underground or pay an in-lieu fee to the City.
 - b. Aboveground utility equipment (e.g., electrical, gas, telephone, cable TV) shall not be located in the street setbacks, within the common areas along Lewis Street or Garden Grove Boulevard, or any parking areas, and shall be screened to the satisfaction of the Community and Economic Development Department.
 - c. No roof-mounted mechanical equipment, including but not limited to dish antennas, shall be permitted unless a method of screening complementary to the architecture of the building is approved by the Community and Economic Development Department prior to the issuance of building permits. Said screening shall block visibility of any roof-mounted mechanical equipment from view of public streets and surrounding properties.
 - d. All ground- or wall-mounted mechanical equipment shall be screened from view from any place on or off the site.

Public Works Engineering Division

The following provisions of the Public Work's Engineering Division shall be complied with:

6. A geotechnical study prepared by a registered geotechnical engineer is required. The report shall analyze the liquefaction potential of the site and make recommendations. The report shall analyze sub-surface issues related to the past uses of the site, including sub-surface tanks and basement and septic facilities. Any soil or groundwater contamination shall be remediated prior to the issuance of a building permit in a manner meeting the approval of the City Engineer in concert with the Orange County Health Department. The report shall make recommendations for pavement design the interior streets and parking spaces. The report shall also test and analyze soil conditions for LID (Low Impact Development) principles and implementations, including potential infiltration alternatives, soil compaction, saturation, permeability and groundwater levels.
7. A separate street permit is required for work performed within the public right-of-way.
8. The applicant shall be subject to Traffic Mitigation Fees, In-Lieu Park Fees, Drainage Facilities Fees, Water Assessment Fees, and other applicable mitigation fees identified in Chapter 9.44 of the Garden Grove Municipal Code, along with all other applicable fees duly adopted by the City. The amounts of said fees shall be calculated based on the City's current fee schedule in effect at the time of permit issuance.
9. Separate grading and street improvement plans prepared by a registered Civil Engineer are required. The grading plan shall be based on a current survey of the site, including a boundary survey, topography on adjacent properties up to 30' outside the boundary, and designed to preclude cross-lot drainage. Minimum grades shall be 0.50% for concrete flow lines and 1.25% for asphalt. The grading plan shall also include water and sewer improvements. The grading plan shall include a coordinated utility plan. Street improvement plan shall conform to all format and design requirements of the City Standard Drawings and Specifications.
10. Prior to the issuance of any grading or building permits or prior to recordation upon subdivision of land if determined applicable by the City Building Official, the applicant shall submit to the City for review and approval a Final Water Quality Management Plan (WQMP) that:
 - Addresses Site Design BMPs based upon the geotechnical report recommendations and findings such as infiltration minimizing impervious

areas, maximizing permeability, minimizing directly connected impervious areas, creating reduced or “zero discharge” areas, and conserving natural areas.

- Incorporates the applicable Routine Source Control BMPs as defined in the DAMP.
 - Incorporates structural and Treatment Control BMPs as defined in the DAMP.
 - Generally describes the long-term operation and maintenance requirements for the Treatment Control BMPs.
 - Identifies the entity that will be responsible for long-term operation and maintenance of the Treatment Control BMPs.
 - Describes the mechanism for funding the long-term operation and maintenance of the Treatment Control BMPs.
11. Prior to grading or building permit closeout and/or the issuance of a certificate of use or a certificate of occupancy, the applicant shall:
- Demonstrate that all structural best management practices (BMPs) described in the Project WQMP have been constructed and installed in conformance with approved plans and specifications.
 - Demonstrate that applicant is prepared to implement all non-structural BMPs described in the Project WQMP.
 - Demonstrate that an adequate number of copies of the approved Project WQMP are available on site.
 - Submit for review and approval by the City an Operations and Maintenance (O&M) Plan for all structural BMPs.
 - Demonstrate that the applicant has agreed to and recorded an agreement or another legal instrument approved by the City Attorney that shall require the property owner, successors, tenants (if applicable), and assigns to fund, operate and maintain in perpetuity, the post-construction BMPs described in the Project WQMP and O&M Plan.
12. Prior to the issuance of a grading permit, the applicant shall provide a hydrological analysis with scaled map and calculations and hydraulic calculations to size drainage facilities per Orange County RDMD standards. Parkway culverts shall be designed per Orange County standard plan 1309,

Type B. BMP's shall be sized per the requirements of the latest Technical Guidance Documents.

13. Prior to issuance of a grading permit, the applicant shall design overhead street lighting within the development in a manner meeting the approval of the City Engineer. Location of lighting poles shall be shown on the grading plan.
14. Prior to the issuance of the street improvements and grading permit, provide subdivision completion bonds for all work constructed under the street improvements and grading permit in a manner satisfactory to the City Engineer, City Attorney, and City Finance Department (Risk Management). Alternate forms of security may be considered, solely in the discretion of the City Engineer and with the concurrence of the City Attorney and City Finance Department (Risk Management).
15. The applicant shall construct the driveway entrance to the development per City of Garden Grove Standard Plan B-120 with conforming ADA landing and pathways where public and private sidewalks intersect. All designs must conform to latest ADA standards.
16. Prior to recordation of a final tract map, the applicant shall make the following revision in a manner meeting the approval of the City Engineer:
 - Provide a 3-foot public utility easement at the back of all sidewalks on the site and across lot frontage behind the property line.
17. TIES TO HORIZONTAL CONTROL: Prior to recordation of a final tract map, the surveyor/engineer preparing the map shall tie the boundary of the map into the Horizontal Control System established by the County Surveyor in a manner described in Sections 7-9-330 and 7-9-337 of the Orange County Subdivision Code and Orange County Subdivision Manual, Subarticle 18. The surveyor/engineer shall submit record information to the City on Auto Cad DWG format.
18. DIGITAL MAP SUBMISSION: Prior to recordation of a final tract map, the surveyor/engineer preparing the map shall submit to the County Surveyor a digital graphics file of said map in a manner described in Sections 7-9-330 and 7-9-337 of the Orange County Subdivision Code and Orange County Subdivision Manual, Subarticle 18. The surveyor/engineer shall submit record information to the City on Auto Cad DWG format.
19. Prior to recordation of a final tract map, the applicant shall remove the four (4) power/communication poles that are fronting Garden Grove Boulevard and underground the utilities in a manner meeting the approval of the City Engineer. If the power poles fronting Garden Grove Boulevard are determined

by SCE (Southern California Edison) as high voltage transmission power poles, then there will be no need to underground or pay an in-lieu fee to the City.

20. Prior to the issuance of any grading or building permits for projects that will result in soil disturbance of one acre or more of land, the applicant shall demonstrate that coverage has been obtained under California's General Permit for Stormwater Discharges Associated with Construction Activity by providing a copy of the Notice of Intent (NOI) submitted to the State Water Resources Control Board and a copy of the subsequent notification of the issuance of a Waste Discharge Identification (WDID) Number. Projects subject to this requirement shall prepare and implement a Stormwater Pollution Prevention Plan (SWPPP). A copy of the current SWPPP shall be kept at the project site and be available for City review on request.
21. Prior to recordation of a final tract map, the applicant shall remove the three (3) power/communication poles that are fronting Lewis Street and underground the utilities in a manner meeting the approval of the City Engineer. If the power poles fronting Lewis Street are determined by SCE (Southern California Edison) as high voltage transmission power poles, then there will be no need to underground or pay an in-lieu fee to the City.
22. The grading plan shall provide an accessibility route for the ADA pathway in conformance with the requirements of the department of justice standards, latest edition.
23. Orange County Storm Water Program manual requires all contractors to provide a dumpster on site during construction unless an Encroachment Permit is obtained for placement in street.
24. Any new or required block walls and/or retaining walls shall be shown on the grading plans. Cross sections shall show vertical and horizontal relations of improvements and property line. Block walls shall be designed in accordance to City standards or designed by a professional registered engineer.
25. All trash container areas shall meet the following requirement per City of Garden Grove Standard B-502:
 - Paved with an impervious surface, designed not to allow run-on from adjoining areas, designed to divert drainage from adjoining roofs and pavements diverted around the area, screened or walled to prevent off-site transport of trash.
 - Provide solid roof or awning to prevent direct precipitation.

- Connection of trash area drains to the municipal storm drain system is prohibited.
 - Potential conflicts with fire code and garbage hauling activities should be considered in implementing this source control.
 - See CASQA Storm Water Handbook Section 3.2.9 and BMP Fact Sheet SD-32 for additional information.
 - The trash shall be located to allow pick-up and maneuvering, including turnarounds, in the area of enclosures.
26. Grading fees shall be calculated based on the current fee schedule at the time of permit issuance.
27. The applicant shall remove the existing landscape within sidewalk area along Lewis Street and Garden Grove Boulevard and construct street frontage improvements as identified below. All landscaping installed within the public rights-of-way shall be maintained by the applicant in a manner meeting the approval of the City Engineer and Planning Department. A separate street improvement/stripping plan shall be prepared for Lewis Street and Garden Grove Boulevard and submitted to the engineering department for improvements within the City right of way.

Lewis Street

- Remove the existing northerly and southerly substandard driveway approaches and existing landscaping on Lewis Street and construct new curb, gutter, landscape and sidewalk per approved site plan.
- The new driveway approach to the site shall be constructed in accordance with City of Garden Grove Standard Plan B-120. Standard Plan B-120 calls for a minimum width of 30-feet for commercial and multi-residential projects, with any deviation from the standard to be approved by the City Traffic Engineer and detailed on the plan showing all modifications.
- Any further deviation from the approved non-standard entryway/guard gate to the site on Lewis Street shall be approved by the City Traffic Engineer.
- Construct the new sidewalk landings to the Residential Planned Unit Development in accordance with City Standard Plan B-107 with a curb radius of 25-foot in a manner meeting the approval of the City Traffic Engineer.

- Two new wheelchair ramps and landing shall be constructed per Caltrans Standard Plan A88A, Case A, Detail B (Typical One-Ramp Corner Installation).
- Construct 8-inch curb and gutter replacing the driveway approaches along the property frontage at 32' from centerline in accordance with City Standard Plan B-113 (Type C-8).
- Construct an 8-foot sidewalk adjacent to the street curb replacing the driveway approaches in accordance with City Standard Plan B-106.
- Remove and replace the pavement on Lewis Street from the edge of the Westerly gutter to the easterly edge of two way left turn lane stripe along the property frontage per City Standard Plan B-103 and the direction of the City Engineer.
- Applicant shall for apply for an encroachment permit from City of Orange prior to commencement of pavement operation on Lewis Street.
- Applicant to coordinate the location of all new water meters to be placed in sidewalk area on Lewis Street with Planning Department and Water Division.

Garden Grove Boulevard

- Remove the existing easterly and westerly substandard driveway approaches, parkway culverts and landscaping on Garden Grove Boulevard and construct new curb, gutter, landscape and sidewalk per approved site/landscape plan.
- Remove existing wheelchair ramp at the corner of Garden Grove Boulevard and Lewis Street and construct new wheelchair ramp per Caltrans Standard plan A88A, Case A, Detail B (Typical One-Ramp Corner Installation).
- Construct 8-inch curb and gutter replacing the driveway approaches and parkway culverts along the property frontage at 42' from centerline in accordance with City Standard Plan B-113 (Type C-8).
- Construct an 8-foot sidewalk adjacent to the street curb replacing the driveway approaches and parkway culverts along the property frontage in accordance with City Standard Plan B-106.
- The designated landscape planter box locations in the sidewalk area shall be landscaped per the direction of the City Planning Department.

- Prior to the issuance of certificate of use and occupancy, the applicant shall design the westernmost access on Garden Grove Boulevard to function as an emergency access in a manner meeting the approval of the City Engineer.
- Applicant to coordinate the location of all new water meters to be placed in sidewalk area on Garden Grove Boulevard with the Planning Division and Water Services Division.

Private Street

- Street Signs shall be installed in a manner meeting the approval of the City Traffic Engineer.
- The width of all private streets with rolled curb & gutter shall be measured from the flowline to flowline of the gutters per City standard B-116.

