

AGENDA



Garden Grove City
Council

Tuesday, March 22, 2016

6:30 PM

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

Bao Nguyen
Mayor

Steven R. Jones
Mayor Pro Tem

Christopher V. Phan
Council Member

Phat Bui
Council Member

Kris Beard
Council Member

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

Open Session

ROLL CALL: COUNCIL MEMBER BEARD, COUNCIL MEMBER BUI, COUNCIL MEMBER PHAN, MAYOR PRO TEM JONES, MAYOR NGUYEN

INVOCATION

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

1. PRESENTATIONS

- 1.a. Community Spotlight: Recognition of the Sister City Association of Garden Grove Exchange Student Ambassadors visiting Anyang, Republic of Korea.
- 1.b. Update on District Elections.

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

3. WRITTEN COMMUNICATIONS

RECESS

CONDUCT OTHER LEGISLATIVE BODIES' BUSINESS

RECONVENE

4. CONSENT ITEMS

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

- 4.a. Approval to establish a Youth in Government Day. (Cost: \$3,000) *(Action Item)*
- 4.b. Adoption of a Ceremonial Resolution honoring the 40th Anniversary and Rededication of the Community Meeting Center and H. Louis Lake Senior Center. *(Action Item)*
- 4.c. Award of a professional services agreement to Infosend Inc. for data processing, printing, inserting and mailing services for utility bills and CityWorks inserts. (Cost: \$128,000 for first year) *(Action Item)*
- 4.d. Adoption of a Resolution declaring Garden Grove a Healthy Eating

Active Living (HEAL) City. (*Action Item*)

- 4.e. Authorize the issuance of a purchase order to National Auto Fleet Group for four sedans. (Cost: \$97,481.24) (*Action Item*)
- 4.f. Award of contract to Microception, Inc., to provide an audio visual system for the Police Department - RFP No. S-1183. (Cost: \$68,556.65) (*Action Item*)
- 4.g. Receive and file minutes from the February 23, 2016, meeting. (*Action Item*)
- 4.h. Approval of Warrants. (*Action Item*)

5. PUBLIC HEARINGS

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

- 5.a. Adoption of a Resolution approving the Purchase and Sale Agreement and Joint Escrow Instructions between the City of Garden Grove and Investel Harbor Resorts, LLC for real property located at 12361 Chapman Avenue. (*Action Item*)

6. COMMISSION/COMMITTEE MATTERS

7. ITEMS FOR CONSIDERATION

- 7.a. Update regarding the contract with the County of Orange for animal care services, and consideration of a Term Sheet with the Orange County Humane Society for Animal Shelter Services for Fiscal Year 2016-17. (Cost: \$335,000) (*Action Item*)
- 7.b. Approval of a Cooperative Agreement with the Orange County Transportation Authority for the design phase of the Orange County Streetcar Project. (*Action Item*)
- 7.c. Discussion of Commercial Marijuana Activity Regulation. (*Action Item*)
- 7.d. Discussion of February 24, 2016, District Attorney report regarding allegations of Brown Act violations, and Adoption of a Resolution designating the City Clerk as Closed Session Recorder. (Continued from the March 8, 2016, meeting) (*Action Item*)

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

- 8.a. Discussion of a Resolution in Support of SB 969 to allow for the sale of Vietnamese rice cakes at room temperature, as requested by Council Member Bui.

9. ADJOURNMENT

The next Regular City Council Meeting will be held on Tuesday, April 12, 2016, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, CA.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kimberly Huy
Dept.: City Manager Dept.: Community Services
Subject: Approval to establish a Youth Date: 3/22/2016
in Government Day. (Cost:
\$3,000) (*Action Item*)

OBJECTIVE

The purpose of this memorandum is to request that the City Council establish a Youth in Government Day to be held in the fall of 2016.

BACKGROUND

In February 2016, the City Council requested that staff research the establishment of a Youth in Government Day in concert with the Garden Grove Unified High School District (GGUHSD). The purpose of the one-day event would be to give students a look into how city government works and to get students involved in government on a local level. The event would also show students how they can make a difference in the way the lawmaking process works in their city.

DISCUSSION

Staff is recommending that a Youth in Government Day be held in the fall of 2016 and that the event consist of the following:

- Students arrive for welcome, introductions, a lunch with guest speaker, and meet with various department directors and staff.
- Students receive tours of perspective city facilities alongside their assigned director/staff counterpart.
- Students learn about the different roles and responsibilities assigned to the administration, directors and/or staff.
- Students reconvene to the Community Meeting Center for a question and answer session regarding the role of local government.
- Dinner with the City Council, the City Manager and Directors.
- Attend the City Council Meeting to observe the proceedings.
- Recognition of Youth in Government Day participants at the City Council Meeting.

FINANCIAL IMPACT

Costs associated with Youth in Government Day would include food, transportation, mementos and miscellaneous expenses for 50 participants and staff, approximately \$3,000. These costs would be budgeted within the City Council Contingency package.

RECOMMENDATION

It is recommended that the City Council:

- Approve the establishment of a Youth in Government Day; and
- Authorize the expenditure of \$3,000 from the City Council Contingency package to pay for food, transportation, mementos and miscellaneous expenses for 50 participants and staff associated with Youth in Government Day.

By: John Montanez, Manager

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kim Huy
Dept.: City Manager Dept.: Community Services
Subject: Adoption of a Ceremonial Resolution honoring the 40th Anniversary and Rededication of the Community Meeting Center and H. Louis Lake Senior Center. (*Action Item*) Date: 3/22/2016

The attached Resolution is for City Council adoption honoring the 40th anniversary and rededication of the Community Meeting Center and H. Louis Lake Senior Center.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Ceremonial Resolution Honoring the 40th Anniversary and Rededication of the Community Meeting Center and H. Louis Lake Senior Center	3/1/2016	Resolution Letter	Resolution-CMC-Senior-Center-40th.docx

Resolution
Honoring the 40th Anniversary and Rededication of the
Community Meeting Center and H. Louis Lake Senior Center

WHEREAS, In 1976 the Garden Grove Community Meeting Center opened in an effort to offer the community a beautiful and convenient multi-use facility with versatile functions that provide the perfect environment for banquets, receptions, and conferences, as well as other business, social, civic, and entertainment events; and

WHEREAS, In 2015, the Community Meeting Center underwent major construction to enhance and modernize the interior of the facility to create an enriched experience for new and returning clients; and

WHEREAS, On March 22, 2016, the facility will be reopened and rededicated in honor of its 40th anniversary. In commemoration of the milestone achievement and to celebrate the renovation, a plaque will be created and displayed at the entrance of the facility in honor of the treasured community landmark; and

WHEREAS, Sharing the same building and 40th anniversary as the Community Meeting Center, the H. Louis Lake Senior Center was opened in an effort to encourage local senior citizens to stay active and social, as well as offer resources and opportunities available within the community; and

WHEREAS, Over the past 40 years, the Community Meeting Center and the H. Louis Lake Senior Center have helped strengthen the community image and sense of place, as well as improved the economic vitality of the local economy; and

WHEREAS, In celebration of the Senior Center's 40th birthday, an event was held on February 24, 2016. The highlight of the event was the unveiling of a special 40th anniversary mosaic, which is made from 2,400 photos; and

WHEREAS, The City of Garden Grove's Community Services Department is devoted to fulfilling a mission of "Creating and Celebrating a Healthy and Vibrant Community" by the many benefits being provided through the Community Meeting Center and the H. Louis Lake senior Center.

NOW, THEREFORE, BE IT RESOLVED, that the Garden Grove City Council does hereby venerably honor and congratulate the Garden Grove Community Meeting Center and the H. Louis Lake Senior Center for 40 years of enrichment to the quality of life in the community.

March 22, 2016

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kingsley Okereke
Dept.:	City Manager	Dept.:	Finance
Subject:	Award of a professional services agreement to Infosend Inc. for data processing, printing, inserting and mailing services for utility bills and CityWorks inserts. (Cost: \$128,000 for first year) (Action Item)		
		Date:	3/22/2016

OBJECTIVE

To seek City Council approval to award a professional services agreement with Infosend, Inc. ("Infosend") for Data Processing, Printing, Inserting and Mailing Services for City of Garden Grove Utility Bills and CityWorks inserts.

BACKGROUND

The City of Garden Grove's utility (water and sewer) bill printing is done in house. Prior to July of 2014, the City printed bills were picked up, inserted and mailed by Roper Mailing Services. With very short notice the vendor closed its business. Until a formal bid process could be completed, the City issued an emergency purchase order to Infosend that will expire June 30, 2016. The City printed bills are transported to Infosend in the City of Anaheim by courier for insert and mailing services.

On October 23, 2015, the City released a Request for Proposal (RFP). Twenty five (25) firms were solicited with Infosend submitting the only proposal. Based on this response along with Infosend's qualifications and pricing, staff recommends that Infosend be awarded the contract.

DISCUSSION

The City sends out approximately 15,900 bills each month taking into consideration the 2,800 accounts that have elected to go paperless. This equates to about 191,000 printed bills per year. Infosend's fees will now include paper, envelopes, printing and inserting of utility bills and the CityWorks insert as well as the direct pass-through of United States postage. The City will send electronic files to Infosend. Infosend will

then print, insert, and mail the bills daily from their facility.

Infosend's Corporate Headquarters and main production facility is located in Anaheim, California, 13.9 miles from Garden Grove City Hall. The company moved into this completely reconstructed 77,000-square-foot headquarters in April 2011, making significant investment in infrastructure, equipment, and future growth. Infosend is used by many cities in Southern California for printing and mailing services, including Huntington Beach, Santa Ana, Newport Beach, and Orange.

Staff is confident that Infosend has the technical, managerial and financial capacity to meet all of the obligations and provisions set forth in the RFP. Infosend has performed the full spectrum of data processing, print and mail services since 1996.

FINANCIAL IMPACT

Total annual cost for the City's print and mailing services for utility bills and CityWorks including paper and envelopes will be \$128,000 for the first year: \$25,500 for Paper, Envelopes, Bill Print and Mailing Services, \$18,000 for the printing and inserting of CityWorks, and \$84,500 for postage pass-through. The cost analysis provides for a slight savings to the current expenditure for paper and envelopes. The portion of this agreement pertaining to the remainder of FY 2015-16 is in the current budget and will be renewed annually thereafter for the remainder of the agreement.

RECOMMENDATION

It is recommended that City Council:

- Award a one (1) year Professional Services Agreement to Infosend for Data Processing, Printing, Inserting, Mailing and Postage with an option to extend said agreement for an additional four (4) years as stated in the proposal;
- Authorize the City Manager or his designee to execute the agreement, making minor modifications as necessary and to approve any unforeseen increases in the postage portion of the agreement; and
- Authorize the City Manager or his designee to execute the four option years as necessary.

By: Monica Neely, Revenue Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
2016 Infosend, Inc. Professional Services Agreement	3/1/2016	Backup Material	Infosend_Contract.pdf

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2016, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and **Infosend, Inc.**, herein after 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 COUNCIL AUTHORIZATION, DATED _____.
2. CITY desires to utilize the services of CONTRACTOR to Provide Data Processing, Printing, Mailing and Inserting Services for City of Garden Grove Utility Bills.
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination.** The term of the agreement shall be for period of one (1) year from full execution of the agreement, with an option to extend said agreement additional four (4) years, for a total performance period of five (5) years. Option years shall be exercised one (1) year at a time, at the sole option of the CITY. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONTRACTOR for work performed to date in accordance with proposal which is attached as Attachment A and is hereby incorporated by reference. Contractor is required to present evidence to support performed work.
2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of tasks as set forth in the Scope of Work. The Scope of Work is attached as Attachment A, and is incorporated herein by reference. The Scope of Work and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONTRACTOR shall be compensated as follows:
 - 3.1 **AMOUNT.** Total Compensation under this agreement shall not exceed (NTE) amount of One Hundred Twenty Eight Thousand Dollars (\$128,000.00), for the first year, payable in arrears and in accordance with PROPOSAL PRICING form, Attachment B. All work shall be in accordance with RFP No. S-1181.

- 3.2 Payment. For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this Agreement, a written authorization by CITY will be required, and payment shall be based on schedule included in PROPOSAL PRICING form (Attachment B).
- 3.3 Records of Expenses. CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to CITY.
- 3.4 Termination. CITY shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by CITY, then the provisions of paragraph 3 would apply to that portion of the work completed.

4. Insurance requirements.

- 4.1 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.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
- (a) Commercial general liability in an amount not less than of \$1,000,000.00 per occurrence (**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 the CITY.
 - (b) Automobile liability in an amount not less than \$1,000,000.00 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 the CITY.

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 CONTRACTOR. CONTRACTOR 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, 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.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects 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 in excess of the CONTRACTOR'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 CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.
6. **Non-Discrimination.** CONTRACTOR 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 CONTRACTOR shall act and be an independent contractor and not an agent or employee of the 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. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
- a. (Contractor)
Infosend, Inc.
Attention: Russ Rezai, Chief Operating Officer
4240 East La Palma Avenue
Anaheim, CA 92807
 - b. (Address of CITY) (with a copy to):
City of Garden Grove Garden Grove City Attorney
11222 Acacia Parkway 11222 Acacia Parkway
Garden Grove, CA 92840 Garden Grove, CA 92840
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR 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 Contractor 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 CONTRACTOR'S risk, until written instructions are received from CITY.
13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONTRACTOR 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 CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR 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 CONTRACTOR. CITY will deal directly with and will make all payments to CONTRACTOR.

15. **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.
16. **Indemnification.** CONTRACTOR 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 damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence 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 CONTRACTOR.

17. **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 1, Term and Termination, 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 one hundred fifty dollars (\$150.00) per day for each and every calendar day during which completion of the work is so delayed. CONTRACTOR agrees to pay such liquidated damages and further agrees that CITY may offset the amount of liquidated damages from any moneys due or that may become due CONTRACTOR under the Contract.

\\\\\\

(Agreement Signature Block on Next Page)

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE

By: _____
City Manager

ATTESTED:

City Clerk

Date: _____

"CONTRACTOR"
Infosend, Inc.

By: _____

Name: RUSS PERAI

Title: COO

Date: 2/25/16

Tax ID No. 33-0748516

Contractor's License: _____

Expiration Date: _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

APPROVED AS TO FORM:

Gmar Sandoval
Garden Grove City Attorney

3-1-16

ATTACHMENT "A"
SCOPE OF WORK
RFP NO. S-1181 (Page 1 of 9)

**Provide Data Processing, Printing, Mailing and Inserting Services for City
of Garden Grove Utility Bills**

BACKGROUND: Current Process: Print, Mail and Insert

1. Currently the CITY has approximately 32,000 paper billing customers. The CITY bills customer's bi-monthly, mailing approximately 16,000 bills per month or approximately 800-1,000 per day.
2. The vendor must accept daily bill files using online upload using web, FTP or SFTP, or similar standard transmission methods. The CITY should be able to log into the Vendor's server, check status, and remove uploaded files prior to processing by the Vendor.
3. The vendor must be able to accept the CITY'S files in their current format or with minimal changes. CITY bills are single page PDF files designed to be printed on pre-printed forms. See attached examples.
4. The bulk of the mailing consists of regular statements, return envelopes, inserts and, closing bills.
5. Customers on AutoPay currently receive return envelopes. Does vendor's equipment provide for suppression of this insert?
6. Bills are mailed via presorted first class mail in 1-2 days.
7. Status reports are provided daily after processing is complete.
8. Bill messages and bill inserts are updated bi-monthly or as needed, based on CITY requirements.
9. The CITY prefers that the proposer's business where all work will be performed within a 15-mile radius of Garden Grove City Hall located at 11222 Acacia Parkway, Garden Grove, CA 92840. This will be based on driving distance measured by the CITY ***not as the crow flies***.

PROPOSAL REQUIREMENTS AND CONTENTS

The proposals submitted for this project are to follow the outline described below and must address all requested information. Any additional information that the vendor wishes to include should be included in an appendix to the proposal.

SECTION 1 – Introduction

Provide a brief description of the vendor and a statement of qualifications for performing the requested services.

The proposal shall be signed by an official authorized to bind the vendor and shall expressly state that the proposal is valid for 120 days.

This section should also include the following documents provided in this RFP document:

- **Proposal Letter (Pages 11-12)** completed and executed by an authorized representative of the Proposer.
- **Bidder/Contractor Statement (Page 13)** this must be submitted with your proposal for your proposal to be considered complete

SECTION 2 – Experience

Provide a summary of the vendor's prior experience with similar projects. Vendors must have a minimum of eight (8) years providing service to clients of comparable size. This section should include specific and detailed descriptions of similar projects performed previously, project results, client name and year completed.

SECTION 3 – Scope of Work

Respond to all requirements defined in the Scope of Work. If any of the requirements cannot be supported, those items should be listed as exceptions. For exceptions, provide a recommendation for an alternative approach.

Provide a description of the required tasks for the implementation and post-production support. Include the tasks needed to complete the project and any recommended additions to the requirements. Also document assumptions used in development of the work tasks, including assistance needed from CITY staff, and required hardware and software.

SECTION 4 – Project Schedule

Include a project schedule for each key focus area of the project, as identified in the Scope of Work. This schedule should contain key project milestones and timelines for deliverables. Identify assumptions used in developing the schedule.

SECTION 5 – Project Cost-Attachment B (Proposal Pricing) Form

Refer to the form provided on **Pages 15-17**. The Proposal shall be valid for 120 calendar days from the date stipulated in the RFP for receipt of Proposals. If this offer is accepted within that time period, the Proposer agrees to furnish all services and items as stipulated in the RFP and any accompanying addenda. All lines of the Proposal Pricing Form must be complete or your proposal may be deemed as non-responsive.

SECTION 6 – Project Alternatives (2 pages maximum)

Describe how the cost of the proposal could be reduced if necessary. Identify the tasks that would be eliminated or scaled back.

SECTION 7 – Ancillary Services

Please list other services you may want to offer. This section is optional.

SECTION 8 – References

Refer to the form provided on **Page 14**. Provide a description of projects similar in nature and scope that the vendor has completed in the last five years. Also please list how many billers have left your services for any reason within the past 3 years and identify those that left because a quality, production, or breach of contract issue.

Please make sure that the information provided for your references is current and accurate. References will not be considered if information provided is inaccurate. *Please Do Not use the City of Garden Grove as a reference.*

SECTION 9 – Conflicts of Interest

Vendors submitting a proposal in response to this RFP must disclose any actual, apparent, direct, indirect, or potential conflicts of interest that may exist with respect to the vendor, management, or employees of the vendor or other persons relative to the services to be provided. If a vendor has no conflicts of interest, include a statement to that effect in the proposal.

All requirements marked CORE in the following Print, Insert and Mail Services requirements must be provided SOLEY by the Print & Mail vendor without outsourcing any of the core services. ***Sub-contracting any parts of the solution to another vendor will be deemed non-responsive and the proposal rejected.***

Proposers must respond to all Scope of Work requirements listed in the following sections. The word "must" in a requirement indicates a **required** feature, and the word "should" indicates a **desired** feature. The Vendor must clearly indicate whether or not each requirement will be provided in the solution for the CITY. Please respond with "Y" (Yes), "N" (No), or "P" (Partial) answer, as defined using the criteria below.

- **"Y" (Yes)** – indicates the item will be supplied as specified and is part of the Vendor's base price proposal
- **"N" (No)** – indicates the item will not be supplied
- **"P" (Partial)** – indicates that the item will not be supplied as specified, but may be provided by Vendor in a partial way. Vendor must provide a description on the areas of the requirement that won't be met.

The Functional Requirements/Scope of Work Requirements must be completed using the above designations at the start of each requirement answer below each requirement with vendor discussion/explanation verbiage after the above letter designation and included in Section 3 of the Vendor's Proposal. For evaluation, requirements that are left blank will be assumed to be unavailable as specified.

SCOPE OF WORK: DATA PROCESSING, PRINTING, AND MAILING

Please describe your ability to meet each of the requirements below. If a requirement cannot be met, please provide an alternative approach.

I. Core Requirements: General

1. Vendor must have been in continuous business for a minimum of 8 years.
Indicate Y/N/P: _____
Vendor Response:

2. Vendor should have a national footprint with multiple production facilities.

Indicate Y/N/P: _____

Vendor Response: _____

3. Vendor has a business office and production facilities within 15 miles of the Garden Grove City Hall.

Indicate Y/N/P: _____

4. Vendor must have biller clients in the utility sector.

Indicate Y/N/P: _____

Vendor Response: _____

5. Vendor must have at least 3 current utility clients processing 10,000 bills per month each.

Indicate Y/N/P: _____

Vendor Response: _____

6. Vendor must be designated as a USPS DMU (Detached Mail Unit).

Indicate Y/N/P: _____

Vendor Response: _____

II. Core Requirements: Data Processing

1. The vendor must accept daily bill files using an online upload using web, FTP or SFTP, or similar standard transmission methods. The CITY must be able to log into the Vendor's server, check status, and remove uploaded files prior to processing by the Vendor.

Indicate Y/N/P: _____

Vendor Response: _____

2. The vendor must be able to accept the CITY'S files in their current format or with minimal changes. CITY bills are single page PDF files designed to be printed on pre-printed forms.

Indicate Y/N/P: _____

Vendor Response: _____

3. The vendor must provide an interface to:

- Track the status of job types through the production process
- Manage reports
- Manage inserts
- Process exception or special handling of documents
- Manage online messages
- Upload test files
- Contact customer service

Indicate Y/N/P: _____

Vendor Response: _____

4. The CITY OF GARDEN GROVE must have the ability to view and approve sample bills online before they are printed and mailed.

Indicate Y/N/P: _____

Vendor Response: _____

5. Bills/documents/statements must be mailed within one to two business days of receipt.

Indicate Y/N/P: _____

Vendor Response: _____

6. The vendor must have the capability to suppress the printing of bills and/or envelopes for certain customers, based on CITY requirements. Suppression could be on a one-time or ongoing basis.

Indicate Y/N/P: _____

Vendor Response:

7. The vendor must be able to produce the CITY's bill in the current format or propose a new bill format that is compatible with City equipment. Is a statement re-design included in the set-up?

Indicate Y/N/P: _____

Vendor Response:

8. The remittance stub must be configured to work with the remittance processing equipment and software used to process the incoming checks.

Indicate Y/N/P: _____

Vendor Response:

9. <Provide scan line configuration, if applicable>

Indicate Y/N/P: _____

Vendor Response:

10. The vendor must have the capability to print:
- a) Intelligent bill messages based on customer type
 - b) Logos and usage history graphs
 - c) Multiple page bills as needed

Indicate Y/N/P: _____

Vendor Response:

11. Bills must be mailed via presorted first class mail at the lowest postage rates available.

Indicate Y/N/P: _____

Vendor Response:

12. Bill Inserts and Messages

- a. The vendor must provide an interface that will allow the CITY to update requirements for bill messages and bill inserts on an ad-hoc basis.
- b. The interface must allow the CITY to include/exclude inserts and messages based on CITY requirements including customer type, account number, or other parameter within the data file.
- c. Please provide specific information including screen shots and details about the process for new requests and updates to existing requests.

Indicate Y/N/P: _____

Vendor Response:

13. Provide details on vendor's quality control

Indicate Y/N/P: _____

Vendor Response:

14. What is the process of "pulling" a bill from live production? Is there a fee for this?

Indicate Y/N/P: _____

Vendor Response:

15. Provide details on equipment including redundancy

Indicate Y/N/P: _____

Vendor Response:

16. Explain procedures for ensuring that the bill file transmissions are completed successfully, and procedures for correcting issues

Indicate Y/N/P: _____

Vendor Response:

III. Core Requirements: Materials

1. Forms are 8.5" x 11", 24# white paper stock<provide details on whether custom preprinted forms are needed>. The vendor must be able to reproduce the preprinted and perforated paper stock that matches or exceeds the quality of the current stock, including providing the same number of preprinted colors.

Indicate Y/N/P: _____

Vendor Response:

2. The following envelopes must be provided by the vendor:

- a) A double window #10 mailing envelope, 24# white paper stock
- b) A single window #9 security return envelope, 24# white paper stock

Indicate Y/N/P: _____

Vendor Response:

3. The vendor must provide insert-printing, mailing, and postage services.

Indicate Y/N/P: _____

Vendor Response:

4. The vendor must agree to receive shipments of inserts and store/warehouse all forms and envelopes used to process the CITY's bills.

Indicate Y/N/P: _____

Vendor Response:

5. Vendor must be able to perform intelligent/selective inserting based on customer type or other parameters provided in the data.

Indicate Y/N/P: _____

Vendor Response:

IV. Core Requirements: Archive

1. All "valid" (not in error) document images must be archived by the vendor for 12 months or more.

Indicate Y/N/P: _____

Vendor Response:

2. Reporting of mailing and transmittal activity must be archived for 24 months or more.

Indicate Y/N/P: _____

Vendor Response:

3. City staff must have online access to archive files and reporting.

Indicate Y/N/P: _____

Vendor Response:

4. Please provide specific details about the archive system and include details:
 - Screen shots of the system
 - Search capability
 - Print capability
 - Process for viewing archived documents
 - System requirements, including browser version(s) if applicable

Indicate Y/N/P: _____

Vendor Response:

V. Core Requirements: USPS Presort and Mail

1. Mail must be produced and delivered to the USPS from a vendor designated as a DMU (Detached Mail Unit). Provide DMU certification.

Indicate Y/N/P: _____

Vendor Response:

2. Bills must be mailed via presorted first class mail to maximize postal discounts.

Indicate Y/N/P: _____

Vendor Response:

3. Vendors must use the USPS Full-service Intelligent Mail Barcode for all outgoing mail pieces.

Indicate Y/N/P: _____

Vendor Response:

4. Vendor must provide NCOALink service or other change of address feed for CITY'S billing addresses.

Indicate Y/N/P: _____

Vendor Response:

5. Mail must be produced and delivered to the USPS from a California facility.

Indicate Y/N/P: _____

Vendor Response:

6. CITY must be able to verify proof of delivery to the USPS on an as-needed basis.

Indicate Y/N/P: _____

Vendor Response:

7. Vendors will prepay for postage on CITY's behalf and will bill CITY for actual postage used on a monthly basis.

Indicate Y/N/P: _____

Vendor Response:

VI. Core Requirements: Reporting

Provide the following reports:

1. File upload confirmation: confirm receipt of file transmission for data processing.

Indicate Y/N/P: _____

Vendor Response:

2. Daily production confirmation reports: confirmation of data processing. This report should contain the following details, at a minimum:

- Number of bills received for processing
- Number of bills printed
- Number of suppressions
- Postage presort breakdown including actual rates
- Inserts used and insert counts
- Total \$ value of bills contained in data file

Indicate Y/N/P: _____

Vendor Response:

3. NCOA/Move update report: provide customer name, account number, previous address, updated (new) address.

Indicate Y/N/P: _____

Vendor Response:

VII. Core Requirements – Compliances, Security, and Disaster Recovery

1. Vendors must be SSAE16 compliant or currently undergoing SSAE16 audit or similar. Provide certification details.

Indicate Y/N/P: _____

Vendor Response:

2. Provide information about Information Security.

Indicate Y/N/P: _____

Vendor Response:

3. Describe in detail how security is handled for information shared between vendor and CITY via email or online.

Indicate Y/N/P: _____

Vendor Response:

4. Vendor must have a disaster recovery facility to process CITY's jobs if the main facility becomes inoperable. Provide locations and information about all disaster recovery facilities.

Indicate Y/N/P: _____

Vendor Response:

5. CITY requires that at least one disaster recovery facility must be located in a geographically diverse location from the main production site, preferably out of state.

Indicate Y/N/P: _____

Vendor Response:

6. The vendor must allow site visits by CITY personnel.

Indicate Y/N/P: _____

Vendor Response:

7. Vendor cannot, without prior written approval from the CITY, sell, share or disseminate any information that the CITY transmits to the VENDOR to a 3rd party. Including mailing addresses, bill amounts, or contents of documents.

VIII. Core Requirements: Customer Support

1. The vendor must provide unlimited customer support to CITY personnel during vendor's business hours.

Indicate Y/N/P: _____

Vendor Response:

2. Provide procedures for after-hours support.

Indicate Y/N/P: _____

Vendor Response:

3. Provide a list of company holidays.

Indicate Y/N/P: _____

Vendor Response:

4. Provide contact points for customer service.

Indicate Y/N/P: _____

Vendor Response:

5. Vendors must provide a dedicated project manager for implementation and ongoing customer support after project go-live.

Indicate Y/N/P: _____

Vendor Response:

6. Vendor must provide weekly status updates during all project implementations.

Indicate Y/N/P: _____

Vendor Response:

Section 5 - Project Cost – Attachment B

"ATTACHMENT B" REVISED
RFP NO. S-1181
(Data Processing, Printing, and Mailing Services)
PROPOSAL PRICING-Page 1 of 4

Proposal must include ALL costs and fees associated with providing the services. Any fees, costs or charges that are not identified in this proposal will NOT be considered or paid by the CITY.

Please DO NOT change/alter this page in any way! This page must be submitted with your proposal. *This revised version of Attachment "B" must be included with your proposal or the City may deem your proposal as non-responsive.*

Provide a cost proposal for print and mail development, implementation, and ongoing maintenance. This section adheres to the provided table form. Identify all costs to be billed to the project, including out-of-pocket expenses such as travel and office support.

Initial and Ongoing Professional Services Fees		
One-Time Implementation Fee Includes all phases of the project prior to the production phase: initial programming, testing, and implementation.	\$ Waived	One-Time Fee
Professional Services Charges For requested programming changes after initial implementation.	\$ \$150	Per Hour

Cost of Materials		
Statement Paper Stock Cost 8.5x11", 24 pound paper stock with a micro-perforation.	\$ 0.015	Per Sheet
Outgoing Envelope Cost Single Window white #9 envelope	\$ 0.025	Per Envelope
Return Envelope Cost No window blue #6 3/4 blue envelope	\$ 0.022	Per Envelope

"ATTACHMENT B" REVISED
RFP NO. S-1181
(Data Processing, Printing, and Mailing Services)
PROPOSAL PRICING-Page 2 of 4

Service Fees		
One Page Bill Service Fee Includes file transmission, data processing, simplex black bill printing, mail preparation (folding, inserting a 1-page bill and the return envelope into an outgoing envelope), and delivery to the USPS.	\$0.056/ regular bill \$0.075/ late notice	Per One Page Bill
Marketing Insert Fee Charge for inserting client-provided marketing insert. For example: Newsletter.	\$ 0.01**	Per Additional Page
Move Update Service Fees NCOALink or ACS Service	\$ 0.30	Per Reported Change
Archive Fee Images must be stored in PDF format for 12 months.	\$0.01 per archived PDF	Per Additional Insert
Printing and Inserting of City Works insert Paper: White 80# gloss Colors: 4/4, printed on both sides Flat size: 8.5" x 11" Tri-fold size: 8.5" x 3.66" Approx. Qty: 15,400 Frequency: Monthly Miscellaneous Information Piece is inserted into City water bills Designed in-house; files emailed as pdf to contractor 300 quantity returned to City to include overruns	\$ 0.084	Per Insert

**Insert Fee includes either client provided or InfoSend produced inserts
Contractor must be able to provide all services requested. PARTIAL PRICING PROPOSALS
WILL NOT BE ACCEPTED! ALL LINES ON THIS FORM MUST BE COMPLETED OR THE CITY
RESERVES THE RIGHT TO DEEM YOUR PROPOSAL AS NON-RESPONSIVE.

**"ATTACHMENT B" REVISED
RFP NO. S-1181
(Data Processing, Printing, and Mailing Services)
PROPOSAL PRICING-Page 3 of 4**

ADDITIONAL COSTS ASSOCIATED WITH PROVIDING SERVICES:

\$0.20 per mailpiece - Householding multiple bills into #10 envelope

\$0.016 per #10 InfoSend Standard Double Window Outgoing envelope

\$0.014 per #9 InfoSend Standard Single Window Return envelope

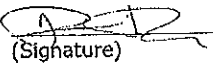
\$0.16 per Flat envelope for multiple page statements

Please provide a cost break down of how additional costs are calculated, if applicable. You may attached additional pages if needed.

ATTACHMENT B" REVISED
RFP NO. S-1181
(Data Processing, Printing, and Mailing Services)
PROPOSAL PRICING-Page 4 of 4

The undersigned hereby certifies that this Proposal is genuine and is not sham or collusive, or made in the interest or in behalf of any person not herein named, and that the undersigned has not directly or indirectly induced or solicited any other bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the undersigned has not in any manner sought, by collusion, to secure for himself an advantage over any other bidder.

Please check your calculations before submitting your Proposal; the City of Garden Grove will not be responsible for Proposer miscalculations and may deem your proposal as non-responsive

BY:  800.955.9330
(Signature) Telephone Number

Russ Rezai
(Type or Print Name)

Chief Operating Officer
(Title)

Russ.r@infosend.com
(Email Address)

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 declaring Garden Grove a Healthy Eating Active Living (HEAL) City. (<i>Action Item</i>)		
	Date:	3/22/2016	

OBJECTIVE

To request that the City Council adopt the attached Resolution supporting the Healthy Eating Active Living (HEAL) Cities Campaign.

BACKGROUND

The Healthy Eating Active Living (HEAL) Campaign is a partnership composed of the League of California Cities, California Center for Public Health Advocacy, and the Cities, Counties, and Schools Partnership. The purpose of the HEAL Campaign is to provide training and technical assistance to City officials to adopt policies to improve their community's physical activity and food environments.

DISCUSSION

In 2004, the League of California Cities (League) adopted an Annual Conference Resolution to encourage cities to embrace policies that facilitate activities to promote healthier lifestyles and communities, including healthy diet and nutrition, and to adopt city design and planning principles that enable citizens of all ages and abilities to undertake exercise.

In 2006, the League adopted a resolution to work with the Institute for Local Government and the Cities, Counties, and Schools Partnership to develop a clearinghouse of information that cities can use to promote wellness policies and healthier cities, the response to which is the HEAL Campaign.

HEAL Campaign staff, under the guidance of an advisory committee of elected and executive staff leaders from 20 cities, reviewed survey responses from over 100 California cities, analyzed existing policies, and identified policies considered key to being a healthy and active community.

The HEAL Campaign encourages all California cities to adopt one or more of these

policies to become a HEAL City. The City of Garden Grove demonstrates commitment to many of the policies advocated through the HEAL Campaign. For example, the current development of the City's bicycle and pedestrian master plan, joint use agreements with the school district for open space, and construction of outdoor fitness equipment meet built environments for active living. Furthermore, commitment to employee wellness through nutrition standards for vending machines, accommodations for nursing employees, and encouraging use of stairways will be implemented.

Based on these commitments, the City qualifies to become a HEAL City by adopting a resolution and submitting a letter of interest to the HEAL Campaign to receive the designation as a HEAL City.

FINANCIAL IMPACT

The Healthy Eating Active Living Campaign will have no fiscal impact.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution supporting the Healthy Eating Active Living (HEAL) Cities Campaign. By: John Montanez, Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	3/16/2016	Backup Material	3-22-16_HEAL_Resolution.docx

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE,
DECLARES GARDEN GROVE A HEALTHY EATING ACTIVE LIVING (HEAL) CITY

WHEREAS, the League of California Cities adopted an Annual Conference resolution to encourage cities to embrace policies that facilitate activities to promote healthier lifestyles and communities, including healthy diet and nutrition, and adoption of city design and planning principles that enable citizens of all ages and abilities to undertake exercise;

WHEREAS, more than half of California's adults are overweight or obese and therefore at risk for many chronic conditions including diabetes, heart disease, cancer, arthritis, stroke, and hypertension;

WHEREAS, one in four youth between the ages of 9 and 16 in California is overweight;

WHEREAS, more children are being diagnosed with diseases linked to overweight and obesity previously seen only in adults, such as Type 2 diabetes and heart disease;

WHEREAS, the current generation of children are expected to have shorter lives than their parents due to the consequences of obesity;

WHEREAS, obesity takes a tremendous toll on the health, productivity of all Californians;

WHEREAS, cities and their residents face increased health care costs and diminished quality of life due to lack of exercise, poor diet choice, obesity and the resultant health-related effects of diabetes, cardiac disease, and other health problems; and

WHEREAS, the City of Garden Grove already embraces policies that facilitate activities to promote healthier lifestyles and communities and hopes to grow various programs/services offered by the Community Services Department, outdoor fitness equipment, park resources, open spaces, community building facilities, and a community garden. The City has a unique ability to positively affect the health of the Garden Grove community now and in the future.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City of Garden Grove City Council hereby recognized that obesity is a serious public threat to the health and well-being of adults, children and families in Garden Grove. While individual lifestyle changes are necessary,

individual effort alone is insufficient to combat obesity's rising tide. Significant societal and environmental changes are needed to support individual efforts to make healthier choices. To that end, the City of Garden Grove supports participation in statewide, regional, and local programs that support and invest in our resident's health and wellness and embrace policies and programs that create comprehensive community wellness.

SECTION 2. The City of Garden Grove City Council hereby adopts this Healthy Eating Active Living Resolution and declares itself a Healthy Eating Active Living City.

- 1. Built Environments:** The City Departments responsible for the design and construction of parks, neighborhoods, streets, and business areas should make every effort to plan and construct a safe environment that encourages walking, biking, and other forms of physical activity:
 - Address walking and biking connectivity between residential neighborhoods and schools, parks, recreational resources, and retail;
 - Expand community access to indoor and outdoor public facilities through joint use agreements with schools and/or other partners;
 - Plan and construct a built environment that encourages walking, biking, and other forms of physical activity.
- 2. Employee Wellness:** In order to promote wellness within the city of Garden Grove, and to set an example for other businesses, the City of Garden Grove pledges to adopt and implement an employee wellness policy that will:
 - Set nutrition standards for vending machines located in City owned or leased locations;
 - Accommodate breastfeeding employees upon their return to work;
 - Encourage walking meetings and use of stairways.
- 3. Implementation:** The City Departments will continue to update the City Council regarding their efforts to implement the Resolution, including additional planned programs, construction projects, and forward planning initiatives.

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 National Auto Fleet Group for four sedans. (Cost: \$97,481.24) (<i>Action Item</i>)		
		Date:	3/22/2016

OBJECTIVE

To secure City Council authorization to purchase four (4) new sedans from National Auto Fleet Group.

BACKGROUND

The Public Works Department has four (4) sedans that currently meet the City's guidelines for replacement. Three (3) replacements were approved through FY - 15/16 budget process and one (1) was severely damaged and totaled in a traffic collision. In order to perform the planned replacements, the purchase of four (4) sedans is required at this time. Experience has shown that the City's buying power is enhanced through joining with other public agencies to purchase fleet vehicles and equipment.

DISCUSSION

The National Joint Powers Alliance (NJPA) nationally solicits, evaluates and awards contracts through a competitive bid process. As a member of NJPA, the City is able to utilize NJPA bid awards for equipment purchases. Staff recommends piggybacking on the results of a recent NJPA competitive bid program, Contract #102811. The results deemed National Auto Fleet Group as the lowest responsive bid.

National Auto Fleet Group \$24,370.31 *

* This price includes all applicable tax and destination charges per vehicle

FINANCIAL IMPACT

There is no impact to the General Fund. The financial impact is \$97,481.24 to the Fleet Management Fund. The surplus equipment 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 \$97,481.24 to National Auto Fleet Group for the purchase of four (4) new sedans.

By: Phillip Carter, Facilities Manager

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Todd D. Elgin
Dept.:	City Manager	Dept.:	Police
Subject:	Award of contract to Microception, Inc., to provide an audio visual system for the Police Department - RFP No. S-1183. (Cost: \$68,556.65) (<i>Action Item</i>)		
		Date:	3/22/2016

OBJECTIVE

To seek City Council approval to award a contract to Microception, Inc. to provide an audio visual system for the interview rooms at the Garden Grove Police Department.

BACKGROUND

The Police Department needs to update the technology in the five (5) interview rooms located in the Police Facility, located at 11301 Acacia Parkway. There are three (3) interview rooms located on the second floor of the building, near the Investigations Division and two (2) interview rooms located on the first floor of the building in the City Jail.

The three (3) interview rooms in the Investigations Division have not been updated since they were originally installed during the 2007 second floor remodel of the police building. The hardware and recording systems in these interview rooms is now outdated and unreliable. In the nine years since the original remodel, recording technology has advanced greatly. The quality and reliability of the recording systems now available completely eclipse what was available in 2007.

The two interview rooms in the Garden Grove City Jail are not outfitted with audio and video recording equipment suitable for conducting investigative interviews. There is a general surveillance camera in each room for safety purposes, but the rooms are not equipped for audio recording.

At this point in time, quality audio and video recording equipment is more important than ever. The Courts and the public expect the police to record interactions with suspects, victims and general citizens. The current system the Police Department has is inadequate; the new system will be easier to operate, will produce better quality recordings, and will be able to make multiple recordings at the same time. The recordings will be in a format compatible with what the District Attorney's office uses.

Due to the size and scope of this project, a formal Request for Proposal (RFP) was needed to evaluate all of the companies that were interested in participating in the selection process.

DISCUSSION

The RFP was posted on the City's website on January 6, 2016. The pre-proposal mandatory meeting was held on May 21, 2015, with sixteen (16) companies in attendance. The due date for RFP No. S-1183 was February 8, 2016. Out of the sixteen companies that attended the mandatory meeting, four (4) submitted responses to the RFP; Microception, Inc., Taser International, Inc., Karcher Group, Inc., and Digital Networks Group, Inc.

The evaluation criteria and scoring weights were price (30%); project plan (30%); and qualifications/ability to meet the proposal requirements (40%) percent. The proposers finished with the following scores:

Proposer	Rater 1	Rater 2	Rater 3	Rater 4	Rater 5	Total
Microception, Inc.	959	859	859	929	779	4385
Taser International, Inc.	762	752	742	682	682	3620
Karcher Group, Inc.	750	610	580	550	650	3140
Digital Networks Group, Inc.	627	367	367	307	437	2105

After completion of the RFP scoring, staff determined that the Microception, Inc., the highest scoring proposer, best suits the Police Department's needs. Microception met all of the proposal requirements and provided the lowest pricing for the products and services requested in the RFP. They also provided positive references that can speak on their behalf of past projects that require the same type of products and services to law enforcement.

All of these factors weighed heavily in the scoring process, resulting in Microception, Inc., receiving the higher score of the four proposers.

FINANCIAL IMPACT

The Garden Grove Strawberry Festival Association has pledged a donation of \$13,000 to the Police Department, to update these interview rooms.

The Police Department has budgeted \$60,000 of Fiscal Year 2015/16, Public Safety restricted funds to pay for this project.

RECOMMENDATION

It is recommended that the City Council:

- Award a contract to Microception, Inc., in the amount of \$68,556.65; and
- Authorize the City Manager or his designee to sign the agreement and make any modifications as needed on behalf of the City

By: Lt. Ted Peaslee

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kathleen Bailor
Dept.: City Manager Dept.: City Clerk
Subject: Receive and file minutes Date: 3/22/2016
 from the February 23, 2016,
 meeting. (*Action Item*)

Attached are the minutes from the February 23, 2016, meeting for the City Council to receive and file.

ATTACHMENTS:

Description	Upload Date	Type	File Name
February 23, 2016, minutes	3/17/2016	Backup Material	February_23__2016.pdf

MINUTES

GARDEN GROVE CITY COUNCIL

Regular Meeting

Tuesday, February 23, 2016

Courtyard Center
12732 Main Street, Garden Grove, CA 92840

At 6:37 p.m., Mayor Nguyen convened the meeting.

ROLL CALL PRESENT: (5) Mayor Nguyen, Council Members Beard, Bui,
Jones, Phan

ABSENT: (0) None

INVOCATION

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

PRESENTATIONS

Community Spotlight: Recognition of Errol Giuliano for receiving the prestigious title of Garden Grove Citizen of the Year from the Cypress College 2016 Americana Awards. (F: 52.3)

ORAL COMMUNICATIONS

Speakers: Joel Block, Maureen Blackmun, Nicholas Dibs, Tony Flores,
Verla Lambert, Josh McIntosh, Keith Riley

RECESS

At 7:02 p.m., Mayor Nguyen declared a recess.

RECONVENE MEETING

At 7:05 p.m., Mayor Nguyen reconvened the meeting with all Council Members present.

AMENDMENT TO AGREEMENT AMONG THE CITY OF GARDEN GROVE, THE KOREAN AMERICAN SENIOR ASSOCIATION AND THE ORANGE COUNTY TRANSPORTATION AUTHORITY (F: 55-OCTA-Korean American Senior Association)

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

The Amendment to the Agreement among the Korean American Senior Association and the Orange County Transportation Authority be approved; and

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

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

WARRANTS (F: 60.5)

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

Warrants 599755 through 600189; and Wires W1491 through W1546, 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.

Payroll Warrants 179324 through 179379; Direct Deposits D288652 through D289334; Wires W2206 through W2209; 179380 through 179433; Direct Deposits D289333 through D290011; and Wires W2210 through W2213 be approved as presented in the payroll register submitted, and have been audited for accuracy and funds are available for payment thereof by the Finance Director.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

MINUTES (F: Vault)

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

The minutes from the meeting held on January 26, 2016, be received and filed.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

WAIVE FULL READING OF ORDINANCES LISTED

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

Full reading of ordinances listed be waived.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

ORDINANCE AUTHORIZING DESIGN-BUILD PROCEDURES TO AWARD CONTRACTS FOR SPECIFIED PUBLIC WORKS PROJECTS (F: 50.2)

(As approved earlier in the meeting: It was moved by Council Member Jones, seconded by Council Member Beard and carried by a 5-0 vote that full reading of ordinances listed be waived.)

Following Acting City Attorney Sandoval's report and City Council discussion:

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

Ordinance No. 2865 entitled: An Ordinance of the City Council of the City of Garden Grove adding Section 2.52.020 to Chapter 2.52 of Title 2 of the Garden Grove Municipal Code authorizing Design-Build procedures to award contracts for certain Public Works projects be passed to second reading.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

SECOND READING AND ADOPTION, BY TITLE ONLY, OF ORDINANCE NO. 2864 RELATING TO QUALIFICATIONS OF MEMBERS OF COMMITTEES AND COMMISSIONS (F: 122.1)(XR: 50.2)

(As approved earlier in the meeting: It was moved by Council Member Jones, seconded by Council Member Beard and carried by a 5-0 vote that full reading of ordinances listed be waived.)

Following the reading of the title of Ordinance No. 2864 into the record, it was moved by Council Member Beard, seconded by Council Member Phan that:

Ordinance No. 2864 entitled an Ordinance of the City Council of the City of Garden Grove amending Section 2.21.015 of Chapter 2.21 of Title 2 of the Garden Grove Municipal Code relating to qualifications of members of committees and commissions, be adopted.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

DISCUSSION REGARDING THE PROVISION OF FINANCIAL SUPPORT OF NON-PROFIT ORGANIZATIONS, AS REQUESTED BY COUNCIL MEMBER BUI (F: 130.1)

After City Council discussion, it was moved by Council Member Bui, seconded by Council Member Jones that staff be directed to bring back a policy/criteria on the City's financial support of non-profits.

The motion carried by a 5-0 vote as follows:

Ayes: (5) Beard, Bui, Jones, Nguyen, Phan
Noes: (0) None

DISCUSSION REGARDING LETTER OF SUPPORT FOR THE CITY OF WESTMINSTER AND THE CITY OF GARDEN GROVE'S PROJECT V APPLICATION TO OCTA FOR A NEW SHUTTLE ROUTE IN THE LITTLE SAIGON AREA, AS REQUESTED BY THE CITY MANAGER (F: 43.1)(XR: 23.18)

After staff's presentation and City Council discussion, it was the consensus of the City Council that the letter of support be sent this Friday due to time constraints. At the next City Council meeting a comprehensive report will be provided outlining the Project V Grant and the City's financial responsibilities.

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

Council Member Beard indicated that he attended the Olson Company's neighborhood meeting concerning its desire to put a project in on the west side of Garden Grove. He commented that there has been no formal action taken to begin this project; and this is not a City project.

Council Member Bui requested a report on the status of medical marijuana dispensary project. After discussion, staff indicated that a preliminary report would be presented at the March 22, 2016, meeting. Staff will be requesting direction on how to proceed at that time.

Council Member Phan and Jones expressed their condolences to the Margolin family on the passing of Stacy Margolin, long-time employee of the City, and a community volunteer.

Council Member Jones commented on the Great Wolf Lodge's opening weekend occupancy numbers: Friday-85%; Saturday-90%.

Mayor Nguyen requested that voter registration information be placed on the City's website; requested Tony Flores refrain from false accusations regarding a resolution; that information be provided to the City Council regarding Youth in Government Day; that information be provided about a potential Green Bird program regarding trash and litter. He too expressed his condolences to the Margolin family on the passing of Stacy Margolin.

CONVENE CLOSED SESSION

At 8:07 p.m. Mayor Nguyen announced that the City Council was going into Closed Session in the Activity Room to discuss the following matter:

Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8

Property: 13650 Harbor Boulevard, Garden Grove

City's Negotiator: Scott C. Stiles, City Manager

Negotiating Parties: BN Group, DriveTime and AAA Oil Inc., dba California Fuels & Lubricants

Under Negotiation: To obtain direction regarding the price and terms for the disposition of the real property.

ADJOURNMENT OF CLOSED SESSION

At 9:18 p.m., Mayor Nguyen adjourned the Closed Session.

CLOSED SESSION REPORT

Acting City Attorney Sandoval announced there was no reportable action.

ADJOURNMENT

At 9:20 p.m., Mayor Nguyen adjourned the meeting in memory of Stacy Margolin. The next City Council Meeting will be held on Tuesday, March 8, 2016, at 5:30 p.m. at the Courtyard Center, 12732 Main Street, Garden Grove, California.