Garden Grove Fire Department

The following provisions of the Garden Grove Fire Department and the California Fire Code shall be met:

28. Fire sprinkler system is required throughout the entire project per the California Fire Code and adopted City standards (NFPA). NFPA 13D compliant system is required throughout with a density and configuration as required by that standard. Sprinkler systems shall meet further City water standards as determined by the fire and water departments (i.e., testable double check valves, fire flow water meters if required).
29. Smoke/CO alarm system shall be provided and interconnected; interconnectivity shall exist with fire sprinkler system also, as per NFPA 72.
30. Fire hydrants to be shown on submitted grading plan. Fire hydrants shall be provided on site, number of hydrants and locations are subject to Fire Department and Water Services Department approval. The fire hydrants shall be on a loop system approved by the Fire Department. Prior to any combustible material being delivered to the site, the fire hydrants shall be installed and fully operational and an all-weather road must be provided for fire truck access.
31. The final roadway layout and construction shall maintain a minimum width clearance of 20-feet and a minimum height clearance of 13'-6". All designated corners shall meet the Fire Department minimum turning radius. Applicant shall submit CAD drawing to the Fire Department for review showing fire

engine accessibility and meeting the Fire Department minimum turning radius. The roadway shall be constructed to support 75,000 pounds (CFC 07102.1). During grading plan preparation, the applicant shall work with the Garden Grove Fire Department in determining the exact location of on-site curb returns, curb locations, and any other related matters pertaining to Fire Truck access and turning maneuvers throughout the entire site. Upon completion of the project, the Homeowner's Association shall become fully responsible for replacing any damaged curbs and gutters throughout the development. All fire related matters/issues referenced on construction plans and documents, and during construction, shall be referenced as "per the Garden Grove Fire Department."

32. All access gates on the site shall be equipped with a Knox rapid entry keyed access system subject to the approval of the Garden Grove Fire Department. Automated gates shall have Knox override system, while manual gates shall have Knox padlocks.
33. All Fire related aspects of the proposed project shall comply with California Fire Codes and the California Building Codes 2010 Edition.
34. Where required, red curbing will be required in designated fire access lanes as directed by the Fire Department and such red curbing and any related Fire Lane signage shall be maintained at all times by the Homeowner's Association.

Building Services Division

35. All buildings shall be fire sprinklered.
36. Each garage shall be hooked up with a raceway for future installation of an electric vehicle charging station.
37. All residences (units) within the development shall be solar ready per Section 110.10 of the California Energy Code.
38. Sales office for the development shall be accessible and connected to accessible parking and public way with accessible route.
39. The buildings shall meet the requirements of the 2017 edition of the California Building and Residential Codes and the City of Garden Grove adopted ordinance.

Public Work's Water Services Division

The following provisions of the Garden Grove Public Works' Water Services Division shall be met:

40. The applicant shall install a new 8" looped water main system from the 12" main on Lewis and tie in to the 12" main on Garden Grove Blvd. The water mains, fire hydrants, and water services to be installed by the developer's contractor per City Standards and inspected by the Water Engineering Inspector. Water meters, boxes, and residential fire service connections shall be purchased and installed by the contractor after new water system (including water services) pass all bacteriological and pressure tests.
41. Water system within private streets shall be constructed per City Standards by the applicant and dedicated to the City. Bonding will be required.
42. Location and number of fire hydrants shall be as required by the Fire Department.
43. Fire hydrants shall be in place and activated prior to building footing being formed.
44. All water meters and services to be installed per City Standard B-719, with a residential fire sprinkler connection on the meter.
45. A composite water and sewer plan with an assigned W drawing number shall be submitted and reviewed by the Water Engineering section. The W number can be obtained from Water Engineering at 714-741-5346.
46. There shall be a minimum 15-foot clearance of building footings from the water main.
47. New utilities shall have a minimum 5-foot horizontal and a minimum 1-foot vertical clearance from water main and appurtenances.
48. There shall be a minimum clearance from sewer main and water main of 10 feet from outside of pipe to outside of pipe.
49. A Reduced Pressure Principle Device (RPPD) backflow prevention device shall be installed for the landscape system. Installation shall be per City Standards and shall be tested by a certified backflow device tester immediately after installation. Cross connection inspector shall be notified for inspection after the installation is completed. Owner shall have RPPD device tested once a year thereafter by a certified backflow device tester and the test results to be

submitted to Public Works, Water Services Division. Property owner must open a water account upon installation of RPPD device.

50. It shall be the responsibility of owner/developer to abandon any existing private water well(s) per Orange County Health Department requirements. Abandonment(s) shall be inspected by Orange County Health Department inspector after permits have been obtained.
51. Any new or existing water valve can assemblies located within new concrete driveway or sidewalk construction shall be reconstructed per City Standard B-753.
52. City shall determine if existing water services(s) is/are usable and meets current City Standards. Any existing meter and service located within new driveway(s) shall be relocated at owner's expense.
53. No permanent structures, trees or deep-rooted plants shall be placed over sewer main or water main.
54. Developer shall install a new 8" private sewer main system and tie into the existing County Trunk Sewer. The City of Garden Grove shall act as permittee for County main tie in.
55. Where the new sewer main crosses over or under the existing water main, a joint of AWWA C-900, DR14, Class 305 PVC sewer pipe shall centered over or under the existing water main pipe as per City Standards B-762 or 763.
56. All on site sewer main, laterals, and cleanouts, shall be installed per the California Plumbing Code and inspected by the Building Services Division. All work done within the Garden Grove right-of-way shall be per Garden Grove Sanitary District and Orange County Sanitary Districts' Standards.
57. Contractor shall abandon any existing unused sewer lateral(s) at street right-of-way on the property owner's side. The sewer pipe shall be capped with an expansion sewer plug and encased in concrete.

Planning Services Division

58. The applicant shall submit a complete landscape plan governing the entire development. The plans shall be consistent with the plans submitted to the Planning Commission for review and approval, except as modified herein. The landscape irrigation plans shall include type, size, location and quantity of all

plant material. The landscape plan shall include irrigation plans and staking and planting specifications. All landscape irrigation shall comply with the City's Landscape Ordinance and associated Water Efficiency Guidelines. The landscape plan is also subject to the following:

- a. A complete, permanent, automatic remote control irrigation system shall be provided for all common area landscaping shown on the plan. The sprinklers shall be of low flow/precipitation sprinkler heads for water conservation.
- b. The plan shall provide a mixture of a minimum of ten percent (10%) of the trees at 48-inch box, ten percent (10%) of the trees at 36-inch box, fifteen percent (15%) of the trees at 24-inch box, and sixty percent (60%) of the trees at 15-gallon, the remaining five percent (5%) may be of any size. These trees shall be incorporated into the landscaped frontages of all streets. Where clinging vines are considered for covering walls, Boston Ivy shall be used.
- c. The applicant shall be responsible for installing and maintaining the common area landscaping until such time as the project nears complete sell-out and the Homeowner's Association takes over maintenance responsibility.
- d. Trees planted within ten feet (10') of any public right of way shall be planted in a root barrier shield. All landscaping along street frontages adjacent to driveways shall be of the low height variety to ensure safe sight clearance. The number of street trees to be planted along the Garden Grove Boulevard and Lewis Street frontages shall be incorporated into the front landscape setback, no street trees will be planted in the sidewalk. The street right-of-way plans may be modified to have the sidewalk adjacent to the curb, meeting City Standards, in order to minimize tree overhanging in the street.
- e. Enhanced landscape treatment shall be provided in the 10'-0" wide site perimeter setback between the block wall and the street frontage property lines. The enhanced landscaping within this area shall include trees, shrubs, vines, and flowering ground covers and turf in a hierarchical design order.
- f. The landscape treatment along the street frontages, including the area designated as public right-of-way, shall incorporate the landscape area between the sidewalk and the development wall with ground cover, shrubs and bushes, and trees that highlight the project's entrance as well as enhance the exterior appearance along Garden Grove Boulevard and Lewis Street. The plant material for the entrances shall be the type to inhibit

graffiti such as vines and dense growing shrubs and bushes, and shall be maintained.

- g. All landscape areas, in common areas are the responsibility of the Homeowner's Association and this includes the landscaped area within the Garden Grove Boulevard and Lewis Street road right-of-way, and in the 10'-0" wide site perimeter setback between the block wall and the street frontage property lines. Maintenance of this landscape area shall be included within the CC&R's for the project.
 - h. Final design and configuration of the enhanced treatment along Garden Grove Boulevard and Lewis Street shall be reviewed and approved by the Planning Division as part of the required landscape plans.
59. Hours and days of construction and grading shall be as follows as set forth in the City of Garden Grove's Municipal Code Section 8.47.010 referred to as the County Noise Ordinance as adopted:
- a. Monday through Saturday - not before 7 a.m. and not after 8 p.m. (of the same day).
 - b. Sunday and Federal Holidays may work same hours, but subject to noise restrictions as stipulated in section 8.47.010 of the Municipal Code.
60. The approval and effectiveness of Site Plan No. SP-028-2017 and Tentative Tract Map No. TT-17927-2017 shall be expressly contingent upon the adoption and effectiveness of a binding Development Agreement between the applicant and the City of Garden Grove.
61. The applicant shall prepare Covenants, Conditions, and Restrictions (CC&R's) for review and approval by the City Attorney's office and Community and Economic Development Department prior to the issuance of building permits. The approved CC&R's shall be recorded at the same time that the subdivision map is recorded and two copies (a hard copy and an electronic copy) of the recorded CC&R's shall be provided to the Planning Division. The CC&R's shall include the following stipulations and/or provisions:
- a. All units shall maintain the ability to park two cars within the garages at all times. Garages shall not be converted to any other use.
 - b. There shall be no business activities, day care, or garage sales conducted within or from the garages.
 - c. Parking spaces in the garages shall be made available to the occupants of the unit at all times.

- d. Residents shall not park or store vehicles anywhere on the site except within the designated parking spaces in the garages for their dwelling unit. However, the 53 unassigned open, on-street, guest parking spaces, located throughout the development, may be utilized by residents or guests for temporary parking. Any issues arising from the use, application, or restriction of such open parking spaces shall be at the resolve of the Homeowner's Association.
- e. All graffiti vandalism shall be abated within the premises. Best management practices shall be implemented to prevent and abate graffiti vandalism within the premises throughout the life of the project, including, but not limited to, timely removal of all graffiti, the use of graffiti resistant coatings and surfaces, the installation of vegetation screening of frequent graffiti sites, and the installation of signage, lighting, and/or security cameras, as necessary. Graffiti shall be removed/eliminated as soon as reasonably possible after it is discovered, but not later than 72 hours after discovery.
- f. Each residence shall be utilized as one (1) dwelling unit. No portion of any residence shall be utilized or rented as a separate dwelling unit.
- g. The CC&R's shall include provisions providing the owners or tenants a means of contacting persons responsible for site maintenance, repairs, trash pick-up, and other related matters for a development of this type. This shall also include scheduling of maintenance of such items as the recreation area, landscape area maintenance, etc. This also includes ensuring tree overhangs do not block or hinder any vehicles such as street sweepers, trash trucks, fire trucks, etc., from maneuvering around the cul-de-sac.
- h. Storage of boats, recreational vehicles, or commercial vehicles on the property is prohibited.
- i. The CC&R's shall include stipulations that maintenance of the private drive aisles, storm drain, sewer system, and open space areas within the interior of the development, the enhanced cellular tower element at the front of the development, and the landscape setback areas outside the development walls adjacent to Garden Grove Boulevard and Lewis Street is the responsibility of the Homeowner's Association, including the common landscaped areas.
- j. Each unit shall have a minimum of 200 cubic feet of storage space, which may be provided in the garage parking areas, and typical closet space within the unit shall not count toward this requirement.

- k. Each unit shall maintain a private open space area with minimum dimensions of 15 feet by 20 feet. This area shall be open and unobstructed from the ground to the sky.
- l. The Conditions of Approval for Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 shall be incorporated into the CC&Rs, and provisions corresponding to any applicable Conditions of Approval shall be included in the CC&Rs.
- m. The following provisions shall be included within the CC&R's (in substantially the same form as below or as otherwise approved by the City Attorney):
 - i. Compliance with Stormwater Quality Regulations: The Homeowner's Association shall implement, and fund implementation of, the Operation and Maintenance ("O&M") Plan for the Property, which was approved by the City as part of the Water Quality Management Plan ("WQMP") required for development of the Property, and shall operate and maintain the Best Management Practices ("BMPs") described in the O&M Plan for the Property, which includes:
 - a. Description of all post-construction BMPs (non-structural and structural),
 - b. Description of the Property owner's(s') responsibilities and required training of persons performing BMP implementation, operation and maintenance,
 - c. Implementation frequency and operating schedule,
 - d. Inspection/maintenance frequency and schedule,
 - e. Specific maintenance activities,
 - f. Required permits from resource agencies, if any,
 - g. Forms to be used in documenting implementation, operation and maintenance activities,
 - h. Recordkeeping requirements.

A copy of the approved O&M Plan is described in the current WQMP for the Project, as it may be amended from time to time according to its terms, which is on file with the City of Garden Grove Community and Economic Development Department, and is incorporated herein by this reference. The Committee shall maintain a copy of the current WQMP at a location on the Property.