Kathleen Bailor, CMC
City Clerk

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kathy Bailor
Dept.:	City Manager	Dept.:	City Clerk
Subject:	Approval of Warrants. (Action Item)	Date:	3/22/2016

Attached are the Payroll and Regular warrants submitted for approval.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Warrants	3/16/2016	Backup Material	cc_warrants.pdf

179434	ROBERT P MCLOGAN	656.11	179435	KENNETH E CUMMINGS	480.71
179436	GABRIELA O'CADIZ-HERNAND	2105.94	179437	EUGENE A MACKKEY	85.10
179438	JOHN E LEE	942.17	179439	ROBERT N SEDITA JR	33.65
179440	JOHN E LEE	1147.49	179441	JAMES O'CONNOR	49.27
179442	TERESA L POMEROY	2207.06	179443	MICHAEL J MC CLELLAN	2124.16
179444	JUDITH A MOORE	1864.07	179445	DIANE BELAIR	1851.64
179446	JO ANNE M CHUNG	1747.22	179447	TIMOTHY E THRONE	431.47
179448	THOMAS E BUTTERS	2758.82	179449	CARINA M DAN	274.33
179450	CHRIS M VERES	2817.15	179451	ROBERT R MOUNGEY	694.18
179452	MICHAEL F ROCHA	1839.01	179453	RONALD D GUSMAN	546.66
179454	JAVIER RODRIGUEZ	982.20	179455	HIEN M VO	586.70
179456	YUKIYOSHI NAKAGAWA	1377.67	179457	CHRISTOPHER A RAHE	520.33
179458	ANA E PULIDO	2918.34	179459	STEPHANIE AMBRIZ	348.99
179460	DEANNA M CHUMACERO	1054.34	179461	EMILY A EASLEY	73.93
179462	VANESSA L GARCIA	220.72	179463	JOSEPH M GOMEZ	358.69
179464	STEVEN E GOMEZ	485.84	179465	JOHN C KONRAD	78.17
179466	NOEL N NICHOLAS	592.26	179467	PHILIP J SEYMOUR	282.54
179468	JACLYN M TROM	875.51	179469	LETICIA ZAMORA	51.89
179470	PARKER W CARY	1579.44	179471	BRYSON T DAHLHEIMER	772.90
179472	LISA S GUARDI	499.08	179473	MICHELLE N ESTRADA-MONSA	362.93
179474	KEIRA LONG	1416.32	179475	JOSHUA K BEHZAD	1685.94
179476	PHILLIP H PHAM	1640.16	179477	RANDY L TUCKER	1088.11
179478	SHELBY KEUILIAN	862.72	179479	RAQUEL D MATA	785.17
179480	JOAN M CEPLIUS	814.16	179481	KHRYNSTON SAMRETH	1814.51
179482	O.C.E.A. GENERAL	2050.31	179483	O.C.E.A.	1040.55
179484	COMMUNITY HEALTH CHARITI	50.00	179485	GARDEN GROVE POLICE ASSO	1390.00
D290010	KRIS C BEARD	399.46	D290011	PHAT T BUI	3.42
D290012	STEVEN R JONES	167.28	D290013	BAO Q NGUYEN	56.77
D290014	CHRIS V PHAN	330.98	D290015	DAVID R BARLAG	5214.59
D290016	PAMELA M HADDAD	1401.16	D290017	SCOTT C STILES	6634.78
D290018	MARIA A STIPE	5954.46	D290019	MELANIE J VALDES	2193.95
D290020	KATHLEEN BAILOR	2632.25	D290021	DENISE KEHN	1927.63
D290022	MARITZA PIZARRO	1517.42	D290023	CARLOS MARQUEZ	2573.83
D290024	EDUARDO N ZARAGOZA	306.81	D290025	SYLVIA GARCIA	1980.06
D290026	KINGSLEY C OKEREKE	4893.41	D290027	ANN CAO EIFERT	2208.62
D290028	HEIDI M JANZ	2145.21	D290029	CHRISTI C MENDOZA	246.88
D290030	DEBORAH A POWELL	1165.54	D290031	MARGARITA A ABOLA	1666.41
D290032	ELLIS EUN ROK CHANG	2827.02	D290033	HENRY CHAO	2303.99
D290034	JANET J CHUNG	1960.09	D290035	CLAUDIA FLORES	2201.91
D290036	CARRIE S HANES	1772.52	D290037	RHONDA C KAWELL	2082.00
D290038	ROBERT W MAY	1364.85	D290039	SHAWNA A McDONOUGH	1431.02
D290040	LIGIA ANDREI	1236.86	D290041	ARIANA B BAUTISTA	1295.44
D290042	PAMELA S GILLIS	2258.43	D290043	SUE J GULLEY	85.42
D290044	JEFF N KURAMOTO	2093.18	D290045	CHELSEA E LUKAS	1403.36
D290046	EDWARD E MARVIN JR	1642.12	D290047	ANGELA M MENDEZ	1698.79
D290048	MONICA A NEELY	2515.52	D290049	JENNIFER L PETERSON	1702.55
D290050	ANH PHAM	1434.10	D290051	EVA RAMIREZ	1552.50
D290052	JAIME F CHAVEZ	1322.90	D290053	GARY F HERNANDEZ	1647.22

**** PAGE TOTAL = 136769.34

D290054	JULIE A HITCHCOCK	1697.94	D290055	SANDRA E SEGAWA	2846.80
D290056	GREG BLODGETT	2507.60	D290057	MONICA COVARRUBIAS	2381.44
D290058	GRACE E LEE	2184.85	D290059	ALANA R CHENG	2038.93
D290060	MICHAEL G AUSTIN	2316.52	D290061	TODD C HARTWIG	2184.90
D290062	AARON J HODSON	1640.45	D290063	JERROLD R HOLSTEIN	874.76
D290064	DONALD E LUCAS	2470.13	D290065	DAVID B MARCUM	1773.81
D290066	DANNY O RODRIGUEZ JR.	1974.57	D290067	RAQUEL SHOGREN	771.80
D290068	NABIL L TEWFIK	3058.86	D290069	LIZABETH C VASQUEZ	1653.11
D290070	RODRIGO E VICTORIA	594.86	D290071	DANIEL A WINDHAM	2283.06
D290072	ISABELLA C ZANDVLIET	1768.60	D290073	CHRISTOPHER CHUNG	2279.72
D290074	PAUL GUERRERO	2751.12	D290075	KARL J HILL	3957.84
D290076	LEE W MARINO	3460.21	D290077	MARIA C PARRA	2313.91
D290078	ERIN WEBB	3039.38	D290079	AMEENAH ABU-HAMDIYYAH	1616.84
D290080	JULIE A ASHLEIGH	1712.30	D290081	RITA M CRAMER	1943.68
D290082	RALPH V HERNANDEZ	2005.66	D290083	ALLISON MILLS	910.02
D290084	NIDA R WATKINS	2131.60	D290085	SHAUNA J CARRENO	1862.18
D290086	TERESA G CASEY	1265.60	D290087	VIRGINIA DELGADO	1432.38
D290088	DANNY HUYNH	3155.27	D290089	VILMA C KLOESS	1737.84
D290090	IVY LE	2693.98	D290091	TAMMY LE	1312.83
D290092	LINDA MIDDENDORF	2255.16	D290093	ROSALINDA MOORE	1251.32
D290094	MARIA A NAVARRO	2064.67	D290095	PHUONG-VIEN T NGUYEN	2293.57
D290096	QUANG NGUYEN	2191.16	D290097	TINA T NGUYEN	1902.13
D290098	THYANA T PHI	2093.97	D290099	MARIA RAMOS	1945.76
D290100	TANYA L TO	1623.39	D290101	CUONG K TRAN	1982.77
D290102	ELAINE TRUONG	1370.72	D290103	THANH-NGUYEN VO	1730.32
D290104	MICHAEL C BOS	2100.32	D290105	HOWARD R BROWN	2220.38
D290106	DANIEL J CANDELARIA	4252.12	D290107	DIGNA A R DE LOS REYES	1576.66
D290108	KAMYAR DIBAJ	2960.86	D290109	NICOLAS C HSIEH	2870.68
D290110	ROSEMARIE JACOT	1869.91	D290111	NAVIN B MARU	2430.30
D290112	MARK P UPHUS	3068.44	D290113	JOSE A VASQUEZ	1837.67
D290114	ANA G VERGARA NEAL	2024.56	D290115	DAI C VU	3310.96
D290116	KHANG L VU	2556.46	D290117	JOSHUA J ARIONUS	1905.77
D290118	JAN BERGER	1667.59	D290119	ROBERT P BERMUDEZ	3247.60
D290120	TIM P CANNON	2500.79	D290121	MYUNG J CHUN	3276.33
D290122	RONALD W DIEMERT	1732.51	D290123	CHRIS N ESCOBAR	2226.56
D290124	JASON A FERTAL	1625.84	D290125	ALEJANDRO GONZALEZ	2098.25
D290126	MICHAEL J GRAY	2240.88	D290127	LARRY GRIFFIN	2356.14
D290128	ROBERT ALAN HAENDIGES	1721.07	D290129	RYAN S HART	1401.93
D290130	ROBERT M HIGGINBOTHAM	1143.89	D290131	EDWARD A HUY	3598.71
D290132	VIDAL JIMENEZ	1617.90	D290133	SAMUEL K KIM	3575.93
D290134	SHAN L LEWIS	1505.52	D290135	REBECCA PIK KWAN LI	2806.63
D290136	SCOTT T LOWE	2559.31	D290137	DAVID MA'AE	2913.80
D290138	TYLER MEISLAHN	1617.15	D290139	JESSE K MONTGOMERY	1319.15
D290140	STEVEN J MOYA JR	1716.28	D290141	BASIL G MURAD	2725.47
D290142	KIRK L NATLAND	573.99	D290143	DUC TRUNG NGUYEN	1479.42
D290144	JIMMY NGUYEN	358.02	D290145	CORNELIU NICOLAE	8770.46
D290146	ANDREW I ORNELAS	1390.58	D290147	DAVID A ORTEGA	3318.56
D290148	CELESTINO J PASILLAS	2228.52	D290149	WILLIAM F PEARSON	2743.64

**** PAGE TOTAL = 210353.80

D290150	LES A RUITENSCHILD	2755.80	D290151	JONATHAN RUIZ	1504.58
D290152	MODESTO R SALDANA	1732.21	D290153	ALEXIS SANTOS	1138.71
D290154	ADRIAN M SARMIENTO	2277.52	D290155	ALBERT TALAMANTES JR	601.59
D290156	MINH K TRAN	1468.93	D290157	ALEJANDRO N VALENZUELA	1380.71
D290158	KATHLEEN N VICTORIA	653.35	D290159	JARROD R WALKER	624.89
D290160	RONALD J WOLLAND	1388.73	D290161	VICTOR K YERGENSEN	1526.25
D290162	ALICE K FREGOSO	1671.66	D290163	RAQUEL K MANSON	2307.99
D290164	CAROLYN E MELANSON	1630.89	D290165	WILLIAM E MURRAY JR	5857.96
D290166	EMILY H TRIMBLE	1350.29	D290167	RODOLPHO M BECERRA	1531.70
D290168	HELEN L CAMDEN	791.88	D290169	EDGAR A CANO	613.20
D290170	ALBERT J CARRISOZA	1384.97	D290171	MARRAY R CHAPMAN	682.06
D290172	VINCENT L DE LA ROSA	1493.21	D290173	HECTOR M ESPINOZA	1044.22
D290174	MAURICIO S GARCIA	2064.94	D290175	GLORIA GAW	1847.32
D290176	RICHARD R GOSSELIN	3025.83	D290177	HERMILO HERNANDEZ	1388.76
D290178	DARNELL D JERRY	786.94	D290179	KEANU M KALOLO	1226.89
D290180	BRENT KAYLOR	2229.37	D290181	BEN A KOSKY	1225.13
D290182	MARK W LADNEY	2149.72	D290183	RAUL LEYVA	2073.55
D290184	ANTONIO R MARTIN	1977.26	D290185	ROBERT P MCLOGAN	598.90
D290186	CARLOS F MENDEZ	1488.91	D290187	RIGOBERTO MENDEZ	1869.89
D290188	JEFFREY K MUMM	627.61	D290189	STEVEN T ORTIZ	1755.00
D290190	RICHARD L PINKSTON	1833.84	D290191	BRADLEY J POINDEXTER	618.63
D290192	STEVE J TAUANU'U	1473.51	D290193	SUSAN VITALI	728.21
D290194	STEPHANIE A WASINGER	541.88	D290195	JEFFREY G CANTRELL	1817.11
D290196	THOMAS C COUNTS	27.78	D290197	JAMES CUNNINGHAM	2093.55
D290198	EARNEST L DOMINGUEZ	682.14	D290199	JULIA ESPINOZA	1092.19
D290200	ALBERT R EURS II	2655.45	D290201	CECELIA A FERNANDEZ	1070.12
D290202	CONRAD A FERNANDEZ	889.90	D290203	CYNTHIA Y FLORES VAZQUEZ	1074.39
D290204	JESUS RICHARD GOMEZ	1250.92	D290205	JORGE GONZALEZ	1017.14
D290206	MICHAEL R GREENE	1817.61	D290207	GLORIA A HARO	1082.20
D290208	ERIC W JOHNSON	612.85	D290209	KHUONG NGUYEN	1082.20
D290210	VIRGINIA NICHOLS	860.43	D290211	WILLIAM R PICKRELL	2357.30
D290212	CHRISTOPHER L RELEFORD	1539.27	D290213	DELFRAO C REYES	1082.20
D290214	RAFAEL ROBLES	922.69	D290215	RODERICK THURMAN	1443.99
D290216	EVARISTO VERA	1071.74	D290217	RICHARD L WILLIAMS	1561.16
D290218	ANSELMO AGUIRRE	1770.50	D290219	CHRISTOPHER L ALLEN	1819.12
D290220	JOHN M BRUNING	521.06	D290221	PHILLIP J CARTER	2300.09
D290222	RICK L DUVALL	1718.47	D290223	SERGIO GARCIA GARCIA	484.61
D290224	AARON R HANSEN	1160.27	D290225	PATRICIA CLAIR HAYES	3018.76
D290226	HUY HOA HUYNH	1884.45	D290227	BRYAN D KWIATKOWSKI	1280.10
D290228	DANIEL C MOSS	1567.97	D290229	JOEL G NAVARRO	1011.37
D290230	BRANDON S NUNES	625.37	D290231	ROLANDO QUIROZ	1506.47
D290232	TODD R REED	1486.15	D290233	RONALD E SANDIFORTH	1879.98
D290234	GREGORY L SMITH	618.63	D290235	LUIS A TAPIA	2379.71
D290236	MICHAEL W THOMPSON	2119.89	D290237	WILLIAM J WHITE	1803.79
D290238	JEREMY J GLENN	443.78	D290239	JESSE GUZMAN	2062.18
D290240	BRETT A MEISLAHN	1563.42	D290241	MARK E MONSON	2130.96
D290242	ALAN D SARVER	2025.80	D290243	STEPHEN D SUDDUTH	1394.11
D290244	TIMOTHY WALLINGFORD	3454.74	D290245	HILLARD J WILLIAMS	622.73

**** PAGE TOTAL = 142704.20

D290246	ALBERT J HOLMON III	2833.84	D290247	ALLEN L SERNA	2085.18
D290248	VICTOR T BLAS	1999.38	D290249	FRANK X DE LA ROSA	1620.22
D290250	ERVIN DUBRUL	1658.74	D290251	JOSE GOMEZ	1751.00
D290252	BRENT W HAYES	2839.50	D290253	FRANK D HOWENSTEIN	2302.39
D290254	ALLEN G KIRZHNER	3462.56	D290255	KEON DONTRAY NELSON	1687.44
D290256	STEPHEN PORRAS	2451.91	D290257	ALEJANDRO VALENZUELA JR	1375.06
D290258	JESSE VIRAMONTES	2698.06	D290259	JOHN ZAVALA	1807.32
D290260	VERONICA AVILA	1479.06	D290261	JEFFREY P DAVIS	1977.82
D290262	NOELLE N KIM	1158.45	D290263	MISSY M MENDOZA	450.68
D290264	MARIE L MORAN	2242.54	D290265	KRISTY H THAI	2045.42
D290266	EDWARD D AMBRIZ GARCIA	387.47	D290267	GABRIELLA E BALANDRAN	264.82
D290268	JOSUE BARREIRO MENDOZA	718.97	D290269	NICHOLAS J BARRETT	308.34
D290270	ALEXIS R BAUTISTA-MOYANO	144.82	D290271	EMILY C CABRERA	517.91
D290272	HUGO CAMARENA	365.02	D290273	RACHEL M CAMARENA	1713.28
D290274	RENE CAMARENA	1738.90	D290275	MARTI CARROLL	1453.76
D290276	VICTORIA M CASILLAS	1640.45	D290277	ALMA BRENDA CASTRO	170.01
D290278	CYNTHIA A CHEW	1704.03	D290279	WENDY CHEW	587.40
D290280	MAXINE M COLTER	220.56	D290281	JULIE T COTTON	745.90
D290282	KENNETH E CUMMINGS	620.36	D290283	JEANETTE A DE MENECE	685.07
D290284	YANI GAVALDON	53.92	D290285	JACOB R GRANT	1709.53
D290286	KIMBERLY K HOLER	459.05	D290287	CAROLINA HONSTAIN	480.99
D290288	KIMBERLY HUY	4194.41	D290289	ANA C IZQUIERDO	533.23
D290290	MARITZA JIMENEZ	208.32	D290291	ANDREW M LEWIS	218.51
D290292	MARISSA D LOPEZ	41.52	D290293	JOHNNY LUNA	283.55
D290294	ELAINE M MA'AE	2321.72	D290295	DEVANNA S MAE	98.03
D290296	JESUS MEDINA	1543.93	D290297	JUAN MEDINA	1764.22
D290298	NICHOLAS M MEDINA	293.69	D290299	MONSERRAT MENDOZA ALVARE	161.52
D290300	JOHN A MONTANCHEZ	2964.13	D290301	BRIANNA M MOORE	749.88
D290302	KIRSTEN K NAKAISHI	101.98	D290303	GINA D NECCO	549.20
D290304	JACOB J NEELY	325.43	D290305	JENNIFER GODDARD NYE	1413.23
D290306	GABRIELA O'CADIZ-HERNAND	2531.89	D290307	FIDEL OCAMPO	307.96
D290308	LORI OCHOA	1992.82	D290309	CHRISTIAN PANGAN	659.60
D290310	JANET E PELAYO	2533.35	D290311	LEGEND PHAM	44.25
D290312	ARIELLE PICKRELL	491.00	D290313	SUGEIRY REYNOSO	2026.30
D290314	MARINA Y ROMERO	1640.93	D290315	MONICA K ROMO	224.80
D290316	RICARDO SALDIVAR	340.48	D290317	JONATHAN M SANTOS	91.32
D290318	DANA MARIE SAUCEDO	1970.31	D290319	EMERON J SCHLUMPBERGER	868.96
D290320	NICOLE PATRICIA SOTO	186.83	D290321	ANDRIANA TORRES OROZCO	136.10
D290322	ARTURO TORRES ROBLES	314.04	D290323	CLAUDIA VALDIVIA	2554.46
D290324	JEFFREY VAN SICKLE	1890.38	D290325	JOSEFINA L VELAZQUEZ	293.36
D290326	DAISY O VENCES	281.09	D290327	ANDRE LUIS VICTORIA	427.96
D290328	PAUL E VICTORIA	1521.67	D290329	DAVID M WILMES	296.98
D290330	LUCIA MEDINA-WHITTAKER	1166.51	D290331	MILLIE MEROLA	1992.13
D290332	SVETLANA MOURE	1971.66	D290333	THOMAS R SCHULTZ	2982.10
D290334	RANDY ABRAHAMSON	3724.32	D290335	ALBERTO ACOSTA	3507.63
D290336	ANTHONY R ACOSTA	2924.60	D290337	JOHN D BARANGER III	2587.87
D290338	LUCAS B BAUER	2817.87	D290339	BRADLEY D BELL	2760.77
D290340	JERRY R BRENEMAN	2920.22	D290341	JEREMY J BROADWATER	1956.15

**** PAGE TOTAL = 129322.30

D290342	GUY BROWN	4764.35	D290343	JOSE J CAMBEROS	2600.78
D290344	DANIEL L CLEARWATER	2433.95	D290345	YVES G CLERMONT	1657.37
D290346	PATRICK S COLLINS	2451.57	D290347	JOE W CRAWFORD	3088.82
D290348	TIMOTHY A CRAWFORD	2922.95	D290349	JUSTIN D DOYLE	3117.04
D290350	MICHAEL G ECKHARDT JR	2535.63	D290351	DAVID W EDNOFF	4444.94
D290352	STEVE P FELLNER	1778.32	D290353	JAMES L GABBARD	2576.53
D290354	DREW R GARCIA	2045.01	D290355	CHARLES GREEN	4375.45
D290356	JEFF W HANNA	3880.98	D290357	MATTHEW R HENSHAW	1838.61
D290358	MICHAEL L JACOBS	3280.13	D290359	WILLIAM R JAEGER	1936.49
D290360	SCOTT A KUHLMAN	3443.09	D290361	COREY L LINDSAY	1452.11
D290362	NORMAN M LOVELY	1776.72	D290363	JOHN M MARQUEZ JR	2554.10
D290364	CHEYNE C MAULE	3399.17	D290365	TERRY A MCGOVERN JR	4659.16
D290366	SHANE D MELLE	481.52	D290367	TRAVIS M MELLE	2699.71
D290368	MARK A MICKELSEN	4341.45	D290369	SON L NGUYEN	4059.11
D290370	FREDERICK N NIBLO	2672.61	D290371	BRENT C PARDOEN	1901.66
D290372	MICHAEL KURT RIETH	2196.25	D290373	WADE E RUHMAN	3214.14
D290374	DENNIS L RUZICKA	8331.28	D290375	TIMOTHY S SAWYER	4285.62
D290376	SCOTT A SCHERER	3238.24	D290377	CHRISTOPHER R SMITH	1692.73
D290378	JEFFREY T SPARGUR	3074.18	D290379	MORRIS B SPELL	4820.89
D290380	WILLIAM S STROHM	2547.71	D290381	JUSTIN D TRAVER	1578.46
D290382	CHRISTOPHER B TRENHOLM	2220.39	D290383	MARIO G VALDERRAMA	2340.50
D290384	KEITH T VELOTTA	3996.88	D290385	DAVID S WALDSCHMIDT	2620.16
D290386	MARK S WEISS	2349.21	D290387	PAUL J WHITTAKER	3398.03
D290388	JEFFREY WILKINS	4000.71	D290389	ADAM J WILLIAMSON	1546.14
D290390	JOSEPH A WINGERT JR.	2463.56	D290391	MYLES A BURROUGHS	974.79
D290392	DAVID M CARLSON	2098.45	D290393	JOSHUA A FELDMAN	4857.62
D290394	TIMOTHY D FISHER	3925.27	D290395	GARRET M FURUTA	2120.41
D290396	SHANE S HOWEY	2062.96	D290397	PETER M HUBER	2547.46
D290398	JORDAN R JEMIOLA	3429.34	D290399	MATTHEW C KLEIBACKER	3430.35
D290400	ANTHONY L KNAACK	2749.91	D290401	NICHOLAS A LERARIO	1594.59
D290402	DANIEL J MOORE	3138.51	D290403	GRANT A NOBLE	2574.57
D290404	ERIC S NORRDIN	2303.04	D290405	ANTHONY J PAGE	1608.63
D290406	ERIC M PALOMO	1795.76	D290407	ANDREW J ROACH	3149.79
D290408	RICHARD RONSTADT	3859.07	D290409	DAVID C SANCHEZ	1097.52
D290410	NICK R SCHAEFER	1061.13	D290411	ERIC P STOKER	2309.35
D290412	ERIC THORSON	2752.09	D290413	RYAN D VAN WIE	1476.29
D290414	KICKER E VENCILL	1331.73	D290415	GREGORY D WILLIAMS	2585.40
D290416	JONATHAN C WOLFE	1600.13	D290417	JEREMIE E YORKE	1538.27
D290418	NATHAN T BRADY	3353.61	D290419	DON T NGUYEN	2010.27
D290420	THANH Q NGUYEN	4523.98	D290421	WILLIAM D SHAKESPEARE	880.21
D290422	JUSTIN TRUHILL	3900.10	D290423	TODD D ELGIN	5502.86
D290424	CAROLE A KANEGAE	2506.32	D290425	VINCENTE J VAICARO	2688.65
D290426	KRISTEN A BACKOURIS	1858.37	D290427	GENA M BOWEN	1243.60
D290428	JESENIA CAMPOS	1132.63	D290429	HELENA ELSOUSOU	2740.29
D290430	ROBERT D FOWLER	3731.44	D290431	AI KELLY HUYNH	1669.99
D290432	EDUARDO C LEIVA	3731.26	D290433	JEFFREY C NIGHTENGALE	4077.56
D290434	TRAVIS J WHITMAN	6573.16	D290435	CLAUDIA ALARCON	3089.68
D290436	PEDRO R ARELLANO	2790.35	D290437	PAUL W ASHBY	2889.22

**** PAGE TOTAL = 269950.39

D290438	ALFREDO R AVALOS	3685.28	D290439	CARLOS BAUTISTA JR	2858.66
D290440	RYAN S BERLETH	2265.99	D290441	SUMMER A BOGUE	1962.55
D290442	RICHARD O BURILLO	3033.87	D290443	RYAN V BUSTILLOS	4598.79
D290444	DANIEL A CAMARA	2467.06	D290445	ROBERT W CAMPBELL	2343.24
D290446	JUAN C CENTENO	3281.70	D290447	AARON J COOPMAN	2320.83
D290448	GARY L COULTER	4156.98	D290449	CHARLIE DANIELEY III	3423.17
D290450	KEVIN DINH	2593.88	D290451	JARED R DOYLE	2014.73
D290452	RONNIE D ECHAVARRIA	3563.03	D290453	AMIR A EL-FARRA	3116.21
D290454	JOSHUA N ESCOBEDO	2008.08	D290455	KORY C FERRIN	2600.12
D290456	KARI A FLOOD	2608.95	D290457	MANUEL FLORES JR	3643.95
D290458	MICHAEL E GERDIN	2595.57	D290459	JOSEPH P GROSS JR	2151.47
D290460	ALLAN S HARRY	3293.76	D290461	BRIAN HATFIELD	2390.39
D290462	WILLIAM T HOLLOWAY	3380.51	D290463	JASON L JOHNSON	2033.79
D290464	GERALD F JORDAN	2094.82	D290465	TIMOTHY P KOVACS	4554.84
D290466	AUSTIN C LAVERTY	1923.53	D290467	CHRISTOPHER LAWTON	3081.01
D290468	RAPHAEL M LEE	680.27	D290469	RAFAEL LOERA JR	2262.04
D290470	JON D LOFQUIST	2328.36	D290471	RYAN M LUX	1918.03
D290472	DANNY J MIHALIK	1888.88	D290473	AARON S NELSON	3339.12
D290474	JASON S PERKINS	3800.54	D290475	RON A REYES	3526.76
D290476	PHILIP E SCHMIDT	4518.04	D290477	CHRISTOPHER M SHELIGREN	3096.34
D290478	CHARLES W STARNES	1923.35	D290479	ARTHUR F TINTLE JR	3378.43
D290480	DANIEL J VILLEGAS	2482.71	D290481	JONATHAN B WAINWRIGHT	2908.82
D290482	JOHN J YERGLER	1949.31	D290483	MARCOS R ALAMILLO	3754.29
D290484	WILLIAM ALLISON	2792.92	D290485	RICHARD A ALVAREZ-BROWN	2120.33
D290486	BOBBY B ANDERSON	2955.18	D290487	JOHN F BANKSON	2359.93
D290488	EVAN S BERESFORD	2823.89	D290489	RAY E BEX	3514.15
D290490	VANESSA M BRODEUR	1760.01	D290491	ADAM B COUGHRAN	3034.06
D290492	NATHANIEL D COX	1931.40	D290493	THOMAS R DARE	4245.49
D290494	JUAN M DE ANDA	2736.75	D290495	CHRISTOPHER M EARLE	2474.27
D290496	MICHAEL K ELHAMI	2139.82	D290497	BENJAMIN M ELIZONDO	2312.02
D290498	STEPHEN C ESTLOW	553.57	D290499	GEORGE R FIGUEREDO	2997.12
D290500	ROGER A FLANDERS	855.37	D290501	PATRICK E GILDEA	3835.29
D290502	ALDO U GUERECIA	2393.39	D290503	TROY HALLER	2869.98
D290504	JAMES C HOLDER	2812.51	D290505	ERICK LEYVA	2961.48
D290506	CHARLES H LOFFLER	3009.18	D290507	MARK A LORD	3553.44
D290508	TAYLOR A MACY	2011.78	D290509	MARIO MARTINEZ JR	3787.97
D290510	BRYAN J MEERS	2358.91	D290511	JEFFREY M MOONEY	1474.31
D290512	JEREMY N MORSE	1820.25	D290513	MITCHEL S MOSSER	1777.97
D290514	RUDOLPH J NEGRON	2355.51	D290515	VINCENT T NGUYEN	2954.46
D290516	STEVEN TRUJILLO ORTIZ	2031.76	D290517	OMAR F PEREZ	2338.73
D290518	MICHAEL M PHILLIPS	2998.87	D290519	DOUGLAS A PLUARD	3322.68
D290520	COREY T POLOPEK	2350.49	D290521	SINDY RAMIREZ OROZCO	1750.84
D290522	JOHN E RANEY	3194.11	D290523	ROCKY F RUBALCABA	2045.98
D290524	SEAN M SALAZAR	2476.34	D290525	MICHAEL J VISCOMI	7095.04
D290526	KATHERINE M ANDERSON	3520.96	D290527	THOMAS A CAPPS	2463.33
D290528	JAMES D FISCHER	4364.38	D290529	NATHAN D MORTON	4389.12
D290530	LINO G SANTANA	4605.56	D290531	ROYCE C WIMMER	2668.65
D290532	ADAM D ZMIJA	3655.27	D290533	BRIAN D DALTON	2431.60

**** PAGE TOTAL = 269088.47

D290534	JUAN L DELGADO JR	2781.33	D290535	OTTO J ESCALANTE	4786.72
D290536	GEORGE KAISER	2888.61	D290537	PETER M KUNKEL	5006.36
D290538	LUIS F RAMIREZ	2759.41	D290539	PETER HOANG VI	1755.74
D290540	JEFFREY A BROWN	2160.14	D290541	DONALD J HUTCHINS	3221.35
D290542	RAUL MURILLO JR	3945.69	D290543	JOSHUA T OLIVO	2416.43
D290544	ROBERT M STEPHENSON III	3032.40	D290545	COURTNEY P ALLISON	3761.63
D290546	LISA A BELTHIUS	652.60	D290547	CHARLES K BODDY	4285.68
D290548	ROBERT L BOGUE JR	4242.58	D290549	DANIEL S EDWARDS	1116.05
D290550	CRAIG A HERRICK	736.54	D290551	PATRICK R JULIENNE	1017.30
D290552	CINDY S NAGAMATSU HANLON	2330.99	D290553	VERONICA NELSON	979.58
D290554	JOHN O OJEISEKHOB	727.48	D290555	JOSEPH D VARGAS	351.70
D290556	HECTOR FERREIRA JR	375.57	D290557	BRYAN GONZALEZ	391.15
D290558	SAIRA HERNANDEZ-CALLEROS	337.94	D290559	KRYSTAL L N JEANG	362.93
D290560	HAN NA PARK	172.77	D290561	FELICIA H PEREZ	432.66
D290562	ROBERT E BOWERS	1341.51	D290563	KAREN D BRAME	882.52
D290564	KENNETH L CHISM	1355.59	D290565	CHARLES M CLINE JR	835.11
D290566	JAMES E COLEGROVE	3326.15	D290567	CHASEN P CONTRERAS	1640.16
D290568	PAUL E DANIELSON	1137.53	D290569	ROBERT M DONAHUE JR	1457.74
D290570	MICHAEL FEHER	459.87	D290571	VICTORIA M FOSTER	1262.45
D290572	SEAN M GLEASON	1683.72	D290573	MICHAEL D HANDFIELD	354.34
D290574	NICKOLAS K JENSEN	2309.27	D290575	MICHAEL J JOHNSON	2482.42
D290576	CRAIG A MC IVER	3090.39	D290577	KENNETH E MERRILL	489.16
D290578	JOHN J STEPANOVICH	887.24	D290579	PATRICK M THRASHER	1079.51
D290580	SCOTT D WATSON	855.38	D290581	FLOR DE LIS ELIZONDO	1063.53
D290582	GARY E ELKINS	1990.24	D290583	JOHN A FLAWS	2060.92
D290584	JASON S FULTON	1895.07	D290585	ROBERT J KIVLER	1645.61
D290586	VICTORIA L LAWTON	1996.27	D290587	REBECCA S MEEKS	1868.34
D290588	TED H PEASLEE	4978.65	D290589	JOHN E REYNOLDS	3603.71
D290590	BENJAMIN L STAUFFER	4553.71	D290591	DAVID C YOUNG	3252.07
D290592	MARIA A ALCARAZ	2164.96	D290593	JOANN J ARMSTRONG	1537.49
D290594	CARISSA L BRUNICK	1029.73	D290595	TAMMY L CHAURAN-HAIRGROV	2044.56
D290596	VERONICA FRUTOS	774.53	D290597	LAURIE J FUSSELL	1746.47
D290598	DAVID L GEORGE	1860.54	D290599	JOAN L HIGHTOWER	1716.09
D290600	PINKY C HINGCO	2262.16	D290601	SUSAN C HUANG	1908.13
D290602	ANGELA LEDESMA	1582.69	D290603	MARIA C MCFARLANE	1701.27
D290604	BRITTNNEE D MCGOWEN	1605.46	D290605	TRINA T NGUYEN	1551.25
D290606	DEBRA J NICHOLS	2107.92	D290607	DIANA L O'BRIEN	1255.10
D290608	ASHLEY C ROJAS	1487.45	D290609	ASHLEY T SEROTA	1767.40
D290610	KRISTIN M WEISS	1372.65	D290611	SHANNON M YELENSKY	1855.27
D290612	JENNIFER A DIX	2451.23	D290613	DEBBY L FELSE	2862.82
D290614	KATHERINE M FRANCISCO	1882.97	D290615	AMANDA B GARNER	1795.10
D290616	KIMBERLY B GENDREAU	1689.31	D290617	ARCHIE GUZMAN	2413.52
D290618	ROBERT D LUX	1967.40	D290619	MELISSA MENDOZA-CAMPOS	2810.19
D290620	BRANDY J PARK	2763.64	D290621	CRISTINA V PAYAN	1515.55
D290622	JENNIFER M RODRIGUEZ	2276.07	D290623	TANYA L SAMOFF	2540.04
D290624	SUSAN A I SEYMOUR	2104.29	D290625	NICOLE D SHORROW	3204.00
D290626	DANNY J SOSEBEE	2995.38	D290627	MARSHA D SPELLMAN	2435.39
D290628	SANTA WARDLE	1914.65	D290629	CHERYL L WHITNEY	1767.38

*** PAGE TOTAL = 187587.56

D290630	JOHN CASACCIA II	3418.87	D290631	HAN J CHO	3163.61
D290632	SCOTT A COLEMAN	2362.52	D290633	RICHARD E DESBIENS	1497.39
D290634	MICHAEL D FARLEY	2153.23	D290635	JAMES D FRANKS	2115.49
D290636	PETE GARCIA	1802.93	D290637	STEVEN H HEINE	164.15
D290638	JOSE D HERRERA	2870.27	D290639	THI A HUYNH	2468.25
D290640	DANIEL V KARSCHAMROON	2201.30	D290641	JOSEPH L KOLANO	2621.55
D290642	LEA K KOVACS	2761.83	D290643	NICHOLAS A LAZENBY	2600.55
D290644	DAVID LOPEZ	2619.38	D290645	STEVEN W LUKAS	1433.45
D290646	MICHAEL L MARTIN	2295.42	D290647	LUIS A PAYAN	2008.36
D290648	TERRA M RAMIREZ	2110.98	D290649	ORLONZO REYES	2902.82
D290650	MICHAEL A REYNOLDS	3235.17	D290651	PAUL M TESSIER	2550.87
D290652	EDGAR VALENCIA	3165.24	D290653	TUONG-VAN NGUYEN VU	2049.59
D290654	DENNIS WARDLE	2544.11	D290655	CHRISTOPHER A WASINGER	3119.81
D290656	CARL J WHITNEY	4245.26	D290657	EDWIN P WILSON	5538.55
D290658	RONALD A DOSCHER	2431.48	D290659	ERIC A QUINTERO	1980.48
D290660	MARY C CERDA	1518.90	D290661	NICOLE L CHUNG	1067.93
D290662	SUSAN A HOLSTEIN	2414.08	D290663	LIANE Y KWAN	2458.83
D290664	JANY H LEE	3114.28	D290665	SHERRILL A MEAD	2335.34
D290666	CAITLYN M STEPHENSON	1457.29	D290667	LAURA J STOVER	4065.16
D290668	FRANA K CASSIDY	1544.45	D290669	ANNA L GOLD	1419.90
D290670	HIEU Q PHAM	1613.64	D290671	KATRENA J SCHULZE	19.56
D290672	MATTHEW T SWANSON	1117.31	D290673	ANTHONY VALENZUELA	1280.24
D290674	CANDY G WILDER	1805.50	D290675	TERENCE S CHANG	1626.48
D290676	VERNA L ESPINOZA	1682.01	D290677	CHARLES D KALIL	1519.16
D290678	GEOFFREY A KLOESS	2566.10	D290679	CAMERON M MANGELS	1398.11
D290680	RACHOT MORAGRAAN	2845.75	D290681	NOEL J PROFFITT	3119.33
D290682	ANAND V RAO	4450.09	D290683	JOSEPH M SCHWARTZ	2252.27
D290684	ROD T VICTORIA	1273.52	D290685	TERREL KEITH WINSTON	3171.27
D290686	POLICE ASSN	13906.52	D290687	GG FIRE FIGHTERS 2005	21321.91
D290688	SO CAL C.U.	92452.37	D290689	SOUTHLAND C.U.	3285.00
W2214	GREAT WEST LIFE 457 #340	103574.59	W2215	GREAT WEST LIFE OBRA#340	2825.50
W2216	INTERNAL REVENUE SERVICE	334940.52	W2217	EMPLOYMENT DEVELOPMENT D	90396.09

**** PAGE TOTAL = 792271.91

TOTAL CHECK PAYMENTS	52	53,316.63
TOTAL DIRECT DEPOSITS	680	1,552,994.64
TOTAL WIRE PAYMENTS	4	531,736.70

GRAND TOTAL PAYMENTS	736	2,138,047.97

Checks #179434 thru #179485, and Direct Deposits #D290010 thru #D290689, and wire #W2214 thru #W2217 presented in the Payroll Register submitted to the Garden Grove City Council 08 MAR 2016, have been audited for accuracy and funds are available for payment thereof.


KINGSLLEY C OKEREKE - FINANCE DIRECTOR

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
600358	R.J. NOBLE COMPANY	REV & VOID	-4,528.02 *
601064	AT&T	TELEPHONE	1,932.67 *
601065	AT&T	TELEPHONE	3,963.94 *
601066	CITY OF GARDEN GROVE	WATER	168.99 *
601067-601069	VOID WARRANTS		
601070	SO CALIF EDISON CO	ELECTRICITY	155,341.09 *
601071	SO CALIF GAS CO	NATURAL GAS	5,196.50 *
601072	TIME WARNER CABLE	CABLE	395.48 *
601073	VERIZON CALIFORNIA	TELEPHONE/BEEPERS	531.63 *
601074	COSTCO	HSHLD EQUIP/SUPPLIES	4,319.99 *
601075	AMTECH ELEVATOR SERVICES	MAINT-SERV CONTRACTS	707.75 *
601076	CAMERON WELDING SUPPLY	GEN PURPOSE TOOLS	279.83 *
601077	HYDRO-SCAPE PRODUCTS INC	PIPES/APPURTENANCES	138.57
		OTHER MAINT ITEMS	354.03
			492.60 *
601078	i.i. FUELS, INC	MV GAS/DIESEL FUEL	12,988.93 *
601079	LIFECOM SAFETY SERVICE & SUPPLY	SAFETY EQ/SUPPLIES	163.79 *
601080	RYAN HERCO PRODUCTS CORP.	LABORATORY CHEMICALS	1,204.40 *
601081	SPARKLETTS	BOTTLED WATER	39.74 *
601082	GRAINGER	SAFETY EQ/SUPPLIES	34.73 *

PAGE TOTAL FOR "*" LINES = 183,234.04

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601083	GONZALEZ, EDGAR SUPERIOR CONSTRUCTION	MAINT OF REAL PROP	250.00 *
601084	DUNHAM, JEANNE K. DBA JEANNE K. JONES-DUNHAM	FACT:CMT SUPVSR	6,720.00 *
601085	AUTOZONE STORES, INC.	MOTOR VEH PARTS	785.33 *
601086	UNITED FIRE & SAFETY CORP	SERV INSTALL FEE REF	200.00 *
601087	ANAHEIM HOUSING AUTHORITY COMMUNITY DEV.	MOBILITY INSP FEE	300.00 *
601088	DOCUMEDIA GROUP	OFFICE SUPPLIES/EXP	991.45 *
601089	CITY OF GARDEN GROVE-WORK COMP ACCT	SELF-INS CLAIMS	138,878.27 *
601090	O.C. HOUSING AUTHORITY ACCTG DEPT.	MOBILITY INSP FEE	1,650.00 *
601091	COULTER, HEATHER	CATERING SERVICES	306.25 *
601092	BOGUE, SUMMER	TRAVEL ADVANCE	104.90 *
601093	HINGCO, PINKY	TRAVEL ADVANCE	299.80 *
601094	AT&T	TELEPHONE	2,378.12 *
601095	AT&T	TELEPHONE	3,518.49 *
601096-601097	VOID WARRANTS		
601098	HOME DEPOT CREDIT SERVICES	MAINT OF REAL PROP	99.45
		SEEDS/PLANTS	361.84
		TREES	97.16
		FOOD	27.70
		BOTTLED WATER	9.36
		MOTOR VEH PARTS	469.82
		PAINT/DYE/LUBRICANTS	1,460.87
		ELECTRICAL SUPPLIES	261.82
		PIPES/APPURTENANCES	103.52
		MAINT SUPP-TRAFF SIG	155.34
		OTHER MAINT ITEMS	1,450.99
		GEN PURPOSE TOOLS	99.91
		MINOR FURN/EQUIP	64.74
		OTHER MINOR TOOLS/EQ	458.41
		OTHER REC/CULT SUPP	173.79

PAGE TOTAL FOR "*" LINES = 156,382.61

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		LUMBER	252.35
		HARDWARE	339.28
		AGGREGATES/MASONRY	31.60
		OTHER CONST SUPPLIES	86.39
			6,004.34 *
601099	VOID WARRANT		
601100	FIS ACCOUNTING DEPT	BANK FEES-CRDT CD	836.20 *
601101	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	63.00 *
601102	TUCKER, JAMES	ACCOUNTS RECEIVABLE	830.88 *
601103	IMSA CERTIFICATION	TUITION/TRAINING	295.00 *
601104	WILMES, DAVID	FOOD	85.97
		FOOD SERV SUPPL	19.20
		OTHER FOOD ITEMS	54.75
			159.92 *
601105	FINANCIAL MGMT DIV OCSD	SEWER FEES	14,760.15 *
601106	PHAM, HOANG	RENT SUBSIDY	826.00 *
601107	NGO, KIM	RENT SUBSIDY	794.00 *
601108	TANG, KIM VAN	WAGE ATTACHMENT	-468.90
		RENT SUBSIDY	1,563.00
			1,094.10 *
601109	AMERICA CONTINENTAL ENGINEERING	MAINT OF REAL PROP	450.00 *
601110	CHEVRON AND TEXACO CARD SERV	MV GAS/DIESEL FUEL	298.47 *
601111	COMLINK LASERCARE	REPRO SUPPLIES	149.17 *
601112	FEDERAL EXPRESS CORP	DELIVERY SERVICES	178.40 *
601113	FLOWERS BY CINA, INC.	OTHER AGR SUPPLIES	442.80 *
601114	GARDEN GROVE SECURED STORAGE	LAND/BLDG/ROOM RENT	230.00 *

PAGE TOTAL FOR "*" LINES = 27,412.43

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601115	HILL'S BROS LOCK & SAFE INC	OTHER MINOR TOOLS/EQ	63.50 *
601116	APPLE ONE EMPLOYMENT SVS	TEMP AIDE SERVICES	1,192.71 *
601117	MERCHANTS BLDG MAINT LLC	JANITORIAL SUPPLIES	157.38 *
601118	ORANGE COUNTY NEWS	ADVERTISING	379.00 *
601119	VOID WARRANT		
601120	SPARKLETTS	BOTTLED WATER	336.22 *
601121	STRADLING, Yocca, CARLSON & RAUTH	OTHER PROF SERV	323.00 *
601122	SUN BADGE COMPANY	UNIFORMS	2,366.66 *
601123	THOMSON REUTERS	DUES/MEMBERSHIPS	247.74 *
601124	TIME WARNER CABLE	CABLE TV SERVICE	246.34 *
601125	VISION MARKING DEVICES	OFFICE SUPPLIES/EXP	30.76 *
601126	DTNTech MARKETING	UNIFORMS	97.20 *
601127	TETRA TECH, INC	ENGINEERING SERVICES	4,799.00 *
601128	ALLSPACE- GARDEN GROVE	LAND/BLDG/ROOM RENT	142.00 *
601129	C.A.P.E. ACCOUNTING	DUES/MEMBERSHIPS	90.00 *
601130	CHEMTRAC, INC	LABORATORY CHEMICALS	795.00 *
601131	KAYE'S KITCHEN	FOOD	220.00 *
601132	FORMA DESIGN, INC.	ENGINEERING SERVICES	9,211.51 *
601133	SOUTHERN COMPUTER WAREHOUSE, INC	MINOR FURN/EQUIP	84.78 *
601134	WORK DOGS INT.	TRUST EXP	400.00 *
601135	MAYER PRINTERS	PAPER/ENVELOPES	156.60 *

PAGE TOTAL FOR "*" LINES = 21,339.40

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601136	PRADO FAMILY SHOOTING RANGE	PISTOL RANGE RENTAL	250.00 *
601137	SOUTH COAST AIR QUALITY MGMT DISTRICT	PERMITS/OTHER FEES	697.56 *
601138	EMS PERSONNEL FUND	DUES/MEMBERSHIPS	200.00 *
601139	ADMSURE	SELF-INS ADMN	15,965.00 *
601140	ALL CITY MANAGEMENT SERVICES, INC.	CROSSING GUARD SERV	20,818.68 *
601141	BROWNELLS, INC.	OTHER MINOR TOOLS/EQ	678.83 *
601142	C.WELLS PIPELINE MATERIALS INC.	WHSE INVENTORY	1,143.40 *
601143	CALIF FORENSIC PHLEBOTOMY INC	MEDICAL SERVICES	3,672.25 *
601144	CRON & ASSOCIATES TRANSCRIPTION, INC.	OTHER PROF SERV	2,334.08 *
601145	DIAMOND ENVIRONMENTAL SERVICES	MAINT-SERV CONTRACTS	406.98 *
601146	EDWARD MEDICAL GROUP	MEDICAL SERVICES	934.00 *
601147	ENTERPRISE FLEET MGMT INC CUSTOMER BILLINGS	VEHICLE OP LEASE	6,606.87 *
601148	EXCLUSIVE AUTO DETAIL	MOTOR VEHICLE MAINT	1,146.00 *
601149	HACH COMPANY INC	LABORATORY CHEMICALS	99.04 *
601150	JOBS AVAILABLE	ADVERTISING	234.00 *
601151	KELLY PAPER	REPRO SUPPLIES	17.01 *
601152	MANERI SIGN COMPANY, INC	SIGNS/FLAGS/BANNERS	2,011.71 *
601153	MERCHANTS BLDG MAINT LLC	MAINT-SERV CONTRACTS	2,036.02 *
601154	OCEAN BLUE ENVIRONMENTAL SERVICES, INC.	HAZMAT REMOVAL	267.28 *
601155	RED WING SHOE STORE-WEST	SAFETY EQ/SUPPLIES	240.00 *
601156	RICOH USA, INC DBA RICOH LEGAL DOC SERV	MAINT-SERV CONTRACTS	8.22 *
601157	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	63.00 *

PAGE TOTAL FOR "*" LINES = 59,829.93

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601158	VOID WARRANT		
601159	VOID WARRANT		
601160	TELEPACIFIC COMMUNICATIONS	NETWORK COMMUNICT	839.29 *
601161	TYCO INTEGRATED SECURITY LLC	MAINT-SERV CONTRACTS	535.72 *
601162	WOODRUFF, SPRADLIN & SMART A PROFESSIONAL CORP	LEGAL FEES	12,035.46 *
601163	BANK OF SACRAMENTO	STREET CONSTR CONT	4,528.02 *
601164	NET MOTION WIRELESS, INC.	NETWORKING SERVICES	1,723.36 *
601165	SCANTRON CORP.	CAPITAL OUTLAY	6,196.60 *
601166	SMITH PIPE & SUPPLY COMPANY, INC	WHSE INVENTORY	1,568.42 *
601167	STEPHEN DORECK EQUIPMENT RENTALS, INC.	WTR/SWR CONST CONTR	65,854.00 *
601168	WAXIE SANITARY SUPPLY	WHSE INVENTORY	631.58 *
601169	LEXISNEXIS MATTHEW BENDER	BOOKS/SUBS/CASSETTES	1,224.03 *
601170	KIRZHNER, ALLEN	OTHER MAINT ITEMS	151.33 *
601171	R DEPENDABLE CONST INC	BLDGS/IMPROVEMENTS	29,260.00 *
601172	NGUYEN, DUC	SAFETY EQ/SUPPLIES	19.43 *
601173	THATTE, SAM DBA SAM THATTE VISUAL COMM.	OTHER PROF SERV	3,250.00 *
601174	APEX COMPUTER SYSTEMS, INC.	MONITORED EQUIP	57,736.80 *
601175	DEPARTMENT OF JUSTICE	LIFESCAN FEE-DOJ	724.00 *
601176	SUPPLY SOLUTIONS	WHSE INVENTORY	1,689.34 *
601177	YO-FIRE SUPPLIES	WHSE INVENTORY	1,973.16 *
601178	NWN CORPORATION	OFFICE SUPPLIES/EXP	151.20

PAGE TOTAL FOR "*" LINES = 189,940.54

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		NETWORKING EQUIP	367.44
			518.64 *
601179	THE GEO GROUP, INC.	INSTRUCTOR SERVICES	42,885.58 *
601180	SEAVCO IVR SEAVER MOTORCYCLES	MOTOR VEHICLE MAINT	1,623.05 *
601181	SOUTHERN COMPUTER WAREHOUSE, INC	MINOR FURN/EQUIP	317.41 *
601182	LIEBERT CASSIDY WHITMORE	LEGAL FEES	6,597.50 *
601183	REGAL CINEMEDIA	DELIVERY SERVICES	8.00
		ADMN/ENTRANCE FEE	1,700.00
			1,708.00 *
601184	ORANGE COUNTY SHERIFF'S DEPT	TUITION/TRAINING	80.00 *
601185	DEATH DEALER TACTICAL INC.	UNIFORMS	840.00 *
601186	LPA, INC.	OTHER PROF SERV	19,417.68 *
601187	FUN EXPRESS	BOOKS/SUBS/CASSETTES	40.00 *
601188	FUN EXPRESS	ADMN/ENTRANCE FEE	3,143.85 *
601189	CSG CONSULTANTS, INC.	OTHER PROF SERV	4,038.81 *
601190	FLOWERS BY CINA, INC.	OTHER AGR SUPPLIES	223.56 *
601191	GC ENVIRONMENTAL, INC.	CONTRACTUAL SERV	1,960.00 *
601192	ORANGE COUNTY NEWS	ADVERTISING	292.50 *
601193	RALPH'S MARKET #71	TRUST FUND EXPEND	980.00 *
601194	THE ORANGE COUNTY REGISTER	DUES/MEMBERSHIPS	109.51 *
601195	AT&T GLOBAL SERVICES INC	TELEPHONE	200.00 *
601196	SPARKLETTS	BOTTLED WATER	166.98 *
601197	SULLY-MILLER CONTRACTING CO	DEPOSIT REFUND	1,200.00
		WATER REFUND	-705.40