The Property shall be, and the Homeowner's Association shall ensure, that the Property is used and maintained in full compliance with the provisions of the O&M Plan and Chapter 6.40 (Stormwater Quality) of the Garden Grove Municipal Code, as it may be amended. The City shall have the right to inspect the Property for the purpose of verifying

compliance with this provision. The City of Garden Grove shall be an intended third-party beneficiary to this provision. The City shall have the right and authority, but not the obligation, to enforce this provision by any legal or equitable means, or by any method available to the Property owners as provided elsewhere in the Declaration, against the Declarant, Homeowner's Association, Owners, their successors and assigns, or other persons in possession of the Property. This provision shall not be amended or terminated without the written approval of the City of Garden Grove Community and Economic Development Department.

- ii. Enforcement: The City is hereby made a party to this Declaration solely for purposes of enforcing its provisions and the Conditions of Approval of Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017. The City, its agents, departments and employees shall have the unrestricted right and authority, but not the obligation, to enforce the provisions of this Declaration and the Conditions of Approval of Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017. In the enforcement of this Declaration, the City shall not be limited to the procedures or processes described in this Declaration and may use any remedy provided under law or equity, including the City's Municipal Code. The City, its agents, departments and employees may further refuse to issue any building, electrical or plumbing permit that may be in violation of these Declarations or Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 approvals. However, the City shall not be liable for failing or refusing to enforce the provisions of these Declarations or the Conditions of Approval of Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017. The alternative dispute resolution provisions set forth in Section / Article [SECTION] of this Declaration shall not apply to or legally bind the City.
- iii. Assessments: The City may levy special assessments against the properties in connection with its actions to enforce the conditions of this Declaration or Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 approvals, or to abate the violation thereof. The City shall have the same power as the Association to levy special assessments pursuant to the provisions of [SECTION] of this Declaration in the event that it incurs expenses in the enforcement of the conditions of these Declarations or Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 approvals. Notice of intention to make such assessment shall be mailed

by the City to the Owner of each affected [LOT/UNIT] affording the Owner thirty (30) days' notice to satisfy or reimburse the City's expenditure. In the event of the failure of any Owner of any affected [LOT/UNIT] to reimburse the City within thirty (30) days, notice of such assessment shall be mailed by the City to said Owner, and said assessment shall thereafter be due as a separate debt to the City within thirty (30) days following the mailing of such notice. Any such delinquent assessment may be and may become a lien upon the interest of the defaulting Owner in the Lot upon the execution by the City and the recording in the Orange County Recorder's office of a notice of delinquent assessment under the same conditions that the Association could record the same pursuant to the provisions of [SECTION]. The City may foreclose on such notice of delinquent assessment in the same manner and with the same power as the Association could foreclose on such notice pursuant to the provisions of [SECTION]. It is the intent of Declarant, which intent shall be binding upon all of Declarant's successors in interest in the Properties, that the City shall be deemed an interest holder pursuant to the provisions of these Declarations in order to enforce the rights which have been given to the City generally in these Declarations and specifically pursuant to this Section.

- iv. Attorney Fees: The City shall be entitled to recover its attorney's fees incurred in connection with its actions to enforce the conditions of these Declarations or Planned Unit Development No. PUD-006-2017, Site Plan No. SP-028-2017, and Tentative Tract Map No. TT-17927-2017 approvals, or to abate the violation thereof.
 - v. Public Safety Access: The Police and Fire Department personnel may enter upon any part of the common area for the purpose of enforcing State and Local laws.
 - vi. Modification/Termination: This Declaration shall not be terminated or substantially amended without the prior written approval of the City of Garden Grove Community and Economic Development Department.
62. The applicant shall comply with all provisions of the Community and Economic Development Department including, but not limited to, the following:
- a. The facades of the units shall be designed with sound attenuation features including the use of dual pane windows and limiting, when possible, the use of windows and vents. These features shall be approved by the Community and Economic Development Department prior to the issuance of building permits.

- b. Prior to the finalization of working drawings for Planning Division, Engineering Division, and Building Division Plan Check, the applicant shall submit to the Community and Economic Development Department detailed and dimensioned plot plans, floor plans, exterior elevations, and landscape plans which reflect the above Conditions of Approval. The plans shall indicate cross-sections of all streets within the development, landscape materials, wall materials, and building materials proposed for the project. Each unit shall have phone jacks and cable-TV outlets in all rooms, except the laundry area, hallways, and bathrooms. Mechanical equipment, including air conditioning units, Jacuzzi spa equipment, sump pump, etc., shall not be located closer than 5-feet of any side or rear property line and shall not be located in the front landscape setback. Air conditioning units may be placed adjacent to or in front of the dwelling units provided the location does not obstruct, impede, or hinder any vehicle traffic or pedestrian access to any unit.
 - c. Should the applicant elect to build the project in more than one phase, then a phasing plan shall be submitted to the Community and Economic Development Department prior to releasing units for model purposes. The phasing plan shall include, but not be limited to, a site plan showing the phasing areas, protection of finished units, and protection for related safety issues concerning pedestrians and non-construction vehicles. The perimeter improvements including landscaping, walls, street improvements, and underground utilities, shall be completed in the first phase. The phasing plan shall be approved by the Community and Economic Development, Fire, and Public Works Departments prior to issuance of building permits.
63. Any new or required block walls and/or retaining wall(s) shall be shown on the grading plans. Block walls shall be developed to City Standards or designed by a Registered Engineer and shall be measured from on-site finished grade. The applicant shall provide the following:
- a. Decorative masonry walls are required along the north, south, east, and west property lines and shall be constructed to a minimum height of 6'-0", as measured from highest point of finished grade. These walls shall use decorative masonry or stucco block with decorative caps, subject to the Community and Economic Development Department's approval. A minimum 6'-0" high decorative block wall, set back a minimum of 10'-0" from the Garden Grove Boulevard and Lewis Street property lines shall be installed, behind the homes that back up to Garden Grove Boulevard and Lewis Street, and include split-face or stucco block with pilasters and decorative caps.

- b. The applicant shall work with the existing property owners along the project perimeter in designing and constructing the required perimeter block walls. This requirement is to avoid having double walls and minimize any impact that it might cause to the existing landscaping on the neighbor's side as much as possible. The perimeter block wall shall be constructed and situated entirely within the subject property. In the event that the applicant cannot obtain approval from the property owners, the applicant shall construct the new wall with a decorative cap to be placed between the new and existing walls. In the event the location of a new wall adjacent to an existing wall or fence has the potential to affect the landscape planter, then the applicant shall work with City Staff to address this situation. The Community and Economic Development Director shall be authorized to approve minor alterations the size and/or location of the landscape planter to accommodate the placement of such wall.
- 64. Construction activities shall adhere to SCAQMD Rule 403 (Fugitive Dust) that includes dust minimization measures, the use of electricity from power poles rather than diesel or gasoline powered generators, and the use methanol, natural gas, propane or butane vehicles instead of gasoline or diesel powered equipment, where feasible. Also, the use of solar or low-emission water heaters, and use of low-sodium parking lot lights, and to ensure compliance with Title 24.
 - 65. The common recreation area improvements shall be reviewed and approved by the Community and Economic Development Department, Planning Division prior to issuance of building permits. The common recreation area shall be completed at the time that the applicant completes no more than 50 percent of the units (35 units). The improvements within the main open space shall include a children's playground (tot lot), open turf area, two (2) covered barbecue dining areas, a shade structure with built-in bench seating, a hedge screen around the area, and related equipment and improvements.
 - 66. Building color and material samples shall be submitted to the Planning Division for review and approval prior to issuance of building permits. The buildings shall include multi-toned stuccoed exteriors, window and door trim, decorative paneled front doors, multi-paned windows, window boxes, shutters, paneled roll-up garage doors, decorative entry, and varied roof lines with tile roofing material. All side and rear elevations that face a street or a common usable open space area shall maintain the same, or enhanced, level of detail as the fronts of the homes, including but not limited to, window trims, multi-paned windows, and shutters.
 - 67. The entry and exit-only drive, off Lewis Street, located along the easterly property line, shall have enhanced concrete treatment subject to the Community and Economic Development Department's approval.

68. All recreation areas, landscaping along the interior project street and entryway, landscaped areas outside the perimeter block wall, landscaping within the public right-of-ways, shall be maintained for the life of the project and such maintenance provisions shall be included in the CC&R's.
69. Decorative mailboxes shall be provided that include elements that are complimentary to the architectural style of the buildings. All on-site lighting shall be decorative. Final design of the mailboxes and street lighting shall be reviewed and approved by the Planning Division prior to the issuance of building permits.
70. The applicant shall, as a condition of Project approval, at its sole expense, defend, indemnify and hold harmless the City, its officers, employees, agents and consultants from any claim, action, or proceeding against the City, its officers, agents, employees and/or consultants, which action seeks to set aside, void, annul or otherwise challenge any approval by the City Council, Planning Commission, or other City decision-making body, or City staff action concerning the proposed sphere of influence amendments and detachment/annexation, General Plan Amendment No. GPA-001-2017, Planned Unit Development No. PUD-006-2017, Tentative Tract Map No. TT-17927-2017, Site Plan No. SP-028-2017, or Development Agreement No. DA-006-2017 (collectively, the "Project entitlements"), and/or the adopted Mitigated Negative Declaration and the associated Mitigation Monitoring and Reporting Program for the Project. The applicant shall pay the City's defense costs, including attorney fees and all other litigation related expenses, and shall reimburse the City for court costs, which the City may be required to pay as a result of such defense. The applicant shall defend the City with legal counsel mutually selected by the applicant and the office of the City Attorney and shall further pay any adverse financial award, which may issue against the City, including but not limited to any award of attorney fees to a party challenging such project approval.
71. The Conditions of Approval set forth herein include certain development impact fees and other exactions. Pursuant to Government Code §66020(d), these Conditions of Approval constitute written notice of the amount of such fees. To the extent applicable, the applicant is hereby notified that the 90-day protest period, commencing from the effective date of approval of Tentative Tract Map No. TT-17927-2017 and Site Plan No. SP-028-2017, has begun.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: City Manager Dept.: City Clerk
Subject: Ordinance No. 2882 Date: 6/13/2017
presented for second reading
and adoption

Attached is Ordinance No. 2882 recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance No. 2882	5/30/2017	Ordinance	2882__A-017-2017_MC.pdf

ORDINANCE NO. 2882

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-017-2017 AMENDING PORTIONS OF TITLE 9 (ZONING CODE) AND REPEALING CHAPTER 5.85 OF THE GARDEN GROVE MUNICIPAL CODE ADOPTING ACCESSORY DWELLING UNIT REGULATIONS AND MAINTAINING THE BAN ON CANNABIS ACTIVITIES CONSISTENT WITH RECENT CHANGES TO STATE LAW

City Attorney Summary

This Ordinance amends the Garden Grove Zoning Code to revise second unit regulations in single-family residential lots and replace them with new accessory dwelling unit regulations consistent with the 2017 revisions to State's Planning and Zoning Law. It further revises the Municipal Code to continue to maintain the ban on cannabis activities consistent with recent changes to State law.

WHEREAS, in 2016 the State Legislature adopted Assembly Bill 2299 and Senate Bill 1069 to streamline current regulations for second units in residential districts, now termed "accessory dwelling units";

WHEREAS, the new State regulations preempt local regulation until the City adopts regulations consistent with the standards adopted in the new legislation;

WHEREAS, on November 8, 2016, California voters approved Proposition 64 – the Control, Regulate, and Tax Adult Use of Marijuana Act (the "Adult Use of Marijuana Act") legalizing recreational marijuana use for adults 21 or older;

WHEREAS, pursuant to the Adult Use of Marijuana Act, local governments may continue to prohibit cannabis business activities, but may not prohibit adults 21 years or older from cultivating up to six living marijuana plants inside a private residence, or inside an accessory structure located thereon, that is fully enclosed and secure;

WHEREAS, on August 23, 2011, the City Council adopted Ordinance No. 2798-A, adding Chapter 5.85 "Registration Process for Medical Marijuana Dispensaries" to Title 5 of the Garden Grove Municipal Code. Chapter 5.85 provided for the identification of unauthorized medical marijuana dispensaries operating in the city and prohibited any new medical marijuana dispensaries while new regulatory and zoning provisions were developed and considered;

WHEREAS, on January 26, 2016, the City Council adopted Ordinance No. 2863, adding Chapter 9.52 "Cannabis Activities" to Title 9 of the Garden Grove Municipal Code. Chapter 9.52 prohibits the establishment, maintenance, or operation of marijuana dispensaries and related commercial cannabis activities, including the distribution, manufacture cultivation and delivery of cannabis and/or cannabis products in all zoning districts, planned unit development districts, and specific plan areas in the city;

WHEREAS, the City wishes to continue to provide for the public health, safety and welfare of the community by establishing local controls over land use, including accessory dwelling units and a ban on commercial cannabis activities;

WHEREAS, following a Public Hearing held on April 20, 2017, the Planning Commission adopted Resolution No. 5882-17 recommending approval of Amendment No. A-017-2017;

WHEREAS, pursuant to a legal notice, a Public Hearing regarding the proposed adoption of this Ordinance was held by the City Council on May 23, 2017, and all interested persons were given an opportunity to be heard; and

WHEREAS, the City Council gave due and careful consideration to the matter.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY ORDAINS AS FOLLOWS:

SECTION 1: The above recitals are true and correct.