PAGE TOTAL FOR "*" LINES = 85,143.07

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
			494.60 *
601198	SULLY-MILLER CONTRACTING CO	DEPOSIT REFUND	1,200.00
		WATER REFUND	-912.50
			287.50 *
601199	UNITED PARCEL SERVICE	DELIVERY SERVICES	27.64 *
601200	UNITED RENTALS NORTHWEST, INC	AGGREGATES/MASONRY	343.88 *
601201	WOODRUFF, SPRADLIN & SMART A PROFESSIONAL CORP	LEGAL FEES	70,135.18 *
601202	WOLF LANG CHRISTOPHER ARCH.,INC DBA WLC ARCHITECTS, INC.	CAPITAL OUTLAY	2,250.00 *
601203	HANDY HOSE SERVICES ADVANTAGE HOSE SERVICES LLC	REPAIRS-FURN/MACH/EQ	514.26 *
601204	AT&T TELECONFERENCE SERVICES	TELEPHONE	31.24 *
601205	TRISKELION EVENT SERVICES, INC.	OTHER PROF SERV	681.25 *
601206	CACEO	DUES/MEMBERSHIPS	85.00 *
601207	DEPARTMENT OF JUSTICE	LIFESCAN FEE-DOJ	64.00 *
601208	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	50.00 *
601209	FLASH BANG LLC	UNIFORMS	777.60 *
601210	CORNERSTONE COMMUNICATIONS, INC.	COMMUNITY RELATIONS	4,000.00 *
601211	DATABLAZE LIGHTING UP WIRELESS DATA	OTHER PROF SERV	79.90 *
601212	GRP2 UNIFORMS, INC KEYSTONE UNIFORMS, OC	UNIFORMS	10,832.15 *
601213	CHUN, MYUNG	MED TRUST REIMB	468.00
		DEP CARE REIMB	450.00
			918.00 *
601214	FIGUEREDO, GEORGE	MED TRUST REIMB	32.88 *
601215	FRANCISCO, KATHERINE	MED TRUST REIMB	285.05 *
601216	JAY'S CATERING	FOOD	752.00 *

PAGE TOTAL FOR "*" LINES = 92,642.13

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601217	JOHN BARANGER III	MED TRUST REIMB	734.00 *
601218	LEE*, JANY H.	MED TRUST REIMB	1,287.90 *
601219	LINCOLN FINANCIAL GROUP	LIFE INS PREMIUM	7,691.94 *
601220	MARQUEZ, CARLOS	MED TRUST REIMB	278.95 *
601221	LEGAL SHIELD	LEGAL	569.80 *
601222	PROFFITT, NOEL	MILEAGE REIMB	80.78
		OTHER CONF/MTG EXP	18.00
		REGISTRATION FEES	90.00
			188.78 *
601223	RUITENSCHILD, LES	DEP CARE REIMB	192.30 *
601224	SANCHEZ, DAVID	MED TRUST REIMB	462.80 *
601225	U.S. BEHAVIORAL HEALTH PLAN, CA	NON-SPEC CONTR SERV	1,612.80 *
601226	VISION SERVICE PLAN	VISION INSURANCE	3,836.44 *
601227	VASQUEZ, JOSE	MED TRUST REIMB	199.94 *
601228	HODSON, AARON	DEP CARE REIMB	138.46 *
601229	TRANSAMERICA EMPLOYEE BENEFITS	LIFE INS PREMIUM	7,454.90 *
601230	KIM, NOELLE	L/S/A TRANSPORTATION	55.00 *
601231	LUCRETIA, HACKMAN	WATER REFUND	600.00 *
601232	STILES, SCOTT C.	SUBSISTENCE	171.00
		LODGING	467.94
			638.94 *
601233	METROLINK TRAINS	WAGE ATTACHMENT	796.00
		L/S/A TRANSPORTATION	290.50
			1,086.50 *
601234	MILLS, ALLISON	MED TRUST REIMB	87.67 *

PAGE TOTAL FOR "*" LINES = 27,117.12

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601235	STANDARD INSURANCE COMPANY	DISABILITY INSURANCE	24,154.02 *
601236	OCHOA, LORI	MED TRUST REIMB	201.00 *
601237	AKM CONSULTING ENGINEERS	ENGINEERING SERVICES	720.00 *
601238	ADAMSON POLICE PRODUCTS	UNIFORMS	524.31
		MOTOR VEH PARTS	308.57
			832.88 *
601239	ALAN'S LAWN AND GARDEN CENTER INC.	REPAIRS-FURN/MACH/EQ	711.39
		MOTOR VEH PARTS	546.29
			1,257.68 *
601240	ALLSTAR FIRE EQUIPMENT INC.	SAFETY EQUIP	664.29 *
601241	DE PAR, INC. DBA ENTHALPY ANALYTICAL, INC.	OTHER MINOR TOOLS/EQ	1,779.00 *
601242	AUTO PARTS DISTRIBUTOR	MOTOR VEH PARTS	4,809.37 *
601243	BOLSA NURSERY	TREES	251.64 *
601244	BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES	2,652.54 *
601245	CAMERON WELDING SUPPLY	MOTOR VEH PARTS	605.05
		OTHER MINOR TOOLS/EQ	75.00
			680.05 *
601246	CEMEX	AGGREGATES/MASONRY	1,331.22 *
601247	COASTLINE EQUIPMENT	MOTOR VEH PARTS	119.18 *
601248	CONTROL AUTOMATION DESIGN	MAINT-SERV CONTRACTS	4,320.00 *
601249	L.N.CURTIS & SONS	SAFETY EQUIP	542.16
		WILDLAND/SAFETY	236.52
		SAFETY EQ/SUPPLIES	972.00
			1,750.68 *
601250	EXCLUSIVE AUTO DETAIL	MOTOR VEHICLE MAINT	726.00 *
601251	FORD OF ORANGE	MOTOR VEH PARTS	1,059.95 *

PAGE TOTAL FOR "*" LINES = 47,309.50

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601252	THE SHERWIN-WILLIAMS CO DBA FRAZEE PAINTS	PAINT/DYE/LUBRICANTS	55.60 *
601253	GBS LINENS	LAUNDRY SERVICES	41.40 *
601254	HILL'S BROS LOCK & SAFE INC	MAINT-SERV CONTRACTS	319.25 *
601255	HYDRO-SCAPE PRODUCTS INC	PIPES/APPURTENANCES	280.56 *
601256	LAWSON PRODUCTS, INC.	MOTOR VEH PARTS	1,092.74 *
601257	LEON'S TRANSMISSION SERVICES INC	REPAIRS-FURN/MACH/EQ	2,462.23 *
601258	MC MASTER-CARR SUPPLY CO	HARDWARE	87.63 *
601259	MR. D'S AUTOMOTIVE	MOTOR VEHICLE MAINT	239.90 *
601260	NATIONAL CONSTRUCTION RENTALS	OTHER RENTALS	101.83 *
601261	NIAGARA PLUMBING	ELECTRICAL SUPPLIES	15.34
		PIPES/APPURTENANCES	272.82
			288.16 *
601262	OPPERMAN & SONS TRUCK	MOTOR VEH PARTS	535.25 *
601263	PRECISE AIR SYSTEMS, INC.	REPAIRS-FURN/MACH/EQ	1,800.00 *
601264	ROSEBURROUGH TOOL, INC.	ASPHALT PRODUCTS	195.80 *
601265	SAFETY 1st PEST CONTROL, INC	MAINT OF REAL PROP	725.00 *
601266	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	31.50 *
601267	SIMPSON CHEVROLET OF GG	MOTOR VEH PARTS	1,860.14 *
601268	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	OTHER MAINT ITEMS	343.50 *
601269	UNIFIRST CORP	LAUNDRY SERVICES	765.26 *
601270	VALLEY POWER SYSTEMS, INC..	MOTOR VEH PARTS	41.30 *
601271	VULCAN MATERIALS COMPANY WESTERN DIVISION	ASPHALT PRODUCTS	463.71 *
601272	GRAINGER	WHSE INVENTORY	418.77

PAGE TOTAL FOR "*" LINES = 11,730.76

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		ELECTRICAL SUPPLIES	2,761.23
		AIR COND SUPPLIES	340.59
		OTHER MAINT ITEMS	118.01
		SAFETY EQ/SUPPLIES	4.60
			3,643.20 *
601273	WATERLINE TECHNOLOGIES, INC.	LABORATORY CHEMICALS	1,724.73 *
601274	WESTATES MARKING DEVICES & RUBBER STAMP MFG.	OFFICE SUPPLIES/EXP	79.64 *
601275	FERGUSON ENTERPRISES, INC.	OTHER MAINT ITEMS	1,064.82 *
601276	CROP PRODUCTION SERVICES, INC	FERTILIZER	62.13 *
601277	WESTERN OIL SPREADING SERVICES	ASPHALT PRODUCTS	231.52 *
601278	WINNERS CIRCLE TROPHY COMPANY	AWARDS/TROPHIES	285.12 *
601279	ZOLL MEDICAL CORP	MEDICAL SUPPLIES	311.85 *
601280	ORANGE RADIATOR SERVICE	MOTOR VEH PARTS	124.20 *
601281	ECOLAB EQUIPMENT CARE GCS SERVICE, INC	MAINT-SERV CONTRACTS	262.95 *
601282	SAN DIEGO FLUID SYSTEM TECHNOLOGIES	PIPES/APPURTENANCES	580.80 *
601283	HOSHIZAKI WESTERN	AIR COND SUPPLIES	400.29 *
601284	LEXISNEXIS RISK DATA MANAGEMENT	BOOKS/SUBS/CASSETTES	169.00 *
601285	SCHORR METALS, INC.	HARDWARE	58.21 *
601286	GMS AUTOGLASS	MOTOR VEH PARTS	195.00 *
601287	BATTERY SYSTEMS	MOTOR VEH PARTS	2,007.13 *
601288	PETCO ANIMAL SUPPLIES, INC.	TRUST EXP	129.58 *
601289	ARROW INTERNATIONAL, INC.	MEDICAL SUPPLIES	2,003.27 *
601290	CHAMPION TROPHY CO. OF ORANGE COUNTY	AWARDS/TROPHIES	369.36 *
601291	FLEET SERVICES, INC.	MOTOR VEH PARTS	30.63 *

PAGE TOTAL FOR "*" LINES = 13,733.43

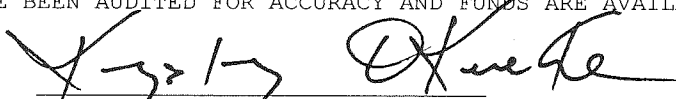
WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/08/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601292	MSC INDUSTRIAL SUPPLY CO. INC.	SAFETY EQ/SUPPLIES	50.51 *
601293	VOID WARRANT		
601294	GRP2 UNIFORMS, INC KEYSTONE UNIFORMS, OC	UNIFORMS	19,907.64 *
601295	GMR FIRE PROTECTION	PIPES/APPURTENANCES	84.81 *
601296	FEDERAL SIGNAL CORPORATION	REPAIRS-FURN/MACH/EQ	325.00 *
601297	PREMIUM QUALITY LIGHTING	ELECTRICAL SUPPLIES	61.05 *
601298	JTB SUPPLY CO INC	MAINT SUPP-TRAFF SIG	9,728.64 *
W1548	PUBLIC EMPLOYEES' RETIREMENT SYSTEM	PENSION PAYMENT	873,098.87 *
W1549	INTERNAL REVENUE SERVICE	WAGE ATTACHMENT	468.90 *
W1550	KS STATE BANK	INTEREST COSTS	571.42
		LONG TERM DEBT	7,305.66
			7,877.08 *
W1551	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	IMPORT WTR-MWDOC	563,706.87 *

PAGE TOTAL FOR "*" LINES = 1,475,309.37

FINAL TOTAL 2,391,124.33 *

DEMANDS #601064 - 601298 AND WIRES W1548 - W1551 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL MARCH 8, 2016, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF



KINGSLEY C. OKEREKE - FINANCE DIRECTOR

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
595987	ARJON, TIMOTEO	REV & VOID	-2,869.00 *
596456	SAN PAULO APARTMENTS	REV & VOID	-1,425.00 *
599989	EMS PERSONNEL FUND	REV & VOID	-200.00 *
600304	HERNANDEZ, GARY	REV & VOID	-1,064.99 *
600335	BOGUE JR., ROBERT L	REV & VOID	-104.90 *
600345	ANGELINA GRANADO	REV & VOID	-12,711.29 *
600935	TANG, KIM VAN	REV & VOID	-1,563.00 *
601064	AT&T	REV & VOID	-1,932.67 *
601065	AT&T	REV & VOID	-3,963.94 *
W599246	LU, NINA A	REV & VOID	-1,661.00 *
601299	ANAHEIM/ORANGE COUNTY VISITOR & CONVENTION BUREAU	AMT DUE VCB	371,012.50 *
601300	VOID WARRANT		
601301	FEDERAL EXPRESS CORP	DELIVERY SERVICES	225.52 *
601302	GARDEN GROVE UNIFIED SCHOOL DIST	MAINT OF REAL PROP	808.54 *
601303	OFFICEMAX INCORPORATED	OFFICE SUPPLIES/EXP	1,007.93 *
601304	PACIFIC PRODUCTS & SERVICES LLC	SIGNS/FLAGS/BANNERS	1,470.89 *
601305	SAXE-CLIFFORD, PH.D., SUSAN	MEDICAL SERVICES	375.00 *
601306	SHRED CONFIDENTIAL, INC.	OTHER PROF SERV	31.50 *
601307	SIMPSON CHEVROLET OF GG	MOTOR VEH PARTS	42.87 *
601308	WEST COAST ARBORISTS INC	TREE TRIMMING SERV	1,710.00 *

PAGE TOTAL FOR "*" LINES = 349,188.96

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601309	VERITIV OPERATING COMPANY	WHSE INVENTORY	1,408.12 *
601310	SECOND HARVEST FOOD BANK OF ORANGE COUNTY, INC.	MPFRC PEP ACCT	250.00 *
601311	LACEY CUSTOM LINENS, INC.	LAUNDRY SERVICES	153.10 *
601312	BILL'S SOUND & SECURITY	OTHER PROF SERV	348.00 *
601313	VERNON ENTERPRISES/GREENS GLASS	MAINT OF REAL PROP	7,996.44 *
601314	CAMERON WELDING SUPPLY	OTHER MINOR TOOLS/EQ	38.00 *
601315	GPSIT	MAINT-SERV CONTRACTS	160.00 *
601316	GRAFFITI PROTECTIVE COATINGS, INC.	MAINT-SERV CONTRACTS	12,519.63 *
601317	HD SUPPLY WATERWORKS, LTD.	WHSE INVENTORY	6,006.65 *
601318	LORRAINE MENDEZ & ASSOCIATES, LLC	OTHER PROF SERV	1,253.75 *
601319	OFFICEMAX INCORPORATED	OFFICE SUPPLIES/EXP	1,324.27 *
601320	PRIME TRUCK TIRE SERVICE	MOTOR VEHICLE MAINT	160.00 *
601321	RED WING SHOE STORE-WEST	SAFETY EQ/SUPPLIES	151.20 *
601322	UNITED RENTALS NORTHWEST, INC	AGGREGATES/MASONRY	417.42 *
601323	WALTERS WHOLESALE ELECTRIC	ELECTRICAL SUPPLIES	58.03
		GEN PURPOSE TOOLS	125.95
			183.98 *
601324	VIET BAO DAILY, INC.	ADVERTISING	100.00 *
601325	VORTEX INDUSTRIES INC	CONTRACTUAL SERV	382.50 *
601326	DOUGLAS, MONSON HENRY	OTHER PROF SERV	191.75 *
601327	SANTIN, HECTOR	OTHER PROF SERV	80.00 *
601328	STATE OF CALIF-FRANCHISE TAX BOARD	WAGE ATTACHMENT	93.00 *
601329	CITY OF GARDEN GROVE-WORK COMP ACCT	SELF-INS CLAIMS	106,050.18 *

PAGE TOTAL FOR "*" LINES = 139,267.99

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601330	LEE, GRACE	DEP CARE REIMB	192.30 *
601331	MARYLAND CHILD SUPPORT ACCOUNT	WAGE ATTACHMENT	343.38 *
601332	CO. OF ORANGE	WAGE ATTACHMENT	461.54 *
601333	TOURNESOL SITEWORKS	MINOR FURN/EQUIP	1,467.60 *
601334	CO. OF ORANGE	WAGE ATTACHMENT	134.31 *
601335	CO. OF ORANGE	WAGE ATTACHMENT	276.92 *
601336	ICSC	DUES/MEMBERSHIPS	150.00 *
601337	INTERNAL REVENUE SERVICE	WAGE ATTACHMENT	37.50 *
601338	UNITED STATES TREASURY	WAGE ATTACHMENT	130.00 *
601339	CO. OF ORANGE	WAGE ATTACHMENT	831.00 *
601340	TARGET CORPORATION	AWARDS/TROPHIES	9,750.00 *
601341	AMERICAN LEAK DETECTION	OTHER PROF SERV	400.00 *
601342	CHEVRON AND TEXACO CARD SERV	MV GAS/DIESEL FUEL	343.24 *
601343	SUPPLYWORKS	WHSE INVENTORY	5,469.34 *
601344	CLEANSTREET	STREET SWEEPING SERV	44,558.77 *
601345	CONTINENTAL CONCRETE CUTTING	GEN PURPOSE TOOLS	437.00 *
601346	FLOWERS BY CINA, INC.	OTHER AGR SUPPLIES	66.95 *
601347	GOLDEN OFFICE TRAILERS INC	LAND/BLDG/ROOM RENT	1,728.00 *
601348	HILLCO FASTENER WAREHOUSE	HARDWARE	35.86 *
601349	HILL'S BROS LOCK & SAFE INC	OTHER MINOR TOOLS/EQ	84.00 *
601350	SPARKLETTS	BOTTLED WATER	40.88 *
601351	STATE INDUSTRIAL PRODUCTS	WHSE INVENTORY	3,309.65 *

PAGE TOTAL FOR "*" LINES = 70,248.24

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601352	TURBO DATA SYSTEMS, INC	OTHER PROF SERV	5,272.41 *
601353	WALTERS WHOLESALE ELECTRIC	ELECTRICAL SUPPLIES	563.68 *
601354	GOLDEN STAR TECHNOLOGY, INC. DBA: GST	OTHER MINOR TOOLS/EQ	774.36 *
601355	SCHORR METALS, INC.	HARDWARE	13.39 *
601356	DUNHAM, JEANNE K. DBA JEANNE K. JONES-DUNHAM	FACT:CMT SUPVSR	6,000.00 *
601357	SECOND HARVEST FOOD BANK OF ORANGE COUNTY, INC.	FACT:EMRGCY NEEDS	30.00 *
601358	SUNPAC STORAGE CONTAINERS, INC.	MAINT OF REAL PROP	95.00 *
601359	PACIFIC ATHLETIC WEAR, INC.	OTHER CLOTHING ITEMS	3,213.00 *
601360	JAIME POMBO	FACT:RLTNSHP PRG	600.00 *
601361	LACEY CUSTOM LINENS, INC.	LAUNDRY SERVICES	25.62 *
601362	PRINT MASTERS 85	PINS/MEMENTOS	1,899.00 *
601363	ERNST FLOW INDUSTRIES	OTHER MAINT ITEMS	593.45 *
601364	C.L.E.A. CALIF LAW ENFORCEMENT ASSOC	DISABILITY INSURANCE	2,884.25 *
601365	REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC	AMT DUE GG DISPSL	13,319.95
		REFUSE COLL SERV	9,813.09
			23,133.04 *
601366	LINCOLN FINANCIAL GROUP	LIFE INS PREMIUM	8,659.90 *
601367	MAULE, CHEYNE	L/S/A TRANSPORTATION	98.75 *
601368	PETTY CASH-COMMUNITY SERV	TRUST FUND EXPEND	1.62
		OTHER RENTALS	1.62
		FACT:YTH ENRCH	14.47
		L/S/A TRANSPORTATION	21.15
		FACT:OFFICE EXP	15.09
		FACT:PROGRAM EXP	61.97
		FACT:CAC EXP	94.68
		FACT:RLTNSHP PRG	16.20
		FOOD	47.24

PAGE TOTAL FOR "*" LINES = 53,855.85

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		OTHER CLOTHING ITEMS	10.77
		OTHER FOOD ITEMS	59.97
		OFFICE SUPPLIES/EXP	25.88
		OTHER MINOR TOOLS/EQ	58.90
		OTHER REC/CULT SUPP	150.26
			579.82 *
601369	PETTY CASH - MUN SRVC CTR	TELEPHONE	20.00
		BOTTLED WATER	24.50
		MV GAS/DIESEL FUEL	102.75
		JANITORIAL SUPPLIES	30.04
		ELECTRICAL SUPPLIES	5.29
		OTHER MAINT ITEMS	121.45
		NETWORKING SUPPLIES	10.79
		OFFICE SUPPLIES/EXP	114.95
		SIGNS/FLAGS/BANNERS	97.20
		CELL PHONE/BEEPER	20.00
			546.97 *
601370	REYNOLDS, JOHN E	MED TRUST REIMB	2,499.90 *
601371	SCHAEFER, NICK	L/S/A TRANSPORTATION	55.00 *
601372	DTNTech MARKETING	OTHER CLOTHING ITEMS	696.60 *
601373	COUNTY OF ORANGE TREASURER REVENUE RECOVERY-A/R UNIT	CITATION DIST	20,786.50 *
601374	OIL PRICE INFORMATION SERVICE	BOOKS/SUBS/CASSETTES	357.00 *
601375	VCI CONSTRUCTION, INC	ISSUANCE FEES REFUND	50.00
		STR PERMIT REFUND	700.00
		STREET PERMIT REFUND	600.00
			1,350.00 *
601376	SOC OPEN AIR THEATRE SOCIETY SHAKESPEARE ORANGE COUNTY	OTHER PROF SERV	3,722.07 *
601377	APWA SOUTHERN CALIF CHAPTER	TUITION/TRAINING	1,996.00 *
601378	PAC INST OF DEFENSIVE TACTICS RODNEY SANFORD	TUITION/TRAINING	1,108.00 *
601379	REISH, JOSHUA	MISC REFUND	42.46 *
601380	WULTERIN, LAWRENCE	TRAVEL ADVANCE	218.00 *

PAGE TOTAL FOR "*" LINES = 33,958.32

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601381	JOSHUA OLIVO	TRAVEL ADVANCE	218.00 *
601382	A1 SURVEILLANCE SYSTEMS LLC DBA A1 SECURITY CAMERAS	OTHER MAINT ITEMS	2,347.90 *
601383	ABM SERVICES, INC.	MAINT OF REAL PROP	14,457.54 *
601384	APP-ORDER, LLC	OTHER PROF SERV	340.00 *
601385	CAROLLO ENGINEERS, P.C.	ENGINEERING SERVICES	66,095.89 *
601386	CONTINENTAL CONCRETE CUTTING	OTHER MAINT ITEMS	873.00 *
601387	DE LAGE LANDEN FINANCIAL SERVICES, INC.	INTEREST COSTS	973.58
		LONG TERM DEBT	20,727.54
			21,701.12 *
601388	GRAFFITI PROTECTIVE COATINGS, INC.	MAINT-SERV CONTRACTS	5,166.72 *
601389	GRAYBAR	ELECTRICAL SUPPLIES	69.82 *
601390	HYDRO-SCAPE PRODUCTS INC	OTHER MAINT ITEMS	78.84 *
601391	i.i. FUELS, INC	MV GAS/DIESEL FUEL	17,953.00 *
601392	J & S STRIPING CO.	MAINT OF REAL PROP	3,067.09 *
601393	LA HABRA FENCE CO, INC.	TRANSP EQUIP RENTAL	990.00 *
601394	NK TOWING & ROADSIDE SERVICES	TOWING SERVICES	708.50 *
601395	R.J. NOBLE COMPANY	OTHER MAINT ITEMS	5,018.26 *
601396	ORANGE COUNTY WELDING, INC.	OTHER MAINT ITEMS	1,565.00 *
601397	PSMJ RESOURCE, INC.	TUITION/TRAINING	1,145.00 *
601398	SMITHSON ELECTRIC, INC	MAINT-SERV CONTRACTS	2,500.00 *
601399	TOMARK SPORTS INC VARSITY BRANDS HLDGS CO LTD	OTHER MINOR TOOLS/EQ	386.17 *

PAGE TOTAL FOR "*" LINES = 144,681.85

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601400	UELIGITONE, VAI	TRUST FUND EXPEND	150.00 *
601401	UNITED RENTALS NORTHWEST, INC	AGGREGATES/MASONRY	367.20 *
601402	WALTERS WHOLESALE ELECTRIC	ELECTRICAL SUPPLIES	234.36 *
601403	FERGUSON ENTERPRISES, INC.	PIPES/APPURTENANCES	384.52 *
601404	R.J. ALLEN, INC.	OTHER MAINT ITEMS	2,037.50 *
601405	SAN DIEGO FLUID SYSTEM TECHNOLOGIES	PIPES/APPURTENANCES	429.56 *
601406	S. CALIF. MUNICIPAL ATHLETIC FEDERATION	DUES/MEMBERSHIPS	100.00 *
601407	CALIF PARK & RECREATION SOCIETY CPRS	REGISTRATION FEES	490.00 *
601408	MANSON, RAQUEL	OTHER EDUCATION EXP	282.18 *
601409	YO-FIRE SUPPLIES	OTHER MAINT ITEMS	159.57 *
601410	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	OTHER PROF SERV	315.00 *
601411-601412	VOID WARRANTS		
601413	HOME DEPOT CREDIT SERVICES	OTHER AGR SUPPLIES	65.93
		MOTOR VEH PARTS	33.23
		PAINT/DYE/LUBRICANTS	1,721.14
		ELECTRICAL SUPPLIES	391.10
		HSHLD EQUIP/SUPPLIES	167.65
		PIPES/APPURTENANCES	325.52
		OTHER MAINT ITEMS	637.70
		OFFICE SUPPLIES/EXP	64.74
		GEN PURPOSE TOOLS	160.49
		OTHER MINOR TOOLS/EQ	1,563.94
		LUMBER	254.75
		HARDWARE	361.58
		AGGREGATES/MASONRY	62.79
		OTHER CONST SUPPLIES	128.76
			5,939.32 *
601414	AT&T	TELEPHONE	5,031.05 *
601415	AT&T	TELEPHONE	168.81 *

PAGE TOTAL FOR "*" LINES = 16,089.07

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601416	ANAHEIM, CITY OF	ELECTRICITY	87.29 *
601417	SPOK, INC.	TELEPHONES/BEEPERS	191.84 *
601418	MCI COMM SERVICE	TELEPHONE	34.33 *
601419	SO CALIF EDISON CO	ELECTRICITY	14,075.21 *
601420	SO CALIF GAS CO	NATURAL GAS	7,393.25 *
601421	SPRINT	TELEPHONE	69.60 *
601422	TIME WARNER CABLE	CABLE	136.17 *
601423	VERIZON CALIFORNIA	TELEPHONE/BEEPERS	856.66 *
601424	VERIZON WIRELESS-LA	TELEPHONE/BEEPERS	14,711.22 *
601425	AT&T U-VERSE	TELEPHONE	85.00 *
601426	ANGELUS QUARRIES, INC.	AGGREGATES/MASONRY	896.61 *
601427	AUTO PARTS DISTRIBUTOR	MOTOR VEH PARTS	3,889.37 *
601428	EXPERIAN INFO SOLUTIONS INC	OTHER PROF SERV	78.36 *
601429	FRYE SIGN CO	MOTOR VEHICLE MAINT	600.00 *
601430	J & S STRIPING CO.	MAINT-SERV CONTRACTS	832.80 *
601431	F. EARL MELLOTT & ASSOC INC	CONTRACTUAL SERV	6,297.00
		OTHER PROF SERV	607.50
			6,904.50 *
601432	ORANGE COUNTY APPLIANCE PARTS	JANITORIAL SUPPLIES	18.38 *
601433	REDFLEX TRAFFIC SYSTEMS, INC.	OTHER PROF SERV	26,100.00 *
601434	E.G. BRENNAN & CO., INC.	MAINT-SERV CONTRACTS	195.00 *
601435	SCHORR METALS, INC.	MOTOR VEH PARTS	1,128.00 *
601436	THE JANKOVICH COMPANY	WHSE INVENTORY	1,405.40 *

PAGE TOTAL FOR "*" LINES = 79,688.99

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601437	GREG WILLIAMS	TUITION REIMB	1,164.00 *
601438	VN-US IMMIGRATION & SERVICES	OTHER PROF SERV	118.28 *
601439	FIRST BANKCARD UNION BANK OF CALIFORNIA	ADVERTISING	425.00
		FOOD	226.18
		TELEPHONE EQUIP	134.95
		PAPER/ENVELOPES	95.03
			881.16 *
601440	FIRST BANKCARD UNION BANK OF CALIFORNIA	TUITION/TRAINING	225.00
		PIPES/APPURTENANCES	122.28
		SOFTWARE	540.00
		OFFICE SUPPLIES/EXP	191.24
			1,078.52 *
601441	FIRST BANKCARD UNION BANK OF CALIFORNIA	TUITION/TRAINING	533.92
		SEEDS/PLANTS	416.04
		MOTOR VEH PARTS	29.99
			979.95 *
601442	FIRST BANKCARD UNION BANK OF CALIFORNIA	NETWORKING SERVICES	74.10
		NETWORKING SUPPLIES	93.40
		OFFICE SUPPLIES/EXP	77.18
		MINOR FURN/EQUIP	1,495.00
			1,739.68 *
601443	WEISS, MARK S	TUITION/TRAINING	103.00 *
601444	ALL STAR JUMPER RENTALS LLC	OTHER PROF SERV	720.00 *
601445	STATE FIRE TRAINING ATTN CASHIER	TUITION/TRAINING	4,600.00 *
601446	MIKE REITH	TUITION/TRAINING	103.00 *
601447	MYLES BURROUGHS	TUITION/TRAINING	103.00 *
601448	ELITE COMMAND TRAINING	TUITION/TRAINING	285.00 *
601449	JOHN PHILIP CHAVEZ JR	OTHER PROF SERV	125.00 *
601450	GABBARD*, JAMES L	TUITION/TRAINING	103.00 *

PAGE TOTAL FOR "*" LINES = 12,103.59

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601451-601454	VOID WARRANTS		
601455	AT&T	TELEPHONE	17,358.53 *
601456	DELTA DENTAL OF CALIFORNIA	SELF-INS ADMN	5,734.78 *
601457	PEREZ, OMAR	TRAVEL ADVANCE-P.D.	138.00 *
601458	SANTANA, LINO G	TRAVEL ADVANCE-P.D.	138.00 *
601459	SCHMIDT*, PHILIP E.	TRAVEL ADVANCE-P.D.	192.26 *
601460	FIRST BANKCARD UNION BANK OF CALIFORNIA	FOOD	80.33
		OFFICE SUPPLIES/EXP	71.23
			151.56 *
601461	CARL WARREN & CO	SELF-INS ADMN	9,000.00 *
601462	LUX, RYAN*	TRAVEL ADVANCE-P.D.	295.88 *
601463	WULTERIN, LAWRENCE	WATER REFUND	442.49 *
601464	PAMELA V PURCELL, TRUSTEE C/O NANCY D RAPOPORT, CPA	LEASE PAYMENT	53,210.00 *
601465	NICHOLAS LAZENBY	TRAVEL ADVANCE-P.D.	295.88 *
601466	COSTCO C/O CAPITAL ONE COMMERCIAL	TRUST FUND EXPEND	107.47
		FOOD	684.35
		FOOD SERV SUPPL	21.58
		BOTTLED WATER	20.38
		MEDICAL SUPPLIES	3.88
		LABORATORY CHEMICALS	25.25
		OTHER PROF SUPPLIES	86.38
		OFFICE SUPPLIES/EXP	21.83
		MINOR FURN/EQUIP	426.19
			1,397.31 *
601467	OFFICEMAX INCORPORATED	OFFICE SUPPLIES/EXP	1,528.52 *
601468	SMART & FINAL	FACT:YTH ENRCH	34.05
		FACT:RLTNSHP PRG	26.40
		FACT:STGTH FTHRS	66.05
		FOOD SERV SUPPL	28.25

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		BOTTLED WATER	19.82
		OTHER FOOD ITEMS	198.61
			373.18 *
601469	CAMERON WELDING SUPPLY	FACT:PROGRAM EXP	38.20 *
601470	CARROLL, MARTI	FOOD	59.09
		OTHER PROF SUPPLIES	56.12
			115.21 *
601471	CERTIFIED TRANSPORTATION SERVICES, INC.	TRUST FUND EXPEND	434.72 *
601472	FRYE SIGN CO	SAFETY EQ/SUPPLIES	309.00 *
601473	GBS LINENS	LAUNDRY SERVICES	84.39 *
601474	INTERVAL HOUSE	OTHER PROF SERV	1,050.73 *
601475	OCEAN BLUE ENVIRONMENTAL SERVICES, INC.	HAZMAT REMOVAL	2,918.36 *
601476	PACIFIC 4	WHSE INVENTORY	972.32 *
601477	QUEST DIAGNOSTICS INC	MEDICAL SERVICES	211.92 *
601478	S.C. YAMAMOTO, INC.	MAINT OF REAL PROP	6,521.90 *
601479	TIME WARNER CABLE	CABLE TV SERVICE	132.89 *
601480	TURNOUT MAINTENANCE COMPANY	FIRE TURNOUTS REPAIR	883.64 *
601481	DUNHAM, JEANNE K. DBA JEANNE K. JONES-DUNHAM	FACT:CMT SUPVSOR	5,940.00 *
601482	BOYS TOWN CALIFORNIA, INC.	OTHER PROF SERV	2,870.01 *
601483	TEAM OF ADVOCATES FOR SPECIAL KIDS	OTHER PROF SERV	633.86 *
601484	COMMERCIAL DOOR OF ORANGE COUNTY, INC.	OTHER PROF SUPPLIES	376.16 *
601485	KOLLER, ROBERT	DEPOSIT REFUNDS	250.00 *
601486	YO-FIRE SUPPLIES	OTHER MAINT ITEMS	43.33 *
601487	LINE GEAR FIRE & RESCUE EQUIPMENT	WILDLAND/SAFETY	1,740.70 *

PAGE TOTAL FOR "*" LINES = 25,900.52

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601488	LPA, INC.	OTHER PROF SERV	9,698.40 *
601489	FIRE SERVICE SPECIFICATION & SUPPLY	REPAIRS-FURN/MACH/EQ	271.88 *
601490	ROSS CREATIONS SOUND STAGE & LIGHTING	COMMUNITY RELATIONS	4,500.00 *
601491	COASTLINE EQUIPMENT	MOTOR VEH PARTS	42.27 *
601492	GARDEN GROVE CHAMBER OF COMMERCE	ADVERTISING	600.00 *
601493	REPUBLIC SERVICES #676	TRASH/CLEANING SERV	10.28 *
601494	SMITH PIPE & SUPPLY COMPANY, INC	WHSE INVENTORY	613.38 *
601495	UNITED RENTALS NORTHWEST, INC	AGGREGATES/MASONRY	405.00 *
601496	VULCAN MATERIALS COMPANY WESTERN DIVISION	ASPHALT PRODUCTS	117.03 *
601497	WALTERS WHOLESALE ELECTRIC	MAINT OF REAL PROP ELECTRICAL SUPPLIES	762.50 147.67 910.17 *
601498	CITY OF SANTA ANA FINANCE & MGMT SRVS AGENCY M-87	OTH FINES/PENALTIES	100.00 *
601499	KUHLMAN, SCOTT	TUITION/TRAINING	895.00 *
601500	BATTERY SYSTEMS	MOTOR VEH PARTS	713.72 *
601501	KANESHIRO, KRISTINA DBA LABOR COMPLIANCE MANAGEMENT	CONTRACTUAL SERV	4,500.00 *
601502	LABSOURCE, INC.	WHSE INVENTORY	3,830.00 *
601503	JESSE QUINALTY DBA RED HELMET TRAINING	TUITION/TRAINING	400.00 *
601504	JESSE QUINALTY DBA RED HELMET TRAINING	TUITION/TRAINING	675.00 *
601505	JESSE QUINALTY DBA RED HELMET TRAINING	TUITION/TRAINING	250.00 *
601506	PREMIUM QUALITY LIGHTING	ELECTRICAL SUPPLIES	1,436.40 *
601507	CULVER COMPANY	OTHER EDUCATION EXP	879.55 *
601508	ESPINOZA, VERNA	NETWORKING SUPPLIES	159.80

PAGE TOTAL FOR "*" LINES = 30,848.08

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		OFFICE SUPPLIES/EXP	59.38
			219.18 *
601509	CITY OF GARDEN GROVE-WORK COMP ACCT	SELF-INS CLAIMS	143,131.09 *
601510	REYES, RON	TRAVEL ADVANCE-P.D.	506.52 *
601511	WEISS, MARK S	TUITION/TRAINING	870.00 *
601512	COMMUNITY HEALTH CHARITIES	EMPL CHARITY CONTRIB	50.00 *
601513	ASHBY, PAUL	TRAVEL ADVANCE-P.D.	506.52 *
601514	MISSION AMBULANCE ATTN: LAUREN CUDE	TUITION/TRAINING	220.00 *
601515	SAN DIEGO COMM COLLEGE DISTRICT SAN DIEGO MIRAMAR COLLEGE	TUITION/TRAINING	138.00 *
601516	BEHAVIOR ANALYSIS TRAINING INSTITUTE	TUITION/TRAINING	481.00 *
601517	PACIFIC COOLING CO	REPAIRS-FURN/MACH/EQ	295.00 *
601518	ANA VERGARA NEAL	FOOD	101.20 *
601519	NATIONAL CREDIT REPORTING	OTHER PROF SERV	185.30 *
601520	SAN PAULO APARTMENTS	RENT SUBSIDY	92.00 *
601521-601524	VOID WARRANTS		
601525	AT&T	TELEPHONE	17,206.06 *
601526	ALAN'S LAWN AND GARDEN CENTER INC.	MOTOR VEH PARTS	1,076.09 *
601527	AUTO PARTS DISTRIBUTOR	MOTOR VEH PARTS	5,865.27 *
601528	CAMERON WELDING SUPPLY	OTHER MAINT ITEMS	343.10 *
601529	CEMEX	AGGREGATES/MASONRY	2,558.40 *
601530	CLASSIC PRESS	WHSE INVENTORY	972.00 *
601531	COMLINK LASERCARE	OFFICE SUPPLIES/EXP	347.84 *

PAGE TOTAL FOR "*" LINES = 175,164.57

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601532	L.N.CURTIS & SONS	SAFETY EQUIP	405.00
		SAFETY EQ/SUPPLIES	1,803.60
			2,208.60 *
601533	CITY OF GARDEN GROVE	CITY WATER SERVICES	290.60 *
601534	OFFICEMAX INCORPORATED	OFFICE SUPPLIES/EXP	1,684.45 *
601535	SHIELDS, HARPER, & CO	MOTOR VEH PARTS	1,075.55 *
601536	STATE INDUSTRIAL PRODUCTS	WHSE INVENTORY	1,787.72 *
601537	SUNBELT RENTALS	HEAVY EQUIP RENTAL	561.58 *
601538	TIME WARNER CABLE	NETWORK COMMUNICT	834.00 *
601539	TYCO INTEGRATED SECURITY LLC	MAINT-SERV CONTRACTS	535.72 *
601540	WAXIE SANITARY SUPPLY	WHSE INVENTORY	1,583.97 *
601541	OC HUMAN RELATIONS COUNCIL	DUES/MEMBERSHIPS	6,447.00 *
601542	A-THRONE CO., INC.	OTHER RENTALS	31.75 *
601543	MASTER WASH INC	MOTOR VEHICLE MAINT	475.00 *
601544	BECERRA, RUDY	SAFETY EQ/SUPPLIES	34.02 *
601545	FIRST BANKCARD UNION BANK OF CALIFORNIA	L/S/A TRANSPORTATION	988.61
		OFFICIAL HOSPITALITY	130.00
		FOOD	1,246.87
		OTHER FOOD ITEMS	89.77
		OFFICE SUPPLIES/EXP	106.00
		MINOR OFFICE FURN/EQ	566.72
			3,127.97 *
601546	ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA INC.	ENGINEERING SERVICES	23,350.00 *
601547	ALLIANT INSURANCE SERVICES INC	LEASE LIAB INS	29,761.33 *
601548	MAAE, DAVID	SAFETY EQ/SUPPLIES	150.00 *
601549	GONZALEZ, ALEX	SAFETY EQ/SUPPLIES	199.98 *

PAGE TOTAL FOR "*" LINES = 74,139.24

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601550	SPARTAN MEDIA GROUP DBA SGX MEDIA/SGX PRINT	OTHER PROF SERV	696.00 *
601551	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	50.00 *
601552	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	50.00 *
601553	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	50.00 *
601554	ORANGE COUNTY CLERK RECORDER HALL OF FINANCE & RECORDS	FEE REFUND	50.00 *
601555	APWA SOUTHERN CALIF CHAPTER	TUITION/TRAINING	399.00 *
601556	ANAHEIM HOUSING AUTHORITY COMMUNITY DEV.	MOBILITY INSP FEE	150.00 *
601557	O.C. HOUSING AUTHORITY ACCTG DEPT.	MOBILITY INSP FEE	3,075.00 *
601558	RICOH USA INC	LONG TERM DEBT	359.96 *
601559	FIRST BANKCARD UNION BANK OF CALIFORNIA	POSTAGE	6.45
		L/S/A TRANSPORTATION	2,183.78
		LODGING	2,335.75
		OTHER CONF/MTG EXP	311.92
		TUITION/TRAINING	684.00
		POLICE CANINE EXP	85.49
		DATA PROCESSING SUPP	399.94
			6,007.33 *
601560	U.S. POSTAL SERVICE (HASLER)	POSTAGE	20,000.00 *
601561	STUART PARKS ASSOCIATES	TUITION/TRAINING	650.00 *
601562	PUBLIC SAFETY TRAINING CONSULTANTS	TUITION/TRAINING	440.00 *
601563	SBSD-EVOC TRAINING CENTER	TUITION/TRAINING	480.00 *
601564	BAO NGUYEN FOR GG MAYOR	OTHER CONF/MTG EXP	47.00 *
601565	AIM ASSET PROPERTY MANAGEMENT, INC.	OTHER PROF SERV	2,083.25 *
601566	SOUTH COAST AQMD	PERMITS/OTHER FEES	1,362.62 *
601567	HOANG, ELIZABETH	RENT SUBSIDY	439.00 *

PAGE TOTAL FOR "*" LINES = 36,389.16

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601568	A&A WIPING CLOTH, INC.	WHSE INVENTORY	864.00 *
601569	ALAN'S LAWN AND GARDEN CENTER INC.	OTHER AGR SUPPLIES	31.75 *
601570	MAYFLOWER DISTRIBUTING CO	OTHER REC/CULT SUPP	80.16 *
601571	ANTHONY BIRMINGHAM WINDOW CLEANING	MAINT-SERV CONTRACTS	1,128.00 *
601572	BOLSA NURSERY	TREES	119.88 *
601573	BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES	364.77 *
601574	C.WELLS PIPELINE MATERIALS INC.	WHSE INVENTORY	1,102.68 *
601575	CAMERON WELDING SUPPLY	MOTOR VEH PARTS	18.73
		OTHER MAINT ITEMS	35.03
		OTHER REC/CULT SUPP	40.19
		AGGREGATES/MASONRY	105.61
			199.56 *
601576	CHEM PRO LABORATORY, INC	MAINT-SERV CONTRACTS	360.00 *
601577	SUPPLYWORKS	WHSE INVENTORY	1,817.21 *
601578	COASTLINE EQUIPMENT	MOTOR VEH PARTS	243.12 *
601579	WM CURBSIDE, LLC AT YOUR DOOR	OTHER PROF SERV	350.00 *
601580	FORD OF ORANGE	MOTOR VEH PARTS	29.42 *
601581	THE SHERWIN-WILLIAMS CO DBA FRAZEE PAINTS	PAINT/DYE/LUBRICANTS	98.45 *
601582	GC ENVIRONMENTAL, INC.	CONTRACTUAL SERV	2,867.50 *
601583	REPUBLIC SERVICES #676	REFUSE COLL SERV	63.30 *
601584	GLOBAL IMPORTS INC DBA BATTERIES AND BUTTER	WHSE INVENTORY	820.37 *
601585	GOLDEN BELL PRODUCTS, INC.	WHSE INVENTORY	6,894.72 *
601586	HILLCO FASTENER WAREHOUSE	MOTOR VEH PARTS	18.36
		HARDWARE	12.16
			30.52 *

PAGE TOTAL FOR "*" LINES = 17,465.41

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601587	HYDRO-SCAPE PRODUCTS INC	PIPES/APPURTENANCES	169.93 *
601588	KOA CORPORATION	ENGINEERING SERVICES	16,910.00 *
601589	LAWSON PRODUCTS, INC.	MOTOR VEH PARTS	1,330.04 *
601590	MARTIN & CHAPMAN	PAPER/ENVELOPES	96.52 *
601591	MR. D'S AUTOMOTIVE	MOTOR VEHICLE MAINT	524.65 *
601592	NATIONAL CONSTRUCTION RENTALS	OTHER RENTALS	20.80 *
601593	REDFLEX TRAFFIC SYSTEMS, INC.	OTHER PROF SERV	31,900.00 *
601594	SCP DISTRIBUTORS, LLC	OTHER MAINT ITEMS	135.30 *
601595	SIMPSON CHEVROLET OF GG	MOTOR VEH PARTS	1,763.92 *
601596	SOUTHERN COUNTIES LUBRICANTS LLC.	WHSE INVENTORY	1,750.24 *
601597	SPARKLETTES	BOTTLED WATER	87.17 *
601598	SPECTRUM GAS PRODUCTS, INC.	OTHER RENTALS	152.00 *
601599	THOMPSON DOOR & FRAME INC.	LUMBER	151.86
		HARDWARE	310.00
			461.86 *
601600	UNIFIRST CORP	LAUNDRY SERVICES	1,949.24 *
601601	U.S. TOY CO.	OTHER REC/CULT SUPP	12.60 *
601602	VALLEY POWER SYSTEMS, INC. DEPT 34677	MOTOR VEH PARTS	5,586.84 *
601603	VILLAGE NURSERIES	SEEDS/PLANTS	281.23 *
601604	GRAINGER	WHSE INVENTORY	1,032.75
		PAINT/DYE/LUBRICANTS	55.85
		ELECTRICAL SUPPLIES	597.00
		PIPES/APPURTENANCES	156.42
		AIR COND SUPPLIES	151.71
		OTHER MAINT ITEMS	135.20
		OTHER MINOR TOOLS/EQ	339.47

PAGE TOTAL FOR "*" LINES = 63,132.34

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
		HARDWARE	262.59
			2,730.99 *
601605	WATERLINE TECHNOLOGIES, INC.	LABORATORY CHEMICALS	903.00 *
601606	WAXIE SANITARY SUPPLY	WHSE INVENTORY	1,203.11 *
601607	FERGUSON ENTERPRISES, INC.	PIPES/APPURTENANCES	397.31 *
601608	WILLDAN	OTHER PROF SERV	1,472.00 *
601609	B & D TOWING	TOWING SERVICES	76.50 *
601610	LEONS TRANSMISSION SERVICE	REPAIRS-FURN/MACH/EQ	2,499.59 *
601611	MONTROSE ENVIRONMENT CORP DBA SCEC	MAINT-SERV CONTRACTS	1,320.00 *
601612	COMMERCIAL AQUATIC SERVICES	LABORATORY CHEMICALS	144.00 *
601613	ASLIN INDUSTRIES	HARDWARE	551.16 *
601614	CONTROLWORKS BUILDING AUTOMATION SYSTEMS	AIR COND SUPPLIES	780.00 *
601615	BEE REMOVERS	NON-SPEC CONTR SERV	105.00 *
601616	ADVANCED CAR CARE INC	TIRES/TUBES	341.84 *
601617	O'REILLY AUTO PARTS	MOTOR VEH PARTS	2,424.27 *
601618	CITY OF ORANGE ACCOUNTS RECEIVABLE	ELECTRICITY	317.30 *
601619	VORTEX INDUSTRIES INC FILE 1095	MAINT-SERV CONTRACTS	458.42 *
601620	VERITIV OPERATING COMPANY	WHSE INVENTORY	1,408.12 *
601621	SCHORR METALS, INC.	MOTOR VEH PARTS	2,525.85 *
601622	FEENEY WIRELESS, LLC	MAINT-SERV CONTRACTS	408.00 *
601623	ECOLINE INDUSTRIAL SUPPLY INC	OTHER MAINT ITEMS	668.52 *
601624	SUNPAC STORAGE CONTAINERS, INC.	MAINT OF REAL PROP	95.00 *

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601625	SOUTHWEST LIFT & EQUIPMENT INC	MOTOR VEH PARTS FURN/MACH/EQ ADDS	1,111.32 46,564.68 47,676.00 *
601626	FLEET SERVICES, INC.	MOTOR VEH PARTS	1,630.20 *
601627	YO-FIRE SUPPLIES	WHSE INVENTORY	3,759.06 *
601628	CORELOGIC SOLUTIONS, LLC	SOFTWARE	394.50 *
601629	AMERICAN INTERNET SERVICES, LLC	NETWORK COMMUNICT	669.56 *
601630	GRP2 UNIFORMS, INC KEYSTONE UNIFORMS, OC	UNIFORMS	663.07 *
601631	SOUTHERN COMPUTER WAREHOUSE, INC	OFFICE SUPPLIES/EXP	123.81 *
601632	PREMIUM QUALITY LIGHTING	ELECTRICAL SUPPLIES	501.13 *
601633	HADRONEX, INC. DBA SMARTCOVER SYSTEMS	REPAIRS-FURN/MACH/EQ	120.00 *
601634	CRESTLINE COMPANY, INC.	OTHER EDUCATION EXP	768.05 *
601635	CA SHOPPING CART RETRIEVAL CORP	OTHER BLD/EQ/ST SERV	2,083.00 *
601636	BILL'S SOUND & SECURITY	OTHER PROF SERV	95.00 *
601637	THE AUTOMOTIVE TRAINING GROUP INC	TUITION/TRAINING	627.00 *
601638	NGUYEN, KHOI	WATER CLOSING BILL REFUND	3.35 *
601639	MCCALL, LINDA D	WATER CLOSING BILL REFUND	43.99 *
601640	DISMET, ANTHONY	WATER CLOSING BILL REFUND	31.39 *
601641	SCHILLER, DAVID	WATER CLOSING BILL REFUND	47.44 *
601642	FOLEY, WILLIAM	WATER CLOSING BILL REFUND	42.42 *
601643	NGUYEN, LOC	WATER CLOSING BILL REFUND	18.06 *
601644	AMIN, MOHAMMAD	WATER CLOSING BILL REFUND	57.12 *
601645	DOAN, TUAN	WATER CLOSING BILL REFUND	2.28 *

PAGE TOTAL FOR "*" LINES = 59,356.43

WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601646	NGUYEN, DAVID	WATER CLOSING BILL REFUND	112.83 *
601647	GARCIA, DANIEL	WATER CLOSING BILL REFUND	10.00 *
601648	ROCACORBA, CHRISTINE	WATER CLOSING BILL REFUND	37.69 *
601649	JUNG, SHARON	WATER CLOSING BILL REFUND	16.92 *
601650	NGUYEN, TAI	WATER CLOSING BILL REFUND	9.01 *
601651	CHIU, MANH	WATER CLOSING BILL REFUND	31.41 *
601652	DUONG, VAN	WATER CLOSING BILL REFUND	54.54 *
601653	RUIZ, DAVID	WATER CLOSING BILL REFUND	20.37 *
601654	TRUONG, TRUONG NHUT	WATER CLOSING BILL REFUND	6.80 *
601655	TRAN, ALINE	WATER CLOSING BILL REFUND	6.59 *
601656	TRINH, MICHAEL	WATER CLOSING BILL REFUND	47.44 *
601657	NGO, STEVE	WATER CLOSING BILL REFUND	103.06 *
601658	PATHLIGHT PROPERTY MGMT, INC.	WATER CLOSING BILL REFUND	70.00 *
601659	VINCENTE, VARAGAS	WATER CLOSING BILL REFUND	119.26 *
601660	LUVILAND CORPORATION	WATER CLOSING BILL REFUND	57.56 *
601661	LA, KHANH	WATER CLOSING BILL REFUND	55.84 *
601662	TRAN, TRANG	WATER CLOSING BILL REFUND	20.48 *
601663	ARELLANO, CAY	WATER CLOSING BILL REFUND	5.66 *
601664	GRISHAM, RANDY	WATER CLOSING BILL REFUND	6.69 *
601665	NGO, ANH T	WATER CLOSING BILL REFUND	47.98 *
601666	THAI, DAVID	WATER CLOSING BILL REFUND	32.29 *
601667	SORLEY, GARY	WATER CLOSING BILL REFUND	1.68 *

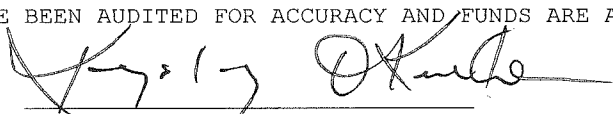
WARRANTS SUBMITTED TO CITY COUNCIL FOR APPROVAL 03/22/16

WARRANT	VENDOR	DESCRIPTION	AMOUNT
601668	PITTMAN, CHARLES	WATER CLOSING BILL REFUND	31.39 *
601669	NGUYEN, MARK	WATER CLOSING BILL REFUND	31.39 *
601670	PHAM, HOA	WATER CLOSING BILL REFUND	8.88 *
601671	TAGAMI, DIANE	WATER CLOSING BILL REFUND	36.79 *
601672	LAKEVIEW VILLAGE CORP	WATER CLOSING BILL REFUND	19.27 *
W1552	CALIFORNIA STATE DISBURSEMENT UNIT	WAGE ATTACHMENT	4,235.42 *
W1553	AGENCY WIRE		

PAGE TOTAL FOR "*" LINES = 4,363.14

FINAL TOTAL 1,497,429.04 *

DEMANDS #601299 - 601672 AND WIRES W1552 - W1553 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL MARCH 22, 2016, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF



KINGSLEY C. OKEREKE - FINANCE DIRECTOR

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Kingsley Okereke
Dept.:	City Manager	Dept.:	Finance
Subject:	Adoption of a Resolution approving the Purchase and Sale Agreement and Joint Escrow Instructions between the City of Garden Grove and Investel Harbor Resorts, LLC for real property located at 12361 Chapman Avenue. (<i>Action Item</i>)		
		Date:	3/22/2016

OBJECTIVE

To consider adoption of a Resolution approving a Purchase and Sale Agreement (PSA) (Attachment) between Investel Harbor Resorts, LLC (Buyer) and the City, for the disposition of property located at 12361 Chapman Avenue (Property).