SECTION 2: Subsection C of Section 9.04.060 of Chapter 9.04 of Title 9 of the Garden Grove Municipal Code is hereby amended to add a definition for "Accessory dwelling unit" and to delete the current definition for "Second unit" as follows (additions in ***bold/italic***, deletions in strike-through):

"Accessory dwelling unit" (also "ADU," "second unit," or "granny unit") means an attached or detached residential dwelling unit situated on the same parcel as an existing primary single-family dwelling, which provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. An accessory dwelling unit also includes and "efficiency unit" as defined in California Health and Safety Code Section 17958.1 and a "manufactured home" as defined in California Health and Safety Code Section 18007. An accessory dwelling unit may be established through (i) construction of a new detached structure, (ii) construction of an addition to an existing single-family dwelling, (iii) conversion of existing space in an existing single-family dwelling, or (iv) conversion of an existing garage or other accessory structure on a lot containing an existing single-family dwelling, provided it is set back at a distance sufficient for fire safety.

~~"Second unit" means an attached or detached residential dwelling unit located on the same lot as a single-family residence that provides independent living facilities for one or more persons, including a kitchen or any other area used for the daily preparation of food.~~

SECTION 3: Table 1 of Section 9.08.020.030 of Chapter 9.08 of Title 9 of the Garden Grove Municipal Code is hereby amended to replace "Second Unit" with "Accessory dwelling unit" as follows (additions in ***bold italic***, deletions in ~~strikethrough~~):

Table 1
CITY OF GARDEN GROVE LAND USE MATRIX

ZONES USES	R-1
Residential	
Accessory Buildings and Structures	I*
<i>Accessory Dwelling Unit</i>	<i>P*</i>
Agricultural Growing and Produce Stand	P
.
Residential Care Facility for the Elderly (RCFE) – 6 Persons or Less	P
Second Unit	p*
Single-Family Dwelling	P
.

SECTION 4: Subsection L of Section 9.08.020.050 of Chapter 9.08 of Title 9 of the Garden Grove Municipal Code is hereby amended to read as follows (additions in ***bold italic***, deletions in ~~strikethrough~~):

- L. ~~Second~~ ***Accessory Dwelling*** Units. Subject to the following conditions:
1. ~~A second~~ ***An accessory*** dwelling unit that conforms to the requirements of this subsection shall be considered consistent with the allowable density for the lot and the single-family land use designation for such lot as provided in the applicable general plan and zone map for such lot. ***Accessory dwelling units shall not be considered new residential uses for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.***
 2. The property shall be zoned for R-1 single-family residential uses.
 3. The lot on which the ~~second~~ ***accessory dwelling*** unit is proposed to be established shall contain one existing permanent single-family dwelling (the "primary unit") and no existing granny unit, guest house, servants quarters, accessory living quarters, or similar facility, unless the proposal includes the demolition or modification of such facility so as to comply with the provisions of this subsection.

4. The primary unit complies with current parking requirements or, if the primary unit does not comply with the parking requirements, the primary unit will be made to comply with the parking requirements as part of the application for a proposed ~~second~~ **accessory dwelling** unit. ***When a garage, carport, or covered parking structure containing required off-street parking spaces for the primary unit is demolished or eliminated in conjunction with the construction of an accessory dwelling unit, said parking spaces shall be replaced. These replacement parking spaces may be located in any configuration on the same lot as the accessory dwelling unit, including, but not limited to, as covered spaces, uncovered spaces, tandem spaces, or by the use of mechanical automobile parking lifts.***
5. ***The lot and all structures thereon shall be legal or legal nonconforming, or will be made so prior to development of the accessory dwelling unit.*** If the primary unit or any associated accessory structures have legally established deviations or variances from current zoning requirements, a ~~second~~ **an accessory dwelling** unit may be permitted, provided the ~~second~~ **accessory dwelling** unit complies in all respects with the requirements of this subsection.
6. Adequate infrastructure, including, but not limited to, sewer and water services and ***streets sufficient for*** traffic flow and circulation, shall be available within the residential neighborhood in which the ~~second~~ **an accessory dwelling** unit ***not located within the space of an existing structure*** is proposed to be located to serve such ~~second~~ **accessory dwelling** unit, ***as determined by the Public Works Director.***
7. The ~~second~~ **accessory dwelling** unit may be either attached to or detached from, ***or located within the existing space of,*** the existing single-family residence and shall be located on the same lot as the existing single-family residence.
8. ***Except as otherwise provided in this subsection or by state law,*** ~~the~~ the following development and design standards shall apply to ~~second~~ **accessory dwelling** units:
 - a. The lot is a minimum of ~~9,000~~ **7,200** square feet in size.
 - b. No more than one ~~second~~ **accessory dwelling** unit shall be allowed on a single lot.

- c. Each ~~second~~ **accessory dwelling** unit shall meet the following minimum sizes based on the number of sleeping rooms, ***provided, however, that a smaller unit constituting an "efficiency unit" as defined California Health and Safety Code Section 17958.1 is permitted:***
 - i. Studio units: 500 square feet.
 - ii. One sleeping room: 600 square feet.
 - iii. Two sleeping rooms: 700 square feet.
- d. The ~~second~~ **accessory dwelling** unit shall not contain more than two sleeping units and shall not exceed ~~700~~ **800** square feet in area, except as expressly provided herein.
- e. The ~~second~~ **accessory dwelling** unit may include an attached covered patio and/or porch, which, if provided, shall be integrated into the design of the ~~second~~ **accessory dwelling** unit and shall not exceed 80 square feet.
- f. The ~~second~~ **accessory dwelling** unit may include an attached one-car garage, which, if provided, shall be integrated into the design of the ~~second~~ **accessory dwelling** unit and shall not exceed 250 square feet.
- g. In no event shall ~~an~~ ~~second~~ **accessory dwelling** unit including porch, patio, and garage, exceed ~~1,000~~ **1,100** square feet.
- h. The ~~second~~ **accessory dwelling** unit shall have a separate entrance and shall contain kitchen and bathroom facilities separate from those of the existing single-family residence. Laundry hookups to serve the ~~second~~ **accessory dwelling** unit are encouraged.
- i. ***Unless otherwise required by applicable law or the utility provider or determined by the Public Works Director to be necessary, an accessory dwelling unit shall be served by the same water, sewer, and other utility connections serving the primary unit, and no*** ~~No~~ separate utility meters shall be permitted for the ~~second~~ **accessory dwelling** unit. ***An accessory dwelling unit***

must receive the approval of the local health officer where a private sewage disposal system is being used.

- j. ***Except to the extent otherwise provided in this subsection, ~~The second~~ the accessory dwelling*** unit shall conform to all the development standards for the R-1 zone ***set forth in Section 9.08.040***, including, but not limited to, standards for front, rear, and side yard setbacks, height, and lot coverage, ***lot width, building placement, design and architectural compatibility, driveway width, screening of mechanical equipment and metering devices, landscaping, walls, fences, hedges, and parking spaces.***
- k. The ~~second~~ ***accessory dwelling*** unit shall be considered as part of the 50% lot coverage calculation that also includes all buildings and structures (primary and accessory); ***and*** uncovered and covered parking areas, and driveways, but excludes uncovered swimming pools and uncovered ***permeable or semi-permeable*** recreational ***surface*** areas.
- l. ***Attached accessory dwelling units shall comply with the setback standards established for additions to single-family dwellings, and detached accessory dwelling units shall comply with the setback standards established for detached accessory structures. Notwithstanding the foregoing, no setback is required where an existing garage is converted to an accessory dwelling unit. A minimum five (5) foot yard rear and side yard setback is required for any accessory dwelling unit constructed above an existing garage (if otherwise permitted).*** A detached ~~second~~ ***accessory*** dwelling unit shall have a minimum separation of six feet between the primary unit and the detached ~~second~~ ***accessory dwelling*** unit.
- m. ~~Second~~ ***Detached accessory dwelling*** units shall be one story, constructed at ground level, and shall not be more than 17 feet in height measured from ground level to the highest point on the roof. ***Attached accessory dwelling units developed as additions to primary dwelling units shall be subject to the height limits and related standards applicable to additions to existing single-family residences, including, but not limited to, all***

privacy provisions limiting window placement and design. Exterior stairs associated with an attached accessory dwelling unit shall only be permitted if they would otherwise be allowed for the primary unit, shall not be located on the front façade of the structure, and shall be oriented and designed in such a manner so as not to permit unobscured views into windows of adjacent residential dwelling units or to pools, spas, or similar recreational areas situated on adjacent properties.

- n. The design, color, material, and texture of the roof of the ~~second~~ **accessory dwelling** unit shall be substantially the same as the primary unit.
- o. The color, material, and texture of all building walls of the ~~second~~ **accessory dwelling** unit shall be similar to and compatible with the primary unit.
- p. The design of the ~~second~~ **accessory dwelling** unit shall be architecturally compatible with the primary unit and shall maintain the scale and appearance of the existing single-family unit.
- q. ***Except as otherwise provided herein, one*** ~~One enclosed off-street~~ ***parking*** space shall be provided for a single ~~an~~ **accessory dwelling** unit with one bedroom or no bedroom. ~~One enclosed space and one uncovered~~ ***Two off-street parking*** spaces shall be provided for a two-bedroom ~~second~~ **accessory dwelling** unit. ~~The one uncovered space may be designed as a tandem parking space in front of the new enclosed space for the second unit.~~ ***Parking for the accessory dwelling unit is in addition to the required parking for the primary unit. Required off-street parking spaces for an accessory dwelling unit may be provided as tandem parking on an existing driveway or in setback areas approved by the Community and Economic Development Director ("Director"), unless the Director specifically finds that such parking arrangements are not feasible based upon specific site or regional topographical or fire or life safety conditions, or are not permitted anywhere in the city.***

Exception: No additional off-street parking spaces are required for a new accessory dwelling unit in any of the following circumstances:

- i. The accessory dwelling unit is located within one-half mile of public transit;***
 - ii. The accessory dwelling unit is located within an architecturally and historically significant district;***
 - iii. The accessory dwelling unit is part of the existing primary residence or an existing accessory structure;***
 - iv. When on-street parking permits are required, but not offered to the occupant of the accessory dwelling unit; or***
 - v. When there is a car share vehicle located within one block of the accessory dwelling unit.***
- r. To the maximum extent feasible, the ~~second~~ **accessory dwelling** unit shall utilize the same vehicular access that serves the primary dwelling unit; however, the parking area for the second unit shall have approved access to a public right-of-way.
- s. An accessory dwelling unit shall have a separate entrance than the primary unit. An uncovered pathway from the street to the entrance of an accessory dwelling unit (called as a "passageway") is not required.***
9. The owner of the property shall occupy one of the residential units. The residential unit that is not occupied by the owner may be rented or leased ***for terms of 30 days or more***. In the event the owner of the lot shall cease to occupy a unit on the lot, the ~~second~~ **accessory dwelling** unit shall automatically become non-habitable space, shall not be used as a dwelling unit, and shall not be rented or leased for any purpose.
10. Sale or ownership of a ~~second~~ **an accessory dwelling** unit separate from the existing single-family unit is prohibited.

11. Prior to issuance of a building permit for a second ***an accessory dwelling*** unit, the property owner shall record with the County Recorder's office an agreement with the City setting forth the property owner's acknowledgement and agreement with the requirements of this subdivision, in a form satisfactory to the City Manager or the City Manager's designee and the City Attorney or the City Attorney's designee, ***which runs with the land and describes restrictions that allow for the continued use of the accessory dwelling unit as follows:***
 - a. ***The accessory dwelling unit shall not be sold or owned separately from the primary dwelling unit on the property, and the property shall not be subdivided in any manner that would authorize such separate sale or ownership.***
 - b. ***The accessory dwelling unit may not be rented for a term of less than thirty (30) days.***
 - c. ***The accessory dwelling unit is restricted to the size and attributes set forth in this subsection. If the accessory dwelling unit is an "efficiency unit" as defined California Health and Safety Code Section 17958.1, occupancy of the unit shall be restricted to no more than the number of persons corresponding to the size of the efficiency unit.***
 - d. ***The required number of parking spaces (if any) shall be provided for the accessory dwelling unit at all times.***
 - e. ***The accessory unit shall be considered legal only so long as either the primary dwelling unit, or the accessory dwelling unit, is occupied by an owner of record of the property as his or her principal residence. In the event an owner of the lot shall cease to occupy a unit on the lot, the accessory dwelling unit shall automatically become non-habitable space, shall not be used as a dwelling unit, and shall not be rented or leased for any purpose.***
 - f. ***The restrictions shall run with the land and be binding upon any successor in ownership of the property, and lack of compliance shall be good cause for legal action against the property owner for***

compliance with the requirements for an accessory dwelling unit.

12. ***Applications for development of an accessory dwelling unit must be submitted to the Director on a form prepared by the city and must include all information and materials proscribed by such form. No application shall be accepted unless it is completed as prescribed and is accompanied by payment for all applicable fees. The Director shall ministerially review and approve or disapprove a complete application for an accessory dwelling unit within 120 days of submittal of a complete application. Review is limited to ensure that the accessory dwelling unit complies with the requirements of this subsection. Any owner that is unable to comply with the development standards and conditions of this subsection shall first apply for and secure the approval of a variance pursuant to the provisions of this code before a second unit may be approved.***
13. ***In addition to approval of an accessory dwelling unit application, the applicant shall be required to obtain any appropriate permits from the building division prior to the construction or conversion of the accessory dwelling unit. Except as otherwise provided in this subsection or by state law, all building, fire, and related code requirements applicable to habitable dwellings apply to accessory dwelling units. Pursuant to Government Code section 65852.2, an accessory dwelling unit shall not be required to provide fire sprinklers if they are not required for the primary unit.***
14. ***Notwithstanding the provisions of paragraph 8 of this subsection, the city shall approve a building permit for an accessory dwelling unit to create within a single-family residentially zoned property one accessory dwelling unit per single-family lot if the accessory dwelling unit is contained within the building envelope of an existing legal primary unit, garage, or other accessory structure, has independent exterior access from the existing legal primary unit, complies with all building standards, and the Director determines that the side and rear setbacks are sufficient for fire safety.***

SECTION 5: Exemption (b.) of Subsection D of Section 9.08.040.030 of Chapter 9.08 of Title 9 of the Garden Grove Municipal Code is hereby amended to read as follows (additions in ***bold italic***, deletions in ~~strikethrough~~):

Exemptions:

- a. One-story detached accessory structures used as tool sheds, playhouses and similar uses shall be exempt from the architectural requirements contained in Section 9.08.040.030.A, provided any such structure does not exceed 120 square feet of projected roof area and is located to the rear and interior side of the main building.
- b. ~~Second~~ ***Accessory dwelling*** units, including porch and/or patio areas and enclosed parking areas dedicated to the ~~second~~ ***accessory dwelling*** unit that are within the maximum area for a ~~second~~ ***accessory dwelling*** unit, shall be exempt from the provisions of this subsection.

SECTION 6: Exemption (b.) of Subsection D of Section 9.12.040.030 of Chapter 9.08 of Title 9 of the Garden Grove Municipal Code is hereby amended to read as follows (additions in ***bold italic***, deletions in ~~strikethrough~~):

Exemptions:

- a. One-story detached accessory structures used as tool sheds, playhouses and similar uses shall be exempt from the architectural requirements contained in Section 9.12.040.030.A, provided any such structure does not exceed 120 square feet of projected roof area and is located to the rear and interior side of the main building.
- b. ~~Second~~ ***Accessory dwelling*** units, including porch and/or patio areas and enclosed parking areas dedicated to the ~~second~~ ***accessory dwelling*** unit that are within the maximum area for a ~~second~~ ***accessory dwelling*** unit, shall be exempt from the provisions of this subsection.

SECTION 7: Chapter 5.85 of Title 5 of the Garden Grove Municipal Code is hereby repealed.

SECTION 8: Section 9.52.020 of Chapter 9.52 of Title 9 of the Garden Grove Municipal Code is hereby amended to read as follows (additions in ***bold/italics***, deletions in ~~strike-through~~):

- A. Cannabis Dispensaries and Delivery Prohibited. ***Except as exempted in subsection (C) below***, cannabis dispensaries and cannabis delivery are prohibited in all zoning districts, planned unit development districts,

and specific plan areas in the City. It shall be unlawful for any person or entity to own, manage, conduct, or operate any cannabis dispensary or cannabis delivery service or to participate as an employee, contractor, agent or volunteer, or in any other manner or capacity, in any cannabis dispensary or cannabis delivery service in the City of Garden Grove.

- B. Establishment or Maintenance of Cannabis Dispensaries Declared a Public Nuisance. ***Except as exempted in subsection (C) below,*** the establishment, maintenance, or operation of a cannabis dispensary or cannabis delivery service as defined in this chapter within the City limits of the City of Garden Grove is declared to be a public nuisance and enforcement action may be taken and penalties assessed pursuant to Title 1, Chapter 1.04 of the Garden Grove Municipal Code, and/or any other law or ordinance that allows for the abatement of public nuisances.
- C. ***Exemptions. Pursuant and subject to Proposition 64 adopted by the State voters in November 2016, this section shall not prohibit (1) the possession, planting, cultivation, harvesting, drying, or processing of up to 6 marijuana plants by persons 21 years of age or older inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure; or (2) the possession of or giving away of the marijuana produced by such plants to persons 21 years of age or older.***

SECTION 9: Section 9.52.030 of Chapter 9.52 of Title 9 of the Garden Grove Municipal Code is hereby amended to read as follows (additions in ***bold/italics***, deletions in ~~strike through~~):

- A. Cannabis Cultivation Prohibited. ***Except as exempted in subsection (C) below,*** the cultivation of cannabis and/or the establishment, maintenance or operation of any cannabis cultivation site is prohibited in all zoning districts, planned unit development districts, and specific plan areas in the City.
- B. Establishment or Maintenance of Cannabis Cultivation Site Declared a Public Nuisance. ***Except as exempted in subsection (C) below,*** the establishment, maintenance, or operation of a cannabis cultivation site as defined in this chapter within the City limits of the City of Garden Grove is declared to be a public nuisance and enforcement action may be taken and penalties assessed pursuant to Title 1, Chapter 1.04 of the Garden Grove Municipal Code, and/or any other law or ordinance that allows for the abatement of public nuisances.
- C. ***Exemptions. Pursuant and subject to Proposition 64 adopted by the State voters in November 2016, this section shall not***

prohibit the possession, planting, cultivation, harvesting, drying, or processing of up to 6 marijuana plants by persons 21 years of age or older inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.

SECTION 10: The City Council hereby finds that this Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Section 15061(b)(3).

SECTION 11: If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, 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, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 12: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the ____ day of _____.

ATTEST:

MAYOR

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on May 23, 2017, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(7)	BEARD, O'NEILL, NGUYEN T., BUI, KLOPFENSTEIN, NGUYEN K., JONES
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Teresa Pomeroy
Dept.:	City Manager	Dept.:	City Clerk
Subject:	Ordinance No. 2883 presented for second reading and adoption	Date:	6/13/2017

Attached is Ordinance No. 2883 recommended for adoption.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ordinance No. 2883	5/30/2017	Ordinance	2883_Amendment_No.pdf

ORDINANCE NO. 2883

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING AMENDMENT NO. A-018-2017, A ZONING TEXT AMENDMENT TO PORTIONS OF CHAPTERS 9.04, 9.16, AND 9.18 OF TITLE 9 OF THE GARDEN GROVE MUNICIPAL CODE PERTAINING TO CREMATORIALS, MORTUARIES, FUNERAL HOMES, AND CEMETERIES

City Attorney Summary

This Ordinance approves text amendments to portions of Chapters 9.04 (Definitions), 9.16 (Commercial, Office Professional, Industrial, and Open Space Development Standards), and 9.18 (Mixed Use Regulations and Development Standards) of Title 9 of the Garden Grove Municipal Code to update the definitions, operating conditions, and development standards in the City's Land Use Code, pertaining to crematoriums, mortuaries, funeral homes, and cemeteries.

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, Amendment No. A-018-2017 was initiated by the City of Garden Grove and is a zoning text amendment to portions of Chapters 9.04 (Definitions), 9.16 (Commercial, Office Professional, Industrial, and Open Space Development Standards), and 9.18 (Mixed Use Regulations and Development Standards) of Title 9 of the Garden Grove Municipal Code pertaining to crematoriums, mortuaries, funeral homes, and cemeteries;

WHEREAS, following a Public Hearing held on April 20, 2017, the Planning Commission adopted Resolution No. 5883-17 recommending approval of Amendment No. A-018-2017;

WHEREAS, pursuant to a legal notice, a Public Hearing regarding the proposed adoption of this Ordinance was held by the City Council on May 23, 2017, and all interested persons were given an opportunity to be heard;

WHEREAS, the City Council gave due and careful consideration to the matter; and

WHEREAS, the City Council hereby makes the following findings regarding Amendment No. A-018-2017:

A. Pursuant to the proposed Amendment, changes include, but are not limited to, the following: (i) establish a minimum 500-foot distance requirement from any new "Crematoriums" or "Crematoriums with Incidental Funeral Home/Mortuary" use to a property boundary of any "O-S" (Open Space) zoned property developed with a school or park, or to a property boundary of any "R" (Residential) zoned property or any PUD (Planned Unit Development) established exclusively for residential use; (ii) remove "Crematoriums" as a conditionally permitted use in the

C-2 (Community Commercial) zone; (iii) add "Crematoriums" as a conditionally permitted use in the M-1 (Light Industrial) and M-P (Industrial Park) zones; (iv) add "Crematoriums with Incidental Funeral Home/Mortuary" as a conditionally permitted use in the C-3 (Heavy Commercial), M-1, and M-P zones; (v) add "Funeral Home/Mortuary with No Crematorium" as an automatically permitted use in the C-2, C-3, and A-R (Adaptive Reuse) zones with a minimum 250-foot distance requirement to a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use; (vi) prohibit crematorium or funeral home/mortuary services or activities for "Cemetery" uses; and (vii) establish minimum parking requirements for "Crematorium", "Crematorium with Incidental Funeral Home/Mortuary", and "Funeral Home/Mortuary with No Crematorium" uses.

The General Plan has goals and policies that address neighborhood preservation and land use compatibility.

Goal LU-2.1 of the General Plan directs the City to protect residential areas from the effects of potentially incompatible uses and to maintain standards for buffer areas to ensure compatibility between the uses.

Goal LU-2.3 of the General Plan directs the City to prohibit uses that may adversely impact the safety of a residential neighborhood.

Goal LU-4.4 of the General Plan directs the City to avoid intrusion of non-residential uses that are incompatible with existing neighborhoods.

Goal LU-4.5 of the General Plan directs the City of Garden Grove to require that commercial and industrial developments adjoining residential uses be adequately buffered from residential areas.

Goal LU-4.8 of the General Plan directs the City to ensure that minimum allowable distances are maintained between land uses defined as sensitive to their presence, which may include residences, schools, and parks.

The proposed Amendment is internally consistent with the goals, policies, and elements of the General Plan, by ensuring compatibility with sensitive uses such as residences, schools, and parks by limiting facilities with crematoriums, funeral homes, and/or mortuaries to the proposed respective zones, requiring Conditional Use Permit approval when applicable, and imposing specified operational conditions and development standards, which include minimum distance requirements to sensitive uses.

B. Pursuant to the proposed Amendment, changes include, but are not limited to, the following: (i) establish a minimum 500 foot distance requirement from any new "Crematoriums" or "Crematoriums with Incidental Funeral Home/Mortuary" use to a property boundary of any "O-S" (Open Space) zoned property developed with a school or park, or to a property boundary of any "R" (Residential) zoned property or any PUD (Planned Unit Development) established exclusively for residential use; (ii) remove "Crematoriums" as a conditionally permitted use in the

C-2 (Community Commercial) zone; (iii) add "Crematoriums" as a conditionally permitted use in the M-1 (Light Industrial) and M-P (Industrial Park) zones; (iv) add "Crematoriums with Incidental Funeral Home/Mortuary" as a conditionally permitted use in the C-3 (Heavy Commercial), M-1, and M-P zones; (v) add "Funeral Home/Mortuary with No Crematorium" as an automatically permitted use in the C-2, C-3, and A-R (Adaptive Reuse) zones with a minimum 250-foot distance requirement to a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use; (vi) prohibit crematorium or funeral home/mortuary services or activities for "Cemetery" uses; and (vii) establish minimum parking requirements for "Crematorium", "Crematorium with Incidental Funeral Home/Mortuary", and "Funeral Home/Mortuary with No Crematorium" uses. The zoning and development standards, proposed in this Amendment, promote the public interest, health, safety, and welfare and will ensure that crematorium, mortuary, funeral home, and cemetery related uses do not cause a nuisance to sensitive uses such as residences, schools, and parks.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1: The above recitals are true and correct.