BACKGROUND

The subject Property consists of a vacant 10,883 square foot restaurant/banquet hall situated on an approximately 0.48 acre site adjacent to the Hyatt Regency Orange County in Garden Grove (Hyatt). The Garden Grove Agency for Community Development (Agency) acquired the Property in 2010. Prior to that time, the Property had been the site of various restaurant and night club uses, such as Bella Marris and J.C. Fandango. These restaurants operated as both restaurants and bars that allowed separate subleases that promoted events that were inconsistent with the adjacent Hotel operations and generated a high number of service calls to the City's Police Department. The Agency marketed the property for sale, but was unable to find a desirable buyer due, in part, to a deficiency in available parking serving the site.

As part of the redevelopment dissolution process, in 2015, the Property was transferred to the City at no cost for future development. Pursuant to a Compensation Agreement entered into between the City and the other taxing agencies, net proceeds from any sale of the Property must be remitted to the Orange County Auditor-Controller for distribution as property tax to all of the taxing agencies, including the City, the Garden Grove Unified School District, the County of Orange, the Orange County Sanitation District, and the Rancho Santiago Community College District.

DISCUSSION

The Property does not have parking on-site; however, there is a reciprocal parking agreement for 50 parking spaces located on the neighboring Hyatt parking lot. Pursuant to

agreement for 50 parking spaces located on the neighboring Hyatt parking lot. Pursuant to the City's Municipal Code, a total of 109 parking spaces would be required for operation of a stand-alone restaurant in the existing building on the Property. As a result of this parking deficiency, it has been difficult to find a buyer for the Property, and the Property has sat vacant for over five (5) years.

In October 2015, Shanghai Construction Group America (SCG), parent company to the Buyer, purchased the Hyatt. With the acquisition of the hotel, SCG has control of the adjacent parking for the Property. On February 9, 2016, SCG/Investel Resorts, LLC submitted an offer to the City to purchase the Property. Along with its offer, the proposed buyer provided an appraisal prepared by CBRE estimating the current fair market value of the Property to be \$1,100,000. The City retained Lidgard and Associates to conduct an independent review of the CBRE appraisal. Lidgard and Associates concluded that the final estimate of market value of \$1,100,000, as of January 12, 2016, is reasonably accurate and supported by the market data and analysis contained in the CBRE appraisal report.

Pursuant to the proposed PSA, the Buyer would pay the full appraised value of \$1,100,000 for the Property. The PSA provides for a thirty (30) day due diligence period and sixty (60) day outside closing date.

The Buyer plans to use the 10,883 square foot vacant restaurant as a private banquet facility and use it as overflow space during conferences at the Hyatt. The Buyer anticipates that use of the Property in this manner will result in the creation of approximately 25 new jobs, increased food and beverage sales, and increased hotel room nights sold. In addition, sale of the Property will result in its return to the Orange County tax roll and generate approximately \$211,000 in annual property tax to the City.

The net proceeds from the sale of the Property will be remitted to the Orange County Auditor-Controller and be disbursed among the City's taxing entities in proportion to their respective property tax shares.

FINANCIAL IMPACT

Based on their proportionate property tax share, Staff anticipates that approximately \$211,000 from the net sale proceeds will be returned to the City and Garden Grove Sanitary District, with the remainder being distributed to the other taxing agencies. Use of the Property in conjunction with operation of the Hyatt is also anticipated to generate additional property, sales and transient occupancy tax revenues to the City.

RECOMMENDATION

Staff recommends that the City:

- Adopt the attached Resolution approving the attached Purchase and Sale Agreement and Joint Escrow Instructions between the City and Investel Harbor Resorts, LLC for the real property located at 12361 Chapman Avenue for the full appraised market value of \$1,100,000; and
- Authorize the City Manager to execute the Purchase and Sale Agreement and all related pertinent documents on behalf of the City, including modifications if needed.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	3/16/2016	Exhibit	3-22-16_Resolution_Approving_Sale_of_12361_Chapman.doc
Purchase and Sale Agreement and Joint Escrow Instructions	3/14/2016	Exhibit	Purchase_and_Sale_Agreement_with_Investel_Harbor_Resorts_for_12361_Chapman_(Final_-_March_7_2016).DOC
CBRE Appraisal	3/14/2016	Exhibit	16-0081_12361_Chapman_Ave__Garden_Grove.pdf
Lidgard & Associates, Inc. Review Appraisal Report	3/14/2016	Exhibit	Review_Appraisal_Study_Successor_Agency_Ownership.pdf
SB 470 Report	3/14/2016	Exhibit	SB_470_Report_-_12361_Chapman_Ave_(jhe_edits).DOCX
Economic Impact Letter	3/14/2016	Exhibit	Economic_Impact_Letter_Mar4_2016.pdf

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE CITY OF GARDEN GROVE AND INVESTEL HARBOR RESORTS, LLC FOR REAL PROPERTY LOCATED AT 12361 CHAPMAN AVENUE, ASSESSOR'S PARCEL NO. 233-171-23

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES HEREBY FIND AS FOLLOWS:

A. City is the owner of that certain real property (the "Property") located at 12361 Chapman Avenue in the city of Garden Grove, and currently identified as Assessor's Parcel No. 233-171-23, which is comprised of a 20,908 square foot parcel containing an approximately 10,883 square foot building that formerly housed a restaurant.

B. The Property was acquired by the Garden Grove Agency for Community Development in 2010 and subsequently transferred by operation of law to the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency").

C. The Property is included in the Successor Agency's Long Range Property Management Plan ("LRPMP") approved by the California Department of Finance on or about March 7, 2014, which provided for the transfer of the Property, which is referred to in the LRPMP as the "Vacant Restaurant Property," from the Successor Agency to the City for future development pursuant to Health and Safety Code Sections 34191.5(c)(2)(A) and 34191.5(c)(2)(B).

D. Pursuant to the LRPMP, in 2015, the Successor Agency conveyed the Property to the City at no cost for future development purposes.

E. In accordance with California Health and Safety Code Section 34180(f), the City has entered into that certain Compensation Agreement, effective January 1, 2015, with the County of Orange, Orange County Flood Control District, Orange County Water District, Orange County Sanitation District, Orange County Vector Control District, Orange County Transportation Authority, Garden Grove Sanitary District, Orange County Superintendent of Schools, Garden Grove Unified School District, and Rancho Santiago Community College District (collectively with the City, the "Taxing Entities"), which requires the City to attempt to sell the Property and provides that the net proceeds from sale of the Property be remitted to the Orange County Auditor-Controller for distribution to the Taxing Entities in proportion to their shares of base property tax.

F. The City has negotiated the terms of a Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement") with Investel Harbor Resorts, LLC (the "Buyer"), pursuant to which the City will convey the Property to the Buyer for a purchase price of \$1,100,000.

G. An appraisal of the Property was prepared by CBRE estimating the current fair market value of the Property to be \$1,100,000. The City retained Lidgard and Associates to conduct an independent review of the CBRE appraisal. Lidgard and Associates concluded that the final estimate of market value of \$1,100,000, as of January 12, 2016, is reasonably accurate and supported by the market data and analysis contained in the CBRE appraisal report.

H. The Buyer has advised the City it intends to use the Property as a restaurant/banquet facility to accommodate visitors and guest of the Hyatt Regency Orange County hotel, which is located adjacent to the Property.

I. The Buyer anticipates that use of the Property in this manner will result in the creation of approximately 25 new jobs in the City and the generation of additional tax revenue to the City and Taxing Entities from increased food and beverage sales, increased hotel room nights sold, and returning the Property to the Orange County tax roll.

J. California Government Code Section 52201 provides that prior to a city's disposition of property acquired from a successor agency to a former redevelopment agency pursuant to a long-range property management plan: (i) the City must prepare and make available to the public a report (the "Summary Report") describing the terms of the sale and an explanation of why the sale will assist in the creation of economic opportunity; (ii) the legislative body must hold a Public Hearing following notice, and (iii) the legislative body must approve the conveyance by a resolution adopting specific findings.

K. Prior to approval of the Agreement, the City prepared a Summary Report summarizing the terms of the Agreement and made the Summary Report and Agreement available for public inspection prior to the Public Hearing in accordance with Government Code Section 52201.

L. On March 22, 2016, the City Council held a duly noticed Public Hearing regarding the Agreement as required by Government Code Section 52201.

M. The City Council has duly considered the terms of the proposed Agreement, the Summary Report, the benefits the City will derive from the Agreement, the report of City Staff, and other evidence and testimony provided at the March 22, 2016, Public Hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby makes the following findings:

- A. The recitals set forth above are true and correct and are incorporated herein by reference.
- B. Conveyance of the Property to the Buyer pursuant to the proposed Agreement is consistent with the General Plan.
- C. The sale of the Property to the Buyer pursuant to the proposed Agreement will assist in the creation of economic opportunity, as defined in California Government Code Section 52200.2. Specifically, it is anticipated that the Agreement will result in the creation of new jobs without any additional City investment in the Property and will result in an increase of at least fifteen percent (15%) of total property tax to all property tax collecting entities when compared to the year prior to the Property being acquired by the City.
- D. The consideration to be paid by the Buyer for purchase of the Property pursuant to the Agreement is not less than the fair market value of the Property at its highest and best use.
- E. The Company's planned capital investment in the Business and planned expansion of the Company's Business within the City would not be feasible without the Covenants Consideration to be paid by the City pursuant to the Agreement.
- F. The Agreement does not include or require any activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The Agreement does not require any change or significant intensification in land use or density. The Buyer is not required to secure any other discretionary government approvals pursuant to the Agreement that would trigger California Environmental Quality Act (CEQA) review. Therefore, in light of the whole record, it can be seen with certainty that the project has no potential to cause a significant effect on the environment. As such, the City Council finds that approval of the Agreement is exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

SECTION 2. The Purchase and Sale Agreement and Joint Escrow Instructions between the City of Garden Grove and Investel Harbor Resorts, LLC, attached hereto at Exhibit "A", is hereby approved.

SECTION 3. The City Manager is hereby authorized to execute the Agreement, and any other related attachments, including any minor modifications as appropriate, and any other pertinent documents necessary to effectuate and/or implement the Agreement.

SECTION 4. The City Manager (or his/her duly authorized representative) is further authorized to implement the Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out the Agreement. The City Manager (or his/her duly authorized representative) is hereby authorized to the extent necessary during the implementation of the Agreement to make technical or minor changes thereto after execution, as necessary to properly implement and carry out the Agreement, provided the changes shall not in any manner materially affect the rights and obligations of the City.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

Exhibit "A"

Purchase and Sale Agreement and Joint Escrow Instructions

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** ("Agreement") is made this 22nd day of March, 2016 (the "**Effective Date**"), by and between the CITY OF GARDEN GROVE, a municipal corporation ("**City**" or "**Seller**"), and INVESTEL HARBOR RESORTS LLC, a California limited liability company ("**Buyer**"), for the acquisition by Buyer of certain real property described below. Buyer and Seller are sometimes hereinafter individually referred to as a "party" or collectively as the "parties."

RECITALS

A. City is the owner of that parcel of real property commonly known as 12361 Chapman Avenue, Garden Grove, California, and currently identified as Assessor's Parcel No. 233-171-23, which is more particularly described in Exhibit "A" attached hereto and made a part hereof, together with the buildings and improvements thereon ("**Improvements**") and furniture, fixtures, and equipment therein ("**FF&E**"), and all appurtenances of the above-described real property, including easements or rights-of-way relating thereto (in the aggregate, the "**Property**"). The Property was conveyed to City from the Successor Agency to the Garden Grove Agency for Community Development ("**Successor Agency**") on or about May 26, 2015, pursuant to California Health and Safety Code Section 34191.5.

B. City wishes to convey the Property to Buyer, and Buyer wishes to purchase the Property from the City, upon the performance of conditions precedent as set forth in this Agreement.

C. On March 22, 2016, following a duly noticed public hearing pursuant to Government Code Section 52201, City's City Council adopted a resolution making certain findings pursuant to Government Code Sections 52201, approving this Agreement, and authorizing City's City Manager to execute this Agreement on behalf of the City.

NOW, THEREFORE, City and Buyer hereby agree as follows:

1. **Agreement to Sell and Purchase.** Subject to and in accordance with the terms and conditions hereinafter set forth, City agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from City, upon the terms and for the consideration set forth in this Agreement.

2. **Opening and Close of Escrow and Other Pertinent Dates.**

2.1 **Opening of Escrow; Escrow Agent.** Promptly after execution of this Agreement, the parties shall promptly open escrow (the "**Escrow**") at First American Title Insurance Company, National Commercial Services, located at 18500 Von Karman Avenue, Suite 600, Irvine, California 92612 ("**Escrow Agent**"), Attention: Patty Beverly; Tel. (949) 885-2465; Fax (877) 478-3007, or another escrow company mutually agreeable to the parties.

2.2 **Due Diligence Date.** The "**Due Diligence Date**" shall mean the date that is thirty (30) days from the Effective Date.

2.3 **Due Diligence Period.** The "**Due Diligence Period**" shall mean the period commencing on the Effective Date and continuing until the Due Diligence Date.

2.4 **Close of Escrow.** The "**Close of Escrow**" shall mean the date the Grant Deed and other necessary instruments of conveyance are recorded in the office of the Orange County Recorder.

2.5 **Outside Closing Date.** Unless extended by mutual agreement of the parties, the Close of Escrow shall occur on or before the date that is thirty (30) days from the Due Diligence Date (the "**Outside Closing Date**"). In the event the Close of Escrow does not occur by the Outside Closing Date, either party that is not in default hereunder shall be entitled to cancel Escrow and terminate this Agreement, in which case the Escrow Agent shall release to the depositor thereof all documents, instruments, and monies for escrow charges which were deposited hereunder. The foregoing shall not constitute an election of remedies for a non-defaulting party if the other party wrongfully fails to close Escrow. Notwithstanding the foregoing and any other provisions of this Agreement, unless the failure to close escrow by the Outside Closing Date is due solely to default by Buyer, the Deposit shall be returned to Buyer, provided however, should the Close of Escrow not occur solely as a result of a default by Buyer, then the Deposit shall be retained by City.

3. **Purchase Price and Deposit.** The total purchase price for the Property to be paid by Buyer is the sum of One Million One Hundred Thousand Dollars (\$1,100,000) ("**Purchase Price**"). The Purchase Price shall be paid as follows:

3.1 **Deposit.** In consideration for City entering into this Agreement, within five (5) business days after the opening of Escrow, Buyer shall deposit into an escrow account with the Escrow Agent a good faith deposit ("**Deposit**") in the amount of Fifty Thousand Dollars (\$50,000.00) in immediately available funds. In the event Buyer fails to timely deliver the Deposit to the Escrow Agent, this Agreement may be terminated by Seller upon written notice to Buyer in which case this Agreement shall be of no further force and effect. The Deposit shall be invested in an interest-bearing account and all interest earned thereon shall accrue to Buyer's benefit. The Deposit and all accrued interest shall be applied to the Purchase Price at the Close of Escrow.

3.2 **Balance of Purchase Price.** Prior to the Close of Escrow, Buyer shall deposit into Escrow the balance of the Purchase Price and its share of closing costs in immediately available funds.

4. **Title and Title Insurance.**

4.1 Buyer shall order a title insurance commitment for a California Land Title Association ("CLTA") Owner's Policy of Title Insurance in the amount of the Purchase Price ("**Title Commitment**") from First American Title Insurance Company, National Commercial Services ("**Title Company**"). Seller shall pay for the cost of the Title Commitment. If Buyer desires an American Land Title Association ("ALTA") Extended Coverage Owner's Policy of Title Insurance, Buyer shall order such policy and pay the cost difference between the CLTA policy and ALTA policy. Should Buyer elect to obtain a survey, Buyer shall do so at its own expense.

4.2 Buyer shall have ten (10) calendar days after receipt of the Title Commitment to give written notice to City of Buyer's approval or disapproval of any exceptions to title identified in the Title Commitment ("**Exceptions**"). No deeds of trust, mortgages or other liens, except for the lien of property taxes and assessments not yet due,

shall be approved Exceptions. If Buyer notifies City of its disapproval of any Exceptions, City shall have the right, but not the obligation, to remove any disapproved Exceptions within five (5) business days after receiving written notice of Buyer's disapproval or provide assurances satisfactory to Buyer that such Exceptions will be removed on or before the Close of Escrow. If City cannot or does not elect to remove any of the disapproved Exceptions within that period, Buyer shall have until the Due Diligence Date to either give the City written notice that Buyer elects to proceed with the purchase of the Property subject to the disapproved Exceptions or to terminate this Agreement pursuant to Section 5.1. Buyer's failure to give written disapproval of any Exceptions within such time limit and/or to terminate the Agreement by the Due Diligence Date shall be deemed approval of such Exceptions and conclusive evidence of Buyer's willingness to accept title subject to such Exceptions. Notwithstanding the foregoing, in the event the Title Company reports an additional Exception following Buyer's receipt of the Title Commitment, which Exception was not previously identified in the Title Commitment ("**Additional Exception**"), Buyer shall have five (5) business days after receiving notice of such Additional Exception to give written notice to City of Buyer's approval or disapproval thereof. Buyer's failure to give written disapproval of any such Additional Exception within such time limit shall be deemed approval of such Additional Exception and conclusive evidence of Buyer's willingness to accept title subject to such Additional Exception. If Buyer notifies City of its disapproval of any such Additional Exception, City shall have the right, but not the obligation, to remove such disapproved Additional Exception within five (5) business days after receiving written notice of Buyer's disapproval or provide assurances satisfactory to Buyer that such Additional Exception will be removed on or before the Close of Escrow. If City cannot or does not elect to remove any disapproved Additional Exception within that period, Buyer shall have until the date that is ten (10) business days after the date of Buyer's written disapproval of such Additional Exception, or until the Due Diligence Date, whichever is later, to either give the City written notice that Buyer elects to proceed with the purchase of the Property subject to the disapproved Additional Exception or to terminate this Agreement by sending written notice of termination to Seller, in which case this Agreement shall terminate, the Deposit shall be returned to Buyer, and the parties shall have no further obligations to each other except for such provisions that specifically survive the termination of this Agreement.

4.3 **Title Insurance Policy.** Escrow Agent shall, following recording of the Grant Deed, provide Buyer with, at Buyer's request, either a CLTA Owner's Policy of Title Insurance or an ALTA Extended Coverage Owner's Policy of Title Insurance for the Property issued by the Title Company in the amount of the Purchase Price, insuring Buyer as owner of good, marketable and indefeasible fee simple title to the Property, subject only to the Exceptions approved by Buyer as set forth in Section 4.2 and the printed exceptions and stipulations in the policy, and together with any endorsements required by Buyer ("**Buyer's Title Policy**"). Seller shall pay for the premium costs of a standard CLTA policy. Buyer shall pay for any additional costs related to the issuance of an ALTA policy if Buyer elects to purchase such additional coverage, as well any endorsements to the policy requested by Buyer.

5. **Inspections; Due Diligence Period.**

5.1 **Due Diligence Period.** During the Due Diligence Period, Buyer shall may review the Title Commitment (as defined in Section 4.1) and the Property Information (as defined in Section 5.2) and perform such Due Diligence Activities (as defined in Section 5.3) as Buyer deems appropriate to decide whether the Property is acceptable to Buyer for its intended use, including, but not limited to, evaluation of the physical condition of the Property, determination of the availability of financing, review of applicable zoning requirements, consultation with governmental agencies with permitting authority over Buyer's intended uses of the Property, review of all easements and rights appurtenant to the Property, and securing of any necessary parking and/or ingress/egress rights or agreements from other property owners. All costs and expenses of such inspections, investigations, inquiries, studies, and document reviews shall be borne by Buyer. Buyer's obligation to purchase the Property as herein provided shall be subject to Buyer's approval of the Property in Buyer's sole and absolute discretion. Buyer may terminate this Agreement for any reason on or prior to the Due Diligence Date by sending written notice of termination to Seller, in which case this Agreement shall terminate, the Deposit (less any escrow cancellation charges) shall be returned to Buyer, and the parties shall have no further obligations to each other except for such provisions that specifically survive the termination of this Agreement. Except as otherwise expressly provided in this Agreement, if Buyer fails to deliver written notice of termination of the Agreement to Seller before the end of the Due Diligence Period, Buyer shall be deemed to have accepted the Property in its "AS-IS, WHERE-IS, AND WITH ALL FAULTS" condition, the Deposit (excluding any interest credited to Buyer) shall become non-refundable to Buyer, and Buyer shall be obligated to either close the transaction as herein provided or forfeit the Deposit to City.

5.2 **Property Information.** During the Due Diligence Period, Seller shall make available to Buyer copies of any and all information, maps, contracts, reports, plans, documents, and other items relating to the Property that Seller has in its possession, custody or control, excluding any documents deemed by Seller to be proprietary, confidential or privileged, but including, without limitation, architectural, structural, mechanical, and/or electrical plans for the Improvements, all tax bills, if any, applicable to the Property, and all environmental assessments or reports prepared for the Property ("**Property Information**"). If Buyer does not terminate this Agreement on or before the Due Diligence Date, and proceeds with this transaction past the Due Diligence Date, it shall be deemed that Buyer is either satisfied with the Property Information or, in the event Buyer decides not to inspect and/or make copies of the Property Information, that Buyer is not relying on the Property Information in its determination as to whether or not to purchase the Property. If this Agreement is terminated for any reason, Buyer shall promptly return to Seller the Property Information upon request by Seller. The obligations of Buyer pursuant to the foregoing sentence shall survive the termination of this Agreement.

5.3 **Property Inspection and Tests.** Subject to the terms of a Right of Entry and Access Agreement in the form attached hereto as **Exhibit "C"**, which shall be executed and delivered prior to Buyer's (or its agents') entry onto the Property, Buyer, or its authorized agents, may enter upon the Property at all reasonable times prior to Close of Escrow for the purpose of making Buyer desired inspections, investigations, inquiries, tests,

feasibility studies, surveys, assessments and/or reports of the Property, at Buyer's expense ("**Due Diligence Activities**").

5.4 **No Representation or Warranty By Seller.** Buyer acknowledges and agrees that, except as otherwise specifically set forth herein, neither Seller nor any of its respective agents, employees or contractors has made any warranty or representation regarding the condition of the Property.

6. **Escrow Process.** This Agreement, together with the escrow instructions prepared by Escrow Agent and executed by Buyer and City, constitute the joint escrow instructions of Buyer and City, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. To the extent any inconsistencies between this Agreement and the escrow instructions exist, the terms of this Agreement shall govern.

6.1 **Grant Deed.** City shall execute and deliver into the Escrow a duly executed and acknowledged grant deed ("**Grant Deed**") for the Property, in the form substantially similar to that attached hereto as Exhibit "B" conveying to Buyer all of Seller's interest in the Property. Buyer agrees to deposit the balance of the Purchase Price upon demand of Escrow Agent, and Buyer and City each agree to deposit with Escrow Agent any additional instruments and funds as may be necessary to complete this transaction.

6.2 **Insurance.** Insurance policies for fire or casualty are not to be transferred, and City will cancel its own policies after Close of Escrow.

6.3 **Escrow Account.** All funds received in the Escrow shall be deposited with other escrow funds in a general escrow account(s). All disbursements shall be made by check or wire transfer from such account.

7. **Tax Adjustment Procedure.** Escrow Agent shall pay and charge City for unpaid delinquent property taxes and/or penalties and interest thereon, if any, and for any delinquent assessments or bonds against the Property due as of the Close of Escrow. Escrow Agent shall prorate property taxes and assessments for the current fiscal year, if any.

8. **Escrow Agent Authorization.** Seller and Buyer agree that Escrow Agent is authorized to, and shall take the following actions:

8.1 **Escrow Fees and Charges, and Related Costs.** Charge Seller and Buyer 50% each for all Escrow fees, charges, and related costs. All other closing costs and fees shall be allocated in the customary manner accounted for in Orange County, California.

8.2 **Disbursement.** Disburse funds, record the Grant Deed, and deliver the Buyer's Title Policy to Buyer, when conditions of the Escrow have been fulfilled by Buyer and City.

8.3 **Time Limits.** Any and all time limits within which any matter specified herein is to be performed may be extended by mutual agreement of the parties. Any amendment of, or supplement to, any instructions must be in writing.

8.4 **Escrow Agent Responsibility.** The responsibility of the Escrow Agent under this Agreement is expressly limited to Sections 1, 2, 3, 4, 6, 7, 8, 9 and 10 of this Agreement.

8.5 **Tax Requirements.** Escrow Agent shall prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

8.6 **Transfer Taxes.** To the extent that transfer taxes are applicable to the sale of this Property, City shall be fully responsible for said taxes.

9. **Conditions Precedent to Close of Escrow.**

9.1 **Buyer's Conditions Precedent to Close of Escrow.** The obligation of the Buyer to complete the purchase of the Property is subject to the satisfaction of the following conditions:

(a) City shall have delivered to Escrow Agent a duly executed and acknowledged Grant Deed as set forth in Section 6.1, plus the fees and costs as set forth in Section 8.1 and 8.6.

(b) City shall have delivered to Escrow Agent such other documents as are necessary to comply with City's obligations under this Agreement.

(c) City shall, if necessary, deliver a bill of sale conveying personal property to Buyer.

(d) Title Company shall have committed to deliver to Buyer the Buyer's Title Policy as required by Section 4.3 hereof.

(e) Buyer shall not have terminated this Agreement except as otherwise specifically permitted by the provisions of this Agreement.

(f) City shall not be in default of any of its obligations under the terms of this Agreement, and all representations of City herein shall be true and correct.

9.2 **City's Conditions Precedent to Close of Escrow.** The obligation of City to complete the sale of the Property is subject to the satisfaction of the following conditions:

(a) The Buyer shall not be in default of any of its obligations under the terms of this Agreement, and all representations of Buyer herein shall be true and correct.

(b) The Buyer shall have deposited with the Escrow Agent immediately available funds in an amount equal to the balance of the Purchase Price, plus the fees and costs as set forth in Section 8.1.

(c) The Buyer shall have executed all documents required hereunder and delivered such documents to Escrow Agent.

(d) The City shall not have terminated this Agreement except as otherwise specifically permitted by the provisions of this Agreement.

(e) The City shall have approved, in its sole discretion, any assignment of this Agreement by Buyer, which assignment occurs prior to the Close of Escrow.

10. **Closing Statement.** City instructs Escrow Agent to release a copy of City's closing statement to Buyer, and Buyer instructs Escrow Agent to release a copy of Buyer's closing statement to City, at least two (2) business days prior to the Close of Escrow.

11. **Warranties, Representations and Covenants of City.** City hereby warrants, represents, and/or covenants to Buyer that:

11.1 **Authority.** City is a general law city lawfully existing under the laws of the State of California, and that, as of the Close of Escrow, City will have the full right and authority and will have obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. The execution, performance and delivery of this Agreement by City has been fully authorized by all requisite actions on the part of City.

11.2 **Pending Claims.** Except as previously disclosed to Buyer, to the best of City's knowledge, there are no actions, suits, claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign.

11.3 **City's Title.** Until the Close of Escrow, City shall not do anything which would impair title to the Property.

11.4 **Conflict with Other Obligation.** To the best of City's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, covenants, conditions and restrictions, or other agreement or instrument to which City or the Property may be bound.

11.5 **Bankruptcy.** City is not the subject of a bankruptcy proceeding.

11.6 **Governmental Compliance.** The City has not received any notice from any governmental agency or authority alleging that the Property is currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation. If any such notice or notices are received by City following the Effective Date, City shall notify Buyer within ten (10) days of receipt of such notice; City then, at its option, may either elect to perform the work or take the necessary corrective action prior to the Close of Escrow or refuse to do so, in which case City shall notify Buyer of such refusal and Buyer shall be entitled to either close Escrow with knowledge of such notice(s) or terminate this Agreement. If, following the receipt of such notice(s), Buyer elects not to close Escrow, then this Agreement and the Escrow shall automatically terminate, the Deposit shall be returned to Buyer and neither party shall have any further rights, obligations or liabilities hereunder.

11.7 **Right to Possession.** Except as otherwise set forth in this Agreement, no person, firm, partnership or corporation other than City will have the right to possess the Property, or any portion of it, as of the Close of Escrow.

11.8 **Change of Situation.** Until the Close of Escrow, City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Close of Escrow, immediately give written notice of such fact or condition to Buyer. Such exception(s) to a representation shall not be deemed a breach by City hereunder, but shall constitute an exception which Buyer shall have a right to approve or disapprove. If Buyer elects to close Escrow following disclosure of such information, City's representations and warranties contained herein shall be deemed to have been made as of the Close of Escrow, subject to such exception(s). If, following the disclosure of such information, Buyer elects not to close Escrow, then this

Agreement and the Escrow shall automatically terminate, the Deposit shall be returned to Buyer and neither party shall have any further rights, obligations or liabilities hereunder.

11.9 **Limitation.** The warranties of Section 12 and this Section 11 are limited by the default and remedies provision of Section 18.

11.10 **Limited Representations and Warranties.** Except as expressly set forth in this Agreement, Buyer acknowledges and agrees that City has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, verbal or written, past, present or future, of, as to, concerning or with respect to: (a) the value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; or (e) any other matter with respect to the Property. Buyer further acknowledges and agrees that having been given the opportunity to review the Property Information and conduct Due Diligence Activities on the Property, except as set forth in this Agreement, Buyer is relying solely on Buyer's own investigation of the Property and not on any information provided or to be provided by City. Buyer further acknowledges and agrees that any information provided on behalf of City with respect to the Property was obtained from a variety of sources and that, except as set forth in this Agreement, City has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information, Buyer further acknowledges that, except as set forth in this Agreement, the sale of the Property as provided for herein is made on an "As-Is, Where-Is, and With All Faults " condition and basis.

12. **Warranties, Representations, and Covenants of Buyer.** Buyer hereby warrants, represents, and/or covenants to City that:

12.1 **Authority.** Buyer is a limited liability company organized, validly existing and in good standing under the laws of the State of California; this Agreement and all documents executed by Buyer are and at the time of Close of Escrow will be duly authorized, executed and delivered by Buyer and are and at the time of Close of Escrow will be enforceable against Buyer in accordance with their respective terms.

12.2 **No Conflict.** To the best of Buyer's knowledge, Buyer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Buyer is a party or by which it is bound.

12.3 **Bankruptcy.** Buyer is not the subject of a bankruptcy proceeding.

12.4 **Change of Situation.** Until the Close of Escrow, Buyer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Close of Escrow, immediately give written notice of such fact or condition to City.

13. **Condition of the Property.**

13.1 **Hazardous Materials.** As used in this Agreement, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, or waste

which is or becomes, regulated by any local governmental authority, the State, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 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 a "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) friable asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, et seq. (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, et seq.

13.2 Compliance with Environmental Laws. To the best of City's knowledge, the City has not received any notice from any governmental agency that the Property is not in compliance with any applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the City of Garden Grove, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus. For the purposes of this Section, "the best of City's knowledge" shall mean the actual knowledge of the employees of the City who manage the Property, and documents in the City's files, and shall not require City to obtain any environmental reports, consult with any environmental professionals, or conduct any testing of the soils or groundwater on the Property.

13.3 As-Is Sale. Except as otherwise expressly provided in this Agreement, the physical condition, possession or title of the Property is and shall be delivered from City to Buyer in an "as-is, where-is, and with all faults" condition, with no warranty expressed or implied by City, including without limitation, the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Property for the use or development purposes intended hereunder.

Except as otherwise expressly provided in this Agreement, the Buyer, on behalf of itself and its successors and assigns, hereby waives, releases and discharges forever the City and its employees, elected and appointed officials, 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 the condition of the Property, and any Hazardous Materials on the Property, however they came to be placed there, except that arising out of the negligence of City or Successor Agency, or either of their misconduct.

The Buyer, on behalf of itself and its successors and assigns, acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which 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 13.3, the Buyer, on behalf of itself and its successors and assigns, hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

Buyer's Initials

Buyer's Initials

14. **Loss or Damage to Property.** Risk of loss resulting from any material condemnation or eminent domain proceeding which is commenced or has been threatened before the Close of Escrow, and risk of loss to the Property due to fire, flood or any other cause before the Close of Escrow, shall remain with Seller. If before the Close of Escrow the Property or any portion thereof shall be materially damaged, or if the Property or any material portion thereof shall be subjected to a bona fide threat of condemnation or shall become the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, then Seller shall notify Buyer of such occurrence and Buyer may terminate this Agreement by written notice to Seller given promptly after Buyer receives notice of the damage or taking from Seller, in which event the Deposit shall be returned to Buyer.

15. **Broker Commissions.**

15.1 **Seller's Broker.** Seller shall be responsible for paying any fees or commissions owed to any broker representing Seller in this transaction pursuant to a separate written agreement ("**Seller's Broker**"). Upon Close of Escrow, Escrow Agent is authorized and instructed to pay Seller's Broker a commission in an amount specified by Seller in separate instructions to Escrow Agent.

15.2 **Buyer's Broker.** Buyer acknowledges and represents that it is represented by Harry Pflueger of Maxim Hotel Brokerage ("**Buyer's Broker**") in this transaction. Upon Closing, Escrow Agent is authorized and instructed to pay Buyer's Broker a commission in the amount equal to five percent (5.0%) of the Purchase Price, or Fifty Five Thousand Dollars (\$55,000), to be deducted from the balance of the proceeds due Seller, as specified in the Closing statements.

15.3 **No Other Broker's Commissions.** Buyer and Seller each represent to the other that, except for the fees and commissions payable pursuant to Sections 15.1 and 15.2, above, no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement.

16. **Attorney's Fees.** In the event any declaratory or other legal or equitable action is instituted between the parties in connection with this Agreement, then as between Buyer and City, 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.

17. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each party set forth below, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given 24 hours after the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal.

If to City: City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attn: City Manager
Fax: (714) 741-5044

With a copy to: Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, California 92626
Attn: James H. Eggart
Fax: (714) 415-1162
Email: jeggart@wss-law.com

If to Buyer: Investel Harbor Resorts LLC
c/o SCG America
11999 Harbor Boulevard
Garden Grove, CA 92840
Attn: Danny Wei, Executive Vice President
Email: dannywei@scgamerica.com

With a copy to: Greenberg Traurig LLP
3161 Michelson Drive, Suite 1000
Irvine, CA 92612
Attn: Eudeen Chang and Carrie Risatti
Fax: (949) 732-6501

If to Escrow Agent: First American Title Insurance Company, National
Commercial Services
18500 Von Karman Avenue, Suite 600
Irvine, California 92612
Attn: Patty Beverly
Fax: 877-478-3007
Email: pbeverly@firstam.com

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

18. **Default/Remedies.**

18.1 **Default by Buyer.** If Buyer shall default in its obligation to close hereunder, Buyer agrees that Seller shall have the right to have the Escrow Agent deliver the Deposit to Seller as liquidated damages to recompense Seller for time spent, labor and services performed, and the loss of its bargain.

THE DEPOSIT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND SHALL CONSTITUTE SELLER'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH HEREOF BY BUYER. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT. FURTHER, UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, BUYER AND SELLER AGREE THAT THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS PARAGRAPH REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WILL INCUR AS A RESULT OF SUCH FAILURE; PROVIDED, HOWEVER, THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHTS TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES, NOR WAIVE OR AFFECT SELLER'S RIGHTS AND BUYER'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THIS AGREEMENT. IN ADDITION, BUYER DESIRES TO

LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION.

SELLER'S INITIALS

BUYER'S INITIALS

18.2 **Default by Seller.** If Seller defaults in its obligation to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole remedy shall be to elect one of the following: (a) terminate this Agreement, in which event Buyer shall have the right to have the Escrow Agent deliver the Deposit to Buyer; or (b) file a civil action for specific performance (but not for damages in addition thereto), provided that any suit for specific performance must be brought within ninety (90) days of Seller's default, to the extent permitted by law, Buyer waiving the right to bring suit at any later date or for damages. In addition, notwithstanding any other provision of this Agreement, should this Agreement be invalidated for any reason by a third party legal action, Buyer shall have no legal recourse for damages or other legal or equitable remedy other than to be excused from performance of the Agreement.

18.3 **Survival and Limitation for Breach of any Seller Warranty.** The representations and warranties of Seller contained herein shall survive the Close of Escrow for a period of six (6) months (the "**Survival Period**") and any claim for breach thereof must be commenced, if at all, within the Survival Period.

19. **Entire Agreement.** This Agreement and the exhibits attached hereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

20. **Captions.** The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

21. **Governing Law.** This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

22. **Counterparts.** This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.

23. **Invalidity of Provision.** If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

24. **Waiver.** The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision in the future.

25. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Buyer and City.

26. **No Third Party Beneficiaries.** This Agreement is entered into for the sole benefit of Seller and Buyer, and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

27. **Time of Essence.** Time is of the essence of each provision of this Agreement.

28. **Binding Upon Successors.** The terms, conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

29. **Assignment.** Buyer may not assign its rights or obligations under this Agreement without the prior written consent of City.

30. **Authority to Execute.** Each person executing this Agreement on behalf of a party hereto warrants and represents that he/she is duly authorized to execute this Agreement on behalf of the entity for which he/she is signing and that such party is bound to the rights and by the obligations set forth in this Agreement by such signature.

31. **Administration.** This Agreement shall be administered and executed by City's City Manager, or his/her designated representative, following approval of this Agreement by the City. The City shall maintain authority of this Agreement through the City Manager (or his/her authorized representative). The City Manager shall have the authority but not the obligation to issue interpretations, waive provisions, extend time limits, execute the Grant Deed and all other documents on behalf of the City that are required in conjunction with the Escrow, and/or enter into minor amendments of this Agreement on behalf of the City, so long as such actions do not change purpose and intent of the Agreement as approved by the City Council or materially reduce the proceeds due to the City pursuant to the Agreement. All other amendments shall require approval of the City Council.

32. **Recitals.** The Recitals above are hereby incorporated into this section as though fully set forth herein and each party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

CITY/SELLER:
City of Garden Grove, a municipal corporation

By: _____
Scott C. Stiles
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

BUYER:
Investel Harbor Resorts LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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 Exhibit “B” of that certain Lot Line Adjustment No. LLA-15-02 recorded October 11, 2002 as Instrument No. 200-885172 of Official Records.

End of Legal Description

APN: 233-171-23

EXHIBIT "B"

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Investel Harbor Resorts LLC
Attn: Danny Wei
11999 Harbor Boulevard
Garden Grove, CA 92840

APN: 233-171-23

(Space above this line for Recorder's Use Only)

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 6103.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **CITY OF GARDEN GROVE**, a municipal corporation ("Grantor"), hereby grants **INVESTEL HARBOR RESORTS LLC**, a California limited liability company ("Grantee"), that certain real property (the "Property") located in the City of Garden Grove, County of Orange, State of California, more particularly described on **Exhibit "A"** attached hereto and incorporated herein by this reference, subject to all existing recorded and unrecorded leases, easements, restrictions and covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____.

GRANTOR

CITY OF GARDEN GROVE, a municipal corporation

By: _____
Scott C. Stiles, City Manager

ACKNOWLEDGEMENT

State of California

County of _____) SS

On _____ before me, _____, Notary Public,
personally appeared _____ who proved to me on the basis of
satisfactory evidence to be the person (s) whose names (s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by
his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s)
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true
and correct.

Witness my hand and official seal.

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 Exhibit "B" of that certain Lot Line Adjustment No. LLA-15-02 recorded October 11, 2002 as Instrument No. 200-885172 of Official Records.

End of Legal Description

APN: 233-171-23

EXHIBIT "C"

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "Agreement") is made and entered into as of _____, 2016, by the CITY OF GARDEN GROVE (herein called "Grantor"), and INVESTEL HARBOR RESORTS LLC (herein called "Grantee").

WITNESSETH:

WHEREAS, Grantor is the owner of the real property more particularly described on Exhibit A, attached hereto and incorporated herein by reference (herein called the "Property");

WHEREAS, concurrently with the execution of this Agreement, Grantor and Grantee contemplate entering into a Purchase and Sale Agreement and Joint Escrow Instructions related to the Property (the "Purchase Agreement");

WHEREAS, Grantee has requested the right of entry upon and access to the Property for the purpose of preparing a survey, undertaking tests, inspections and other due diligence activities (herein called the "Due Diligence Activities") in connection with the proposed acquisition by Grantee of the Property;

WHEREAS, Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

WHEREAS, Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee do hereby covenant and agree as follows:

1. Access by Grantee.

(a) Subject to Grantee's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) the Close of Escrow; or (ii) the earlier termination of this Agreement, Grantee and Grantee's agents, employees, contractors, representatives and other designees (herein collectively called "Grantee's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities, following reasonable notice to Grantor.

(b) Grantee expressly agrees that in the event the Property is altered or disturbed in any manner in connection with the Due Diligence Activities, Grantee shall return the Property to the condition existing prior to the Due Diligence Activities to the extent reasonably practicable.

(c) Grantee shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, costs and expenses (including, without limitation, attorneys' fees and expenses and court costs, but expressly excluding consequential and punitive damages) suffered, incurred or sustained by Grantor as a direct result of, the conduct of any Due Diligence Activities on the Property by Grantee or any of Grantee's Designees, including, without limitation, any alterations or disturbance of the Property. Notwithstanding anything else contained herein, in no event shall Grantee have any obligation to indemnify, defend or hold harmless Grantor for any claims, liabilities, damages, losses, costs and expenses directly resulting from Grantee's negligence.

(d) Grantor does not assume any risk, liability or responsibility or duty of care as to Grantee or Grantee's Designees when they are on the Property to conduct any Due Diligence Activities. Grantee acknowledges and agrees that Grantee and Grantee's Designees enter the Property and Due Diligence Activities thereon at their own risk.

2. Liens and Lien Waivers. In conducting any Due Diligence Activities, Grantee shall not permit any liens to attach to the Property by reason of the exercise of its rights hereunder, and Grantee shall indemnify Grantor from and against any claims or demands for payment, or any liens or lien claims made against Grantor or the Property as a result of the Due Diligence Activities. Upon receipt of a written request from Grantor, Grantee will use reasonable efforts to obtain and provide Grantor with lien waivers following completion of the Due Diligence Activities from each and every contractor, material man, engineer, architect and surveyor who might have lien rights, in form and substance reasonably satisfactory to Grantor and its counsel, if any.

3. Insurance. Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain reasonable worker's compensation and liability insurance in a form and amount reasonably satisfactory to Grantor covering each of the Due Diligence Activities.

4. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

5. Limitations. Grantor does not hereby convey to Grantee any right, title or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

6. Notices. Whenever any notice, demand, or request is required or permitted under this Agreement, such notice, demand, or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set

forth below the respective executions of the parties hereof, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given 24 hours after the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand, or request must be given, shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof.

7. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed and sealed, all the day and year first written above.

GRANTOR:
City of Garden Grove

By: _____
Scott C. Stiles, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

GRANTEE:
Investel Harbor Resorts LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

APPRAISAL REPORT

VACANT RESTAURANT/BANQUET HALL
12361 Chapman Avenue
Garden Grove, Orange County, California 91768
CBRE, Inc. File No. 16-251LA-0081

Danny Wei
Executive Vice President
SCG AMERICA
11999 Harbor Boulevard
Garden Grove, California 92840

www.cbre.com/valuation

CBRE



February 6, 2016

Danny Wei
 Executive Vice President
 SCG AMERICA
 11999 Harbor Boulevard
 Garden Grove, California 92840

RE: Appraisal of Vacant Restaurant/Banquet Hall
 12361 Chapman Avenue
 Garden Grove, Orange County, California 91768
 CBRE, Inc. File No. 16-251LA-0081

Dear Mr. Wei:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a vacant 10,883-sf restaurant/banquet hall located at 12361 Chapman Avenue in Garden Grove, California. The improvements were constructed in 1984, renovated in 2002 and are situated on a 0.48-acre site. The subject has been vacant for over five years. The property is located adjacent to the Hyatt Regency Orange County. The subject does not have parking on-site; however, there is a reciprocal parking agreement for 50 parking spaces located on the neighboring parcel. It should be noted the City of Garden Grove requires 109 parking spaces for the restaurant use. There was proposal for the remaining 59 parking spaces to be located 580 feet away on a parcel owned by a public entity of the City of Garden Grove. It was reported by the City of Garden Grove that it is uncertain if this proposal for additional parking spaces will be approved. There is no timeline for development of the additional parking space and it was not assumed in our valuation.

Please note the subject is in contract for sale at \$2,200,000 per the listing agent. The sale is awaiting approval from the City of Garden Grove. It was reported by the City of Garden Grove that there are several conditions in the purchase contract that will most likely not be approved. The main issue is not having enough parking to meet current parking regulation for 10,883-sf restaurant/banquet hall. In this case, we have assumed land value for the subject taking into consideration the easement for 50 parking spaces. Further, there is limited demand for a large 10,883-sf restaurant/banquet hall at this location. This will be discussed in further detail within this appraisal report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple Estate	January 12, 2016	\$1,100,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



James M. Bray, MAI, CCIM
Director
California State Certified General
Lic. No. AG039243 (Expires 1/5/2018)

Phone: 619.405.8128
Email: james.bray@cbre.com



Donna Bradley, MAI
Director
California State Certified General
Lic. No. AG009911 (Expires 8/12/2016)

Phone: 949.725.8415
Email: donna.bradley@cbre.com



Michelle J. Bates
Valuation Associate
California State Trainee
Lic. No. AT3001403 (Expires 10/30/2017)

Phone: 858.546.2611
Email: michelle.bates@cbre.com

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, James M. Bray, MAI and Donna Bradley, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
11. As of the date of this report, Michelle J. Bates has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Practicing Affiliate/Candidate for Designation Members.
12. Donna Bradley, MAI and James M. Bray, MAI have and Michelle J. Bates has not made a personal inspection of the property that is the subject of this report.
13. Michelle J. Bates provided significant real property appraisal assistance to the persons signing this report. This included data gathering, market area research, valuation analyses, and the write-up portions of the report. All valuation analyses and conclusions concerning the real estate that are set forth in this report were reviewed and/or completed by James M. Bray, MAI and Donna Bradley, MAI.
14. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. James M. Bray, MAI, Donna Bradley, MAI, and Michelle J. Bates have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



James M. Bray, MAI
California State Certified General
Lic. No. AG039243 (Expires 1/5/2018)

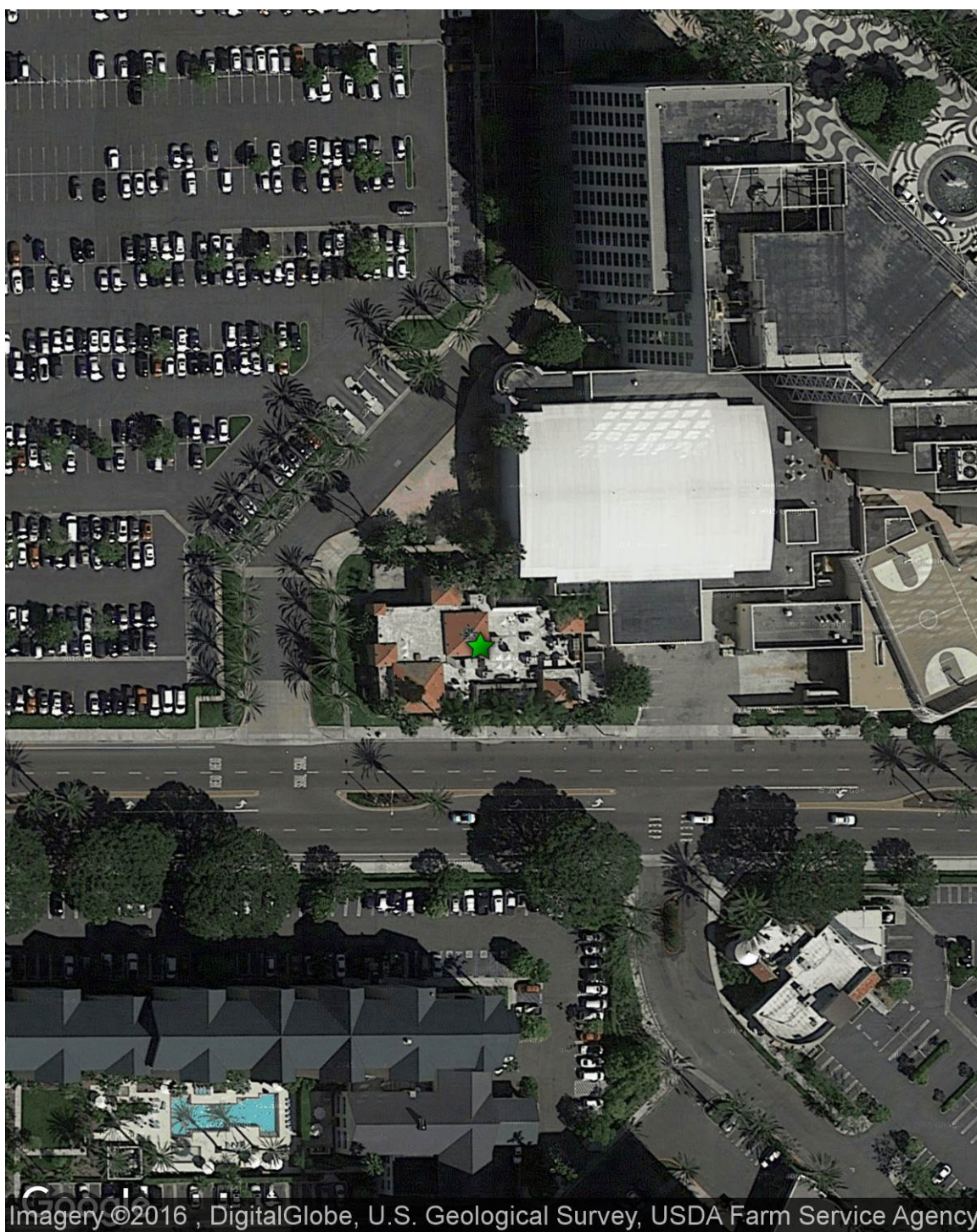


Donna Bradley, MAI
California State Certified General
Lic. No. AG0009911 (Expires 8/12/2016)



Michelle J. Bates
California State Trainee
Lic. No. AT3001403 (Expires 10/30/2017)

Subject Photographs



Imagery ©2016 , DigitalGlobe, U.S. Geological Survey, USDA Farm Service Agency

Aerial View



Exterior View of Subject



Exterior View of Subject



Exterior View of Subject



Front Entrance



Street View of Chapman Avenue



Street View of Chapman Avenue



Bar Area



Dance Floor



Seating Area



Seating Area



Kitchen



Seating Area



Secondary Exit



Outdoor Patio



Exterior View of Subject



Exterior View of Subject



Adjacent Hotel/Convention Center



Reciprocal Parking Area

Executive Summary

Property Name	Vacant Restaurant/Banquet Hall		
Location	12361 Chapman Avenue, Garden Grove, Orange County, California 91768		
Highest and Best Use			
As If Vacant	Develop with a Free-Standing Restaurant		
As Improved	Redevelop with a Free-Standing Restaurant		
Property Rights Appraised	Fee Simple Estate		
Date of Report	February 6, 2016		
Date of Inspection	January 12, 2016		
Estimated Exposure Time	9 Months		
Estimated Marketing Time	9 Months		
Land Area	0.48 AC		20,708 SF
Improvements			
Property Type	Retail		(Restaurant)
Number of Buildings	1		
Number of Stories	2		
Gross Leasable Area	10,883 SF		
Year Built	1984	Renovated:	2002
Condition	Average		
Buyer Profile	Owner-User		

VALUATION	Total	Per SF
Land Value (As if Vacant)	\$1,100,000	\$53.12

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
Market Value "As Is"	Fee Simple Estate	January 12, 2016	\$1,100,000

Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject is located adjacent to the Hyatt Regency Hotel & Convention Center and numerous other hotels

Weaknesses/ Threats

- The subject is a large second generation restaurant. This significantly larger than most restaurants in the immediate area. Further, it was reported most national restaurant chains require smaller restaurants in the 5,000-6,000 sf size range.
- The current configuration of the floorplan is divided between a large dance/event area and a restaurant. There is a limited pool of buyers/tenants that can utilize the current configuration.
- It was reported by the City of Garden Grove economic development department that there have been many public disturbance issues related to a night club use at the subject. The

Garden Grove Redevelopment Agency acquired the property in November 2010 because of too many public disturbances at the subject.

- The subject lacks on-site parking and has a parking easement for 50 parking spaces. The property owner must pay \$2,473 per month for the maintenance fees for the parking lot next door (50 spaces). At this time, there are no available parking spaces that can be readily utilized by a new operator were to occupy the subject. Further, there is not timeline for development of new parking spaces on the former landfill site according to the City of Garden Grove.
- The subject lacks Harbor Boulevard visibility, which is a major thoroughfare in the region. Several major national tenants have rejected the subject because of this factor.
- The subject is a second generation restaurant and would require significant amount of capital to be reconfigured.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.”¹ The use of these extraordinary assumptions may have affected the assignment results.

- We have assumed the parking easement agreement is valid and enforceable.
- We have assumed the prior listing information provided by the listing agent, Mr. Ian Brown, and the City of Garden Grove to be accurate.
- The appraisers did not measure the subject property. We have relied upon the prior listing and appraisal for the building square footage. Should this information be incorrect, this will affect the value conclusions provided.
- Based upon several conversations with Greg Blodgett/SR Property Manager with the City of Garden Grove and Karl Hill/Community Development, the most likely use of the subject would be to redevelop the subject with a smaller freestanding full-service restaurant with an approximate building size of $\pm 5,000$ square feet. This was based upon the following factors:
 1. The city of Garden Grove indicated that the current improvements would require at least 109 parking spaces or higher depending on how much dance floor and other event space a future operator would require. Without securing additional parking, a restaurant or banquet hall use would not be allowed. A parking analysis would be required to determine if a parking variance could be obtained.
 2. Without a parking analysis of the Hyatt and the subject (PUD-104-82), the city of Garden Grove indicated it was difficult to forecast the maximum allowable building square footage for the subject if redeveloped. With 50 parking spaces and a parking ratio of 10.0 spaces per 1,000 sf, a 5,000-sf restaurant would meet the current parking regulations.
 3. Another option would be to reduce the size of the existing improvements to meet current parking regulations. The appraisers are not cost estimators or engineers can

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), 73.

not estimate the costs to redesign the existing improvements. No cost estimates are available for review. In this case, it is estimated it cost prohibited and a potential buyer would choose to redevelop the subject with a new modern restaurant.

Given these factors, we have concluded the highest and best use is to redevelop the subject property. Should any of this information be incorrect, this may have affected the value conclusions provided in this report.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”²

- None noted

² *Dictionary of Real Estate Appraisal*, 97.

Table of Contents

Subject Photographs.....	iii
Executive Summary	vii
Table of Contents	x
Introduction	1
Area Analysis	5
Neighborhood Analysis	8
Site Analysis.....	14
Improvements Analysis.....	18
Zoning	22
Tax and Assessment Data	24
Market Analysis.....	25
Highest and Best Use	38
Appraisal Methodology	41
Land Value.....	42
Assumptions and Limiting Conditions	49
ADDENDA	
A Land Sale Data Sheets	
B Reciporcal Parking Easement	
C Legal Description	
D Précis METRO Report - Economy.com, Inc.	
E Client Contract Information	
F Qualifications	

Introduction

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of the City of Garden Grove, who acquired title to the property in May 2015, as recorded in document 269268 of the Orange County Deed Records. This was a non-arm's length transfer from the former Garden Grove Redevelopment Agency to the City of Garden Grove. The property was purchased by the Garden Grove Agency For Community Development in November 2010 for \$2,400,000. This most recent sale transaction of the subject appears to have been arm's length and reasonable based upon market conditions at that time.

To the best of our knowledge, there has been no other ownership transfer of the property during the previous three years. The subject was listed for sale at \$2,700,000 in August 2013. Please note the subject is in contract for sale at \$2,200,000 per the listing agent. The sale is awaiting approval from the city of Garden Grove and it was reported it is unlikely this sale will be approved. Limited consideration was given to the pending sales price.

INTENDED USE OF REPORT

This appraisal is to be used for internal decision making purposes, and no other use is permitted.

INTENDED USER OF REPORT

This appraisal is to be used by SGA America, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

³ Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

INTEREST APPRAISED

The value estimated represents fee simple interest and defined as follows:

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁵

SCOPE OF WORK

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included the interior and exterior of the subject as well as the surrounding environs on the date of inspection.

Type and Extent of the Data Researched

CBRE reviewed the following:

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ *Dictionary of Real Estate Appraisal*, 78.

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
Site Data	
Size	Orange County Tax Assessor
Improved Data	
Building Area	Listing Brochure and Prior Appraisal
Area Breakdown/Use	CBRE Site Inspection
No. Bldgs.	CBRE Site Inspection
Parking Spaces	Parking Easement & Prior Appraisal
Year Built/Developed	Public Record
Economic Data	
Deferred Maintenance:	N/A
Building Costs:	Marshall Valuation Services
Income Data:	N/A
Expense Data:	N/A
Other	
Prior Appraisal	Lidgard & Associates Incorporated
Parking Easement	Poonam LLC & Atrium Plaza LLC
Data Not Provided	
Purchase Contract	Not provided
Preliminary Title Report	Not provided
Compiled by CBRE	

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone.

In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales in Southern California;
- marketing time information from the PwC (Korpacz); and
- the opinions of market participants.

EXPOSURE/MARKETING TIME DATA			
Investment Type	Exposure/Mktg. (Months)		
	Range		Average
Comparable Sales Data	0.0	- 11.0	5.5
<i>PwC Strip Shopping Center</i>			
National Data	2.0	- 12.0	5.6
Local Market Professionals	6.0	- 12.0	9.0
CBRE Exposure Time Estimate	9 Months		
CBRE Marketing Period Estimate	9 Months		
CBRE National Investor Survey & PwC Real Estate Survey			

We have reviewed the assumptions and conclusions reached, particularly the income estimates and rates of return and the potential impact on exposure/marketing time. Based on these analyses, we have concluded an exposure/marketing time of 9 months or less would be considered reasonable for the subject. Please note the subject has been on the market for an extended period of time due to termination of the redevelopment agency and approval process by the city of Garden Grove.

This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject is (or has been) actively and professionally marketed. The marketing/exposure time would apply to all valuation premises included in this report.

Area Analysis



Moody's Economy.com provides the following Orange County, CA metro area economic summary as of December 2015.

ANAHEIM-SANTA ANA-IRVINE, CA - ECONOMIC INDICATORS												
Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Metro Product (C\$B)	197.8	201.3	204.6	210.3	215.1	221.4	228.7	236.3	243.2	249.8	255.4	260.5
% Change	-5.8	1.8	1.6	2.8	2.3	2.9	3.3	3.3	2.9	2.7	2.2	2.0
Total Employment (Ths)	1,383.4	1,366.6	1,382.6	1,419.8	1,459.5	1,495.7	1,544.0	1,579.4	1,615.0	1,646.8	1,667.3	1,677.2
% Change	-7.1	-1.2	1.2	2.7	2.8	2.5	3.2	2.3	2.2	2.0	1.2	0.6
Unemployment Rate (%)	8.8	9.6	8.9	7.7	6.3	5.5	4.4	4.0	3.9	3.8	3.9	4.0
Personal Income Growth (%)	-4.9	1.2	5.4	7.4	1.0	3.4	5.1	6.5	6.7	6.0	4.6	4.0
Median Household Income (\$ Ths)	74.3	72.4	72.2	73.5	75.7	76.3	77.9	80.4	83.7	87.1	89.8	92.1
Population (Ths)	2,987.2	3,018.1	3,056.3	3,089.9	3,121.9	3,145.5	3,173.2	3,203.7	3,233.0	3,262.2	3,291.6	3,320.8
% Change	1.0	1.0	1.3	1.1	1.0	0.8	0.9	1.0	0.9	0.9	0.9	0.9
Net Migration (000)	5.5	8.6	18.3	13.8	11.8	5.5	7.8	10.1	8.6	8.2	8.0	7.7
Single-Family Permits	1,341.0	1,624.0	1,822.0	2,271.0	3,670.0	3,714.0	3,625.2	3,549.9	4,307.6	4,624.3	4,494.0	4,623.4
Multifamily Permits	802.0	1,510.0	2,530.0	3,811.0	6,752.0	5,577.0	6,900.3	2,357.9	4,157.8	4,254.3	3,763.9	3,928.6
Fhfa House Price (1995Q1=100)	237.9	238.6	229.4	229.3	257.4	284.5	299.3	304.7	309.4	315.4	324.6	339.3
Source: Moody's Economy.com												

Source: Moody's Economy.com

RECENT PERFORMANCE

Orange County's economy has slowed since the start of 2015. Key industries such as business/professional services, healthcare, and finance are taking a breather. Job growth has

been limited primarily to leisure/hospitality and government. As a result of weak gains in employment and wages, estimated personal income growth has slowed by one-half since early 2015. At 4.1% in November, the unemployment rate is at a cycle low and well below the state and national averages.

HIGH TECH

Thanks to its highly educated workforce and its universities, Orange County has a highly effective infrastructure for fostering growth in technology businesses such as biotech, computer and electronic product manufacturing, medical device makers, and IT companies. Venture capital entities such as OCTANE, which connects entrepreneurs and investors, are important conduits for new investment and hiring. For example, Harbor MedTech, a skin wound treatment maker, recently raised \$10 million through OCTANE. Meanwhile, Greenwave Systems, a smart technology provider, received an investment of \$45 million from Singapore Technologies Telemedia to accelerate its global expansion. Startups are an especially potent source of job creation, and Orange County's universities, particularly the University of California Irvine, position the area well for startup growth as students and faculty spin off their academic research ideas into private companies.

UC IRVINE

UC Irvine will provide the skilled labor needed to sustain strong growth in knowledge-based industries. Moreover, California's improving fiscal position and the strength of UC's endowment fund bode well for staff and faculty payroll additions. Governor Jerry Brown has proposed a 5.4% increase in funding in fiscal 2016-2017 for the UC system. Meanwhile, enrollment has been increasing, and applications for the fall semester at UC system universities reached an all-time high. For UC Irvine, applications are 10% higher from a year earlier. Hiring will continue in 2016 as the growing student population warrants expansion of faculty and program offerings.

Further, as part of the UC system's agreement with the state, UC Irvine will enroll 650 more resident students and their tuition will be capped at its current level for this year. Although an increase in nonresident tuition puts UC among the nation's most expensive public universities, strong demand from prospective students will ensure that enrollment does not suffer. More student spending will benefit consumer industries such as retail and leisure/hospitality in coming years.

REAL ESTATE

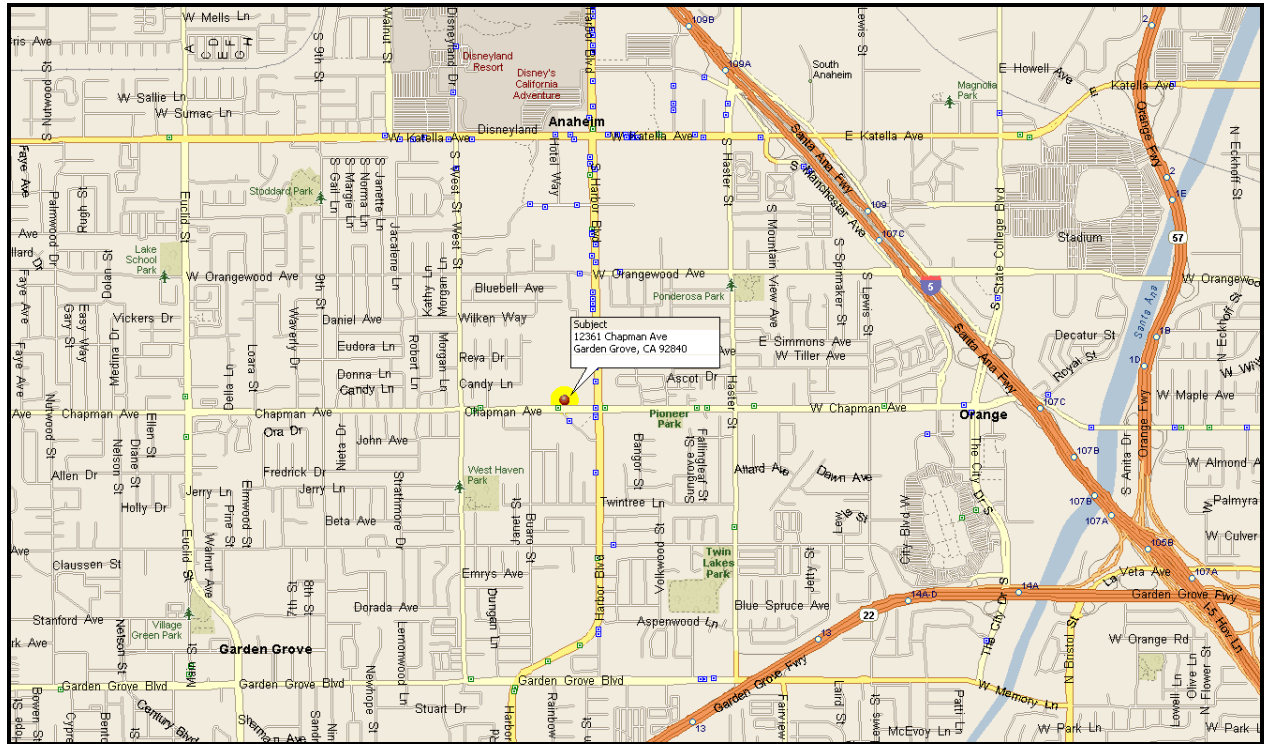
The near-term outlook for Orange County's commercial real estate markets is upbeat, as expansion tests the limits of real estate inventory. According to Colliers International, available office and industrial real estate space is shrinking in Orange County-the vacancy rate is 2.9% for the industrial market and 12.8% for the office market. The retail vacancy rate increased slightly to 4.6% in the fourth quarter of 2015, but it is still lower than last year's vacancy rate since surging

in-migration is supporting consumer spending and new retail investment. In the office market, the low vacancy rate stems from a dearth of new supply and gradual improvement in office-using industries. Construction remains limited, but activity will pick up as rents increase.

CONCLUSION

Orange County's expansion will moderate and job growth will slow to an average pace as manufacturing and tech hiring cools. The real estate market will continue to strengthen, however, thanks to strong demand and a dearth of supply. Longer term, Orange County's high costs will constrain its prospects to the U.S. average.

Neighborhood Analysis



LOCATION

The subject is located within the larger Anaheim Resort District, in Garden Grove. The Anaheim Convention Center and Disneyland are located 1.7 and 2.3 miles to the north, respectively. Disneyland is the most significant tourist attraction in California, attracting approximately 14 million visitors per year. It is the second largest amusement park in the world, second on to Disney World in Florida. Not surprisingly, the success of Disneyland has spurred the development of a major tourism industry in Anaheim, including over 160 hotels and over 300 restaurants, and the park is the single largest generator of demand for the Anaheim lodging market.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North:	Chapman Avenue
South:	Garden Grove Boulevard, 22 Freeway
East:	San Diego (5) Freeway
West:	West Street

LAND USE

The subject property is located on the north side of Chapman Avenue, just west side of Harbor Boulevard. The subject is a portion of a larger site, which includes the Hyatt Regency and several restaurants. Surrounding hotels include the Homewood Suites, Wyndham, Marriott Suites and Sheraton to the south. Residence Inn by Marriott, Hampton Inn, Hilton Garden Inn and Embassy Suites are located to the north. Located on Harbor Boulevard to the south, the 600-Room Great Wolf Lodge and Water Park is currently under construction. Various older commercial buildings, limited service motels and fast food line Harbor Boulevard. Directly to the west of the subject and along the side streets are older single family homes and apartments. Directly on the corner of Chapman Avenue and Harbor Boulevard are several full service restaurants.

Farther, to the north of the subject and surrounding the Anaheim Convention Center are the larger convention hotels which include the Doubletree Suites, Hilton, Marriott, Sheraton @ the Park and the Clarion hotel.

At the intersection of Katella Avenue and Harbor Boulevard, the SpringHill Suites and Hyatt Place were recently completed, and the Residence Inn and Hyatt House area under construction.

GROWTH PATTERNS

There are a number of plans and proposed areas for expansion. Whether or not they occur and/or timing of the projects are fluid. The following are current projects/areas of growth:

DISNEYLAND PARK EXPANSION

Disney owns 88 acres for a Future Third Theme Park along Harbor Boulevard, south of Katella Avenue. There are only a handful of parcels left in the Anaheim Resort for hotel development and with all this growth over the next few years. There is demand for more hotel product based on area occupancy rates in the mix 70 to low 80 percent range.

In August 2015, Disney's CEO, Bob Iger announced that Star Wars-themed lands will be coming to Anaheim. These authentic lands will have two signature attractions, including the ability to take the controls of one of the most recognizable ships in the galaxy, the *Millennium Falcon*, on a customized secret mission, and an epic *Star Wars* adventure that puts guests in the middle of a climactic battle. This will be a single-themed park on approximately 14 acres of expansion land. Location and timing have not been released.

ANAHEIM CONVENTION CENTER EXPANSION:

On September 14, 2010, the City of Anaheim passed an ordinance creating the Anaheim Tourism Improvement District Fee, which is a 2% fee on all room revenue – which came into effect on November 1, 2010. This fee will fund marketing for the Anaheim Convention Center, thereby freeing up "General Fund" dollars within the City to allocate towards the next two phases

of expansion of the Anaheim Convention Center. At 1.6 million SF (800,000 of which is exhibit space), it already is the largest single convention facility on the entire West Coast.

As of March 11, 2014 the Anaheim City Council approved 200,000 SF of flex space ACC expansion, as well as the financing plan and design-build contract. The project expected to be complete by 2017.

Overall, the Convention Center has a long-term Master Plan consisting of 7 expansion phases over time, bringing the total meeting space in excess of 4 million square feet. These two expansion phases that are already funded will bring the total space up to almost 2 million square feet.

ARTIC AND ARC:

The Anaheim Regional Transportation Intermodal Center (ARTIC) will be a major hub for the California High Speed Rail network, which received substantial Federal Funding from the Obama Administration. The City of Anaheim is the furthest ahead in moving forward with plans for High Speed Rail. The first phase has already been approved and funded to the tune of \$183.8M. Construction is set to begin on ARTIC by year-end 2012, with completion set for 2014. Architectural plans have already been permitted, the Environmental Impact Report was certified on September 28, 2010 and the City is already soliciting bids for construction through an RFQ process. This transportation hub is a vision for the future, as the High Speed Rail network is built out, Anaheim will be at the Center of the network, based on the plan adopted by the High Speed Rail Authority of California...essentially connecting Anaheim to Los Angeles, Las Vegas, San Francisco and San Diego. Please see the attached Fact Sheet titled "ARTIC Factsheet 10-07-10".

The Anaheim Rapid Connection (ARC), which is an above ground monorail system connecting ARTIC to the Anaheim Resort will terminate at the Convention Center.

GREAT WOLF LODGE AND WATER PARK

The company broke ground in May 2014 on the Great Wolf Lodge in Garden Grove that will feature a 121,000-square-foot indoor water park – the company's largest – along with a 603-room hotel and conference center. Besides being indoors, Great Wolf will be unusual in another way: Only hotel guests will be able to use the water park.

The \$250 million development, which is scheduled to open in late 2015, has been years in the making, delayed by the recession and one of the worst downturns in tourism and hospitality history. But industry experts say the time is ripe for the project, as water parks, particularly indoor attractions, enjoy a major resurgence.

Much like Disneyland, the Great Wolf Lodge is a destination visit, where people stay two or three days rather than the typical day trip for an outdoor water park.

Another draw will be Great Wolf's unique water park offerings. In the Howlin' Tornado, up to three people can drop into a six-story funnel which will send them swishing and swirling 30 feet

up the sides of the funnel before making a safe splash landing. The Wolf Tail will have a two-story free-fall drop and then a 360-degree loop in an enclosed tube slide. The resort also will offer non-water activities. That includes Storytelling time at night, when guests can bring their children down to the lobby to listen to stories being read. There is MagiQuest, which is a sort of electronic scavenger hunt in which children use a radio-frequency identification “magic wand” to discover and illuminate items throughout the resort. Children also can pamper themselves at the Scooops Day Spa, where they can get manicures and pedicures.

ACCESS

Access to the subject property is convenient. Harbor Boulevard, Chapman Avenue, Katella Avenue and Haster Street all give access to the nearby Santa Ana (5) Freeway and Garden Grove (22) Freeway.

DEMOGRAPHICS

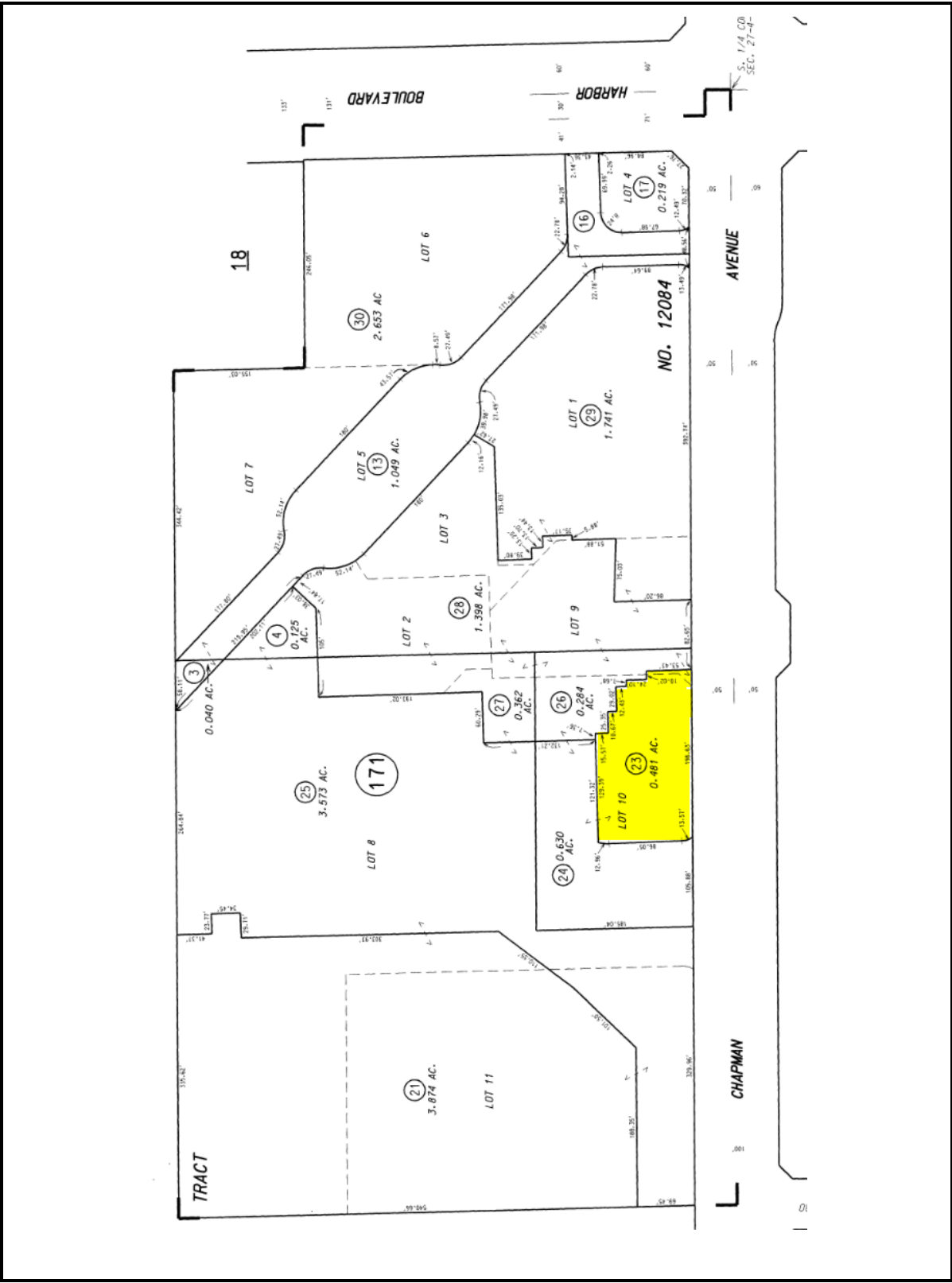
Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
12361 Chapman Avenue Garden Grove, CA	1 Mile	3 Miles	5 Miles
Population			
2020 Population	40,248	288,128	885,454
2015 Population	38,528	275,811	848,360
2010 Population	37,026	264,295	814,299
2000 Population	36,416	258,597	807,505
Annual Growth 2015 - 2020	0.88%	0.88%	0.86%
Annual Growth 2010 - 2015	0.80%	0.86%	0.82%
Annual Growth 2000 - 2010	0.17%	0.22%	0.08%
Households			
2020 Households	10,143	75,693	232,484
2015 Households	9,661	72,167	221,677
2010 Households	9,222	68,967	211,717
2000 Households	9,267	67,385	209,648
Annual Growth 2015 - 2020	0.98%	0.96%	0.96%
Annual Growth 2010 - 2015	0.93%	0.91%	0.92%
Annual Growth 2000 - 2010	-0.05%	0.23%	0.10%
Income			
2015 Median Household Income	\$58,888	\$56,547	\$53,466
2015 Average Household Income	\$71,614	\$70,264	\$68,018
2015 Per Capita Income	\$17,958	\$18,385	\$17,773
Age 25+ College Graduates - 2015	4,411	32,801	93,598
Age 25+ Percent College Graduates - 2015	18.4%	18.8%	17.5%
Source: Nielsen/Claritas			

CONCLUSION

As shown above, the population within the subject neighborhood has shown limited popular growth over the past five to ten years due to the built up nature of the area. However, area growth of demand generators like the Convention Center and Disneyland Park are significant. The Disneyland Resort continues to inject capital into their Resort and surrounding area, which ultimately benefits the neighborhood. As discussed, continued growth in the Resort area is expected in the future.

PLAT MAP



Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY			
Physical Description			
Gross Site Area	0.48 Acres	20,708 Sq. Ft.	
Net Site Area	0.48 Acres	20,708 Sq. Ft.	
Primary Road Frontage	Chapman Avenue	200 Feet	
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Irregular		
Topography	Level		
Primary Traffic Counts (24 hrs.)	Chapman Avenue @ Buaro Street	22,029 Year: 2014	
Zoning District	PUD-104-82		
Flood Map Panel No. & Date	06059C0141J	3-Dec-09	
Flood Zone	Zone X (Shaded)		
Adjacent Land Uses	Commercial and residential uses		
Earthquake Zone	N/A		
Comparative Analysis		<u>Rating</u>	
Visibility	Average		
Functional Utility	Assumed adequate		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities		<u>Provider</u>	<u>Adequacy</u>
Water	City of Garden Grove	Yes	
Sewer	City of Garden Grove	Yes	
Natural Gas	Southern California Gas Co.	Yes	
Electricity	Southern California Edison	Yes	
Telephone	Various	Yes	
Mass Transit	OCTA	Yes	
Other		<u>Yes</u>	<u>No</u>
Detrimental Easements	Preliminary Title Report Not Provided		X
Encroachments	Preliminary Title Report Not Provided		X
Deed Restrictions	Preliminary Title Report Not Provided		X
Reciprocal Parking Rights	See Comments		
Source: RealQuest, Interflood, Orange County Tax Assessor, City of Garden Grove			

INGRESS/EGRESS

Ingress and egress is available to the site via Chapman Avenue.

Chapman Avenue, at the subject, is an east/west street that has a dedicated width of 100 feet and is improved with two lanes of traffic in each direction. Street improvements include asphalt paving and concrete curbs, gutters and sidewalks, and street lighting. Street parking is permitted.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Parking Lot
South:	Homewood Suites (Hilton)
East:	Hyatt Regency
West:	Parking Lot/Multifamily Residential

CONCLUSION

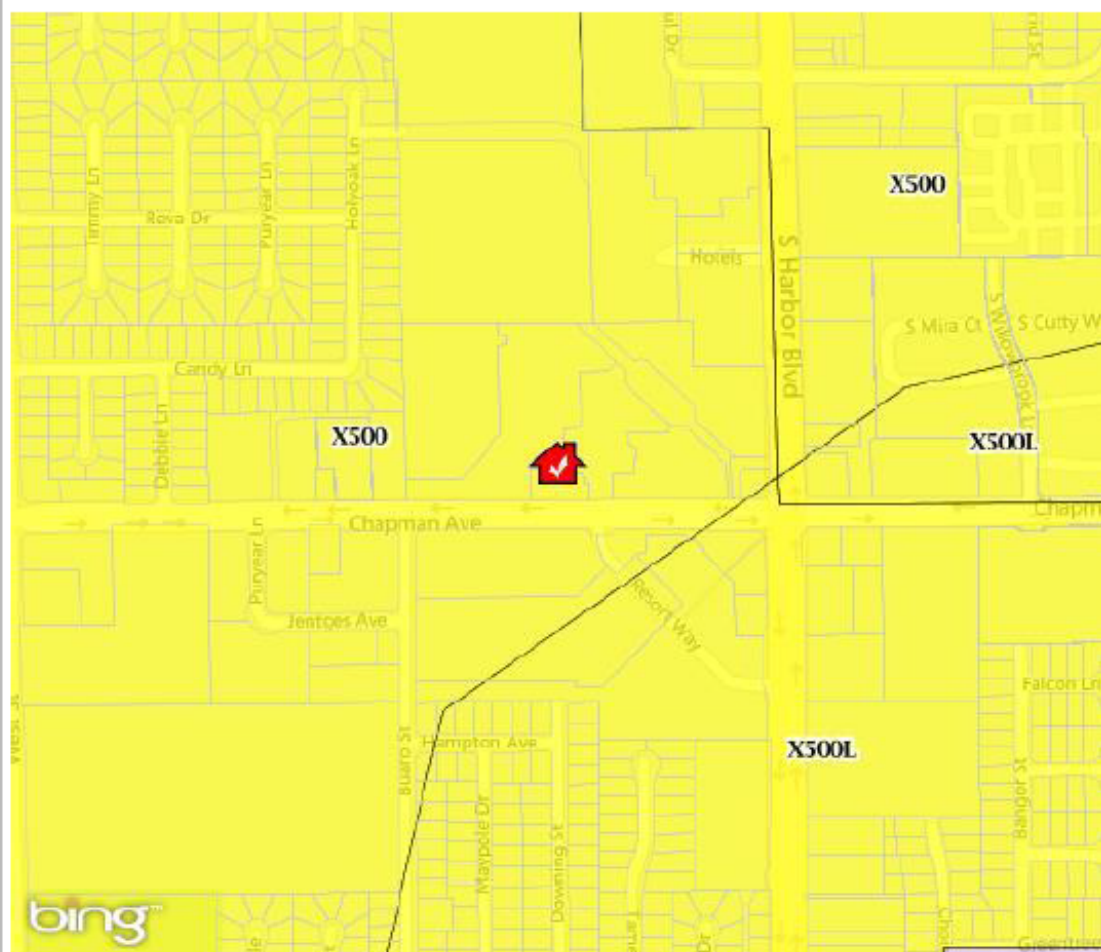
The subject site has good access and visibility from Chapman Avenue in Garden Grove. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant.

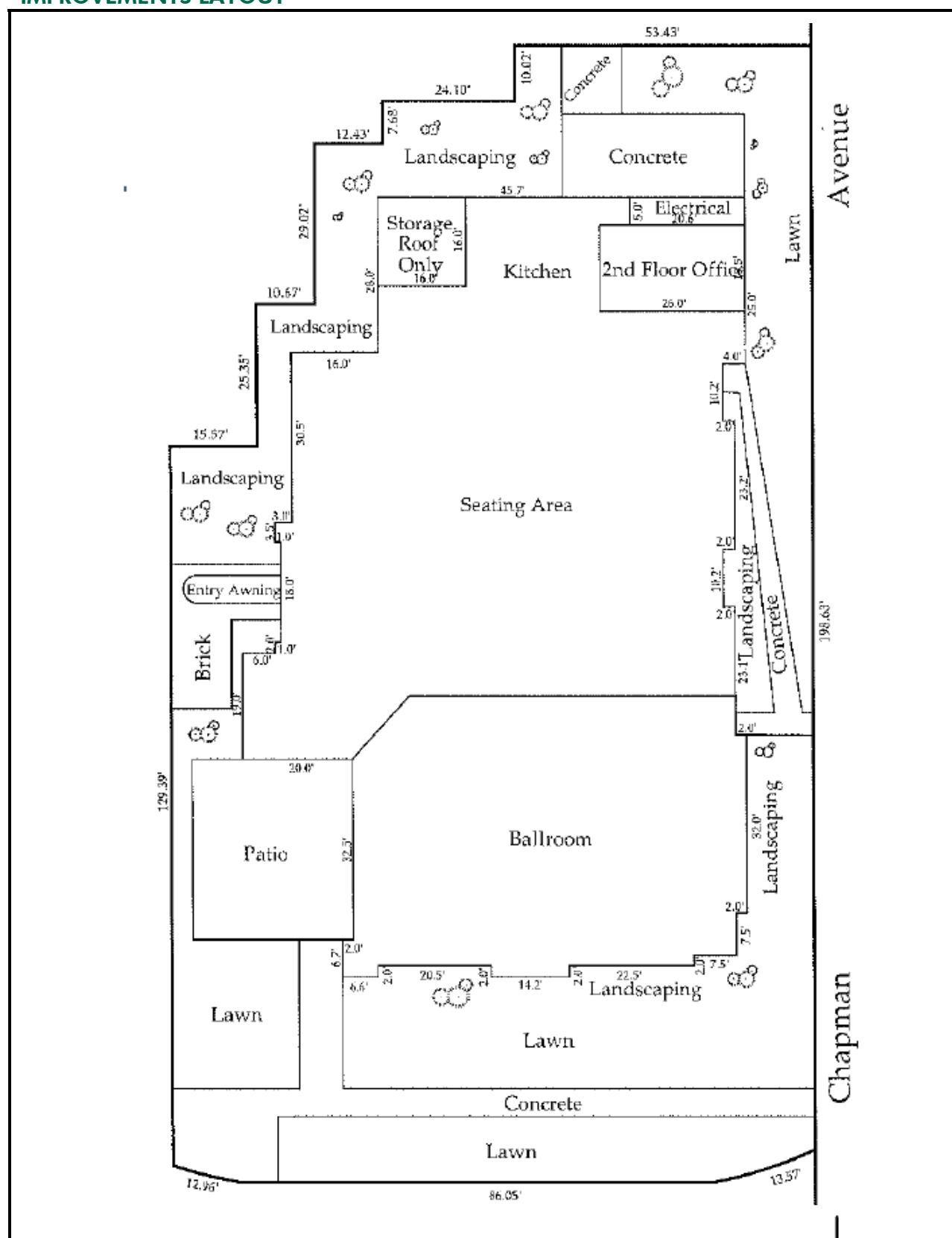
FLOOD PLAIN MAP

Flood Zone Code	Flood Zone Panel	Panel Date
X500	060220 - 06059C0141J	12/03/2009
Special Flood Hazard Area (SFHA)	Within 250 ft. of multiple flood zones?	Community Name
Out	No	

Flood Zone Description:

Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.





Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY		
Property Type	Retail	(Restaurant)
Number of Buildings	1	
Number of Stories	2	
Year Built	1984	Renovated: 2002
Gross Leasable Area	10,883 SF	
Site Coverage	50.6%	
Land-to-Building Ratio	1.9 : 1	
Parking Spaces (via easement):	50	
Parking Ratio (per 1,000 SF GLA)	4.59	
Source: Prior Appraisal. CBRE Inspection, Parking Easement		

YEAR BUILT

The subject was built in 1984 and was most recently renovated in 2002.

CONSTRUCTION CLASS

Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

The construction components are assumed to be in working condition and adequate for the building. The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FOUNDATION/FLOOR STRUCTURE

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor: Concrete slab on compacted fill

EXTERIOR WALLS

The exterior walls are wood frame with stucco exterior. Retail storefronts are plate glass set in anodized aluminum frames.

ROOF COVER

The building has a plywood deck roof supported by a wood frame truss structure with rolled asphalt and tile.

INTERIOR FINISHES

The typical interior finish of the retail shop space is summarized as follows:

Floor Coverings:	Ceramic tile and wood over concrete, and sealed concrete flooring.
Walls:	Textured and painted sheetrock.
Ceilings:	Combination textured and painted sheetrock and suspended acoustical tile.
Lighting:	Standard commercial fluorescent fixtures.
Summary:	The interior areas are typical building standard retail showroom finish, and are commensurate with competitors in the area. The space is in average condition, but will likely require some tenant retrofit prior to occupancy.

BALCONY/MEZZANINE/PATIO AREAS

Any potential balcony/mezzanine space is not included within the net rentable area calculations.

ELEVATOR/STAIR SYSTEM

The subject represents a ground floor retail use. As such, there are no elevators or stairwells.

HVAC

The HVAC system is roof mounted package units. It is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is assumed to be in good working order and adequate for the building.

PUBLIC RESTROOMS

The public restrooms appear to be standard builder's grade with sinks, individual stalls and a basic finish-out with ceramic tile floors, painted drywall, drop acoustical tile ceiling and overhead fluorescent lighting. They are regarded adequate for the property and are assumed built to local code.

LIFE SAFETY AND FIRE PROTECTION

Fire protection equipment consists of fire alarms and fire sprinklers. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

SECURITY

The security is an alarm.

PARKING AND DRIVES

The property has no on-site parking. All neighboring parking spaces and vehicle drives are asphalt paved and considered to be in average condition. Patron parking areas are provided in the neighboring parking lot. The number of on-site parking spaces is legally non-conforming for the existing use and is not typical of the market. Please note the lack of parking will be discussed in further detail.

LANDSCAPING

Landscaping is considered to be in average condition and well maintained.

OUTDOOR SITE IMPROVEMENTS

The property includes an outdoor patio that can seat 49 people.

FUNCTIONAL UTILITY

The overall layout of the property is considered functional in utility.

ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

FURNITURE, FIXTURES AND EQUIPMENT

The property currently has a full kitchen including stainless steel food preparation counters, exhaust hoods, dishwasher station, food preparation line, bar sinks, and walk-in cooler and freezer facilities. Any personal property items contained in the property are not considered to contribute significantly to the overall value of the real estate.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous

construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

DEFERRED MAINTENANCE

We were not provided with a property condition report. The subject has been vacant for many years and has not been maintained. We strongly suggest a property condition report be conducted to determine the amount and cost of deferred maintenance. For the purpose of this appraisal, we have assumed the subject to be in average condition.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	32 Years
Effective Age	30 Years
MVS Expected Life	55 Years
Remaining Economic Life	25 Years
Accrued Physical Incurable Depreciation	54.5%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

Zoning

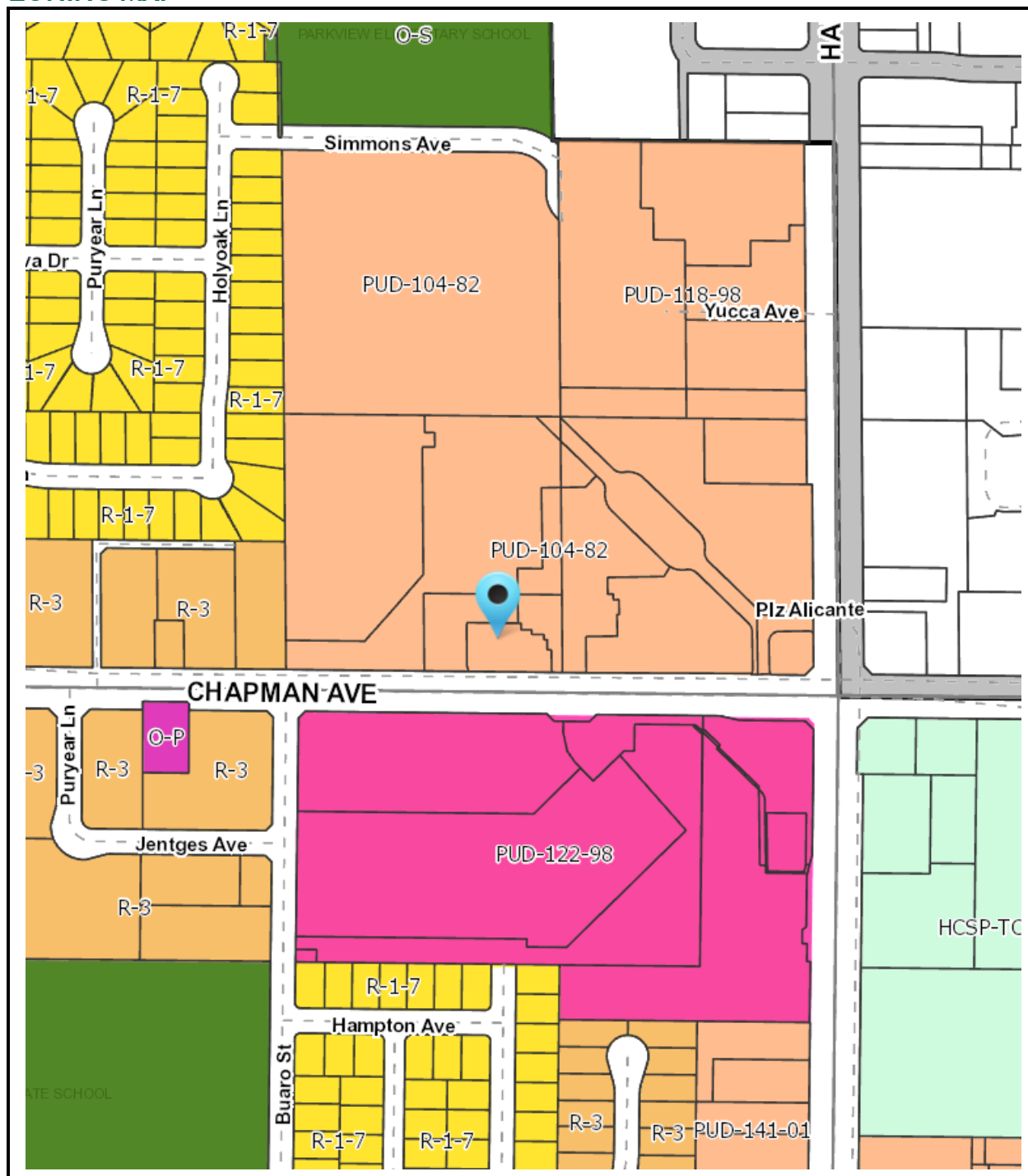
The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	PUD-104-82
Legally Conforming	No - See Comments
Uses Permitted	Development of a regional mixed use complex including hotel, restaurants, offices, and other incidental uses.
Zoning Change	Not likely
Category	Zoning Requirement
Parking Requirements	10 spaces / 1,000 SF of Bldg.
Subject's Actual Parking	4.59 spaces / 1,000 SF of Bldg.
Source: City of Garden Grove Planning & Zoning Dept.	

ANALYSIS AND CONCLUSION

The improvements represent an illegal and nonconforming use without the required parking according to the city of Garden Grove. The restaurant has been vacant for over 5 years, and the City of Garden Grove reported they will only approve a similar restaurant/banquet hall use if the site has the required parking spaces. An additional 59 parking spaces will be required to bring the subject up to code. It is uncertain if these parking spaces can be obtained. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

ZONING MAP



Tax and Assessment Data

In California, privately held real property is typically assessed at 100% of full cash value (which is interpreted to mean market value of the fee simple estate) as determined by the County Assessor. Generally, a reassessment occurs only when a property is sold (or transferred) or when new construction occurs (as differentiated from replacing existing construction). Assessments for properties that were acquired before the tax year 1975-1976 were stabilized as of the tax year 1975-1976. Property taxes are limited by state law to 1% of the assessed value plus voter-approved obligations and special assessments. If no sale (or transfer) occurs or no new building takes place, assessments may not increase by more than 2% annually. The following table summarizes the actual assessment and market value (land value).

AD VALOREM TAX INFORMATION		
Assessor's Market Value	2015/2016	Market Value
233-171-23	\$2,558,411	
Subtotal	\$2,558,411	\$1,100,000
Assessed Value @	100%	100%
	\$2,558,411	\$1,100,000
General Tax Rate (per \$100 A.V.)	-	1.15
General Tax:	\$0	\$12,650
Special Assessments:	-	20
Effective Tax Rate (per \$100 A.V.)	-	1.151818
Total Taxes	\$0	\$12,670
Source: Orange County Assessor's Office		

CONCLUSION

Since the subject is owned by the city of Garden Grove, no property taxes assessed to the subject. We have assumed that the subject to be sold to an owner-user or investor. For purposes of this analysis, CBRE, Inc. assumes a property tax rate of 1.15% with a \$20/year special assessment. If the subject sold for the value estimate in this report, a reassessment at that value would most likely occur, with tax increases limited to two percent annually thereafter until the property is sold again. The consequences of this reassessment have been considered in the appropriate valuation sections.

Market Analysis

DEMOGRAPHIC ANALYSIS

Demand for retail properties is a direct function of demographic characteristics analyzed on the following pages.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood with primary focus on the 3-mile radius.

POPULATION AND HOUSEHOLD PROJECTIONS			
	1 Mile	3 Miles	5 Miles
Population			
2020 Population	40,248	288,128	885,454
2015 Population	38,528	275,811	848,360
2010 Population	37,026	264,295	814,299
2000 Population	36,416	258,597	807,505
Annual Growth 2015 - 2020	0.88%	0.88%	0.86%
Annual Growth 2010 - 2015	0.80%	0.86%	0.82%
Annual Growth 2000 - 2010	0.17%	0.22%	0.08%
Households			
2020 Households	10,143	75,693	232,484
2015 Households	9,661	72,167	221,677
2010 Households	9,222	68,967	211,717
2000 Households	9,267	67,385	209,648
Annual Growth 2015 - 2020	0.98%	0.96%	0.96%
Annual Growth 2010 - 2015	0.93%	0.91%	0.92%
Annual Growth 2000 - 2010	-0.05%	0.23%	0.10%
Source: Nielsen/Claritas			

As shown, the subject's neighborhood is experiencing moderate positive increases in both population and households.