SECTION 2: The City Council finds that the proposed Ordinance is not subject to the California Environmental Quality Act ("CEQA"; Cal. Pub. Resources Code Section 21000 et seq.) pursuant to Section 15061(b)(3) of the State CEQA Guidelines (Cal. Code of Regs., Title 14, Section 15000 et seq.) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3: Amendment No. A-018-2017 is hereby approved pursuant to the findings set forth herein and the facts and reasons stated in Planning Commission Resolution No. 5883-17, a copy of which is on file in the Office of the City Clerk, and which is incorporated herein by reference with the same force and effect as if set forth in full.

SECTION 4: Subdivision C of Section 9.04.060 (Definitions) of Chapter 9.04 (General Provision) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to: (i) remove "Mortuaries" from the title of "Mortuaries/Crematoriums" and modify its definition; (ii) modify the definition of "Crematory"*; (iii) add the definition of "Crematoriums with Incidental Funeral Home/Mortuary"; (iv) add the definition of "Funeral Home/Mortuary with No Crematorium"; (v) modify the title of "Cemeteries" to "Cemetery" and modify its definition; and (vi) add the definition of "Columbarium" (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

~~"Mortuaries/Crematoriums"~~ means ***facilities where human or animal remains are reduced to ashes in a furnace and may include incidental uses such as a Funeral Home/Mortuary*** establishments primarily engaged in the provision of services involving the care, preparation or disposition of human dead other than in cemeteries.

* "Crematory" is another term for "Crematorium".

~~"Crematory" see "Crematorium." means a facility where human remains are reduced to ashes in a furnace and are incidental to a church, cemetery, or mortuary.~~

"Crematoriums with Incidental Funeral Home/Mortuary" means establishments primarily engaged in the provision of services involving the viewing, care, preparation or management of human dead prior to burial or cremation. The Funeral Home/Mortuary is incidental to an on-site crematory facility and may include related and incidental business activities, which include a florist, gift shop, and casket sales. See "Crematorium" definition.

"Funeral Home/Mortuary with No Crematorium" means an establishment primarily engaged in the provision of services involving the viewing, care, preparation or management of human dead prior to burial or cremation. The Funeral Home/Mortuary may include related and incidental business activities, which include a florist, gift shop, and casket sales. No crematorium services or activities are permitted on-site.

~~"Cemeteries"~~***Cemetery*** means a land used or intended to be used for the burial of human and/or pet remains and dedicated for cemetery purposes. Cemeteries ***may*** include business and administrative offices, chapels, flower shops, mausoleums ***and columbaria*** as an incidental uses, and necessary maintenance facilities. ***No crematorium or funeral home/mortuary services or activities are permitted on-site.***

"Columbarium" means a sepulchral vault or other structure(s) with recesses in the interior walls to receive the ashes of the dead.

SECTION 5: Table 1, "City of Garden Grove Land Use Matrix" in Section 9.16.020.030 (Uses Permitted) of Chapter 9.16 (Commercial, Office Professional, Industrial, and Open Space Development Standards) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to: (i) remove "Mortuaries" from the title of "Mortuaries/Crematoriums"; (ii) remove "Crematoriums" as a conditionally permitted use in the C-2 zone; (iii) change "Crematoriums" from an automatically permitted use in the C-3 zone, to a conditionally permitted use, subject to Special Operating Conditions and Development Standards, in the C-3 zone; (iv) add "Crematoriums" as a conditionally permitted use, subject to Special Operating Conditions and Development Standards, in the M-1 and M-P zones; (v) add "Crematoriums with Incidental Funeral Home/Mortuary" as a conditionally permitted use, subject to Special Operating Conditions and Development Standards, in the C-3, M-1, and M-P zones; add "Funeral Home/Mortuary with No Crematorium" as an automatically permitted use, subject to Special Operating Conditions and Development Standards, in the C-2 and C-3 zones; (vi) remove "Crematory/Mausoleum"; (vii) modify the title of "Cemeteries" to "Cemetery"; and (viii) change "Cemetery" from a

Conditional/Incidental (C/I) use to a conditionally permitted use (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

Table 1 **CITY OF GARDEN GROVE LAND USE MATRIX**

COMMERCIAL							
Other Services	O-P	C-1	C-2	C-3	M-1	M-P	O-S
Mortuaries/Crematoriums	-	-	€	P* C*	C*	C*	-

COMMERCIAL							
Other Services	O-P	C-1	C-2	C-3	M-1	M-P	O-S
<i>Crematoriums with Incidental Funeral Home/Mortuary</i>	-	-	-	C*	C*	C*	-

COMMERCIAL							
Other Services	O-P	C-1	C-2	C-3	M-1	M-P	O-S
<i>Funeral Home/Mortuary with No Crematorium</i>	-	-	<i>P*</i>	<i>P*</i>	-	-	-
COMMERCIAL							
Other Services	O-P	C-1	C-2	C-3	M-1	M-P	O-S
Cemeteries <i>Cemetery</i>	-	-	-	-	-	-	<i>C/I</i>

SECTION 6: Table 9.18-1, "Use Regulations for the Mixed Use Zones" in Section 9.18.020 (Uses Permitted) of Chapter 9.18 (Mixed Use Regulations and Development Standards) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to add "Funeral Home/Mortuary with No Crematorium" as an automatically permitted use, subject to Special Operating Conditions and Development Standards, in the A-R zone (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

Table 9.18-1 **Use Regulations for the Mixed Use Zones**

Other Services	GGM U-1,-2,-3	CC-1	CC-2	CC-3	CC-OS	NMU	AR
<i>Funeral Home/Mortuary with No Crematorium</i>	-	-	-	-	-	-	<i>P*</i>

SECTION 7: Subdivisions N, O, and AD of Section 9.16.020.050 (Special Operating Conditions and Development Standards) of Section 9.16.020 (Permitted Uses in Commercial, Office Professional, Industrial, and Open Space) of Chapter 9.16 (Commercial, Office Professional, Industrial, and Open Space Development Standards) of Title 9 of the Garden Grove Municipal Code are hereby amended as follows to: (i) establish Special Operating Conditions and Development Standards for "Crematoriums"; (ii) establish Special Operating Conditions and Development Standards for "Crematoriums with Incidental Funeral Home/Mortuary"; and (iii) establish Special Operating Conditions and Development Standards for a "Funeral Home/Mortuary with No Crematorium" (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

N. Crematoriums. Subject to the following conditions:

- 1. Properties with crematoriums shall not be permitted to be located within 500 feet of a property boundary of any "O-S" (Open Space) zoned property developed with a school or park, a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use. This provision applies to human and animal crematoriums.**
 - 2. Crematoriums are conditionally permitted uses (Conditional Use Permit required) in industrially designated areas within a PUD (Planned Unit Development) zone, where industrial and manufacturing uses are permitted to ensure compatibility between the proposed crematorium and other existing uses in the surrounding areas.**
 - 3. Any necessary permits, licenses, or other approvals to operate a crematorium, as required by other regulatory agencies, shall be obtained, abided by, and adhered to for the life of the project. Such required permits, licenses, and approvals shall be kept on the premises at all times. This also includes verification of periodic inspection notices and approvals by the regulatory agencies.**
 - 4. Any CUP (Conditional Use Permit) approved crematorium that is found to be in violation of or is noncompliant with its Conditions of Approval, or is found to be in violation with any regulations established by other regulatory agencies, or has its permit(s), license(s), or other approval(s) issued by other regulatory agencies, suspended or revoked, or for any other reason deemed reasonably necessary by the City, may have its CUP reviewed by the Planning Commission.**
- O. Crematoriums with Incidental Funeral Home/Mortuary. Subject to the following conditions:**
- 1. Properties with crematoriums shall not be permitted to be located within 500 feet of a property boundary of any "O-S" (Open Space) zoned property developed with a school or park, a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use. This provision applies to human and animal crematoriums.**
 - 2. Crematoriums with Incidental Funeral Home/Mortuary are conditionally permitted uses (Conditional Use Permit required) in industrially designated areas within a PUD (Planned Unit Development) zone, where industrial and**

manufacturing uses are permitted to ensure compatibility between the proposed crematorium and other existing uses in the surrounding areas.

- 3. Any necessary permits, licenses, or other approvals to operate a crematorium, as required by other regulatory agencies, shall be properly obtained, abided by, and adhered to for the life of the project. Such required permits, licenses, and approvals shall be kept on the premises at all times. This also includes verification of periodic inspection notices and approvals by the regulatory agencies.***
- 4. Any CUP (Conditional Use Permit) approved crematorium that is found to be in violation of or is noncompliant with its Conditions of Approval, or is found to be in violation with any regulations established by other regulatory agencies, or has its permit(s), license(s), or other approval(s) issued by other regulatory agencies, suspended or revoked, or for any other reason deemed reasonably necessary by the City, may have its CUP reviewed by the Planning Commission.***

AD. Funeral Home/Mortuary with No Crematorium. Subject to the following conditions:

- 1. Properties with Funeral Homes/Mortuaries with No Crematorium shall not be permitted to be located within 250 feet of a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use.***

SECTION 8: Subdivision 9.18.030.195 is hereby added to Section 9.18.030 (Specific Uses - Special Operating Conditions and Development Standards) of Chapter 9.18 (Mixed Use Regulations and Development Standards) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to establish Special Operating Conditions and Development Standards for a "Funeral Home/Mortuary with No Crematorium" (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

9.18.030.195. Funeral Home/Mortuary with No Crematorium. Such uses shall be subject to the following conditions:

- A. Properties with Funeral Homes/Mortuaries with No Crematorium shall not be permitted to be located within 250 feet of a property boundary of any "R" (Residential) zoned property or any PUD established exclusively for residential use.***

SECTION 9: The Table in Section 9.16.040.150 (Parking Spaces Required) of Section 9.16.040 (Commercial/Office, Industrial Development Standards) of Chapter 9.16 (Commercial, Office Professional, Industrial, and Open Space Development

Standards) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to establish parking requirements for a "Crematorium", a "Crematorium with Incidental Funeral Home/Mortuary", and a "Funeral Home/Mortuary with No Crematorium" (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***):

USE	REQUIRED MINIMUM PARKING SPACES
B. Commercial Uses	
14. Funeral Home/Mortuary with No Crematorium	
<i>Fixed seats in viewing room(s):</i>	<i>1 space per each 3 fixed seats in area(s) designated for assembly purposes</i>
<i>No fixed seats in viewing room(s):</i>	<i>1 space for each 21 sq. ft. of area designated for assembly purposes</i>
	<i>All usable ancillary area(s) shall provide 1 space for each 250 sq. ft. of gross floor area</i>
D. Industrial Uses	
3. Crematorium	
<i>a. Buildings less than 20,000 sq. ft. of gross floor area</i>	<i>2.25 spaces per 1,000 sq. ft. of gross floor area</i>
<i>b. Buildings 20,001 to 100,000 sq. ft. of gross floor area</i>	<i>2 spaces per 1,000 sq. ft. of gross floor area</i>
<i>c. Buildings over 100,000 sq. ft. of gross floor area</i>	<i>1 space per 1,000 sq. ft. of gross floor area</i>
<i>d. Incidental office</i>	
<i>i. Under 30% of gross floor area</i>	<i>No additional requirements</i>
<i>i. 30 to 50% of gross floor area of a building</i>	<i>1 space per 250 sq. ft. of gross floor area</i>
4. Crematorium with Incidental Funeral Home/Mortuary	
<i>Fixed seats in viewing room(s):</i>	<i>1 space per each 3 fixed seats in area(s) designated for assembly purposes</i>
<i>No fixed seats in viewing room(s):</i>	<i>1 space for each 21 sq. ft. of area designated for assembly purposes</i>
	<i>All usable ancillary area(s) shall provide 1 space for each 250 sq. ft. of gross floor area</i>

SECTION 10: Table 9.18-11 entitled "Required Parking Spaces" of Section 9.18.140.030 (Parking Spaces Required) of Section 9.18.140 (Parking) of Chapter 9.18 (Mixed Use Regulations and Development Standards) of Title 9 of the Garden Grove Municipal Code is hereby amended as follows to establish parking requirements for a "Funeral Home/Mortuary with No Crematorium" (deletions shown in ~~strikethrough~~, additions shown in ***bold-italics***)

Table 9.18-11
Required Parking Spaces

Use	Required Minimum Parking Spaces
Commercial Uses	
<i>Funeral Home/Mortuary with No Crematorium</i>	

<i>Fixed seats in viewing room(s):</i>	<i>1 space per each 3 fixed seats in area(s) designated for assembly purposes</i>
<i>No fixed seats in viewing room(s):</i>	<i>1 space for each 21 sq. ft. of area designated for assembly purposes</i>
	<i>All usable ancillary area(s) shall provide 1 space for each 250 sq. ft. of gross floor area</i>

SECTION 11: Any land use constituting a "Crematoriums", "Crematoriums with Incidental Funeral Home/Mortuary", or "Funeral Home/Mortuary with No Crematorium" use, as defined in Section 4 of this Ordinance, that was legally established and operating with a valid business license, and all other required City permits or approvals prior to the effective date of this Ordinance, and that is made nonconforming by this Ordinance because no approved Conditional Use Permit for the use exists, the use is not located in a zoning district in which such a use is permitted pursuant to the provisions adopted or amended by this Ordinance, and/or the use does not comply with locational restrictions or development standards adopted or amended pursuant to this Ordinance, shall be considered a nonconforming use subject to the provisions of Chapter 9.36 (Nonconformities) of Title 9 of the Garden Grove Municipal Code.