Income Distributions

Household income available for expenditure on consumer items is a primary factor in determining the retail supply and demand levels in a given market area. In the case of this study, a projection of household income identifies (in gross terms) the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

HOUSEHOLD INCOME DISTRIBUTION

Households by Income Distribution - 2015	1 Mile	3 Miles	5 Miles
Less than \$15K	7.33%	10.06%	10.35%
\$15K - \$25K	8.62%	10.59%	10.90%
\$25K - \$35K	11.29%	9.88%	10.56%
\$35K - \$50K	15.00%	13.83%	15.05%
\$50K - \$75K	20.14%	19.79%	19.60%
\$75K - \$100K	15.98%	13.95%	12.71%
\$100K - \$150K	16.00%	14.71%	13.73%
\$150K - \$250K	3.96%	5.58%	5.73%
\$250K - \$500K	1.31%	1.35%	1.14%
\$500K or more	0.36%	0.25%	0.21%

Source: Nielsen/Claritas

The following table illustrates the median and average household income levels for the subject neighborhood.

HOUSEHOLD INCOME LEVELS

Income	1 Mile	3 Miles	5 Miles
2015 Median Household Income	\$58,888	\$56,547	\$53,466
2015 Average Household Income	\$71,614	\$70,264	\$68,018
2015 Per Capita Income	\$17,958	\$18,385	\$17,773

Source: Nielsen/Claritas

Retail Sales Volumes

The following table illustrates retail sales for the subject's market area at given radii intervals from the subject.

RETAIL EXPENDITURES (\$000's)									
SUBJECT'S SUBMARKET									
Product Sample	1 Mile			3 Miles			5 Miles		
	2015	2020	%/Yr	2015	2020	%/Yr	2015	2020	%/Yr
All Retail Stores	354,142	379,853	1.4%	2,615,708	2,788,089	1.3%	7,944,912	8,464,514	1.3%
Grocery Stores	64,866	69,085	1.3%	477,866	507,001	1.2%	1,468,828	1,557,887	1.2%
Eating Places	29,354	31,201	1.2%	216,357	228,588	1.1%	657,196	693,708	1.1%
Drinking Places	711	754	1.2%	5,290	5,562	1.0%	16,086	16,896	1.0%
Health and Personal Care Stores	24,577	26,712	1.7%	183,600	198,048	1.5%	562,573	606,451	1.5%
Building Material & Garden Equipment & Supplies	6,995	7,839	2.3%	52,117	57,775	2.1%	157,046	174,088	2.1%
Hardware Stores	899	1,010	2.4%	6,675	7,432	2.2%	20,128	22,411	2.2%
Lawn & Garden Equipment & Supplies Dealers	1,187	1,345	2.5%	8,832	9,907	2.3%	26,612	29,835	2.3%
Furniture Stores	4,902	5,407	2.0%	36,688	39,950	1.7%	111,048	120,821	1.7%
Other Home Furnishing Stores	3,566	3,970	2.2%	26,743	29,400	1.9%	80,616	88,573	1.9%
Household Appliance Stores	1,101	1,350	4.2%	8,140	9,899	4.0%	24,604	29,941	4.0%
Radio/TV/Other Electronics Stores	5,106	7,007	6.5%	37,646	51,180	6.3%	114,741	155,967	6.3%
Department Stores (Excluding Leased)	30,065	33,667	2.3%	220,614	245,217	2.1%	673,459	748,009	2.1%
Clothing and Clothing Accessory Stores	26,782	29,485	1.9%	195,462	213,593	1.8%	596,292	651,076	1.8%
Shoe Stores	4,346	4,688	1.5%	31,371	33,693	1.4%	96,541	103,620	1.4%
General Merchandise Stores	58,752	65,215	2.1%	432,000	476,307	2.0%	1,321,165	1,455,683	2.0%
Warehouse Clubs and Superstores	29,177	32,195	2.0%	215,020	235,830	1.9%	658,691	721,999	1.9%
Full Service Restaurants	9,119	9,656	1.2%	67,780	71,175	1.0%	205,324	215,403	1.0%
Fast Food Restaurants	9,461	9,981	1.1%	68,933	72,499	1.0%	210,151	220,831	1.0%
Jewelry Stores	4,400	5,095	3.0%	33,751	38,292	2.6%	101,118	114,560	2.5%
Book Stores	3,025	3,480	2.8%	22,937	26,068	2.6%	71,200	80,772	2.6%
Gift, Novelty, and Souvenir Shops	1,123	1,262	2.4%	8,343	9,293	2.2%	25,336	28,190	2.2%
Florists	2,598	3,011	3.0%	19,478	22,249	2.7%	58,462	66,750	2.7%
Hobby, Toy, and Game Shops	2,333	2,599	2.2%	17,056	18,844	2.0%	51,948	57,324	2.0%
Sporting Goods Stores	3,444	3,988	3.0%	25,259	28,900	2.7%	76,563	87,397	2.7%
Camera/Photographic Supply Stores	421	557	5.8%	3,093	4,065	5.6%	9,390	12,326	5.6%
Luggage and Leather Goods Stores	407	517	4.9%	3,045	3,810	4.6%	9,138	11,421	4.6%
Sew/Needlework/Piece Goods Stores	615	657	1.3%	4,597	4,853	1.1%	13,874	14,622	1.1%
Convenience Stores	2,889	3,102	1.4%	21,226	22,711	1.4%	65,372	69,976	1.4%
Home Centers	3,300	3,699	2.3%	24,573	27,264	2.1%	74,038	82,155	2.1%
Nursery and Garden Centers	1,066	1,202	2.4%	7,920	8,842	2.2%	23,881	26,654	2.2%
Computer and Software Stores	2,091	2,791	5.9%	15,465	20,433	5.7%	47,159	62,245	5.7%
Clothing Accessory Stores	413	457	2.0%	3,029	3,326	1.9%	9,192	10,090	1.9%
Auto Dealers	73,457	72,975	-0.1%	545,712	539,864	-0.2%	1,623,088	1,601,495	-0.3%
Automotive Part, Accessories & Tire Stores	3,333	3,157	-1.1%	24,606	23,206	-1.2%	74,071	69,884	-1.2%
Gasoline Stations with Convenience Stores	27,535	28,154	0.4%	201,180	205,027	0.4%	612,128	624,273	0.4%
Gasoline Stations without Convenience Stores	8,197	8,205	0.0%	59,835	59,657	-0.1%	181,014	180,518	-0.1%
Electronic Shopping and Mail Order	14,473	16,910	3.2%	107,614	124,536	3.0%	328,371	379,607	2.9%
Total Accommodation and Food Services	42,545	45,192	1.2%	315,334	332,082	1.0%	955,867	1,005,726	1.0%

Source: Nielsen/Claritas

The annual rate of change for All Retail Stores is indicated as 1.4%, 1.3% and 1.3% on a 1-, 3-, and 5-mile radii, respectively. When excluding the Auto Dealers category, the rate of change for all retail is 1.8%, 1.7% and 1.7%, respectively. As noted, demand for most retail products is expected to increase over the next five years. The following table shows the range of growth and/or contraction and corresponding category for each radius.

RETAIL EXPENDITURE TRENDS

Minimum Growth Categories

Automotive Part, Accessories & Tire Stores (1 Mile)	-1.1%
Automotive Part, Accessories & Tire Stores (3 Miles)	-1.2%
Automotive Part, Accessories & Tire Stores (5 Miles)	-1.2%

Maximum Growth Categories

Radio/TV/Other Electronics Stores (1 Mile)	6.5%
Radio/TV/Other Electronics Stores (3 Miles)	6.3%
Radio/TV/Other Electronics Stores (5 Miles)	6.3%

Source: Nielsen/Claritas

Outlook

Based on this analysis, the immediate area surrounding the subject is projected to experience moderate, positive growth relative to households, population, income levels and retail expenditures into the near future. Given the area demographics, it appears that demand for both comparable surrounding area retail properties and the subject will continue to be favorable.

MARKET OVERVIEW – SOUTHERN CALIFORNIA

Southern California is one of the largest retail markets in the United States and contains a wide range of property types and tenants.

SOUTHERN CALIFORNIA RETAIL SNAPSHOT								
Rank	Market	Stock	Completions		Availability		Net Absorption	TW Rent Index
		Current (SF x 1000)	Level (SF x 1000)	Rate (%)	Level (SF x 1000)	Rate (%)	Level (SF x 1000)	Level (\$)
1	Bakersfield	11,169	106	1.0	1,329	11.9	59	18.63
2	Los Angeles	140,307	147	0.1	10,383	7.4	412	29.51
3	Orange County	68,227	3	0.0	4,230	6.2	178	28.79
4	Riverside	80,667	209	0.3	10,406	12.9	639	26.30
5	San Diego	61,230	5	0.0	5,449	8.9	-92	24.32
6	Ventura	18,693	0	0.0	1,925	10.3	149	26.70

Source: Baseline Outlook data as of 3Q-2015

Los Angeles County has the largest retail inventory levels, followed by Riverside (includes San Bernardino, commonly known as the Inland Empire), Orange County and San Diego. Ventura and Bakersfield are substantially smaller than the other four markets. Vacancy rates have stabilized, but are well above levels seen over the last few years. Bakersfield and the Inland Empire have the highest vacancy.

Southern California retail capitalization rates for sales closing in the third quarter reflected a slight increase, up 6 basis points (bp), from 5.51% in the second quarter of 2015 to 5.57% in the third quarter of 2015. The data is from the CBRE Valuation & Advisory Services (VAS) database from 2006 through Q3 2015.

SOUTHERN CALIFORNIA RETAIL									
Avg. Cap Rate - Quarter									
County	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Los Angeles	6.37	6.21	5.02	5.71	5.44	5.44	5.16	5.67	5.55
Orange	5.82	5.31	4.91	4.94	5.08	5.07	5.68	5.02	5.21
Riverside	6.91	6.33	6.77	6.11	6.01	5.45	5.83	5.83	5.76
San Bernardino	7.59	6.08	7.27	5.77	6.10	6.78	6.92	5.98	5.87
San Diego	5.46	6.32	5.00	6.12	5.86	5.51	5.98	5.03	5.61
Grand Total	6.47	6.11	5.77	5.70	5.58	5.55	5.62	5.51	5.57
Change	0.04	-0.37	-0.34	-0.07	-0.12	-0.03	0.07	-0.11	0.06

Source: CBRE

The number of single-tenant, net-leased (STNL) transactions remained high in the third quarter with private investors purchasing properties with stable cash flow at lower yields. In general, cap rates for these net lease deals ranged from 3.25% to 6.0%. The largest portfolio transaction was that of Eagle Canyon Capital's purchase of 68 CVS drug stores across the country from American

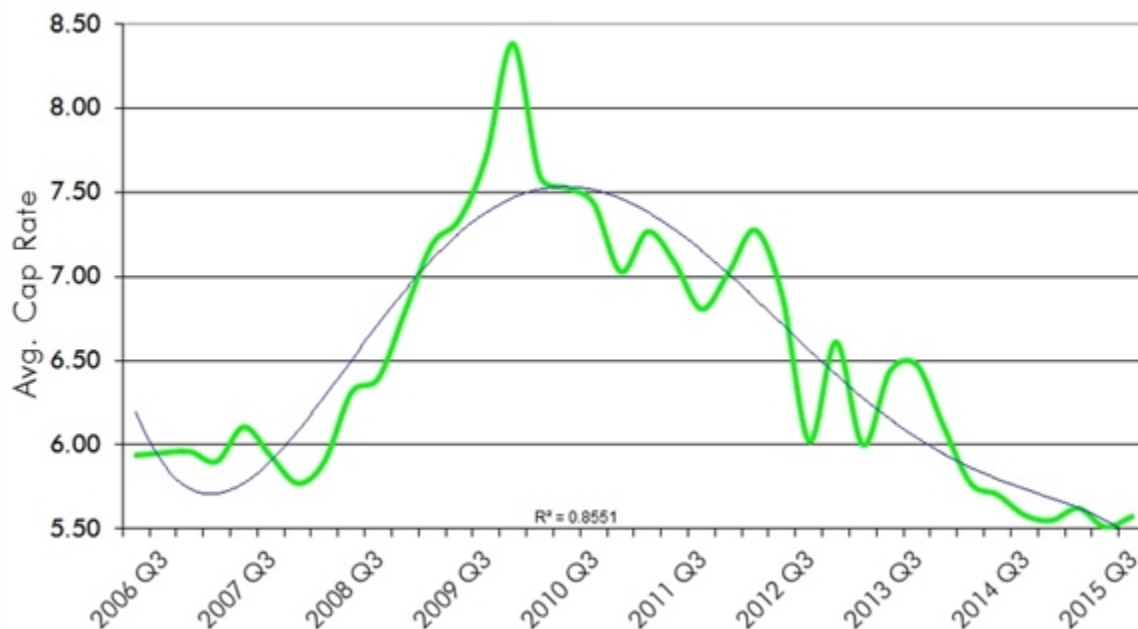
Realty Capital Properties (now operating as VEREIT) for a reported \$318.2 million. The average OAR was estimated to be approximately 6.2%.

The number of lifestyle center sales transactions continued to increase in Southern California in the third quarter, including the purchase of The Shoppes at Chino Hills by Dunhill Partners for a reported \$147 million from MX3 Ventures. The property is anchored by Barnes & Noble, Victoria's Secret, and Trader Joe's. Based on the existing income in place, the reported OAR was approximately 5.50%.

Real estate in Beverly Hills continues to be in high demand, albeit very low yields. Harbor Group International purchased a STNL retail property at 357 North Beverly Drive for a reported \$40 million, or \$2,828/sf. Fully leased by H&M through 2029, based on existing income in place, the reported OAR was slightly more than 3.0%.

The chart below summarizes the data (we have used a polynomial trend line⁶).

**Southern California Retail
Cap Rate Trend – Quarterly Average**



Source: CBRE

⁶ A polynomial trend line is a curved line that is used when data fluctuates. It is useful, for example, for analyzing gains and losses over a large data set. R-squared value: A number from 0 to 1 that reveals how closely the estimated values for the trend line correspond to your actual data. A trend line is most reliable when its R-squared value is at or near 1. It is also known as the coefficient of determination.

Southern California retail listings have an average asking cap rate of 6.04%, a slight increase from 5.93% last quarter. We found 51 centers (down from 69 last quarter) over 50,000 SF for sale, of which 27 had asking cap rates. The listings total approximately \$961 million, rounded, in volume. This survey does not take into account un-priced offerings.

RETAIL FOR SALE			
Market	Average Cap Rate	Total Asking Price \$/M	# of Properties
Los Angeles	5.50%	\$273	14
San Diego	6.24%	\$103	6
Orange	5.96%	\$190	6
Inland Empire	6.26%	\$395	25
Total	6.53%	\$961	51
Properties over 50,000 SF			

MARKET SUMMARY – ORANGE COUNTY 3RD QUARTER 2015

Vacancy Rate
4.4%Net Absorption
157,012 SFConstruction
400,000 SFLease Rate
\$2.10 NNN**RESTAURANT TRENDS**

California supports a thriving restaurant and quick service industry with over 68,144 locations statewide and a projected \$72.3 billion in annual sales for 2015. The food service and drinking places segment recorded the highest year-over-year increase for the summer with a growth of 9.0% in July. Restaurant trends are projected to continue to grow through 2015 as consumers increasingly incorporate restaurants and eating out into their daily lives. The market has begun to see culinary themes like local sourcing, sustainability and health conscious choices topping the list of menu trends for the year. These ideas reflect wider lifestyle choices that many Americans are striving for and has translated into more unique food space tenants.

PROJECTED DEVELOPMENT ON THE RISE

The Orange County region currently has 6 major projects in its development pipeline. The largest of these is the 300,000 sq. ft. Westgate Plaza in Anaheim and the 250,000 sq. ft. Town Center development in Yorba Linda. While no firm date on when construction will begin, both centers are highly anticipated and are projected to break ground sometime in 2016.

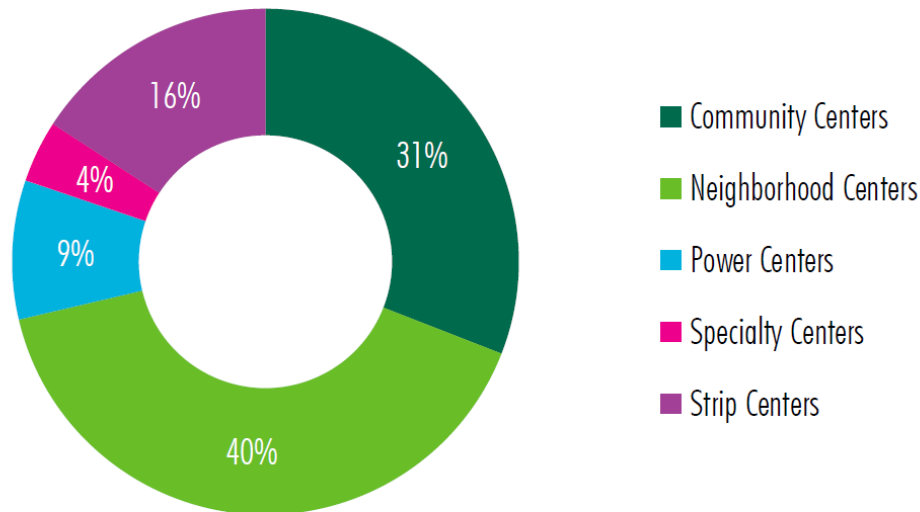
POSITIVE NET ABSORPTION IN ALL CENTER TYPES

Orange County saw positive net absorption for Q3 2015 in all of its major retail center categories. Following two quarters of negative absorption, this has put Orange County's overall year-to-date numbers back into the black. The largest amount of absorption leasing activity was seen in neighborhood and specialty centers with a footprint of 120,693 sq. ft. and 28,952 sq. ft. Power and strip centers also posted positive net absorption of 4,142 sq. ft. and 2,455 sq. ft. The smallest amount of positive net absorption was seen in community centers with a recorded 770 sq. ft.

The U.S. retail market ended Q3 2015 on a positive note with the retailer and restaurant segment posting a 2.2% year-over-year increase. These improvements are likely to help offset the slowdown experienced in factories and oil fields, signaling continued economic growth for Q3 2015. Consumer spending accounts for 70% of the nation's overall economic output and economists predict that these sturdy retail numbers will help to keep the economy in its forward motion.

The Orange County retail market experienced only slight changes from Q2 2015 as the market remains stable but not very dynamic. The overall vacancy rate for Q3 2015 decreased, ending 20 basis points (bps) below Q2 2015 at 4.4%. The average asking lease rate fell two cents two cents below Q2 2015, ending Q3 2015 at \$2.10 per square foot. The region recorded positive net absorption, ending Q3 2015 with 157,012 square feet.

Figure 1: Vacant Space Distribution



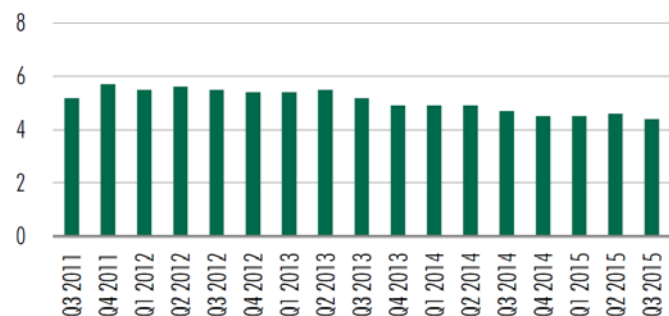
Source: CBRE Research, Q3 2015.

Vacancy Rates

Orange County's overall retail vacancy decreased from Q2 2015, recording 4.4% for Q3 2015. This reflects a quarter-over-quarter decrease of 20 bps and a year-over-year decrease of 30 bps. Four of Orange County's five major submarkets experienced decreases in vacancy with the only increase being minimal. North Orange County posted the largest decrease dropping 80 bps to 4.5%. Central Orange County posted the next largest, decreasing 20 bps to 5.6%. Both South and West Orange County decreased by 10 bps ending Q3 2015 at 3.6% and 4.4%, respectively. Although Central Coast was the only submarket with an increase, it still maintains the lowest overall vacancy in the region recording 2.7%, an increase of 10 bps.

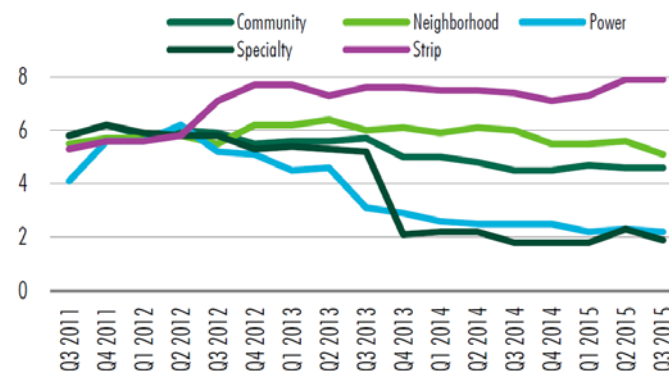
Of Orange County's five retail center types, there was no increase in vacancy experienced. Specialty and power centers maintained the lowest overall vacancy rates for the

Figure 6: Overall Vacancy (%)



Source: CBRE Research, Q3 2015.

Figure 7: Vacancy Rate by Center Type (%)



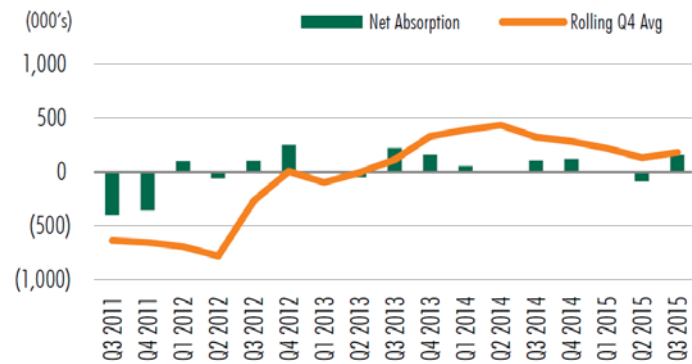
Source: CBRE Research, Q3 2015.

region posting 1.9% and 2.2%, decreases of 40 bps and 10 bps, respectively. Neighborhood centers also saw a decrease for Q3 2015, dropping 50 bps to 5.1%. Both community centers and specialty centers saw no change from Q2 2015 with recorded rates of 4.6% and 7.9%.

Absorption

Orange County generated positive net absorption for Q3 2015, recording 157,142 square feet. This bumped the region into the black for its year-to-date numbers, which totaling 61,286 square feet. This positive absorption is greatly credited to tenants moving into the North Orange County submarket whose total net footprint was positive 105,312 square feet in Q3 2015, bringing the year-to-date total to 141,024 square feet. Central Orange County generated the next highest absorption, ending Q3 2015 with positive 34,531 square feet. South and West Orange County also recorded positive net absorption with 18,231 square feet and 6,954 square feet. The only submarket to see negative absorption was the Central Coast which ended Q3 2015 with negative 8,016 square feet. While Central Coast was the only market to experience negative absorption, it still maintains a positive year-to-date total with 2,550 square feet.

Figure 8: Net Absorption (SF)



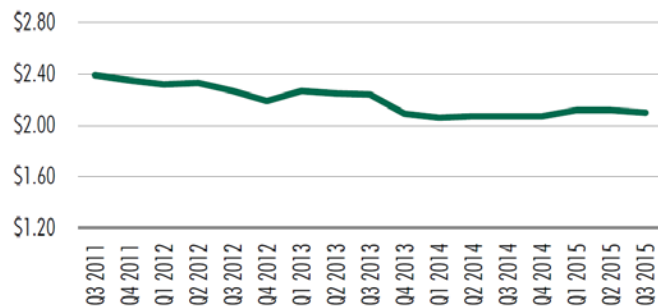
Source: CBRE Research, Q3 2015.

Average Asking Lease Rates

Orange County's average asking lease rates experienced an overall decrease in Q3 2015 posting \$2.10 per square foot. Although four cents lower than previous estimates, this rate is largely due to Class A property rates being withheld. Of the region's five major submarkets, three saw decreases in average asking lease rates. The Central Coast submarket maintained the highest asking lease rate and experienced the only increase for Q3 2015 posting a rate of \$2.83 per square foot. North Orange County saw the largest loss decreasing from \$1.91 per square foot in Q2 2015 to \$1.81 per square foot for Q3 2015. The South and West Orange County submarkets also saw decreases with recorded rates of \$2.35 per square foot and \$2.18 per square foot, respectively. The only submarket that remained unchanged was Central Orange County which ended Q3 2015 at \$1.94 per square foot.

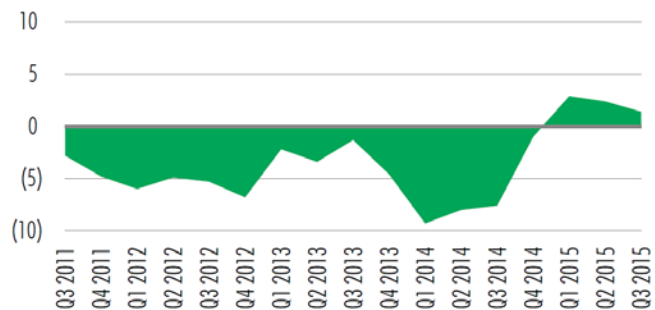
Power centers continued to post the highest asking lease rate increasing to \$2.82 per square foot for Q3 2015. Specialty centers and community centers posted the next highest asking rates with \$2.47 per square foot and \$2.28 per square foot. Neighborhood centers saw a decrease of five cents for Q3 2015 recording \$1.98 per square foot, respectively. Strip centers once again posted the lowest rate, decreasing to \$1.94 per square foot for Q3 2015.

Figure 4: Asking Lease Rate (\$PSF/MO/NNN)



Source: CBRE Research, Q3 2015.

Figure 5: Year-Over-Year Rent Growth (%)



Source: CBRE Research, Q3 2015.

Figure 10: Market Statistics

Submarket	Sq. Ft. GLA	Overall Vacancy (%)	Current Net Absorption (Sq. Ft.)	YTD Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Construction Deliveries (Sq. Ft.)	Avg Asking Lease Rate (\$PSF/MO/NNN)
Central County	29,127,954	5.6	34,531	(67,095)	0	0	1.94
Central Coast	13,170,056	2.7	(8,016)	2,550	0	0	2.83
North County	14,586,854	4.5	105,312	141,024	400,000	0	1.80
South County	17,942,185	3.6	18,231	(7,121)	0	0	2.35
West County	9,862,666	4.4	6,954	(8,072)	0	0	2.18
Orange County	84,689,715	4.4	157,012	61,286	400,000	0	2.10

Source: CBRE Research, Q3 2015.

Figure 11: Key Transactions

Occupier	Industry Sector	Location	Total Sq. Ft.
Maiselle Fine Furnishings	Home Furnishings	South Orange County	33,287
*Confidential	Banking	South Orange County	22,500
Home Goods	Home Furnishings	Central Coast	20,550
Fresh & Easy	Grocer	West Orange County	15,850
Rite Aid	Drug Store	South Orange County	14,564

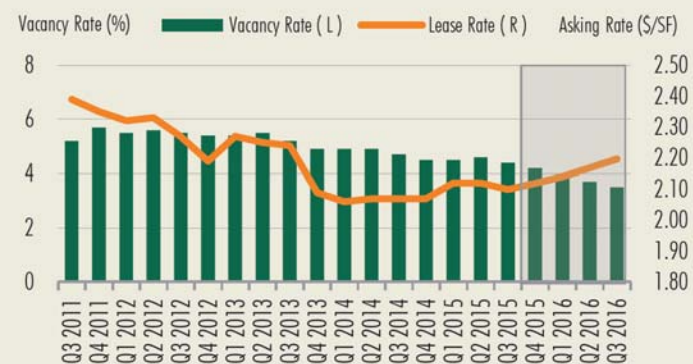
*Renewal

Source: CBRE Research, Q3 2015

Figure 12: Market Outlook

Although, the Orange County retail market has not experienced large changes over the last few quarters, it remains stable with an overall positive outlook. According to CBRE EA, Orange County's vacancy rate is projected to drop into the 3.0% range in 2016 with demand and leasing activity gradually increasing. While unexpected, the region's decrease in overall asking lease rates is projected to be a fluke and rates are expected to continue to increase through 2016, reaching \$2.20 per sq. ft. by Q3 2016.

12-Month Forecast



Source: CBRE Econometric Advisors, Q3 2015.

Forecast

The Orange County Market Trends Forecast from CBRE Econometric Advisors (CBRE-EA) includes historical trends and projections. The following charts are followed by a brief discussion of each.

RETAIL MARKET & DEMOGRAPHIC TRENDS											
Year	Total Employment (Jobs x 1000)	Pers. Income (Billions of \$)	Population (x 1000)	Shopping Center Supply		Est. Avail. Rate (%)	Est. Net Absorption (SF x 1000)	TW Rent Index (\$/SF)	TW Rent Inflation (%)	Retail Sales (Millions of \$)	
				Stock (SF x 1000)	Compl. (SF x 1000)					Goods/ Rests.	Grocery Stores
1985	992	42.3	2,200	48,587	2,238	na	na	na	na	8,340	1,922
1986	1,039	45.6	2,256	50,533	1,946	na	na	na	na	8,913	2,056
1987	1,092	49.6	2,307	52,737	2,204	na	na	na	na	9,583	2,210
1988	1,151	54.5	2,360	53,740	1,003	na	na	na	na	10,421	2,403
1989	1,160	58.3	2,403	54,991	1,251	3.8	na	17.04	na	11,066	2,565
1990	1,177	61.6	2,435	56,423	1,136	5.2	322	18.09	6.2	11,615	2,699
1991	1,146	63.1	2,475	57,328	905	5.0	956	18.13	0.2	11,907	2,790
1992	1,134	67.0	2,516	58,162	834	6.6	-102	17.98	-0.8	12,580	2,968
1993	1,125	67.9	2,549	58,403	241	8.3	-771	17.49	-2.7	12,740	3,018
1994	1,147	70.8	2,585	58,659	256	7.1	935	17.54	0.3	13,226	3,137
1995	1,171	74.5	2,622	58,967	308	6.8	437	17.92	2.2	13,835	3,287
1996	1,205	81.1	2,674	60,454	1,487	6.0	1,902	18.46	3.0	14,921	3,556
1997	1,265	87.7	2,744	61,033	579	4.9	1,169	19.52	5.7	15,974	3,809
1998	1,326	95.3	2,796	61,749	716	4.6	892	20.04	2.7	17,183	4,096
1999	1,365	103.0	2,836	61,984	235	4.3	435	22.05	10.0	18,414	4,397
2000	1,406	110.4	2,871	62,690	706	2.8	1,586	23.56	6.8	19,565	4,675
2001	1,406	112.7	2,897	63,563	873	4.2	-20	24.37	3.4	19,942	4,777
2002	1,418	117.8	2,919	64,191	628	3.3	1,150	24.58	0.9	20,747	4,980
2003	1,444	125.7	2,937	64,739	548	4.2	-23	25.11	2.2	21,972	5,282
2004	1,476	134.2	2,943	65,454	715	3.8	909	26.67	6.2	23,267	5,593
2005	1,505	143.6	2,937	65,975	521	3.2	955	26.66	0.0	24,694	5,935
2006	1,531	150.5	2,929	66,371	396	3.6	121	30.84	15.7	25,723	6,176
2007	1,517	151.6	2,943	66,988	617	3.3	776	32.73	6.1	25,921	6,241
2008	1,457	151.4	2,973	67,624	636	5.1	-657	27.52	-15.9	25,951	6,301
2009	1,360	144.6	3,002	67,942	318	8.1	-1,676	27.92	1.5	25,008	6,133
2010	1,375	150.4	3,037	67,955	13	8.1	-40	25.61	-8.3	25,902	6,366
2011	1,389	156.9	3,074	67,995	40	8.8	-400	26.53	3.6	26,909	6,630
2012	1,439	173.8	3,106	68,069	74	8.3	418	26.30	-0.9	29,445	7,265
2013	1,470	171.9	3,135	68,170	101	7.4	641	28.79	9.5	29,131	7,170
2014	1,514	178.1	3,158	68,214	44	6.5	639	28.66	-0.5	30,043	7,382
2015	1,557	187.2	3,189	68,241	27	5.8	485	28.98	1.1	31,389	7,710
2016	1,592	199.9	3,212	68,500	259	4.6	1,101	30.40	4.9	33,245	8,173
2017	1,623	213.3	3,227	68,978	478	3.8	996	32.17	5.8	35,205	8,662
2018	1,635	222.4	3,218	69,570	592	3.5	738	33.90	5.4	36,530	8,993
2019	1,642	230.7	3,233	70,214	644	3.8	409	35.25	4.0	37,749	9,310
2020	1,661	241.4	3,282	70,855	641	4.1	420	36.19	2.7	39,322	9,727

Source: Baseline Outlook data as of Q3 2015

Vacancy peaked from 2009 to 2012 at 8.1% to 8.2% respectively, reaching 8.6% in 2011. Over the last five years, vacancy averaged 7.8%, and is projected to remain stable, on average, through 2020 at 4.3%.

Between 2008 and 2014 rental rates increased from \$27.52 to \$28.66 PSFY, an annual compound change of 0.31%. Going forward, rents are predicted to increase to \$36.19 PSFY in 2020, a 3.96% annual compounded change from 2014.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections. A restaurant use requires 10 spaces per 1,000 square feet of building space. The subject has a parking easement for 50 spaces in the adjoining parking lot. The subject would be limited to approximately 5,000 square feet due to the limited parking available.

Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financially Feasible

Potential uses of the site include hotel, restaurant, office, and incidental uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. Several restaurants have been constructed across Chapman Avenue near the subject. Oggi's constructed a 5,100 square foot restaurant in 2008. Other restaurants in the immediate area include Red Robin (5,815 SF), Joe's Crab Shack (6,573 SF), and Outback Steakhouse (6,358 SF). As discussed in the market analysis, the subject retail market is generally stabilized. Given the subject's location next to several hotels, the most feasible use would be for a restaurant use of approximately 5,000 square feet.

Maximally Productive - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of a restaurant property. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an owner-user or developer that would construct a freestanding full-service restaurant.

Ideal Improvement

We have assumed the ideal improvement for the subject is a freestanding full-service restaurant with an approximate building size of $\pm 5,000$ square feet. We contacted Karl Hill with the economic development department of the City of Garden Grove. He agreed that would be the most likely size given the parking requirement for restaurants.

AS IMPROVED

Legally Permissible

The site has been improved with a restaurant/banquet hall that is an illegal and nonconforming use. Additional parking spaces would be required. The City of Garden Grove requires 10 spaces per 1,000 square feet for a restaurant use. The subject has a parking easement for only 50 spaces.

Physically Possible

The layout and positioning of the improvements are not considered functional for restaurant use. The subject is 10,883 square feet, which is significantly larger than most restaurants in the area. The current configuration of the subject is a restaurant with a dance floor area. The City of Garden Grove indicated that a dance hall use would most likely not be approved. It is assumed the subject can be used as a restaurant only. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for restaurant/banquet user would not be allowed. The most functional use would be a reduction of the existing improvements or rebuilt prior to occupancy by a new tenant.

Financially Feasible

The financial feasibility of a restaurant property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. The subject is 10,883 square feet and does not conform to current parking regulations. Greg Blodgett with the City of Garden Grove indicated a restaurant use with dance floor will likely not be approved by the City, especially since a dance floor requires additional parking beyond the restaurant requirements. Karl Hill with the City of Garden Grove reported that most restaurants in the immediate area are 5,000 to 6,000 square feet and were constructed by national tenants to their specifications. He believed the subject would be leased to a national tenant who would construct their own building of 5,000 to 6,000 square feet. The subject is significantly larger than most restaurants requirements and the current parking regulations restrict its current use a restaurant/dance hall. Based upon the current

configuration of the subject and conversations with the City of Garden Grove, the continued utilization of the improvements for restaurant purposes is not considered financially feasible.

Maximally Productive - Conclusion

Based on the foregoing, the highest and best use of the property, as improved, is to redevelop the current improvements as a restaurant of approximately 5,000 to 6,000 square feet. This is due to the parking requirements from the City of Garden Grove and the functional obsolescence of the current configurations. The parking easement is for 50 spaces only and it is uncertain if more spaces can be obtained. In addition, the subject is nearly twice as large as most restaurant requirements and there are few users that can accommodate a restaurant of this size. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as improved, would be an owner-user or developer that would redevelop the site. This is based upon conversations with the City of Garden Grove economic development department and the legally permissible uses of the site.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

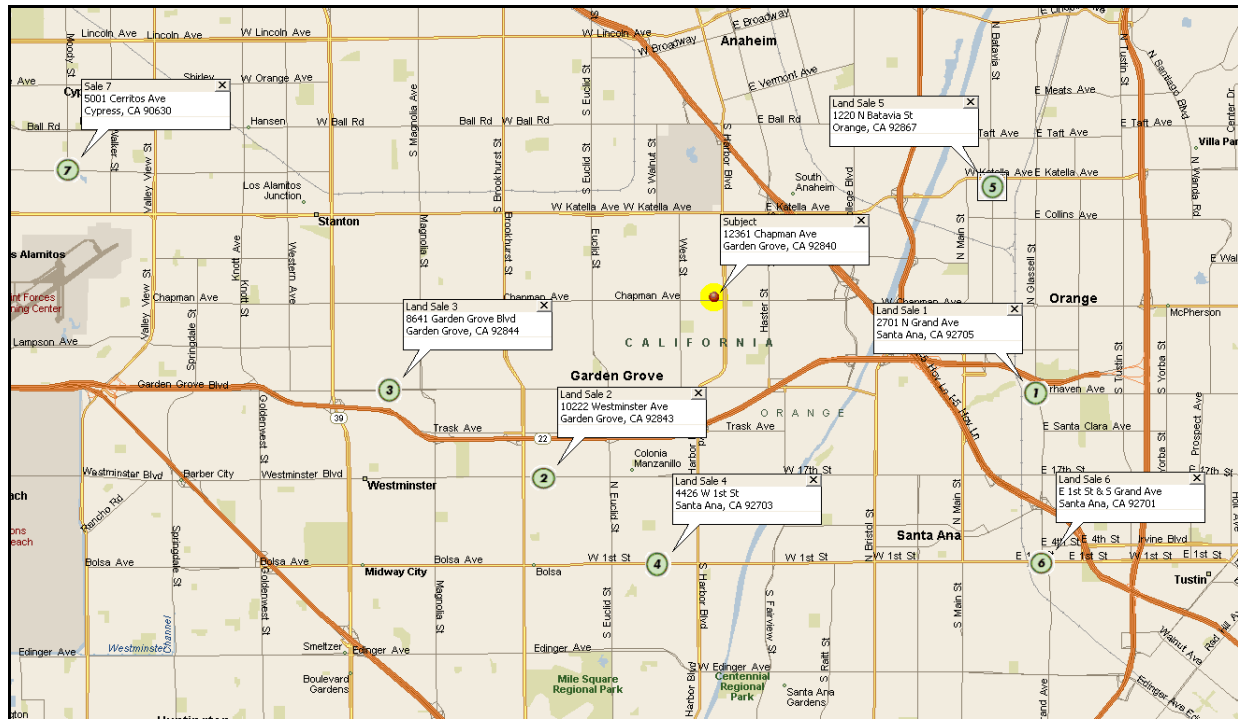
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison approach (land value) was applicable and has been utilized.

Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda. The land sales utilized represent the best data available for comparison with the subject and were selected from the immediate area of the subject.



SUMMARY OF COMPARABLE LAND SALES

No.	Property Location	Transaction Type	Date	Zoning	Actual Sale Price	Adjusted Sale Price ¹	Size (SF)	Price Per SF
1	2701 N. Grand Avenue, Santa Ana, CA	Sale	Jan-14	Retail	\$725,000	\$725,000	22,651	\$32.01
2	10222 Westminister Avenue, Garden Grove, CA	Sale	Jul-13	Medical Office	\$1,900,000	\$1,900,000	43,560	\$43.62
3	8641 Garden Grove Blvd. , Garden Grove, CA	Sale	Jun-13	Retail	\$1,099,000	\$1,099,000	27,661	\$39.73
4	4426 W 1st Street, Santa Ana, CA	Sale	Mar-13	Retail	\$1,000,000	\$1,050,000	23,901	\$43.93
5	1220 North Batavia Avenue, Orange, CA	Sale	Feb-13	Retail	\$975,000	\$975,000	33,933	\$28.73
6	1st St @ Grand Avenue, Santa Ana, CA	Sale	Jan-16	Retail	\$1,975,000	\$1,975,000	33,999	\$58.09
7	5001 Cerritos Avenue, Cypress, CA	Sale	May-15	Medical Office	\$950,000	\$950,000	22,651	\$41.94
Subject	12361 Chapman Avenue, Garden Grove, California	---	---	Retail	---	---	20,708	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

DISCUSSION/ANALYSIS OF LAND SALES

Land Sale One

Land Sale 1 is the January 2014 sale of 0.52-acres of commercial land at the northeast corner of Fairhaven and Grand Avenue in the city of Santa Ana. The site is located just south of the SR-22 Freeway within a Big Lots anchored retail center. The broker indicated the site had issues with ingress/egress otherwise the price would have been higher around \$35-\$40 per square foot. It is believed the buyer intends to construct a restaurant on the site.

A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year). A positive adjustment was applied for inferior ingress/egress.

Land Sale Two

Land sale 2 is a 1.0-acre site located in the city of Garden Grove. Specifically, it is at the southwest corner of Westminster Avenue and Hope Street, with a second, non-contiguous site on the west side of Hope Street, south of Westminster Avenue. Surrounding land uses include commercial development on Westminster Avenue, with residential development on Hope Street and other secondary and tertiary streets. The corner parcel is L-shaped with extensive street frontage relative to its depth. The mid-block site is rectangular in shape. The site is zoned for commercial uses. The property sold in July 2013 for \$1,900,000 or \$43.62 per site square foot. The buyer has since constructed a medical office building for his practice. A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year).

Due to its highly similar features, no net or absolute adjustments were required for this comparable when compared to the subject property.

Land Sale Three

Land Sale 3 is the June 2013 sale of a corner parcel located in the city of Garden Grove. Specifically, the site is located at the northwest corner of Adelle Street and Garden Grove Boulevard. Traffic counts approximate 33,000 vehicles per day along Garden Grove Boulevard. Physically, the site contains 0.64-acres or 27,661 square-feet, is rectangular in shape and level with the adjacent street grade. All utilities are readily available and the site is commercially zoned. A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year).

Due to its highly similar features, no net or absolute adjustments were required for this comparable when compared to the subject property.

Land Sale Four

Land Sale 4 is the sale of a 0.55-acre parcel located at the SEC of W 1st Street and S Newhope Avenue, in the city of Santa Ana. At the time of sale, the site was improved with older commercial buildings, including a LP Gas selling station; however, the listing agent reported the sale to be based 100% on land value with no contributory value or off-set attributed to the

improvements. The site was marketed as being ideal for gas station and/or fast-food retail use. According to CoStar, the buyer plans on removing the existing improvements and constructing a carwash on the site. The cost estimated to remove the existing improvements is \$50,000 and has been included in the total acquisition cost analyzed herein. According to Mel Wagstaff, there were no environmental issues that required remediation prior to re-development. It was further noted the sale involved a prolonged escrow period of approximately one year while the buyer processed entitlements for the carwash facility. The actual marketing time prior to entering escrow was 6 months. A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year). Please note we accounted for the prolonged escrow period in our adjustment.

Due to its highly similar features, no net or absolute adjustments were required for this comparable when compared to the subject property.

Land Sale Five

Land Sale 5 is a 0.78-acre land sale is located at the southwest corner of West Katella Avenue and North Batavia Street in the city of Orange. The buyer was Farmer Boys Food, Inc. and a Farmer Boys fast food restaurant is expected to be built with construction beginning in August 2013. The proposed restaurant building is expected to be between 2,800 to 3,200 square feet and will take approximately five months to construct. The property sold for \$975,000 and, according to CoStar, had an original asking price of \$1,200,000. The buyer paid all cash to the seller.

A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year). This site is triangular and has limited frontage along Katella Avenue. A large positive adjustment was applied under shape/corner.

Land Sale Six

Land Sale 6 is a 0.78-acre commercial site located at the northeast corner of 1st Street and Grand Avenue in the city of Santa Ana. The property sold for \$1,975,000 and, according to CoStar, had an original asking price of \$2,380,000. The buyer paid all cash to the seller.

A positive adjustment was applied for larger parcel size. This site has superior visibility as compared to the subject. Traffic counts along 1st Avenue and Grans Avenue are significantly higher than Chapman. A negative adjustment was applied.

Land Sale Seven

Land Sale 7 sold for \$950,000 on 5/29/2015. This is a 22,651-sf vacant lot on the corner of Moody St and Cerritos Ave. Details of the transaction were confirmed with the sellers agent. According to the agent, this site was previously developed as a gas station, but the site was declared "clean". The buyer purchased the site to construct a dental office, which was under construction as of mid-December 2015.

A positive adjustment was applied for inferior market conditions at time of sale (3.0%/year). This site has inferior visibility as compared to the subject and a positive adjustment was applied.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID							
Comparable Number	1	2	3	4	5	6	7
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale
Transaction Date	Jan-14	Jul-13	Jun-13	Mar-13	Feb-13	Jan-16	May-15
Proposed Use	Retail	Medical Office	Retail	Retail	Retail	Retail	Medical Office
Actual Sale Price	\$725,000	\$1,900,000	\$1,099,000	\$1,000,000	\$975,000	\$1,975,000	\$950,000
Adjusted Sale Price ¹	\$725,000	\$1,900,000	\$1,099,000	\$1,050,000	\$975,000	\$1,975,000	\$950,000
Size (Acres)	0.52	1.00	0.63	0.55	0.78	0.78	0.52
Size (SF)	22,651	43,560	27,661	23,901	33,933	33,999	22,651
Price (\$ PSF)	\$32.01	\$43.62	\$39.73	\$43.93	\$28.73	\$58.09	\$41.94
Property Rights Conveyed							
Financing Terms ¹							
Conditions of Sale			4.5%				
Market Conditions (3.0%/yr.)	6.0%	8.0%	18.0%	9.0%	9.0%		2.0%
Subtotal	\$33.93	\$47.11	\$49.02	\$47.89	\$31.32	\$58.09	\$42.78
Size		5.0%			2.5%	2.5%	
Shape/Corner					30.0%		
Access/Traffic Counts	15.0%					-15.0%	5.0%
Frontage							
Topography							
Location							
Zoning/Density							
Utilities							
Highest & Best Use							
Total Other Adjustments	15.0%	5.0%	0.0%	0.0%	32.5%	-13%	5%
Value Indication for Subject	\$39.02	\$49.46	\$49.02	\$47.89	\$41.50	\$50.83	\$44.92
Absolute Adjustment	21%	13%	23%	9%	42%	18%	7%

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

CONCLUSION

Based on the preceding analysis, all of the land sales warrant consideration. We estimate the value range for the subject site to be \$45 to \$50 per site square foot. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF		Total
\$45.00	x	20,708	=	\$931,860
\$50.00	x	20,708	=	\$1,035,400
Subtotal Value:				\$980,000
Subtract: Demolition Costs (\$5.00/sf)				(\$54,000)
Add: Value of Parking Easement				\$170,000
Land Value (As If Vacant)				\$1,100,000
(Rounded \$ PSF)				\$53.12
Compiled by CBRE				

In the following sections, we will explain the value of the parking easement.

Contributory Value of Parking Easement (50 Spaces)

Please note the subject site has easement rights to 50 parking spaces located to the parcel next door. The monthly rental rate is \$2,473/month and increases 2.5% per year. The overall cost is ±\$50 per space per month, which is below-market for this area. In this case, we have assumed a 4.0% cap rate. We estimate the value of the 50 parking spaces is as follows:

INCOME VALUE OF PARKING EASEMENT	
Monthly Rental Rate	\$2,473
Annual Rental Rate	\$29,676
Cap Rate	4.0%
Income Value of 50 Parking Spaces	\$740,000
Value Per Space	\$14,800
Value Per Land SF (350 sf x 50 sp.)	\$44.85
Compiled by CBRE	

We have assumed each parking space requires 350 square feet. This equates to an equivalent site area of 17,500 sf (50 spaces x 350 square feet) for the 50 parking spaces. The following table is the cost to re-create 50 parking spaces next to the subject.

COST VALUE OF PARKING EASEMENT	
Land Value (\$45/sf x 17,500 sf)	\$787,500
Paving/Site Improvements (\$7/sf)	\$122,500
Cost of 50 Parking Spaces	\$910,000
Value Per Space	\$18,200
Value Per Land SF (350 sf x 50 sp.)	\$52.00
Compiled by CBRE	

If we deduct the value of the easement from the cost to recreate the parking spaces, this will derive the contributory value of the parking easement. The contributory value of the parking easement is added to our land value, since the parking easement runs with the land.

CONTRIBUTORY VALUE OF PARKING EASEMENT	
Cost of 50 Parking Spaces	\$910,000
Income Value of 50 Parking Spaces	(\$740,000)
Contributory Value of 50 Parking Spaces	\$170,000
Value Per Space	\$3,400
Value Per Land SF (350 sf x 50 sp.)	\$9.71
Compiled by CBRE	

RECONCILIATION OF VALUE

Due the conclusions from the highest and best use analysis, the subject was valued as land only. In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are comparable to the subject being commercial zoned parcels along major thoroughfares. The required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on similar properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication and has been given primary emphasis in the final value reconciliation since the most likely buyer would be an owner-user or developer that would redevelop the property with a freestanding full-service restaurant.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple Estate	January 12, 2016	\$1,100,000
Compiled by CBRE			

Reconciliation of Value

Please note the subject is in contract for sale at \$2,200,000 per the listing agent. The sale is awaiting approval from the city of Garden Grove. The sale is awaiting approval from the city of Garden Grove and it was reported it is unlikely this sale will be approved. Limited consideration was given to the pending sales price.

Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact

on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Sale

Land - Retail/Commercial

No. 1

Property Name Retail Land
Address 2701 N. Grand Avenue
Santa Ana, CA 92705
United States

Government Tax Agency Orange
Govt./Tax ID 390-171-03

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.520	22,651
Land Area Gross	0.520	22,651

Site Development Status	N/A
Shape	Irregular
Topography	Level, At Street Grade
Utilities	Yes

Maximum FAR N/A
Min Land to Bldg Ratio N/A
Maximum Density N/A

Frontage Distance/Street 128 ft N Grand Avenue

General Plan N/A
Specific Plan N/A
Zoning C5
Entitlement Status N/A



Sale Summary

Recorded Buyer Michael Daskalakis
True Buyer N/A
Recorded Seller Bizhan Yaghoobia
True Seller N/A

Interest Transferred N/A
Current Use Vacant
Proposed Use Retail
Listing Broker Mike Cocos
Selling Broker 714-996-3000
Doc # 10982

Marketing Time 6 Month(s)
Buyer Type N/A
Seller Type N/A
Primary Verification Mike Cocos -714-996-3000

Type	Sale
Date	1/1/2014
Sale Price	\$725,000
Financing	Other(See Comments)
Cash Equivalent	\$725,000
Capital Adjustment	N/A
Adjusted Price	\$725,000


Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2014	Sale	Michael Daskalakis	Bizhan Yaghoobia	\$725,000	N/A
12/2010	Sale	N/A	Yaghoobia Bizhan	\$575,000	N/A

Sale	Land - Retail/Commercial	No. 1
------	--------------------------	-------

Units of Comparison		
	\$32.01 / sf	N/A / Unit
	\$1,394,231.00 / ac	N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments
 <p>This represents the January 2014 sale of 0.52 acres of commercial land at the northeast corner of Fairhaven and Grand Avenue in the city of Santa Ana. The site is located just south of the 22 Freeway in a Big Lots anchored retail center. The broker indicated the site had issues with ingress/egress otherwise the price would have been higher around \$35-\$40 per square foot. It is believed the buyer intends to construct a restaurant on the site.</p>

Sale

Land - Retail/Commercial

No. 2

Property Name Commercial Land
Address 10222 Westminster Avenue
Garden Grove, CA 92843
United States

Government Tax Agency Orange
Govt./Tax ID 099-162-28

Site/Government Regulations

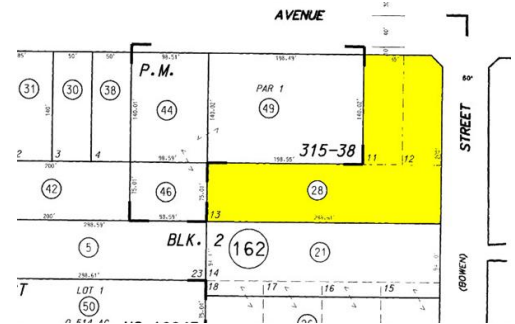
	Acres	Square feet
Land Area Net	1.000	43,560
Land Area Gross	1.000	43,560

Site Development Status	Raw
Shape	Irregular
Topography	Level, At Street Grade
Utilities	All to site

Maximum FAR 0.00
Min Land to Bldg Ratio N/A
Maximum Density 0.00 per ac

Frontage Distance/Street 85 ft Westminster
Frontage Distance/Street 200 ft Hope

General Plan N/A
Specific Plan N/A
Zoning C-1, Garden Grove
Entitlement Status None



Sale Summary

Recorded Buyer Hun Nguyen
True Buyer N/A
Recorded Seller Assoc. of Vietnamese Buddhists Nun
True Seller N/A
Interest Transferred Fee Simple/Freehold
Current Use Vacant Lot
Proposed Use Medical Office
Listing Broker Tan Ho-Long Coast Realty
Selling Broker Anh N. Tran Nguyen-Long Coast Realty
Doc # 0458487

Marketing Time 0 Month(s)
Buyer Type End User
Seller Type Private Investor
Primary Verification Public Record


Type	Sale
Date	7/31/2013
Sale Price	\$1,900,000
Financing	Market Rate Financing
Cash Equivalent	\$1,900,000
Capital Adjustment	\$0
Adjusted Price	\$1,900,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
07/2013	Sale	Hun Nguyen	Assoc. of Vietnamese Buddhists Nun	\$1,900,000	N/A

Units of Comparison		
\$43.62 / sf	N/A / Unit	
\$1,900,000.00 / ac	N/A / Allowable Bldg. Units	
	N/A / Building Area	

Map & Comments



This is the sale of a 1.0-acre site located in the city of Garden Grove. Specifically, it is at the southwest corner of Westminster Avenue and Hope Street, with a second, non-contiguous site on the west side of Hope Street, south of Westminster Avenue. Surrounding land uses include commercial development on Westminster Avenue, with residential development on Hope Street and other secondary and tertiary streets. The corner parcel is L-shaped with extensive street frontage relative to its depth. The mid-block site is rectangular in shape. The site is zoned for commercial uses. The property sold in July 2013 for \$1,900,000 or \$43.62 per site square foot. The buyer has since constructed a medical office building for his practice.

Sale

Land - Retail/Commercial

No. 3

Property Name 8641 Garden Grove Blvd.
Address 8641 Garden Grove Blvd.
Garden Grove, CA 92844
United States

Government Tax Agency Orange
Govt./Tax ID 133-464-08

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.630	27,661
Land Area Gross	0.630	27,661

Site Development Status	N/A
Shape	Rectangular
Topography	Generally Level
Utilities	to site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	N/A	Garden Grove
Frontage Distance/Street	N/A	Adelle

General Plan	N/A
Specific Plan	N/A
Zoning	C-2
Entitlement Status	N/A

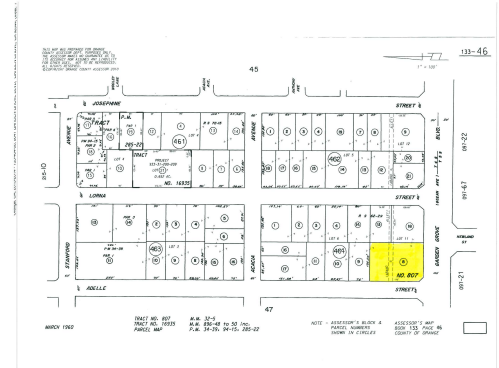
Sale Summary

Recorded Buyer	Geo Dandelion LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Tony, Bruce, Steven Nguyen	Seller Type	N/A
True Seller	N/A	Primary Verification	Co-star, no brokers

Interest Transferred	N/A	Type	Sale
Current Use	vacant land	Date	6/25/2013
Proposed Use	commercial	Sale Price	\$1,099,000
Listing Broker	None	Financing	Cash to Seller
Selling Broker	None	Cash Equivalent	\$1,099,000
Doc #	0383827	Capital Adjustment	N/A
		Adjusted Price	\$1,099,000


Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
06/2013	Sale	Geo Dandelion LLC	Tony, Bruce, Steven Nguyen	\$1,099,000	N/A



Units of Comparison		
	\$39.73 / sf	N/A / Unit
	\$1,730,709.00 / ac	N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments
<div>  <p>This comparable represents the June, 2013 sale of a corner located parcel in the city of Garden Grove. Specifically, the site is located at the northwest corner of Adelle Street and Garden Grove Boulevard. Traffic counts approximate 33,000 vehicles per day along Garden Grove Boulevard. Physically, the site contains .64-acres or 27,661 square-feet, is rectangular in shape and level with the adjacent street grade. All utilities are readily available and the site is commercially zoned. Calls were made to the buyer, but we were unable to reach the contact and as such, the sale was confirmed by a review of information obtained from Costar and public records.</p> </div>

Sale

Land - Retail/Commercial

No. 4

Property Name Commercial Land
Address 4426 W 1st Street
Santa Ana, CA 92703
United States

Government Tax Agency Orange
Govt./Tax ID 188-021-01

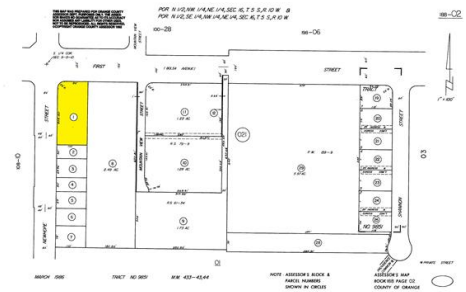
Site/Government Regulations

	Acres	Square feet
Land Area Net	0.549	23,901
Land Area Gross	0.549	23,901

Site Development Status	N/A
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All to site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

General Plan	N/A
Specific Plan	N/A
Zoning	Commercial
Entitlement Status	N/A



Sale Summary

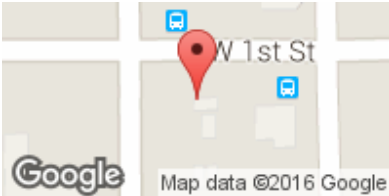
Recorded Buyer	Elba, Inc.	Marketing Time	6 Month(s)
True Buyer	N/A	Buyer Type	Private Investor
Recorded Seller	Pablo Bailon	Seller Type	N/A
True Seller	N/A	Primary Verification	Listing agent
Interest Transferred	N/A	Type	Sale
Current Use	Various commercial	Date	3/4/2013
Proposed Use	Unknown	Sale Price	\$1,000,000
Listing Broker	Mel Wagstaff; Sperry Van Ness, 714.392.0806	Financing	Cash to Seller
Selling Broker	Same	Cash Equivalent	\$1,000,000
Doc #	0133013	Capital Adjustment	\$50,000
		Adjusted Price	\$1,050,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
03/2013	Sale	Elba, Inc.	Pablo Bailon	\$1,000,000	N/A

Units of Comparison		
	\$43.93 / sf	N/A / Unit
	\$1,913,614.00 / ac	N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments	
	<p>This comparable reflects the sale of a .55 acre parcel located at the SEC of W 1st Street and S Newhope Avenue, in the city of Santa Ana. At the time of sale, the site was improved with older commercial buildings, including a LP Gas selling station; however the listing agent reported the sale to be based 100% on land value with no contributory value or off-set attributed to the improvements. The site was marketed as being ideal for gas station and/or fast-food retail use. According to CoStar, the buyer plans on removing the existing improvements and constructing a carwash on the site. The cost estimated to remove the existing improvements is \$50,000 and has been included in the total acquisition cost analyzed herein. According to Mel Wagstaff, there were no environmental issues that required remediation prior to re-development. It was further noted the sale involved a prolonged escrow period of approximately one year while the buyer processed entitlements for the carwash facility. The actual marketing time prior to entering escrow was 6 mos. +/-.</p>

Property Name Commercial Land
 Address 1220 North Batavia Avenue
 Orange, CA 92867
 United States

Government Tax Agency Orange
 Govt./Tax ID 375-011-04

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.779	33,933
Land Area Gross	0.779	33,933

Site Development Status	N/A
Shape	Triangular
Topography	Level, At Street Grade
Utilities	All to site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

Frontage Distance/Street	231 ft North Batavia
Frontage Distance/Street	183 ft East Katella

General Plan	N/A
Specific Plan	N/A
Zoning	C-R
Entitlement Status	N/A

Sale Summary

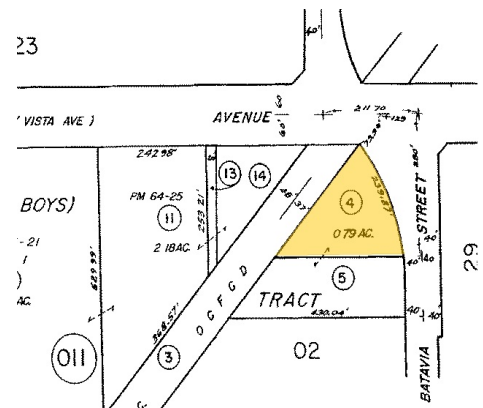
Recorded Buyer	Farmer Boys Food, Inc.	Marketing Time	16 Month(s)
True Buyer	N/A	Buyer Type	Corporation
Recorded Seller	John Valentine	Seller Type	N/A
True Seller	N/A	Primary Verification	Justin McMahon, CBRE 949-725-8500

Interest Transferred	N/A
Current Use	Vacant
Proposed Use	Fast Food Restaurant
Listing Broker	Nathan Holthouser, Marcus & Millichap 949-419-3237
Selling Broker	Nathan Holthouser, Marcus & Millichap 949-419-3237
Doc #	0123216

Type	Sale
Date	2/28/2013
Sale Price	\$975,000
Financing	Cash to Seller
Cash Equivalent	\$975,000
Capital Adjustment	N/A
Adjusted Price	\$975,000


Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
02/2013	Sale	Farmer Boys Food, Inc.	John Valentine	\$975,000	N/A



Units of Comparison		
	\$28.73 / sf	N/A / Unit
	\$1,251,604.62 / ac	N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments
<div>  <p>This 0.78 acre land sale is located at the southwest corner of West Katella Avenue and North Batavia Street in the city of Orange, CA. The buyer was Farmer Boys Food, Inc. and a Farmer Boys fast food restaurant is expected to be built with construction beginning in August 2013. The proposed restaurant building is expected to be between 2,800 to 3,200 square feet and will take approximately five months to construct. The property sold for \$975,000 and, according to Costar, had an original asking price of \$1,200,000. The buyer paid all cash to the seller.</p> </div>

Property Name 1st St @ Grand Avenue
 Address 1st St @ Grand Avenue
 Santa Ana, CA 92701
 United States

Government Tax Agency Orange

Govt./Tax ID 398-456-02, 398-456-04, 398-456-14, 398-456-18, 398-456-03, 398-456-19

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.781	33,999
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Level, At Street Grade
Utilities	To the site

Maximum FAR	N/A
Min Land to Bldg Ratio	N/A
Maximum Density	N/A

General Plan	N/A
Specific Plan	C-2
Zoning	N/A
Entitlement Status	N/A

Sale Summary

Recorded Buyer	Our Lady Of Guadalupe Church	Marketing Time	9 Month(s)
True Buyer	N/A	Buyer Type	End User
Recorded Seller	N/A	Seller Type	Private Investor
True Seller	N/A	Primary Verification	Lee & Associates Randy Dalby


Interest Transferred	Fee Simple/Freehold
Current Use	Used Car Sales
Proposed Use	None
Listing Broker	Lee & Associates Randy Dalby
Selling Broker	N/A
Doc #	0026620

Type	Sale
Date	1/21/2016
Sale Price	\$1,975,000
Financing	All Cash
Cash Equivalent	\$1,975,000
Capital Adjustment	\$0
Adjusted Price	\$1,975,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
01/2016	Sale	Our Lady Of Guadalupe Church	N/A	\$1,975,000	N/A

Units of Comparison		
	\$58.09 / sf	N/A / Unit
	\$2,530,429.21 / ac	N/A / Allowable Bldg. Units
		N/A / Building Area
Financial		
No information recorded		

Map & Comments	
	<p>This is a 0.78-acre commercial parcel is located at the northeast corner of 1st Avenue and Grand Avenue in the city of Santa Ana. The property sold for \$1,975,000. According to CoStar, it had an original asking price of \$2,380,000. The buyer paid all cash to the seller. The marketing time was 9 months.</p>

Property Name Office Land
 Address 5001 Cerritos Avenue
 Cypress, CA 90630
 United States

Government Tax Agency Orange
 Govt./Tax ID 241-186-07

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.520	22,651
Land Area Gross	0.520	22,651

Site Development Status	N/A
Shape	Rectangular
Topography	Generally Level
Utilities	All to site

Maximum FAR N/A
 Min Land to Bldg Ratio N/A
 Maximum Density N/A

Frontage Distance/Street	150 ft	Cerritos Avenue
Frontage Distance/Street	150 ft	Moody Street

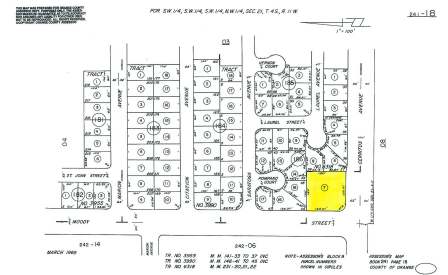
General Plan N/A
 Specific Plan N/A
 Zoning Office
 Entitlement Status N/A

Sale Summary

Recorded Buyer	Ty and Susan Caldwell	Marketing Time	20 Month(s)
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Patterson Cypress	Seller Type	N/A
True Seller	N/A	Primary Verification	Greg Williams - Coldwell Banker 562-495-6070
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Vacant land	Date	5/29/2015
Proposed Use	5,996 SF Office	Sale Price	\$950,000
Listing Broker	Greg Williams - Coldwell Banker	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$950,000
Doc #	279788	Capital Adjustment	\$0
		Adjusted Price	\$950,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
05/2015	Sale	Ty and Susan Caldwell	Patterson Cypress	\$950,000	N/A



Units of Comparison

\$41.94 / sf	N/A / Unit
\$1,826,923.08 / ac	N/A / Allowable Bldg. Units
	N/A / Building Area

Financial

No information recorded

Map & Comments

This is a corner site located on the NEC of Moody Street and Cerritos Avenue. It is a level vacant site. There are approved plans for a 5,996 SF office building with parking at a 5 to 1 ratio.

Addendum B

RECIPORCAL PARKING EASEMENT

RECIPROCAL ACCESS AND PARKING AGREEMENT

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

GRANT OF RECIPROCAL ACCESS AND PARKING EASEMENTS

This GRANT OF RECIPROCAL ACCESS AND PARKING EASEMENTS (the "Agreement") is dated as of the 30th day of June, 2000, and is made by and among ANGELI, LLC, a California limited liability company, and POONAM, LLC, a California limited liability company (collectively "Angeli/Poonam"), and ATRIUM PLAZA, LLC, a California limited liability company ("Atrium Plaza").

RECITALS

A. Angeli/Poonam are the owners of the fee simple interest in that certain parcel of real property more particularly described on Exhibit "A" attached hereto and incorporated herein commonly known as 12361 Chapman Avenue, Garden Grove, California (the "Chapman Parcel").

B. Atrium Plaza is the owner of the fee simple interest, and is a holder of easement rights, in those certain parcels of real property more particularly described on Exhibit "B" attached hereto and incorporated herein, commonly known as 100 and 300 Alicante Plaza, Garden Grove, California (collectively "Alicante Plaza Parcels").

C. Angeli/Poonam desire to grant to Atrium Plaza, and Atrium Plaza desires to grant to Angeli/Poonam, for the benefit of the Alicante Plaza Parcels and the Chapman Parcel, respectively, reciprocal easements for vehicular and pedestrian access to, on and over the Chapman Parcel and the Alicante Plaza Parcels, respectively, and reciprocal easements for parking thereon.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, including the mutual covenants of the parties contained in this Agreement, Angeli/Poonam and Atrium Plaza agree as follows:

I.

DEFINITIONS

"Access Easements." The easements granted under Section 2.1(a) below.

"Angeli/Poonam." Angeli, LLC, a California limited liability company, and Poonam, LLC, a California limited liability company, and their grantees, successors and assigns.

"Atrium Plaza." Atrium Plaza, LLC, a California limited liability company, and its grantees, successors and assigns.

"Drainage Easements." The easements granted under Section 2.2 below.

"Easements." The Access Easements, the Drainage Easements, the Parking Easements, and the easements granted under Section 2.3 below.

"Owner" or "Owners." The owner or owners, at any time, of the fee simple interest of a Parcel, including, without limitation, the parties hereto.

"Parcel" and "Parcels." The Chapman Parcel, the Alicante Plaza Parcels, or both.

"Parking Areas." Those portions of the Parcels which are not occupied by buildings or other structures, and which are designated as parking areas on Exhibit "C" attached hereto for each Parcel, as those areas may be modified from time to time.

"Parking Easements." The easements granted under Section 2.1(b) below.

II.

EASEMENTS

2.1 **Easements for Ingress, Egress and Parking.** Angeli/Poonam, on behalf of themselves and their grantees, successors and assigns, as the Owners of the Chapman Parcel, and Atrium Plaza, on behalf of itself and its grantees, successors and assigns, as the Owner of the Alicante Plaza Parcels, hereby grant to each other, and their respective grantees, successors and assigns, the following easements, on, over and across their respective Parcels:

(a) A nonexclusive easement of ingress and egress for vehicular and pedestrian traffic for purposes incidental and accessory to the business operations conducted on the Parcel(s) benefitted thereby, but only on, through and over those areas consisting of driveways, walkways, and the Parking Areas; and

(b) A nonexclusive easement for parking in the Parking Areas on the burdened Parcel(s) for vehicular parking, which parking shall be in connection with the business conducted on the benefitted Parcel(s).

The easements granted herein shall include the right of vehicular and pedestrian access, ingress and egress on and over driveways and walkways at curb cuts, and entry ways to the Parking Areas.

Upon the occurrence of the lot line adjustment referenced in Section 2.4 hereof, then in addition to the foregoing, and with respect solely to the grant of the Parking Easement by Atrium Plaza for the benefit of the Owner of the Chapman Parcel, the Owner of the Chapman Parcel shall have the right to designate fifty (50) parking spaces on the parcel on the Alicante Plaza Parcels for use only by patrons of the business conducted thereon. Such designated parking spaces shall be located as indicated on Exhibit "D" attached hereto, and may be relocated on the Alicante Plaza Parcels to an area closest to the Chapman Parcel with the consent of the Owner of the Chapman Parcel, in the event that the Owner of the Alicante Plaza Parcels reconfigures the Parking Area on the vehicle site-flow on the Alicante Plaza Parcels causing the elimination of any of the fifty (50) designated parking spaces. The Owner of the Chapman Parcel shall have the right to erect directional signage and signage identifying such designated parking spaces as for patrons of the business conducted thereon only (subject to the approval of the Owner of the Alicante Plaza Parcels as to design and exact location, which consent shall not be unreasonably withheld or delayed), with the cost of such signage to be borne by the owner of the Chapman Parcel.

During such periods as the Owner of the Chapman Parcel is operating a business open to the general public thereon, such Owner shall pay to the Owner of the Alicante Plaza Parcels a fee (the "Maintenance/Parking Fee") equal to the sum of One Thousand Six Hundred Sixty-six Dollars (\$1,666) per month, or part thereof (which shall increase two point five percent (2.5) per year), that such business is conducted and open to the general public, payable in advance, on the later of the first (1st) day of each calendar month, or the date on which such business operations commence. During such periods as the Chapman Parcel is not open for business to the general public, the Owner thereof shall not be obligated to pay the fee specified in this paragraph.

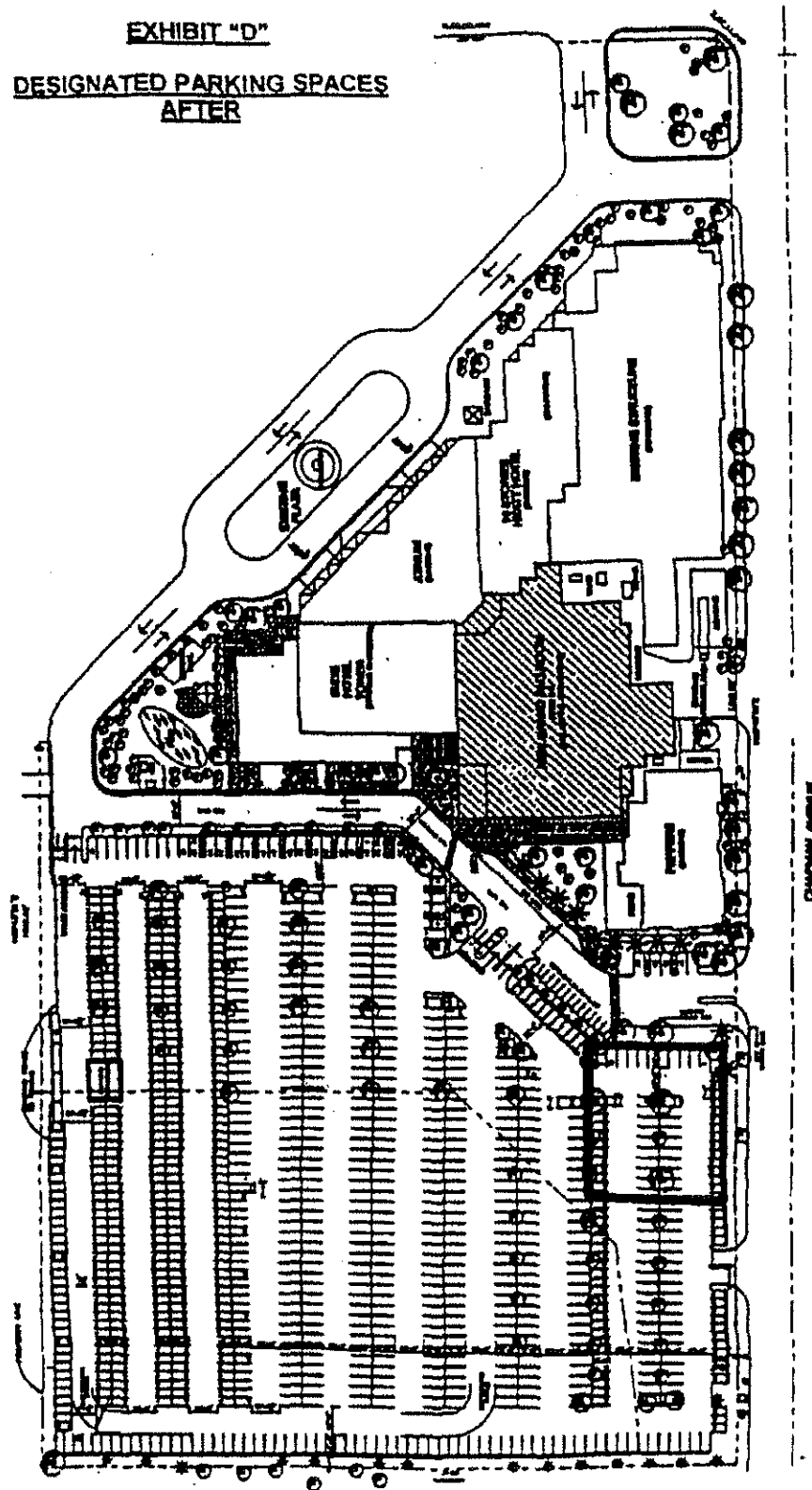
The Owner of the Chapman Parcel shall, within five (5) days after the date of that business is first commenced with the general public on the Chapman Parcel, deposit with the Owner of the Alicante Plaza Parcels the sum of Ten Thousand Dollars (\$10,000) which shall be held as security for the payment of the Maintenance/Parking Fee (the "Security Deposit"). In the event the Owner of the Chapman Parcel fails to pay any installment of the Maintenance/Parking Fee when due, the Owner of the Chapman Parcel shall not be in default of its obligations hereunder unless and until the Owner of the Alicante Plaza Parcels has delivered to the Owner of the Chapman Parcel written notice of such alleged default, specifying the amount and date of such default, and the Owner of the Chapman Parcel has not cured such alleged default within fifteen (15) days thereafter by paying that portion of the Maintenance/Parking Fee owing. Upon each occurrence of a default in the payment of the Maintenance/Parking Fee, the Owner of the Alicante Plaza Parcels may use all or any part of the Security Deposit to pay delinquent payments due hereunder to cure such default. The use of the Security Deposit shall be without prejudice to any other remedy provided by law. The Owner of the Chapman Parcel shall pay to the Owner of the Alicante Plaza Parcels, within five (5) days of demand, the amount which will restore the Security Deposit to its original amount. No interest shall accrue on the Security Deposit. The Security Deposit may be co-mingled with other funds of the Owner of the Alicante Plaza Parcels.

The payment of the Maintenance/Parking Fee shall be in lieu of any maintenance costs or obligations, parking charges or other fees for, or related to, such use, and the Owner of the Alicante Plaza Parcels shall provide the Owner of the Chapman Parcel with such tokens or validations as may be required for the guests, invitees and employees of the business conducted on the Chapman Parcel to utilize the Parking Areas on the Alicante Plaza Parcels without charge.

2.2 Easements for Drainage. Angeli/Poonam, on behalf of themselves and their grantees, successors and assigns, and Atrium Plaza, on behalf of itself and its grantees, successors and assigns, hereby grants to the other, a nonexclusive easement over the Chapman Parcel and the Alicante Plaza Parcels, respectively, which easement shall be for the purpose of providing drainage for normal surface water runoff.

2.3 Easement for Loading, Unloading and Trash Receptacles. Atrium Plaza, on behalf of itself and its grantees, successors and assigns, hereby grants to the Owner of the Chapman Parcel a nonexclusive easement on and over the area designated and utilized on the Alicante Plaza Parcels for the loading and unloading of supplies and materials (but excluding the use of any loading docks) and for the placement of trash receptacles, for the sole purpose of the loading and unloading of supplies and materials used, and the placement of trash receptacles (and the emptying of trash therein, and the removal of trash therefrom) thereon, in connection with the business conducted on the Chapman Parcel. The Owner of the Chapman Parcel shall not store any materials in such loading and unloading area, and shall promptly move all items so delivered therefrom to the Chapman Parcel. In addition, neither the Owner of the Chapman Parcel, nor any of its employees, invitees or guests shall be permitted to block, whether temporarily or

EXHIBIT "D"
DESIGNATED PARKING SPACES
AFTER



UPDATED: JULY, 2008 W.O. 3567-1

5 01 337

Page 205 of 337

9,10000. 0

(1000)

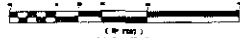
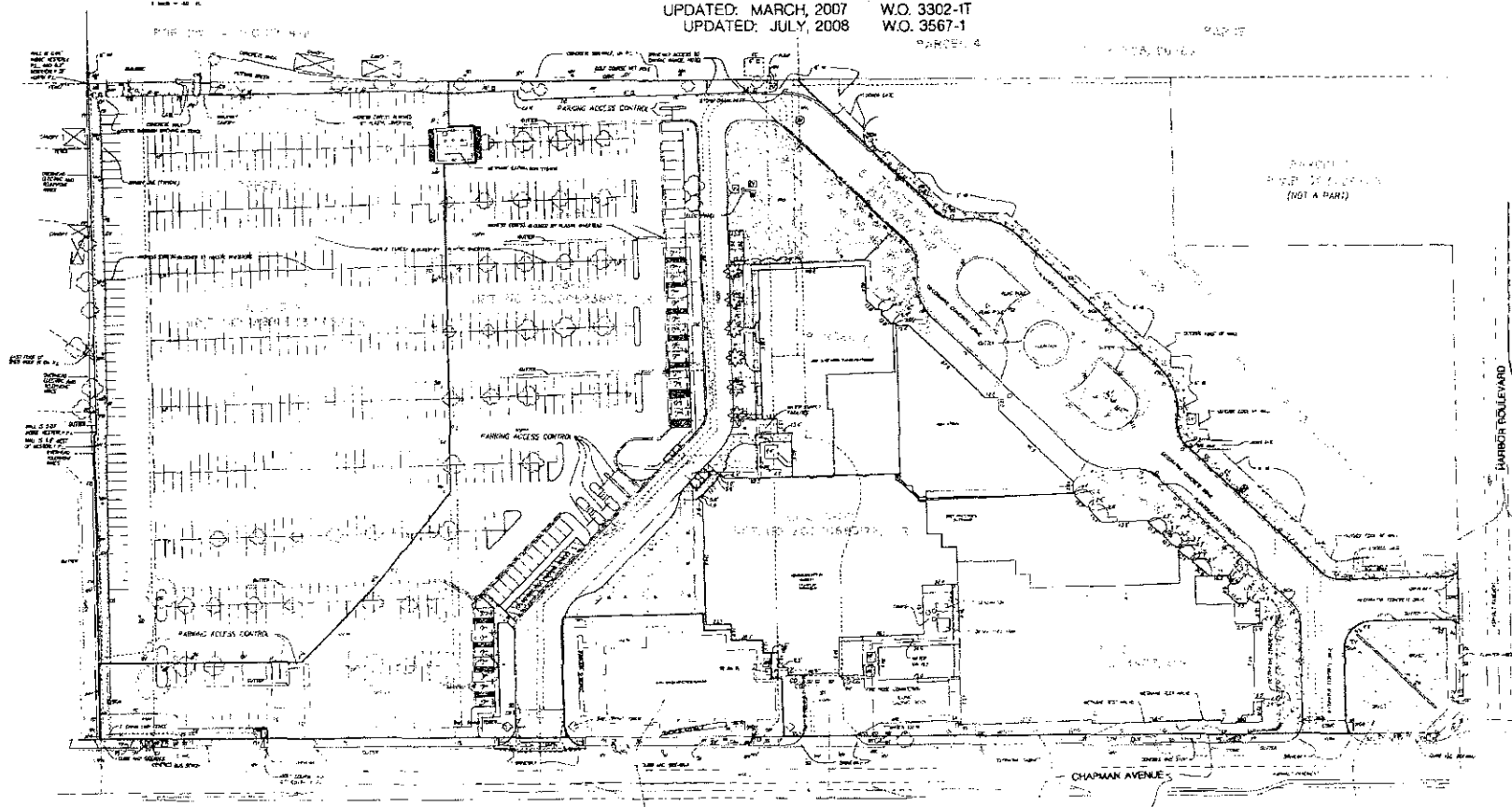


Figure 1. The effect of the concentration of the Fe^{2+} on the rate of the reaction.



WITH AN INDICATION STRUCTURES SHOWN NEAR THE AT. THERE IS NO SIGN OF A NORTH-NORTHWEST TRENCH NEARLY ANY. ALSO, NORTHERLY RIGHT OF NAT. LINE OF CHURCHMAN W/ST. THE LINE IS 55' - 100' - 200' - 300' - 400' - 500' - 600' - 700' - 800' - 900' - 1000' - 1100' - 1200' - 1300' - 1400' - 1500' - 1600' - 1700' - 1800' - 1900' - 2000' - 2100' - 2200' - 2300' - 2400' - 2500' - 2600' - 2700' - 2800' - 2900' - 3000' - 3100' - 3200' - 3300' - 3400' - 3500' - 3600' - 3700' - 3800' - 3900' - 4000' - 4100' - 4200' - 4300' - 4400' - 4500' - 4600' - 4700' - 4800' - 4900' - 5000' - 5100' - 5200' - 5300' - 5400' - 5500' - 5600' - 5700' - 5800' - 5900' - 6000' - 6100' - 6200' - 6300' - 6400' - 6500' - 6600' - 6700' - 6800' - 6900' - 7000' - 7100' - 7200' - 7300' - 7400' - 7500' - 7600' - 7700' - 7800' - 7900' - 8000' - 8100' - 8200' - 8300' - 8400' - 8500' - 8600' - 8700' - 8800' - 8900' - 9000' - 9100' - 9200' - 9300' - 9400' - 9500' - 9600' - 9700' - 9800' - 9900' - 10000' - 10100' - 10200' - 10300' - 10400' - 10500' - 10600' - 10700' - 10800' - 10900' - 11000' - 11100' - 11200' - 11300' - 11400' - 11500' - 11600' - 11700' - 11800' - 11900' - 12000' - 12100' - 12200' - 12300' - 12400' - 12500' - 12600' - 12700' - 12800' - 12900' - 13000' - 13100' - 13200' - 13300' - 13400' - 13500' - 13600' - 13700' - 13800' - 13900' - 14000' - 14100' - 14200' - 14300' - 14400' - 14500' - 14600' - 14700' - 14800' - 14900' - 15000' - 15100' - 15200' - 15300' - 15400' - 15500' - 15600' - 15700' - 15800' - 15900' - 16000' - 16100' - 16200' - 16300' - 16400' - 16500' - 16600' - 16700' - 16800' - 16900' - 17000' - 17100' - 17200' - 17300' - 17400' - 17500' - 17600' - 17700' - 17800' - 17900' - 18000' - 18100' - 18200' - 18300' - 18400' - 18500' - 18600' - 18700' - 18800' - 18900' - 19000' - 19100' - 19200' - 19300' - 19400' - 19500' - 19600' - 19700' - 19800' - 19900' - 20000' - 20100' - 20200' - 20300' - 20400' - 20500' - 20600' - 20700' - 20800' - 20900' - 21000' - 21100' - 21200' - 21300' - 21400' - 21500' - 21600' - 21700' - 21800' - 21900' - 22000' - 22100' - 22200' - 22300' - 22400' - 22500' - 22600' - 22700' - 22800' - 22900' - 23000' - 23100' - 23200' - 23300' - 23400' - 23500' - 23600' - 23700' - 23800' - 23900' - 24000' - 24100' - 24200' - 24300' - 24400' - 24500' - 24600' - 24700' - 24800' - 24900' - 25000' - 25100' - 25200' - 25300' - 25400' - 25500' - 25600' - 25700' - 25800' - 25900' - 26000' - 26100' - 26200' - 26300' - 26400' - 26500' - 26600' - 26700' - 26800' - 26900' - 27000' - 27100' - 27200' - 27300' - 27400' - 27500' - 27600' - 27700' - 27800' - 27900' - 28000' - 28100' - 28200' - 28300' - 28400' - 28500' - 28600' - 28700' - 28800' - 28900' - 29000' - 29100' - 29200' - 29300' - 29400' - 29500' - 29600' - 29700' - 29800' - 29900' - 30000' - 30100' - 30200' - 30300' - 30400' - 30500' - 30600' - 30700' - 30800' - 30900' - 31000' - 31100' - 31200' - 31300' - 31400' - 31500' - 31600' - 31700' - 31800' - 31900' - 32000' - 32100' - 32200' - 32300' - 32400' - 32500' - 32600' - 32700' - 32800' - 32900' - 33000' - 33100' - 33200' - 33300' - 33400' - 33500' - 33600' - 33700' - 33800' - 33900' - 34000' - 34100' - 34200' - 34300' - 34400' - 34500' - 34600' - 34700' - 34800' - 34900' - 35000' - 35100' - 35200' - 35300' - 35400' - 35500' - 35600' - 35700' - 35800' - 35900' - 36000' - 36100' - 36200' - 36300' - 36400' - 36500' - 36600' - 36700' - 36800' - 36900' - 37000' - 37100' - 37200' - 37300' - 37400' - 37500' - 37600' - 37700' - 37800' - 37900' - 38000' - 38100' - 38200' - 38300' - 38400' - 38500' - 38600' - 38700' - 38800' - 38900' - 39000' - 39100' - 39200' - 39300' - 39400' - 39500' - 39600' - 39700' - 39800' - 39900' - 40000' - 40100' - 40200' - 40300' - 40400' - 40500' - 40600' - 40700' - 40800' - 40900' - 41000' - 41100' - 41200' - 41300' - 41400' - 41500' - 41600' - 41700' - 41800' - 41900' - 42000' - 42100' - 42200' - 42300' - 42400' - 42500' - 42600' - 42700' - 42800' - 42900' - 43000' - 43100' - 43200' - 43300' - 43400' - 43500' - 43600' - 43700' - 43800' - 43900' - 44000' - 44100' - 44200' - 44300' - 44400' - 44500' - 44600' - 44700' - 44800' - 44900' - 45000' - 45100' - 45200' - 45300' - 45400' - 45500' - 45600' - 45700' - 45800' - 45900' - 46000' - 46100' - 46200' - 46300' - 46400' - 46500' - 46600' - 46700' - 46800' - 46900' - 47000' - 47100' - 47200' - 47300' - 47400' - 47500' - 47600' - 47700' - 47800' - 47900' - 48000' - 48100' - 48200' - 48300' - 48400' - 48500' - 48600' - 48700' - 48800' - 48900' - 49000' - 49100' - 49200' - 49300' - 49400' - 49500' - 49600' - 49700' - 49800' - 49900' - 50000' - 50100' - 50200' - 50300' - 50400' - 50500' - 50600' - 50700' - 50800' - 50900' - 51000' - 51100' - 51200' - 51300' - 51400' - 51500' - 51600' - 51700' - 51800'

[illegible]

- [illegible]

H&A

HUNSAKER & ASSOCIATES
PLANNING • ENGINEERING • SURVEYING
Three Hagley - Irvine, CA 92618
PO BOX 50000 - PRESTON STATION

SHEET 2 OF 2

Addendum C

LEGAL DESCRIPTION

Property Detail Report

For Property Located At :

12361 CHAPMAN AVE, GARDEN GROVE, CA 92840-3920



Owner Information

Owner Name: CITY OF GARDEN GROVE
Mailing Address: 11222 ACACIA PKWY, GARDEN GROVE CA 92840-5208 C004
Vesting Codes: // CO

Location Information

Legal Description: TR NO 12084 LOT 10 POR OF LOT AND POR OF LOT 9 (LLA 02-885172 PAR 1 AND LLA 00-523827 PAR 1 POR OF PAR)
County: ORANGE, CA
Census Tract / Block: 884.02 / 1
Township-Range-Sect:
Legal Book/Page:
Legal Lot: 10
Legal Block:
Market Area: 64
Neighbor Code:
APN: 233-171-23
Alternate APN:
Subdivision:
Map Reference: /
Tract #: 12084
School District: GARDEN GROVE
School District Name:
Munic/Township:

Owner Transfer Information

Recording/Sale Date: 05/26/2015 / 05/22/2015
Sale Price:
Document #: 269268
Deed Type: GRANT DEED
1st Mtg Document #:

Last Market Sale Information

Recording/Sale Date: 11/05/2010 / 11/05/2010
Sale Price: \$2,400,000
Sale Type: FULL
Document #: 589876
Deed Type: GRANT DEED
Transfer Document #:
New Construction:
Title Company: FIDELITY NATIONAL TITLE CO
Lender:
Seller Name: MELROSS LLC
1st Mtg Amount/Type: /
1st Mtg Int. Rate/Type: /
1st Mtg Document #: /
2nd Mtg Amount/Type: /
2nd Mtg Int. Rate/Type: /
Price Per SqFt:
Multi/Split Sale:

Prior Sale Information

Prior Rec/Sale Date: 01/16/2004 / 01/15/2004
Prior Sale Price:
Prior Doc Number: 38581
Prior Deed Type: GRANT DEED
Prior Lender:
Prior 1st Mtg Amt/Type: /
Prior 1st Mtg Rate/Type: /

Site Information

Land Use: TAX EXEMPT
Lot Area: 20,708
Lot Width/Depth: x
Commercial Units:
of Buildings: 1
Zoning:
Acres: 0.48
Usable Lot:
Lot Shape:
Bldg Width/Depth: x
Building Class:
Water Type:
County Use: EXEMPT (8)
State Use:
Site Influence:
Sewer Type:
Topography:
Water District: ORANGE CO

Tax Information

Total Value: \$2,558,411
Land Value: \$1,678,958
Improvement Value: \$879,453
Total Taxable Value:
Market Value:
Assessed Year: 2015
Improved %: 34%
Appraisal Dist:
Fire Dist:
Garbage Dist:
Property Tax:
Tax Area: 18156
Tax Year:
Tax Exemption:
Equal Rate:
Equal Year:

Addendum D

PRÉCIS METRO REPORT - ECONOMY.COM, INC.

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2014-2016
46
1st quintile

2014-2019
72
1st quintile

Best=1, Worst=408

RELATIVE COSTS

LIVING
146%

BUSINESS
104%

U.S.=100%

VITALITY

RELATIVE
107%

RANK
101

U.S.=100%

Best=1, Worst=401

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- » Financial services hub for Southern California.
- » Lower office rents than in San Diego or Los Angeles give professional services a leg up.
- » Well-diversified economy.
- » World-class universities and laboratories.

WEAKNESSES

- » High business and living costs make it difficult to attract and retain firms and workers.
- » Traffic congestion and no capacity for more air passenger and cargo service.

FORECAST RISKS

SHORT TERM



LONG TERM



RISK EXPOSURE
2015-2020

50

1st quintile

Highest=1
Lowest=401

UPSIDE

- » Stronger macroeconomy leads to expansion of commoditized business services.
- » Enrollment and development at UC Irvine are stronger than expected.
- » Low gas prices, stronger regional and Mexican economies, and Disneyland boost tourism.

DOWNSIDE

- » Higher mortgage rates trigger industry layoffs.
- » A venture capital bust halts growth in the tech sector.

MOODY'S RATING

NR

ANALYSIS

Recent Performance. Anaheim-Santa Ana-Irvine's economy has slowed since the start of 2015. Key industries such as business/professional services, healthcare, and finance are taking a breather. Job growth has been limited primarily to leisure/hospitality and government. As a result of weak gains in employment and wages, estimated personal income growth has slowed by one-half since early 2015. At 4.1% in November, the unemployment rate is at a cycle low and well below the state and national averages.

High tech. Thanks to its highly educated workforce and its universities, ANA has a highly effective infrastructure for fostering growth in technology businesses such as biotech, computer and electronic product manufacturing, medical device makers, and IT companies. Venture capital entities such as OCTANE, which connects entrepreneurs and investors, are important conduits for new investment and hiring. For example, Harbor MedTech, a skin wound treatment maker, recently raised \$10 million through OCTANE. Meanwhile, Greenwave Systems, a smart technology provider, received an investment of \$45 million from Singapore Technologies Telemedia to accelerate its global expansion. Startups are an especially potent source of job creation, and ANA's universities, particularly the University of California Irvine, position the area well for start-up growth as students and faculty spin off their academic research ideas into private companies.

UC Irvine. UC Irvine will provide the skilled labor needed to sustain strong growth in knowledge-based industries. Moreover, California's improving fiscal position and the strength of UC's endowment fund bode well for staff and faculty payroll additions. Governor Jerry Brown has proposed a 5.4% increase in funding in fiscal 2016-2017 for the UC system. Meanwhile, enrollment has been increasing, and applications for the fall semester at UC system universities reached an

all-time high. For UC Irvine, applications are 10% higher from a year earlier. Hiring will continue in 2016 as the growing student population warrants expansion of faculty and program offerings.

Further, as part of the UC system's agreement with the state, UC Irvine will enroll 650 more resident students and their tuition will be capped at its current level for this year. Although an increase in nonresident tuition puts UC among the nation's most expensive public universities, strong demand from prospective students will ensure that enrollment does not suffer. More student spending will benefit consumer industries such as retail and leisure/hospitality in coming years.

Real estate. The near-term outlook for ANA's commercial real estate markets is upbeat, as expansion tests the limits of real estate inventory. According to Colliers International, available office and industrial real estate space is shrinking in Orange County—the vacancy rate is 2.9% for the industrial market and 12.8% for the office market. The retail vacancy rate increased slightly to 4.6% in the fourth quarter of 2015, but it is still lower than last year's vacancy rate since surging in-migration is supporting consumer spending and new retail investment. In the office market, the low vacancy rate stems from a dearth of new supply and gradual improvement in office-using industries. Construction remains limited, but activity will pick up as rents increase.

Anaheim-Santa Ana-Irvine's expansion will moderate and job growth will slow to an average pace as manufacturing and tech hiring cools. The real estate market will continue to strengthen, however, thanks to strong demand and a dearth of supply. Longer term, ANA's high costs will constrain its prospects to the U.S. average.

Abhilasha Singh
December 2015

1-866-275-3266
help@economy.com

2009	2010	2011	2012	2013	2014	INDICATORS	2015	2016	2017	2018	2019	2020
197.8	201.3	204.6	210.3	215.1	221.4	Gross metro product (C09\$ bil)	228.7	236.3	243.2	249.8	255.4	260.5
-5.8	1.8	1.6	2.8	2.3	2.9	% change	3.3	3.3	2.9	2.7	2.2	2.0
1,383.4	1,366.6	1,382.6	1,419.8	1,459.5	1,495.7	Total employment (ths)	1,544.0	1,579.4	1,615.0	1,646.8	1,667.3	1,677.2
-7.1	-1.2	1.2	2.7	2.8	2.5	% change	3.2	2.3	2.2	2.0	1.2	0.6
8.8	9.6	8.9	7.7	6.3	5.5	Unemployment rate (%)	4.4	4.0	3.9	3.8	3.9	4.0
-4.9	1.2	5.4	7.4	1.0	3.4	Personal income growth (%)	5.1	6.5	6.7	6.0	4.6	4.0
74.3	72.4	72.2	73.5	75.7	76.3	Median household income (\$ ths)	77.9	80.4	83.7	87.1	89.8	92.1
2,987.2	3,018.1	3,056.3	3,089.9	3,121.9	3,145.5	Population (ths)	3,173.2	3,203.7	3,233.0	3,262.2	3,291.6	3,320.8
1.0	1.0	1.3	1.1	1.0	0.8	% change	0.9	1.0	0.9	0.9	0.9	0.9
5.5	8.6	18.3	13.8	11.8	5.5	Net migration (ths)	7.8	10.1	8.6	8.2	8.0	7.7
1,341	1,624	1,822	2,271	3,670	3,714	Single-family permits (#)	3,625	3,550	4,308	4,624	4,494	4,623
802	1,510	2,530	3,811	6,752	5,577	Multifamily permits (#)	6,900	2,358	4,158	4,254	3,764	3,929
237.9	238.6	229.4	229.3	257.4	284.5	FHFA house price (1995Q1=100)	299.3	304.7	309.4	315.4	324.6	339.3

© 2016 CBRE, Inc.