SECTION 12: If any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this Ordinance is, for any reason, 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, word, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, words or portions thereof be declared invalid or unconstitutional.

SECTION 13: The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after adoption.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the ____ day of _____.

ATTEST:

MAYOR

CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, TERESA POMEROY, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced for first reading and passed to second reading on May 23, 2017, with a vote as follows:

AYES:	COUNCIL MEMBERS:	(7)	BEARD, O'NEILL, NGUYEN T., BUI, KLOPFENSTEIN, NGUYEN K., JONES
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Maria Stipe
Dept.:	City Manager	Dept.:	City Manager
Subject:	Discussion and consideration of the Traffic Commission's recommendations regarding recreational and oversized vehicle parking as requested by the City Council. (<i>Action Item</i>)		
	Date:	6/13/2017	

OBJECTIVE

To provide the City Council with an update on the recommendations made by the Traffic Commission during the May 2, 2017, meeting on recreational and oversized vehicle parking and to receive direction from the City Council.

BACKGROUND

At the February 28, 2017, City Council Meeting, the City Council received an informational report on recreational and oversized vehicle parking in Garden Grove and directed staff to conduct additional research on other cities' policies for further consideration by the Traffic Commission. Per City Council's direction, staff researched the parking policies of additional cities' in Orange County, and presented the findings to the Traffic Commission in order to receive recommendations for the City Council.

DISCUSSION

At the Traffic Commission meeting held on May 2, 2017, staff presented a report outlining the recreational and oversized vehicle parking policies of cities in Orange County, including information on Garden Grove's existing policies. Upon receiving the report, the Traffic Commission discussed the public safety and aesthetic concerns associated with the parking of recreational and oversized vehicles on City streets in order to provide the City Council with a recommendation for addressing the issue.

Ultimately, the Traffic Commission approved a motion to recommend banning all recreational vehicles from parking on any street in the City. However, taking in account the policies of several neighboring cities in Orange County, the Traffic Commission also approved a secondary motion allowing for certain exceptions to this

ban. They agreed upon the following three exceptions:

1. Residents shall be able to apply for 48 hour parking permits for the sole purpose of loading and unloading before and after travel so long as the vehicle is parked in front of the residence that applied for the permit, does not have any hookups attached to it, and does not have any trailers or fifth-wheelers that are detached from the tow vehicle and left on the street.
2. Residents shall be able to apply for guest exemptions for up to four (4) non-consecutive weeks within one (1) calendar year – January 1 through December 31 – so long as the vehicle is parked in front of the residence that applied for the permit, does not have any hookups attached to it, and does not have any trailers or fifth-wheelers that are detached from the tow vehicle and left on the street. In other words, each permit should not exceed 7 calendar days, with at least one day between the second through fourth permit issued in any calendar year. No more than one guest exemption permit shall be issued at any given time.
3. Residents with recreational vehicles that do not fit in their driveway (the concrete pad stretching from the physical structure to the apron or sidewalk) shall be able to apply for an annual on-street parking permit that would allow the vehicle to be parked in front of the resident's home so long as the vehicle was purchased prior to the enactment of the new municipal code, is registered to the address in question, does not exceed thirty six (36) feet in length, does not have any hookups attached to the vehicle, is drivable under its own power, is not parked closer than thirty (30) feet to any corner, and does not have any trailers or fifth-wheelers that are detached from the tow vehicle and left on the street. This exemption shall not be transferable.

Staff Impact and Additional Considerations

Should the City Council choose to adopt one or more of the recommendations of the Traffic Commission and direct staff to move forward with an amendment to the existing ordinance, there are additional considerations. In particular, the impacts of creating a new permitting system and how it will affect City staff. Amending the City's existing ordinance on RV parking to include a permitted parking component will not only require City staff to create and implement a new permitting system, but will also require City staff to manage the ongoing responsibilities associated with a permitting system (i.e., information verification, system maintenance, customer service, etc.). Beyond this, there are additional staff impacts associated with the enforcement of an ordinance. Should the City Council choose to adopt a permitting system with special exceptions, such as those found in exception number 3 of the Traffic Commission's recommendations, both enforcement and program administration are likely to become increasingly difficult. What's more, allowing annual on-street permits may actually exacerbate the issue rather than address it.

Lastly, the City Council may want to consider setting a limit to the number of loading and unloading allowances available to residents on an annual basis. While the Traffic Commission recommended a cap for the number of guest exemptions allowed to residents, they did not set a limit for the number of loading and unloading permits. Thus, in order to avoid the possibility of individuals taking advantage of a system with unlimited loading and unloading allowances, the City Council may want to

establish a limit. With all this in mind, staff has been researching the permitting systems of neighboring cities throughout Orange County and working with the IT Department to determine the best model for Garden Grove. Based on a survey of other cities' permitting systems, staff has determined that an automated online permitting system requiring minimal staff time could be integrated into the services managed by the one of the City's permit counters, and that 12 loading and unloading allowances per calendar year should be sufficient.

FINANCIAL IMPACT

There is no financial impact to the City at this time.

RECOMMENDATION

It is recommended that the City Council:

- Consider the recommendations put forth by the Traffic Commission; and
- Provide direction moving forward.

By: Shawn Park, Administrative Analyst

ATTACHMENTS:

Description	Upload Date	Type	File Name
Traffic Commission Report 5/2/17	6/1/2017	Cover Memo	Staff_Report_Recreational_Parking_on_City_Streets_V3.docx
RV and Oversized Vehicle Parking Report 2/28/17	6/1/2017	Cover Memo	2-28- 2017_Staff_Report_Recreational_Parking_on_City_Streets_V2.docx

Subject

Report on Recreational and Oversized Vehicle Parking on City Streets

Objective

For the Traffic Commission to consider the recreational and oversized vehicle parking regulations of neighboring cities and recommend to City Council a preferred course of action for addressing Garden Grove's own RV parking concerns.

Background

At the January 24, 2016, City Council Meeting, the City Council directed staff to survey the parking ordinances, rules and regulations of neighboring cities in order to address public safety and aesthetic concerns with the parking of recreational and oversized (including Big Rig) vehicles in Garden Grove. More specifically, the City Council requested that staff conduct a best practices study to learn from the successes of neighboring cities. At the February 28, 2016, City Council Meeting, the City Council received an informational report on the subject and directed staff to conduct additional research on other cities' practices for further consideration by the Traffic Commission.

Discussion

In recent months, Garden Grove residents have expressed concerns with the parking of recreational and oversized vehicles along City streets. Given that recreational and oversized vehicles occupy both large and numerous spaces throughout the City, they not only impact the aesthetic appearance of the City but also raise a number of public safety concerns. According to the Garden Grove Police and Fire Departments, these types of vehicles obstruct access to roadways during emergency responses, reduce visibility at intersections, increase opportunities for vehicular thefts and fires, and create unsafe environments for those dwelling within and around them.

Garden Grove's Parking Rules and Regulations

Currently, the City of Garden Grove's Municipal Code includes general parking provisions that seek to regulate the parking of ALL vehicles on City streets. For instance, Title 10 of the Municipal Code restricts any vehicle from being parked on a street for more than a consecutive period of 72 hours (GGMC 10.56.100A). Similarly, Title 9 prohibits commercial vehicles from being parked or stored in residential zones or on properties used for residential purposes, except while the operator of the vehicle is making normal deliveries or providing services to the residential premises (GGMC 9.08.040L). Furthermore, Title 9 also prohibits "any commercial vehicle, trailer, **recreational vehicle**, camper, camper shell or vessel from being parked on any property zoned commercial, industrial, open space, specific plan or PUD" (GGMC 9.12.040.170M). Yet despite these regulations, recreational and oversized vehicle parking continues to remain a concern for the City of Garden Grove.

Neighboring Cities' Parking Ordinances & Enforcement Policies

Per Council's direction, City staff surveyed the municipal codes and enforcement policies of comparable cities surrounding Garden Grove to determine alternative methods for addressing the City's vehicle parking concerns. Staff researched several cities, ultimately focusing on the City of Orange, the City of Westminster, and the City of Fullerton.

City of Orange

Much like the City of Garden Grove, the City of Orange prohibits the parking of recreational and oversized vehicles in designated areas throughout the City. According to the Orange Municipal Code, parking oversized trucks and recreational vehicles is prohibited on any public street, public or dedicated alley, public or private property, and in **any residentially developed area** (OMC 10.34.060). However, the Orange Municipal Code differs from that of Garden Grove in that it includes explicit language prohibiting the parking of recreational and oversized vehicles in “any residentially developed area.” In contrast, the Garden Grove Municipal Code does NOT prohibit recreational and oversized vehicles from parking in residential areas.

In addition, the City of Orange’s Municipal Code includes exceptions that allow for recreational and oversized vehicles to temporarily park on City streets. These exceptions include a parking allowance of two consecutive days for the purpose of loading and unloading related to travel, as well as a seven day parking permit issued by the Chief of Police for visiting, non-City residents. With both exceptions, the recreational vehicle must be parked adjacent to the resident’s home. For recreational vehicles with dimensions measuring less than 36ft in length and 12ft in height, residents of Orange also have the option to park in their driveways.

City of Westminster

The City of Westminster’s recreational and oversized vehicle parking ordinances are more stringent than those of Garden Grove and Orange. Like the City of Orange, the City of Westminster also prohibits recreational and oversized vehicles from parking on streets in residentially developed areas, only allowing residents to park their recreational vehicles in their driveways. Yet unlike the City of Orange, the City of Westminster does not offer more than a 24-Hour parking exception. The Westminster Municipal Code states that, “no person who owns or has possession, custody, or control of a recreational vehicle shall park such a vehicle upon any street or alley for more than **twenty-four consecutive hours**. Recreational vehicles may not be re-parked at any location within **two-tenths of a mile** from any prior parking location used within the preceding twenty-four hours (WMC 10.44.050B).” This parking regulation is further augmented by the Westminster Municipal Code on large vehicle parking which prohibits any vehicles with a width in excess of 84 inches and a weight in excess of 10,000 pounds from parking on any public street within the City (WMC 10.44.250).

City of Fullerton

The City of Fullerton regulates all vehicle storage on city streets through its overnight parking restriction (FMC 8.44.080). The Fullerton Municipal Code states that, “No person shall park a vehicle on any street or highway, or any City-controlled parking facility in the City between the hours of two a.m. and five a.m. unless the street has been exempted from the ordinance.” This parking restriction applies to all vehicles, including recreational and oversized vehicles. However, the City does allow recreational vehicles to park on residential streets during the day as long as they are moved during the previously mentioned hours.

Additionally, residents requiring overnight parking have the option to park recreational vehicles in their driveways as long as they do not protrude into the sidewalk or street and are not being occupied for living purposes. Residents may also apply for temporary parking permits that allow recreational vehicle

owners to park on the street overnight. These temporary permits allow residents to park a recreational vehicle for a total 28 days of the calendar year.

Additional Research

In addition to the cities of Orange, Westminster and Fullerton, City staff surveyed the parking regulations of additional cities in Orange County to gain a more comprehensive perspective. City staff looked at 10 additional cities, ultimately coming to the conclusion that the majority of cities in Orange County have some sort of parking restriction against oversized, recreational vehicles. Of the additional cities surveyed, staff found that 8 of the 10 cities prohibit recreational and oversized vehicle parking on residential streets. City staff also found that almost all of the cities offer temporary, permitted parking exceptions to accommodate their residents' needs. In fact, cities like Buena Park, Huntington Beach and Fountain Valley have already implemented automated, permitted parking systems that have been effective in allowing both residents and city staff to manage temporary parking requests.

Thus, based on the information provided in this report, the Traffic Commission may consider a range of alternative methods to addressing the City's vehicle parking concerns. Although the City of Garden Grove currently allows for recreational vehicles to park in residential areas, it is clear that many of our neighboring cities have chosen to prohibit this allowance all together. In addition, neighboring cities have chosen to take it a step further and adopt temporary parking permit systems in an attempt to balance residents' needs and concerns with City staff's ability to properly enforce the rules.

Recreational Vehicle Parking Regulations – City Comparison

City	RV Parking Allowed on Residential Streets?	RV Parking Allowed in Driveway?	RV Loading/ Unloading Allowance	Temporary Parking Permits Available?	Parking Permit Options	Oversized Vehicle Parking Allowed?
Garden Grove	Yes	Yes	72 Hours w/o Permit	No	N/A	No
Orange	No	Yes	48 Hours w/o Permit	Yes	7 Day Permit for Visitors	No
Westminster	No	Yes	24 Hours w/o Permit	No	N/A	No
Fullerton	Yes (Daytime Only)	Yes	24 Hours w/ Permit	Yes	24 Hour Permit (28 per year) Hardship Exemption	No
Buena Park	No	Yes	48 Hours w/ Permit	Yes	48 Hour Permit (Unlimited) 7 Day Permit for Visitors	No
Huntington Beach	No	Yes	24 Hours w/ Permit	Yes	24 Hour Permit (12 per month)	No

Fountain Valley	No	Yes	36 Hours w/ Permit	Yes	36 Hour Permit (8 per month) 24 Hour Permit for Visitors (3 per month)	No
Brea	No	Yes	24 Hours w/ Permit (Self-issued)	Yes	24 Hour Permit (7 per month)	No
Seal Beach	Yes	Yes	24 Hours w/ Permit	Yes	24 Hour Permit 24 Hour Permit for Visitors (14 per year)	No
Yorba Linda	No	Yes	24 Hours w/o Permit	No	N/A	No
Placentia	Yes (Daytime Only)	Yes	N/A	Yes	7 Day Permit for Visitors	No
Irvine	No	Yes	6 Hours w/ variance	No	N/A	No
La Palma	Yes	Yes w/ Permit	24 Hours w/ Permit	Yes	24 Hour Permit (50 per year) 24 Hour Permit for Visitors (30 per year)	No
Cypress	Yes (Daytime Only)	Yes	24 Hours w/ Permit	Yes	24 Hour Permit (50 per year) 7 Day Permit for Visitors (1 per year)	No

Financial Impact

There is no financial impact to the City at this time.

Recommendation

It is recommended that the Traffic Commission:

- Provide staff with further direction regarding a preferred course of action for addressing Garden Grove's RV parking concerns.

By: Shawn Park, Administrative Analyst

Subject

Informational Report on Recreational, Oversized and For Sale Vehicle Parking on City Streets

Objective

To provide the City Council with information on the regulations and enforcement policies utilized by neighboring cities to manage the parking of recreational, oversized and “for sale” vehicles on city streets.

Background

At the January 24, 2016, City Council Meeting, the City Council directed staff to survey the parking ordinances, rules and regulations of neighboring cities in order to help address public safety and aesthetic concerns with the parking of recreational, oversized (including Big Rigs) and “for sale” vehicles in Garden Grove. With increasing constituent concerns surrounding vehicle parking in residential neighborhoods, the City Council requested that staff conduct a best practices study to learn from the successes of neighboring cities.

Discussion

Recreational, oversized and “for sale” vehicle parking is a growing concern for the City of Garden Grove. In recent months, Garden Grove residents have expressed concerns with the parking of these vehicles along City streets, citing them as eyesores and safety hazards to the community. Given that recreational, oversized and “for sale” vehicles occupy both large and numerous spaces throughout the City, they not only impact the aesthetic appearance of the City but also raise a number of public safety concerns. According to the Garden Grove Police and Fire Departments, these types of vehicles obstruct access to roadways during emergency responses, reduce visibility at intersections, increase opportunities for vehicular thefts and fires, and create unsafe environments for those dwelling within and around them.

Garden Grove’s Parking Rules and Regulations

Currently, the City of Garden Grove’s Municipal Code includes general parking provisions that seek to regulate the parking of all vehicles on City streets. According to Title 9 (Land Use) of the Garden Grove Municipal Code, “Commercial vehicles shall not be parked or stored in residential zones or on properties used for residential purposes, except while the operator of the vehicle is making normal deliveries or providing services to the residential premises (GGMC 9.08.040L).” Title 9 also prohibits “any commercial vehicle, trailer, **recreational vehicle**, camper, camper shell or vessel from being parked on any property zoned commercial, industrial, open space, specific plan or PUD,” clearly stating that the storing of any such vehicles in these areas is expressly prohibited (GGMC 9.12.040.170M). In addition, Title 9 prohibits anyone from “parking a vehicle, camper, camper shell or vessel upon a public or private street, parking lot or any public or private property for the purpose of displaying such vehicle thereon for sale, hire or rental, except on the property of the vehicle’s owner, or the adjacent street.” In other words, the City only allows “for sale” vehicles to be parked at City-permitted locations and on or adjacent to the private residential property of the vehicle’s registered owner. Furthermore, Title 10 of the Municipal Code restricts any vehicle from being parked on a street for more than a consecutive period of 72 hours, subjecting vehicles in violation of this code to removal (GGMC 10.56.100A).

Neighboring Cities' Parking Ordinances & Enforcement Policies

Per Council's direction, City staff surveyed the municipal codes and enforcement policies of comparable cities surrounding Garden Grove to determine alternative methods for addressing the City's vehicle parking concerns. Staff researched several cities, ultimately focusing on the City of Orange, the City of Westminster, and the City of Fullerton.

City of Orange

Much like the City of Garden Grove, the City of Orange prohibits the parking of recreational, oversized and "for sale" vehicles in designated areas throughout the City. According to the Orange Municipal Code, parking oversized trucks and recreational vehicles is prohibited on any public street, public or dedicated alley, public or private property, and in any residentially developed area (OMC 10.34.060). Similarly, parking vehicles for the purpose of sale, hire or rental is prohibited on any public street, unpermitted commercial or industrial zone, and on any private residential property (OMC 10.34.090). However, the Orange Municipal Code differs from the Garden Grove Municipal Code in that it includes explicit language prohibiting the parking of recreational, oversized and "for sale" vehicles in "any residentially developed area" and on "any private residential property." In contrast, the Garden Grove Municipal Code does NOT prohibit recreational and "for sale" vehicles from parking in residential areas.

In addition, the City of Orange's Municipal Code includes exceptions that allow for recreational and oversized vehicles to temporarily park on City streets. These exceptions include a parking allowance of two consecutive days for the purpose of loading and unloading related to travel, as well as a seven day parking permit issued by the Chief of Police for visiting, non-City residents. With both exceptions, the recreational vehicle must be parked adjacent to the resident's home. For recreational vehicles with dimensions measuring less than 36ft in length and 12ft in height, residents of Orange also have the option to park in their driveways. No such exceptions exist for vehicles that are for sale. For sale vehicles may only be parked in appropriately licensed and permitted lots.

City of Westminster

The City of Westminster's recreational, oversized and for sale vehicle parking ordinances are more stringent than those of Garden Grove and Orange. Aside from allowing residents to park their recreational vehicles in their driveways, the Westminster Municipal Code states that, "no person who owns or has possession, custody, or control of a recreational vehicle shall park such a vehicle upon any street or alley for more than **twenty-four consecutive hours**. Recreational vehicles may not be re-parked at any location within **two-tenths of a mile** from any prior parking location used within the preceding twenty-four hours for any length of time (WMC 10.44.050B)." This parking regulation is further augmented by the Westminster Municipal Code on large vehicle parking which prohibits any vehicles with a width in excess of 84 inches and a weight in excess of 10,000 pounds from parking on any public street within the City (WMC 10.44.250). Additionally, the Westminster Municipal Code states that "No operator of any vehicle shall park said vehicle upon any street in the city for the principal purpose of advertising or displaying it for sale, unless authorized by resolution of the council (WMC 10.44.060)." Unlike the City of Orange, the City of Westminster does not allow any exceptions to these rules.

City of Fullerton

The City of Fullerton regulates all vehicle storage on city streets through its overnight parking restriction (FMC 8.44.080). The Fullerton Municipal Code states that, "No person shall park a vehicle on any street or highway, or any City-controlled parking facility in the City between the hours of two a.m. and five a.m. unless the street has been exempted from the ordinance." This parking restriction applies to all vehicles, including recreational, oversized and "for sale" vehicles. However, despite this overnight restriction, the City does allow recreational vehicles to park on residential streets during the day as long as they are moved during the previously mentioned nighttime hours. Such is not the case with vehicles that are for sale as they are prohibited from parking on any roadway in the City.

Additionally, residents requiring overnight parking have the option to park recreational vehicles in their driveways as long as they do not protrude into the sidewalk or street and are not being occupied for living purposes. Residents may also apply for temporary parking permits that allow recreational vehicle owners to park on the street overnight. These temporary permits allow residents to park a recreational vehicle for a total of two nonconsecutive weeks of the calendar year.

Table of Parking Regulations by City

City	RV Parking Allowed in Residential Areas?	RV Travel Loading/ Unloading Allowance	RV Parking Allowed in Driveway?	Temporary Parking Permits Available?	Oversized Vehicle Parking Allowed?
Garden Grove	Yes	72 Hours	Yes	No	No
Orange	No	48 Hours	Yes	Yes	No
Westminster	No	24 Hours	Yes	No	No
Fullerton	Yes	24 Hours	Yes	Yes	No

Legal Considerations

Although the City and various other cities have prohibitions against parking vehicles with "for sale" signs, the City Attorney has advised that the regulations cannot be enforced because Federal courts have held that such restrictions are unconstitutional and unenforceable. For example, in 2000, the U.S. District Court for the Central District of California prohibited the City of Los Angeles from enforcing its ordinance prohibiting the parking of vehicles with "for sale" signs on public streets. The Court held that the ordinance violated the commercial speech rights of citizens absent a showing that the restriction was narrowly tailored to serve the city's asserted safety and aesthetic interests. The Court noted that the City could address safety and aesthetic issues by establishing parking restrictions applicable for all vehicles without outright banning cars with "for sale" signs. Then, in 2007, the U.S. Court of Appeals for the Sixth Circuit, sided with an automobile owner who sued the Village of Glendale, Ohio, alleging that a traffic ordinance prohibiting parking on a public street to display for sale or advertise the vehicle violated the First Amendment as an unconstitutional restriction on commercial speech. Finally, in 2015, the U.S. District Court for the Eastern District of Virginia ruled in favor of a truck owner who brought a civil rights action against the City of Alexandria, alleging that the city's ordinance prohibiting parking of vehicle on any city street for the purpose of displaying the vehicle for sale violated the First Amendment." We have also confirmed that other cities with "for sale" sign prohibitions are not

enforcing them because of these Federal cases. Furthermore, the City of San Juan Capistrano last October adopted an ordinance specifically removing their “for sale” parking prohibition following a legal challenge to their regulation.

Financial Impact

There is no financial impact to the City.

Recommendation

Based on the information provided above, the City Council may consider a range of alternative methods to addressing the City’s vehicle parking concerns. Although the City of Garden Grove currently allows for recreational and for sale vehicles to park in residential areas, it is clear that many of our neighboring cities have chosen to prohibit this allowance all together while others have chosen to adopt temporary parking systems in an attempt to balance to all residents’ needs and concerns.

It is recommended that the City Council:

- Provide staff with further direction regarding Council’s preferred course of action.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy

Dept.: City Manager Dept.: City Manager

Subject: Discussion to consider changing the illuminated Bolsa Avenue street name signs as requested by Council Member T. Nguyen and Mayor Jones. Date: 6/13/2017

Attached is a photograph submitted by Council Member T. Nguyen.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Photograph of Bolsa Avenue Street Sign	6/5/2017	Backup Material	Bolsa_Avenue_signage_6-13-17.jpg