ECONOMIC HEALTH CHECK

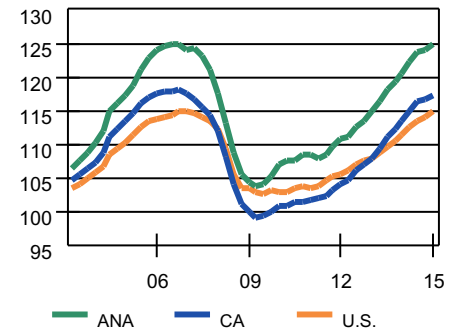
3-MO MA

	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15
Employment, change, ths	3.3	3.3	4.0	4.1	2.9	1.0
Unemployment rate, %	4.3	4.3	4.3	4.2	4.2	4.1
Labor force participation rate, %	63.5	63.5	63.5	63.4	63.3	63.3
Employment-to-population ratio, %	60.7	60.8	60.8	60.7	60.7	60.7
Average weekly hours, #	35.2	35.2	35.4	35.4	35.4	ND
Industrial production, 2007=100	105.7	105.7	106.1	106.1	105.9	105.5
Residential permits, single-family, #	5,303	4,707	4,087	3,359	3,688	4,207
Residential permits, multifamily, #	9,687	8,610	6,704	6,089	6,209	6,791
<div> <div>Better than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Worse than prior 3-mo MA</div> </div>						

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

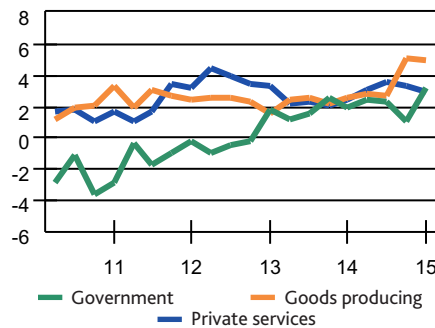
JAN 2002=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

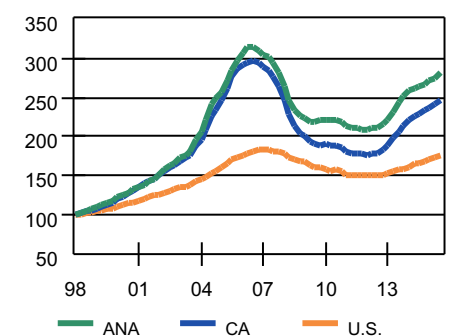
% CHANGE YR AGO, 3-MO MA

	Mar 15	Jul 15	Nov 15
Total	3.3	3.4	2.7
Construction	4.7	8.1	8.2
Manufacturing	1.7	3.7	2.6
Trade	1.5	1.8	1.1
Trans/Utilities	4.5	5.7	4.4
Information	-2.5	-1.3	-0.5
Financial Activities	3.9	1.5	0.2
Prof & Business Svcs.	4.1	3.0	1.2
Edu & Health Svcs.	5.0	6.5	4.4
Leisure & Hospitality	3.3	2.1	3.7
Other Services	8.1	9.4	5.2
Government	2.3	1.8	3.1

Sources: BLS, Moody's Analytics

HOUSE PRICE

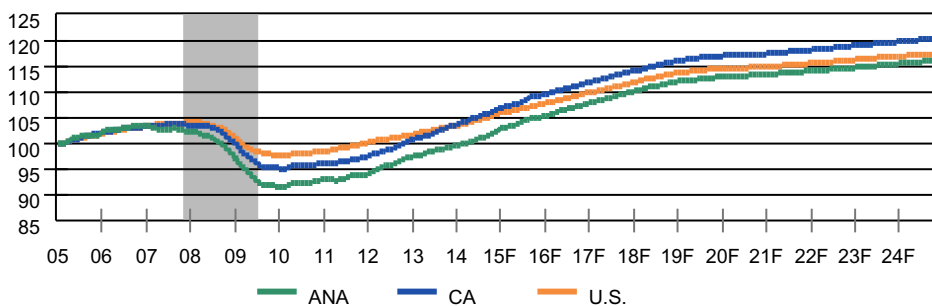
1998Q1=100, NSA



Sources: FHFA, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

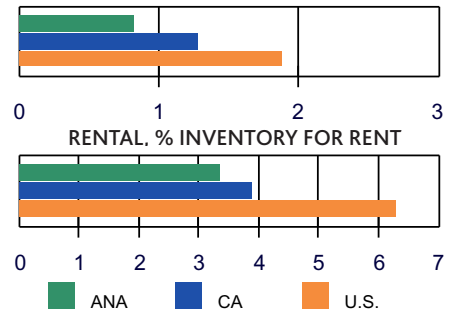
JAN 2005=100



Sources: BLS, Moody's Analytics

VACANCY RATES

HOMEOWNER, % HOUSES FOR SALE



Sources: Census Bureau, ACS, Moody's Analytics, 2014

BUSINESS COSTS

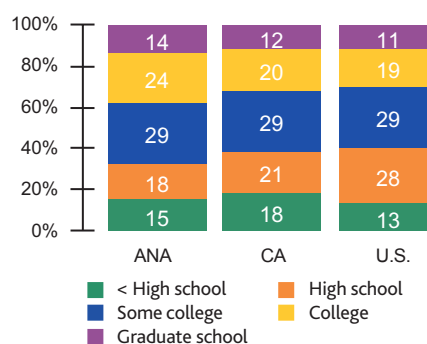
U.S.=100



Source: Moody's Analytics

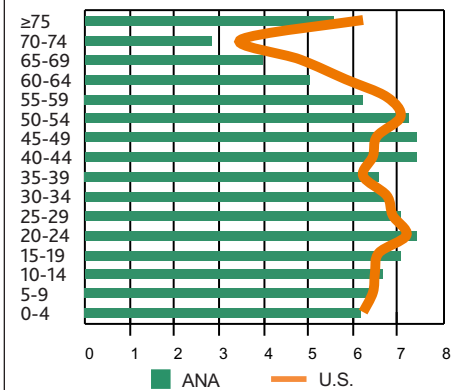
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER

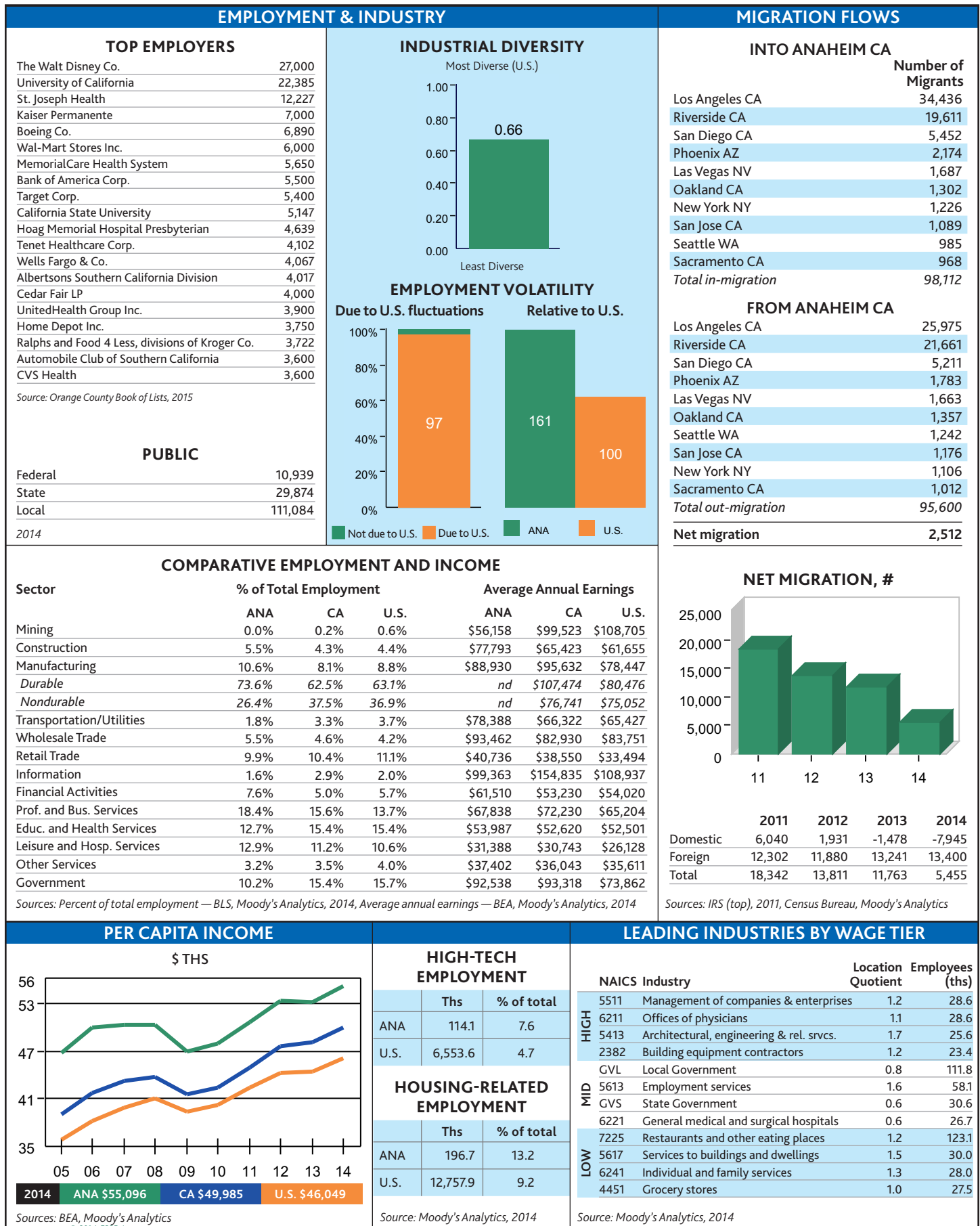


Sources: Census Bureau, Moody's Analytics, 2014

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2014



Addendum E

CLIENT CONTRACT INFORMATION

December 8, 2015

Donna Bradley, MAI
Director

Danny Wei
Executive Vice President
INVESTEL HARBOR RESORTS, LLC
11999 Harbor Boulevard
Garden Grove, CA 92840
Phone: 626.475.0707
Email: dannywei@sgcamerica.com

RE: Assignment Agreement
Restaurant
Vacant Restaurant, 12361 Chapman Avenue
Garden Grove, CA 92840

Dear Mr. Wei:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	Internal Decision Making purposes
Intended User:	The intended user is INVESTEL HARBOR RESORTS, LLC, and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to the client signing below and to other parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof, whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.
Inspection:	CBRE will conduct a physical inspection of the exterior of the subject property, and its surrounding environs on the effective date of appraisal. The interior of the subject property will not be inspected.

Valuation Approaches:	All three traditional approaches to value will be considered and utilized.
Report Type:	Standard Appraisal Report
Appraisal Standards:	USPAP
Appraisal Fee:	\$5,000
Expenses:	Fee includes all associated expenses
Retainer:	A retainer of \$5,000 is required
Payment Terms:	The fee is considered earned upon delivery of the initial report.
Delivery Instructions:	CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report. An Adobe PDF file via email will be delivered to dannywei@sgcamerica.com. The client has requested One (1) bound final copy (ies).
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	Not Required
Final Report:	30 business days after the Start Date
Start Date:	The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

Danny Wei
Assignment Agreement
Page 3 of 7
December 8, 2015

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services



Donna Bradley, MAI
Director
As Agent for CBRE, Inc.
CA State Certification No. AG009911
T 949.725.8415
donna.bradley@cbre.com

AGREED AND ACCEPTED

FOR INVESTEL HARBOR RESORTS, LLC:



Signature

Date

Name

Title

Phone Number

E-Mail Address

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 30 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship

between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. The conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and Client's auditors) using the Appraisal Report in the course of providing services for the sole benefit of Client, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. In the event Client incorporates or references the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iii) an actual or alleged violation of applicable law by Client (including, without limitation, securities laws) or the negligent or intentional acts or omissions of Client (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. Current title report or title holder name
2. Legal description
3. Survey and/or plat map
4. Site plan for the existing development
5. Building plans and specifications, including square footage
6. Current county property tax assessment or tax bill
7. Details on any sale, contract, or listing of the property within the past three years
8. Engineering studies, soil tests or environmental assessments
9. Ground lease, if applicable
10. Details regarding the development costs, including land cost, if developed within the past three years
11. Historical sales volumes, if applicable
12. Three-year and YTD expenses
13. Current year expense budget
14. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
15. Any previous market/demand studies or appraisals
16. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
17. Any other information that might be helpful in valuing this property

Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Donna Bradley, MAI
Director
CBRE, Inc.
Valuation & Advisory Services
3501 Jamboree Road, Suite 100
Newport Beach, CA 92660

Addendum F

QUALIFICATIONS

PROFESSIONAL PROFILE



JAMES M. BRAY, MAI, CCIM

Director

Southern California Region

Valuation and Advisory Services

T. +1 619 405 8128

F. +1 858 646 4775

james.bray@cbre.com

www.cbre.com/James.Bray

James M. Bray, MAI, CCIM, is a Director in the Valuation & Advisory Services Group in the Southern California Region. Mr. Bray has extensive experience in the commercial real estate industry. Mr. Bray's appraisal and consulting assignments include large industrial/R&D complexes, automotive/RV dealerships, private country clubs/daily fee golf courses, yacht clubs/health clubs, special use/religious facilities, high/mid-rise office and mixed-use developments. In addition, Mr. Bray is registered on the Appraisal Institute's SBA Going Concern Registry as a qualified appraiser for going concern valuations.

Mr. Bray is a qualified appraiser under IRS guidelines for the valuation of partial interests in real property held in limited partnerships, LLCs and as tenants in common. Mr. Bray has completed numerous assignments involving partnership buyouts, estate planning and gift tax purposes. As well as, California property tax appeals, fair market rent studies for rent disputes/arbitration and cost segregation studies for the reclassification of IRS depreciation schedules.

CLIENTS REPRESENTED

- JP Morgan Chase
- Torrey Pines Bank
- City National Bank
- Mission Federal Credit Union
- Provident Bank
- San Diego Private Bank
- Chino Commercial Bank
- Hornick, Voris & Kuhn, LLP
- Barger & Wolen LLP
- CII Asset Management
- CWC Capital Asset Management
- First Enterprise Bank
- O'Hara CPAs
- OneWest Bank
- RERC
- VW Credit
- American Honda Finance
- BBCN Bank
- Cox Castle Nicholson LLP
- Morgan Stanley Bank
- MidFirst West
- Hess & Hess Law Firm

Over the span of his career, Mr. Bray has worked with a variety of financial institutions, private lenders, developers, private investors, CPA's, estate attorneys and corporate clients. It is his goal to set the standard for maintaining the highest level of quality and integrity on all appraisal assignments.

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Designated Member of the Appraisal Institute (MAI)
San Diego Chapter
- Certified General Real Estate Appraiser, State of California
License AG 039243
- California Real Estate Broker, State of California
License No. 01403556
- Certified Commercial Investment Member (CCIM)
License No. 08983228

EDUCATION

- San Diego State University
Master of Arts, Economics
- San Diego State University
Bachelor of Arts, Economics, Minor in Finance

PROFESSIONAL PROFILE

REPRESENTATIVE ASSIGNMENTS

Property

- Gateway II Office Building
- Orange County District Attorney Building
- Saddleback Medical Center
- Champions of the West
- Green Dragon
- Coast Walk
- Tesla Dealership
- Santa Monica Chevrolet
- Brecht American Mini
- CarMax
- Avila Beach Resort Golf Course
- Coto de Caza Golf & Resort
- Del Mar Country Club
- Talega Golf Course
- Morgan Run Club & Resort
- Mountain High Ski Resort (leasehold)
- The Tennis Club at Monarch Beach
- Aliso Creek Golf Course & Inn
- The Commons at Aliso Town Center (Mixed-Use)
- Cathedral City Marketplace
- One Broadway Plaza (Proposed High Rise)
- Prospect Point Office Building
- The Lido (Mixed-Use Development)
- Cabrillo Isle Marina (leasehold)
- Ventura Isle Marina (leasehold)
- Seaforth Marina (leasehold)
- High Seas Fuel Dock (leasehold)

Location

- Chula Vista
- Santa Ana
- Laguna Hills
- San Diego
- La Jolla
- La Jolla
- Newport Beach
- Santa Monica
- Escondido
- Escondido
- Avila Beach
- Coto de Caza
- Rancho Santa Fe
- San Clemente
- Rancho Santa Fe
- Wrightwood
- Dana Point
- Laguna Beach
- Aliso Viejo
- Cathedral City
- Santa Ana
- La Jolla
- San Monica
- Harbor Island (San Diego)
- Ventura
- Mission Bay (San Diego)
- Shelter Island (San Diego)



PROFESSIONAL PROFILE



MICHELLE J. BATES

Valuation Associate

Valuation and Advisory Services

T. +1 858 5462611

Michelle.Bates@cbre.com

www.cbre.com/Michelle.Bates

CLIENTS REPRESENTED

- JPMorgan Chase
- Bank of America
- Torrey Pines Bank
- BBCN Bank
- Citigroup
- City National Bank
- Morgan Stanley Bank
- Mission Federal Credit Union

Michelle Bates is an associate of the Valuation & Advisory Services Group's San Diego office. She provides research and analysis for a variety of property types in the Southern California region. Her past assignments include office buildings, apartment complexes, industrial parks, retail centers, and golf courses. She was the recipient of the San Diego Chapter of the Appraisal Institute Scholarship in 2013. Ms. Bates began her career in the CBRE Newport Beach office assisting a brokerage team.

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Candidate for Designation of the Appraisal Institute San Diego Chapter
- NAIOP Developing Leader
- Trainee Real Estate Appraiser, State of California License AT 3001403

EDUCATION

- University of San Diego
 - Bachelor of Business Administration, Real Estate and Business Administration

PROFESSIONAL PROFILE



DONNA M. BRADLEY, MAI

Director

Valuation and Advisory Services

T. +1 949 7258415

F. +1 949 7258440

donna.bradley@cbre.com

www.cbre.com/Donna.Bradley

Donna Bradley, MAI, has been actively engaged in the valuation and consulting services segment of the commercial real estate industry since 1986, receiving her MAI designation in 1992. As a production appraiser with over 25 years of experience, Ms. Bradley specializes in institutional investment grade properties in Southern California. Her appraisal practice at CBRE concentrates on hospitality, which includes resorts, full service hotels, boutique hotels, limited service motels as well as general commercial property such as apartment, retail and office properties and other income-producing property types. She is currently a part of the Hospitality & Gaming Group at CBRE. Ms. Bradley has been with CBRE since 1991.

CLIENTS REPRESENTED

- Alta Pacific Bank
- Ashford Hospitality
- Bank of America
- Boston Private Bank & Trust
- Cathay Bank
- Chhatrala Group
- CIM Group
- Cornerstone Real Estate Advisers
- Deutsche Bank
- East West Bank
- Europho AG
- Far East Bank
- Farmers & Merchants
- First Choice Bank
- First Commercial Bank
- Hanmi Bank
- Hansji Corporation
- J Street Hospitality
- Mutual of Omaha Bank
- Northern Trust Bank
- Ohana Real Estate Investors
- Pacific Western Bank
- PNC Bank
- Preferred Bank
- Prospera Hotels
- State Bank of India
- Strategic Property Advisors
- Union Bank

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Appraisal Institute, Designated Member (MAI)
- Certified General Real Estate Appraiser
 - State of California, No. AG009911
 - State of Hawaii, No. 936

EDUCATION

- University of California at Irvine, Bachelor of Arts; Economics

PROFESSIONAL PROFILE

REPRESENTATIVE ASSIGNMENTS

Property

■ Canary Hotel	Santa Barbara
■ Crescent Hotel	Beverly Hills
■ Fairmont	Newport Beach
■ Fairmont Orchid	Kailua-Kona
■ Four Seasons Hualalai Resort and Spa	Kailua-Kona
■ Hard Rock Hotel	San Diego
■ Hilton Bayfront	San Diego
■ Hilton Torrey Pines	La Jolla
■ Hotel Angeleno	Brentwood
■ Humphrey's Half Moon Inn Shelter Island	San Diego
■ Hyatt Regency Resort and Spa	Waikiki
■ Kona Kai Resort Shelter Island	San Diego
■ Kona Village	Kailua-Kona
■ Korakia Pension	Palm Springs
■ Luxe Rodeo Drive	Beverly Hills
■ Marriott	La Jolla
■ Marriott	Riverside
■ Mission Inn Hotel and Spa	Riverside
■ Montage Hotel	Beverly Hills
■ Montage Resort and Spa	Laguna Beach
■ Renaissance Esmeralda	Indian Wells
■ Residence Inn Gaslamp	San Diego
■ Saguaro Resort	Palm Springs
■ Se San Diego (now Hotel Palomar)	San Diego
■ Sheraton Mission Valley	San Diego
■ Terranea Resort	Rancho Palos Verdes
■ The Bristol	San Diego
■ The Fairmont	Newport Beach
■ The Thompson	Beverly Hills
■ US Grant Hotel	San Diego

Location

REVIEW APPRAISAL REPORT

SUCCESSOR AGENCY OWNERSHIP
12361 CHAPMAN AVENUE
GARDEN GROVE, CALIFORNIA



LIDGARD
AND ASSOCIATES
INCORPORATED



March 1, 2016

Greg Blodgett
Project Manager
City of Garden Grove
11222 Acacia Parkway, 3rd Floor
Garden Grove, California 92840

Subject: Appraisal Review Study
Successor Agency Ownership
12361 Chapman Avenue
Garden Grove, California

Dear Mr. Blodgett:

In accordance with your request and authorization, I have completed a comprehensive technical desk review of the formal narrative appraisal report prepared by CBRE, dated February 6, 2016.

The scope of the review assignment includes (1) a review of the property description, highest and best use analysis, and valuation methodology set forth in the original appraisal report, (2) a review and public record verification of the comparable market data employed by the appraiser, and (3) preparation of this appraisal review report in summation of the activities outlined above.

Generally, the purpose of an appraisal review is to express an opinion as to (1) the completeness, adequacy, relevance, appropriateness, and reasonableness of the report, with respect to the Uniform Standards of Professional Appraisal Practice (USPAP), (2) the appropriateness of the scope of work detailed in the appraisal report, (3) the accuracy and relevance of market data, as well as the reasonable use of valuation methodology, (4) whether the analysis, opinions, and conclusions in the report are appropriately supported and reasonable, and (5) compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act).

The intended use of this appraisal review is to assist the City of Garden Grove in determining the overall reliability of the final estimate of market value set forth by the principal appraiser. Intended users are City officials along with consultants thereof for the explicit purpose and intent indicated above. This appraisal review is not intended to be distributed to, or relied upon by, third parties.

*Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 – 4503*

*Orange County Office:
2592 N. Santiago Blvd.
Orange, CA
92867 – 1862*

*Telephone:
(562) 988-2926
(714) 633-8441*

*Facsimile:
(714) 633-8449*

Greg Blodgett
Project Manager
City of Garden Grove
March 1, 2016
Page 2

Based on a thorough review of the appraisal report, it is the review appraiser's opinion that the findings and conclusions set forth therein are based on relevant/accurate market research and valuation analysis. Further, the appraisal report complies with the (1) Uniform Relocation Assistance and Real Property Acquisition Policies Act, and (2) Uniform Standards of Professional Appraisal Practice (USPAP) as a summary appraisal report. The appraisal report is considered sufficient for sale negotiation purposes.

Upon completing the review study, it is the review appraiser's opinion that the final estimate of market value of \$1,100,000, as of January 12, 2016, is reasonably accurate and supported by the market data and analysis contained in the appraisal report.

The review appraiser has no direct or indirect present or contemplated future interest in the subject property or any monetary benefit from its proposed acquisition. Additionally, the foregoing conclusion of value has been reached independently without collaboration or direction.

A single copy of this appraisal review, along with an electronic version transmitted via email, are submitted herewith. This review study is subject to the Review Appraiser's Certification attached hereto, along with the assumptions and limiting conditions set forth in the original appraisal report.

Please do not hesitate to contact the undersigned in the event you require additional information from our file.

Very truly yours,

LIDGARD AND ASSOCIATES, INC.



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2018

SAL:sp

**REVIEW APPRAISER'S
CERTIFICATION**

CERTIFICATION

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

I have personally reviewed the subject appraisal report. A field inspection of the subject property and comparable market data was not part of the scope of services in this review study. The facts and data reported by the reviewer and used in the review process are true and correct.

The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in the subject appraisal report, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that are the subject of this report and no personal interest with respect to the parties involved. Further, I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review.

My analyses, opinions, and conclusions were developed and this review report was prepared in conformity of the Uniform Standards of Professional Appraisal Practice (USPAP).

I have appraised the subject property on behalf of the Successor Agency to the Garden Grove Redevelopment Agency as of March 12, 2014. No one other than the undersigned prepared the analyses, conclusions, and opinions that are set forth in this appraisal review concerning the real estate. No one provided significant professional assistance to the undersigned.



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2018

Date: March 1, 2016

QUALIFICATIONS OF REVIEW APPRAISER

BACKGROUND AND QUALIFICATIONS

Scott A. Lidgard, MAI, CCIM
President of
LIDGARD AND ASSOCIATES
INCORPORATED

Full service appraisal firm encompassing all types of real property including commercial, industrial, complex residential, and special use properties. Scott A. Lidgard has over 30 years' experience in the appraisal of real property for various clients including public agencies, corporations, law firms in connection with litigation support, accountants, and private clients.

OFFICE ORGANIZATIONAL STRUCTURE:

Principal Appraiser:	Scott A. Lidgard
Market Research Analyst:	Jason T. Clayton
Market Research Analyst:	Jason P. Boyer
Market Research Analyst:	Andrew S. Lidgard
Market Research Assistant:	Mayra Villegas-Garcia
Office Administrator:	Sarah A. Petty
Office Assistant:	Kelly M. Lidgard

PROFESSIONAL ORGANIZATION AFFILIATIONS:

MAI Designated Member of the Appraisal Institute
(Member No. 11715).

CCIM (Certified Commercial Investment Member) designated
member of the CCIM Institute (Member No. 11262).

STATE CERTIFICATION:

Certified General Real Estate Appraiser by the Office of Real
Estate Appraisers, State of California. Certificate No.
AG004014.

BROKER'S LICENSE:

Licensed California Real Estate Broker (License No. 00825141).

EXPERT WITNESS:

Qualified as an expert on Real Property Valuation in the Los
Angeles, Orange, San Bernardino, and Riverside County
Superior Courts, as well as Federal Bankruptcy Court.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

BACKGROUND AND QUALIFICATIONS (Continued)

ACADEMIC BACKGROUND

California State University, Fullerton

B.A., Business Administration, emphasis in real estate finance.

Successfully completed various educational courses and seminars sponsored by the Appraisal Institute, as well as other real estate and business organizations.

BUSINESS AFFILIATIONS:

Appraisal Experience:

President, Lidgard and Associates, Inc., Orange, California, established October 1, 1997.

Vice President, R. P. Laurain & Associates, Inc., Long Beach, California, between 1984 and 1997.

Real Estate Sales Associate, Merrill Lynch Realty, Placentia, California, between 1982 and 1984.

BOARD OF DIRECTORSHIPS:

Sergeant at Arms, Long Beach Rotary

President, Belmont Estates HOA, Orange

Vice President, Canyon Rim Villas HOA, Anaheim Hills

Treasurer, Orchard Owner's Association, Orange

Board of Directors, Villa Heights HOA, Villa Park

APPRAISAL SERVICES RENDERED:

Real estate appraisal services performed on projects for the following public agencies and private corporations, since 1984:

Cities:

City of Anaheim

City of Azusa

City of Baldwin Park

City of Bell

City of Bellflower

City of Bell Gardens

City of Brea

City of Carson

City of Cathedral City

City of Costa Mesa

City of Diamond Bar

City of Downey

City of Fullerton

City of Garden Grove

City of Glendora

City of Hawaiian Gardens

City of Highland

City of Huntington Park

City of Indio

City of Irvine

City of La Mirada

City of La Habra

City of La Quinta

City of Laguna Hills

City of Long Beach

City of Lynwood

City of Mission Viejo

City of Montclair

City of Monterey Park

City of Murrieta

City of Ontario

City of Palm Desert

City of Palm Springs

City of Pasadena

City of Pico Rivera

City of Placentia

City of Pomona

City of Rancho Mirage

City of Redondo Beach

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Cities: (Continued)

City of Rialto	City of Santa Ana	City of Upland
City of Riverside	City of Santa Clarita	City of Whittier
City of San Clemente	City of Signal Hill	City of West Covina
City of San Bernardino	City of Stanton	City of Yorba Linda
City of San Juan Capistrano	City of Tustin	City of Victorville

Redevelopment Agencies:

Baldwin Park Redevelopment Agency
Bell Redevelopment Agency
Bell Gardens Redevelopment Agency
Buena Park Redevelopment Agency
Carson Redevelopment Agency
Cathedral City Redevelopment Agency
El Monte Redevelopment Agency
Garden Grove Redevelopment Agency
Glendale Redevelopment Agency
Huntington Beach Redevelopment Agency
Huntington Park Redevelopment Agency
Inglewood Redevelopment Agency
La Puente Redevelopment Agency
Long Beach Redevelopment Agency
Los Angeles Community Redevelopment Agency
Norwalk Redevelopment Agency
Ontario Redevelopment Agency
Palm Desert Redevelopment Agency
Rialto Redevelopment Agency
Riverside Redevelopment Agency
San Bernardino Redevelopment Agency
Signal Hill Redevelopment Agency
West Covina Community Development Commission
Whittier Redevelopment Agency
Yorba Linda Redevelopment Agency

Other Government Agencies:

Calleguas Municipal Water District
County of Los Angeles, Internal Services Division
County of Riverside
Inland Empire Utilities Agency
Long Beach Unified School District
Los Angeles County Sanitation District
Los Angeles Unified School District
Orange County Transportation Authority
Palm Springs Unified School District

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Other Government Agencies: (Continued)

Placentia Unified School District
Port of Long Beach
Port of Los Angeles
Resolution Trust Corporation
Riverside County Transportation Commission
State of California
U. S. Department of Navy
U. S. Marshal Service
Victor Valley Wastewater Reclamation Authority

Financial Institutions:

American First Federal Credit Union
Farmers and Merchants Bank
First Federal Bank
First Federal Credit Union
Fiscal Federal Credit Union
Harbor Bank
Long Beach Bank
Mineral King National Bank
Northern Trust Bank
Queen City Bank
Sumitomo Bank, Ltd.
Union Bank

Asset Management Companies:

Amresco, Inc.
American Residential Mortgage Corporation
BEI Management, Inc.
Emerson International
Equitable Real Estate Investment Management
EQ Services
Icon Associates
Independence One
Pacific Southwest Partners

Private Companies/Corporations:

Allstate Insurance Company
Best, Best & Krieger, LLP
Bonnie, Hopkins & Bastardi, LLP
Bridgestone/Firestone, Inc.
Black & Vetch Corporation
Buchalter Nemer, A Professional Corporation
Burke, Williams & Sorenson, LLP
California Eminent Domain Law Group

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Private Companies/Corporations: (Continued)

Carl Karcher Enterprises
Chapman University
Century Law Group
Daley & Heft, LLP
Eastman Kodak Company
Ferro Corporation
Flagstar Companies
Guild Financial
Hahn & Hahn, LLP
Harbor Chevrolet
Inland Partners Corporation
Kaufman and Broad
Latham & Watkins, Attorneys at Law
Long Beach Memorial Medical Center
Madden, Jones, Cole & Johnson, Attorneys at Law
Oliver, Vose, Sandifer, Murphy & Lee
Pan Pacific Development
Rutan & Tucker, LLP
Scotsdale Insurance
Snell & Wilmer, Attorneys at Law
T.R.W.
The Trust for Public Land
Westport Packers
Windes and McClaughry, Accountancy Corporation
Wise, Wiezorek, Timmons & Wise, Attorneys at Law

SUMMARY REPORT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 52201 FOR THE PROPOSED DISPOSITION BY SALE OF REAL PROPERTY LOCATED AT 12361 CHAPMAN AVENUE, GARDEN GROVE, CALIFORNIA PURSUANT TO AN AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND INVESTEL HARBOR RESORTS, LLC

This summary report has been prepared pursuant to California Government Code section 52201(a)(2)(B) with respect to the proposed Purchase and Sale Agreement (the "Agreement") between the City of Garden Grove ("City") and Investel Harbor Resorts, LLC ("Buyer"). The subject property is a vacant 10,883 square foot restaurant/banquet hall situated on an approximately 0.48 acre site located at 12361 Chapman Avenue, Garden Grove, California, and currently identified as Assessor's Parcel No. 233-171-23. The City acquired the subject property from the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") pursuant to the long-range property management plan for future development pursuant to Health and Safety Code section 34191.5

52201(B)(i): The cost of the agreement to the city, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, plus the expected interest on any loans or bonds to finance the agreements.

With the exception of escrow, closing, and broker costs, there will be no cost to the City associated with this Agreement. In 2015, the City acquired the subject property at no cost from the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") for future development in accordance with the approved long-range property management plan pursuant to Health and Safety Code section 34191.5. Pursuant to the proposed Agreement, Buyer will purchase the Property, as currently improved, at its appraised fair market value. The full purchase price of \$1,100,000 will be paid at closing; the City is not financing the Agreement. Since the Property is vacant, there are no relocation costs associated with the disposition of the Property. Pursuant to State law, the net proceeds from the disposition of the subject property will be remitted to the Orange County Auditor-Controller for distribution as property tax to the taxing entities.

52201(B)(ii): The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.

Based on an appraisal by CBRE, the "highest and best use" appraised value of the Property, as parked, is \$1,100,000.

52201(B)(iii): The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city, shall provide as part of the summary an explanation of the reasons for the difference.

Pursuant to the Agreement, Buyer will pay the full appraised value of \$1,100,000 for the Property. Accordingly, in this instance, the "conditional use" value of the Property is the same as the "highest and best use" value of the Property.

52201(B)(iv): An explanation of why the sale or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.

The Buyer has indicated that it intends to use the Property for restaurant / banquet hall purposes in conjunction with the operation and potential expansion of the adjacent Hyatt Hotel, and that it anticipates such use will result in the creation of additional jobs and the generation of additional sales tax to the City. The subject Property has been publicly owned and vacant for over five years, and has not generated any property taxes during this time. The sale of the Property to the Buyer will result in the Property being put back on the tax rolls and an increase of more than 15 percent of total property tax resulting from the project at full implementation when compared to the year prior to the property being acquired by the City. The renewed use of the Property by the Buyer for restaurant / banquet hall purposes will also result in the generation of additional sales tax revenues to the City and the creation of additional jobs, without any additional investment in the Property by the City.



March 4, 2016

Greg Blodgett
SR Project Manager
City of Garden Grove
Economic Development

Re: Purchase of Garden Grove Restaurant

Dear Mr. Blodgett:

Shanghai Construction Group America intends to utilize the former restaurant on Chapman Avenue as an additional banquet facility to accommodate visitors and guests of the Hyatt.

We estimate there will be many economic benefits to the city of Garden Grove including new job creation for the banquet reception of 25 new jobs. Further, the hotel could experience additional hotel room nights sold which will help increase the city's transient occupancy tax. Currently Hyatt OC is number one in food and beverage sales and we believe the food and beverage sales for the restaurant will increase as a result of incorporating the restaurant building into the operation. Combined, we estimate an additional \$200,000 per year in sales tax.

Beyond the economic impact, the property will also be put back on the Orange County tax roll. Currently there is no property tax collected from the site. Once returned to the tax roll the property will generate in excess of \$11,000 in annual new property tax.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dy" or "Dy Wei".

Danny Yinfeng Wei
Managing Director
Investel Harbor Resorts LLC

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Maria Stipe
Dept.:	City Manager	Dept.:	City Manager
Subject:	Update regarding the contract with the County of Orange for animal care services, and consideration of a Term Sheet with the Orange County Humane Society for Animal Shelter Services for Fiscal Year 2016-17. (Cost: \$335,000) (<i>Action Item</i>)		
		Date:	3/22/2016

OBJECTIVE

The purpose of this report is to provide an update regarding the contract with the County of Orange for Animal Care Services, including plans and costs for a proposed new Orange County Animal Shelter, and for the City Council to consider a term sheet that sets forth proposed terms and conditions for the provision of animal care and shelter services by the Orange County Humane Society.

BACKGROUND

The City has contracted with the County to provide animal care services since July 1982. The services provided include animal control services, animal care special services, animal shelter services and barking dog complaint services. Animal control services are those services provided by animal care officers in the field, including the apprehension of stray animals and the investigation of animal related complaints. Special services consist primarily of licensing animals and animal related facilities. Animal shelter services are those services provided by the animal shelter, including the impounding of animals.

The charge to the City for animal care services is based on the City's level of use. For field services, the City is charged a portion of the total cost of providing field services in the County, based on the City percentage of the total field actions performed. The charges for special services are based on the City's proportion of total animal licenses. For animal shelter services, the City is charged on the basis of animal charge days for animals impounded from within City limits, or received from City residents. The City's cost for barking dog complaint services is determined by

applying the City's percentage of barking dog complaints to the total cost of providing these services.

DISCUSSION

In general, the services provided by the County have been very good. However, over the past five years, the cost for animal care services has increased substantially. In Fiscal Year (FY) 2011-12, the City paid \$729,163 for animal care services; in FY 2014-15, the City paid \$956,296 for animal care services; and for FY 2015-16, costs are projected to be \$1,350,000.

Additionally, due to the age and condition of the existing shelter, the County believes it is now desirable to construct a new animal shelter in which enhanced shelter and care services can be provided. The new Orange County Animal Shelter will be built on 10 acres of land at the former Tustin Marine Base located at the intersection of Armstrong Avenue and Bell Avenue. A Request for Proposal (RFP) was issued in December 2015 for a design/build contract and proposals are currently being evaluated.

The County is asking its 18 contract cities to contribute a majority of the funds to construct the new facility, which will have a maximum cost of \$35 million. The County is contributing the land, plus \$5 million toward the project. Garden Grove's share is estimated to be \$4,142,755 (see Attachment 1).

Presently, the County is seeking long-term commitments from cities by April 1, 2016. These commitments and related agreements are expected to have a 10-year term, with cities contributions toward the new shelter being financed over the ten-year period. Therefore, in addition to the annual cost for animal care services, the City would be obligated to pay an additional annual payment of approximately \$430,828 for the new shelter. The projected cost for FY 2016-17 for animal care services, including the new shelter payment is \$1,780,828.

Review of Alternative Animal Care Options

Due to the substantial cost increase over the past several years for animal care services and the County's request for a long-term commitment toward construction and operation of a new shelter, staff has explored and evaluated potential alternative animal care service options.

The Orange County Humane Society (OCHS) has submitted a proposal and term sheet for the provision of animal care and shelter services to the City (see Attachment 2). According to the proposed terms, animal care and shelter services would be provided at an estimated annual flat rate cost of \$290,000 for up to 3,500 animals and \$310,000 for up to 3,900 animals for a five year term. The term sheet also includes a one-time financial contribution of up to \$25,000 toward the expansion of OCHS facilities for a new drop-off/remote office that would provide additional space to accommodate the City's animal shelter needs. Shelter service would begin within six months of execution of a formal agreement. The proposal from OCHS does not include field or animal licensing services. Therefore, these services would need to be undertaken by City staff.

Aside from the County and OCHS, there are no other services providers that can accommodate the City's animal care and shelter needs at this time.

FINANCIAL IMPACT

Contracting with the County for field and shelter animal care services is estimated to cost \$1,780,828 per year, including the new shelter payment. Contracting with OCHS for animal shelter services is estimated to cost approximately \$335,000 per year for animal shelter and related services. Field and licensing services can be conducted by City staff at an estimated cost of under \$700,000.

RECOMMENDATION

It is recommended that the City Council:

- Approve the attached term sheet setting forth the proposed terms and conditions for the provision of animal care and shelter services by the Orange County Humane Society to the City of Garden Grove;
- Authorize the City Manager to negotiate and execute an agreement with the Orange County Humane Society based on the terms outlined in the attached term sheet;
- Direct staff to terminate the existing agreement with the County upon execution of the agreement with Orange County Humane Society; and
- Direct staff to advise the County in writing that the City will not enter into a participation agreement for a new animal shelter.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Major Terms of New Agreements with the County for Shelter Construction and Services	3/16/2016	Backup Material	County.pdf
Term Sheet for Animal Care and Shelter Services by the Orange County Humane Society	3/16/2016	Backup Material	Humane_Society.pdf

Participation Agreement (New Shelter)

1. Establishes a Design Advisory Board consisting of three (3) city representatives. Two of the representatives must be from cities individually constituting more than 8% of the total usage of the existing shelter (Anaheim, Santa Ana, Garden Grove or Orange).
2. If at any time the County elects to discontinue providing animal sheltering services, the cities have an option to take over the operation of the shelter from the County under a ground lease arrangement. This option is in play for 55 years.
3. Maximum shelter cost is based on a \$35M shelter with the County contributing the first \$5M toward costs incurred after April 1, 2016. The remaining \$30M is divided proportionally among cities based on the previous 5 years of shelter usage. See attached draft exhibit D.
4. Payments may be made in advance, or at the election of each individual city, over a ten year period. For those cities electing the 10 year payment period, payments will be due quarterly beginning in October 2016 and will include an additional funding cost (0.77%) See attached draft exhibit E.
5. After year 5, each city's respective percentage share of the maximum construction costs shall be recalculated based on the same formula as set forth in draft exhibit D but using then current statistical data. If any city's respective percentage share is altered by the recalculation by more than 5%, then each city's total share of the maximum construction costs shall be recalculated so that the originally calculated percentage shall be applied to one half of the maximum construction costs and the recalculated percentage shall be applied to the second half of the maximum construction costs.
6. No city will be added to OC Animal Care program for a period of three years to allow for appropriate sizing and establishment of operational protocols for the new shelter. New cities will be required to pay a pro rata portion of the maximum construction costs

7. Any excess funds (maximum construction costs less actual construction costs) shall be credited to cities against future charges under each city's Services Agreement.
8. Participating cities are making a ten (10) year operational commitment.
9. Maximum construction costs may increase under the following conditions:
 - I. The recalculation under number 5 above. There will be winners and losers, if applied.
 - II. One or more cities fail to execute the Participation Agreement. The maximum shelter cost of \$35M is based on all existing contract cities signing the Participation Agreement. If any cities do not sign the Participation Agreement, then the maximum cost to the remaining cities may increase. While there is built-in scalability in the County's design-build contract, there are also some fixed costs that cannot be adjusted.
 - III. When a city fails to make payment under the 10 year payment plan. If a city defaults on its payments, the County will pursue all legal remedies and the remaining cities may also pursue legal remedies. Should the non-paying city pay any amount owing, the increased cost to other cities will be reimbursed.

Agreement for Provision of Animal Care Services

- A. Ten year term. County will still issue an annual Notice of Intent.
- B. May be terminated by County immediately upon default by a city under the Services Agreement or the Participation Agreement.
- C. County will no longer be able to terminate without cause.
- D. City and County may agree to individualized services if the resulting service level will not conflict with state or federal statutes and not endanger the public health.

- F. The FOAB is changed to the City Managers Association Animal Care Committee (CMAAC) and will be constituted at the discretion of the cities. The County no longer has the right to change the constitution of the committee.
- G. No less than once every three years, the County will engage an external auditor to review city billings.
- H. The Services Agreement must be executed simultaneously with the Participation Agreement.

IMPORTANT NOTE

The County is requesting that cities approve and execute the agreements by April 1. If an individual city requires more time, they should contact Steve Franks directly at (714) 480-2788.

*Costs included are identified in Section 2.1 of the Participation Agreement.

Participation Formula

The total projected cost to the Contract Cities is based on \$30.0 million as the total contract city contribution. The distribution among the Contract Cities is an estimate assuming participation by all 18 cities currently contracting with the County for OC Animal Shelter services. Estimates do not include Additional Funding Costs associated with a 10-year Payment Schedule.

Estimated costs for each city are based on a historical five-year average of Animal Charge Days, expressed as a percentage of the total. Animal Charge Days represents the number of days animals receive board and care at OCAC.

Calculation of pro rata portion of Maximum Construction Costs for new cities added after initial contract execution and three year period as set forth in Section 3. of the Participation Agreement will be based upon comparability to similar sized cities under contract with the County based upon a five year average annual Shelter Utilization figure using actual admissions and shelter days for the new city with their current/previous Shelter provider. In the absence of available shelter data for a new city, the pro rata portion will be based upon comparability to similar sized cities under contract with the County based upon city population as identified in the most recent California State Department of Finance publications.

	Distribution of Cities' Share	
	of Maximum Construction Costs	
Anaheim	\$ 7,017,529	23.39%
Brea	\$ 367,454	1.22%
Cypress	\$ 568,874	1.90%
Fountain Valley	\$ 777,973	2.59%
Fullerton	\$ 2,240,317	7.47%
Garden Grove	\$ 4,142,755	13.81%
Huntington Beach	\$ 1,829,954	6.10%
Laguna Hills	\$ 222,122	0.74%
Lake Forest	\$ 555,539	1.85%
Orange	\$ 2,467,472	8.22%
Placentia	\$ 548,846	1.83%
Rancho Santa Margarita	\$ 209,618	0.70%
San Juan Capistrano	\$ 270,168	0.90%
Santa Ana	\$ 6,867,112	22.89%
Stanton	\$ 612,821	2.04%
Tustin	\$ 791,152	2.64%
Villa Park	\$ 46,853	0.16%
Yorba Linda	\$ 463,442	1.54%
Total	\$ 30,000,000	100.00%

# Payments	Period	Beginning Balance	Payment	Cities Share of MCC	Additional Funding Cost	Cumulative Cities Share of MCC	Cumulative Additional Funding Cost	Ending Balance
5 Year Average* (%)								
1	10/1/2016	30,000,000.00	\$779,966.81	722,216.81	57,750.00			29,277,783.19
2	1/1/2017	29,277,783.19	779,966.81	723,607.08	56,359.73	723,607.08	56,359.73	28,554,176.11
3	4/1/2017	28,554,176.11	779,966.81	725,000.02	54,966.79	1,448,607.10	111,326.52	27,829,176.09
4	7/1/2017	27,829,176.09	779,966.81	726,395.65	53,571.16	2,175,002.75	164,897.68	27,102,780.44
5	10/1/2017	27,102,780.44	779,966.81	727,793.96	52,172.85	2,902,796.71	217,070.53	26,374,986.48
6	1/1/2018	26,374,986.48	779,966.81	729,194.96	50,771.85	3,631,991.67	267,842.38	25,645,791.52
7	4/1/2018	25,645,791.52	779,966.81	730,598.66	49,368.15	4,362,590.33	317,210.53	24,915,192.86
8	7/1/2018	24,915,192.86	779,966.81	732,005.06	47,961.75	5,094,595.39	365,172.28	24,183,187.80
9	10/1/2018	24,183,187.80	779,966.81	733,414.17	46,552.64	5,828,009.56	411,724.92	23,449,773.63
10	1/1/2019	23,449,773.63	779,966.81	734,826.00	45,140.81	6,562,835.56	456,865.73	22,714,947.63
11	4/1/2019	22,714,947.63	779,966.81	736,240.54	43,726.27	7,299,076.10	500,592.00	21,978,707.09
12	7/1/2019	21,978,707.09	779,966.81	737,657.80	42,309.01	8,036,733.90	542,901.01	21,241,049.29
13	10/1/2019	21,241,049.29	779,966.81	739,077.79	40,889.02	8,775,811.69	583,790.03	20,501,971.50
14	1/1/2020	20,501,971.50	779,966.81	740,500.51	39,466.30	9,516,312.20	623,256.33	19,761,470.99
15	4/1/2020	19,761,470.99	779,966.81	741,925.98	38,040.83	10,258,238.18	661,297.16	19,019,545.01
16	7/1/2020	19,019,545.01	779,966.81	743,354.19	36,612.62	11,001,592.37	697,909.78	18,276,190.82
17	10/1/2020	18,276,190.82	779,966.81	744,785.14	35,181.67	11,746,377.51	733,091.45	17,531,405.68
18	1/1/2021	17,531,405.68	779,966.81	746,218.85	33,747.96	12,492,596.36	766,839.41	16,785,186.83
19	4/1/2021	16,785,186.83	779,966.81	747,655.33	32,311.48	13,240,251.69	799,150.89	16,037,531.50
20	7/1/2021	16,037,531.50	779,966.81	749,094.56	30,872.25	13,989,346.25	830,023.14	15,288,436.94
21	10/1/2021	15,288,436.94	779,966.81	750,536.57	29,430.24	14,739,882.82	859,453.38	14,537,900.37
22	1/1/2022	14,537,900.37	779,966.81	751,981.35	27,985.46	15,491,864.17	887,438.84	13,785,919.02
23	4/1/2022	13,785,919.02	779,966.81	753,428.92	26,537.89	16,245,293.09	913,976.73	13,032,490.10
24	7/1/2022	13,032,490.10	779,966.81	754,879.27	25,087.54	17,000,172.36	939,064.27	12,277,610.83
25	10/1/2022	12,277,610.83	779,966.81	756,332.41	23,634.40	17,756,504.77	962,698.67	11,521,278.42
26	1/1/2023	11,521,278.42	779,966.81	757,788.35	22,178.46	18,514,293.12	984,877.13	10,763,490.07
27	4/1/2023	10,763,490.07	779,966.81	759,247.09	20,719.72	19,273,540.21	1,005,596.85	10,004,242.98
28	7/1/2023	10,004,242.98	779,966.81	760,708.64	19,258.17	20,034,248.85	1,024,855.02	9,243,534.34
29	10/1/2023	9,243,534.34	779,966.81	762,173.01	17,793.80	20,796,421.86	1,042,648.82	8,481,361.33
30	1/1/2024	8,481,361.33	779,966.81	763,640.19	16,326.62	21,560,062.05	1,058,975.44	7,717,721.14
31	4/1/2024	7,717,721.14	779,966.81	765,110.20	14,856.61	22,325,172.25	1,073,832.05	6,952,610.94
32	7/1/2024	6,952,610.94	779,966.81	766,583.03	13,383.78	23,091,755.28	1,087,215.83	6,186,027.91
33	10/1/2024	6,186,027.91	779,966.81	768,058.71	11,908.10	23,859,813.99	1,099,123.93	5,417,969.20
34	1/1/2025	5,417,969.20	779,966.81	769,537.22	10,429.59	24,629,351.21	1,109,553.52	4,648,431.98
35	4/1/2025	4,648,431.98	779,966.81	771,018.58	8,948.23	25,400,369.79	1,118,501.75	3,877,413.40
36	7/1/2025	3,877,413.40	779,966.81	772,502.79	7,464.02	26,172,872.58	1,125,965.77	3,104,910.61
37	10/1/2025	3,104,910.61	779,966.81	773,989.86	5,976.95	26,946,862.44	1,131,942.72	2,330,920.75
38	1/1/2026	2,330,920.75	779,966.81	775,479.79	4,487.02	27,722,342.23	1,136,429.74	1,555,440.96
39	4/1/2026	1,555,440.96	779,966.81	776,972.59	2,994.22	28,499,314.82	1,139,423.96	778,468.37
40	7/1/2026	778,468.37	779,966.81	778,468.26	1,498.55	29,277,783.08	1,140,922.51	0.11
TOTAL			31,198,672.40	29,999,999.89	1,198,672.51			

/1/2016

EXHIBIT E

DRAFT

n Costs 30,000,000.00
0.77%
40
\$779,966.81

Beginning Balance	FOUNTAIN VALLEY				FULLERTON				GARDEN GROVE				HUNTINGTON BE	
	Payment	Cities Share of MCC	Additional Funding Cost	Total Payment	Cities Share of MCC	Total Payment	Cities Share of MCC	Additional Funding Cost	Total Payment	Cities Share of MCC	Additional Funding Cost	Total Payment	Cities Share of MCC	
10,000,000.00	\$779,966.81	722,216.81	57,750.00	20,226.43	18,728.84	58,245.76	53,933.15	4,312.61	107,707.04	99,732.24	7,974.80	47,576.78	44,054.1	
9,277,783.19	779,966.81	723,607.08	56,359.73	20,226.43	18,764.89	58,245.76	54,036.97	4,208.79	107,707.04	99,924.23	7,782.82	47,576.78	44,138.9	
8,554,176.11	779,966.81	725,000.02	54,966.79	20,226.43	18,801.01	58,245.76	54,140.99	4,104.77	107,707.04	100,116.58	7,590.46	47,576.78	44,223.8	
7,829,176.09	779,966.81	726,395.65	53,571.16	20,226.43	18,837.20	58,245.76	54,245.22	4,000.55	107,707.04	100,309.30	7,397.74	47,576.78	44,309.0	
7,102,780.44	779,966.81	727,793.96	52,172.85	20,226.43	18,873.47	58,245.76	54,349.64	3,896.12	107,707.04	100,502.40	7,204.64	47,576.78	44,394.3	
6,374,986.48	779,966.81	729,194.96	50,771.85	20,226.43	18,909.80	58,245.76	54,454.26	3,791.50	107,707.04	100,695.87	7,011.18	47,576.78	44,479.7	
5,645,791.52	779,966.81	730,598.66	49,368.15	20,226.43	18,946.20	58,245.76	54,559.08	3,686.68	107,707.04	100,889.71	6,817.34	47,576.78	44,565.1	
4,915,192.86	779,966.81	732,005.06	47,961.75	20,226.43	18,982.67	58,245.76	54,664.11	3,581.65	107,707.04	101,083.92	6,623.13	47,576.78	44,651.1	
4,183,187.80	779,966.81	733,414.17	46,552.64	20,226.43	19,019.21	58,245.76	54,769.34	3,476.42	107,707.04	101,278.50	6,428.54	47,576.78	44,737.1	
3,449,773.63	779,966.81	734,826.00	45,140.81	20,226.43	19,055.82	58,245.76	54,874.77	3,370.99	107,707.04	101,473.47	6,233.58	47,576.78	44,823.2	
2,714,947.63	779,966.81	736,240.54	43,726.27	20,226.43	19,092.51	58,245.76	54,980.40	3,265.36	107,707.04	101,668.80	6,038.24	47,576.78	44,909.5	
1,978,707.09	779,966.81	737,657.80	42,309.01	20,226.43	19,129.26	58,245.76	55,086.24	3,159.52	107,707.04	101,864.52	5,842.53	47,576.78	44,996.0	
1,241,049.29	779,966.81	739,077.79	40,889.02	20,226.43	19,166.08	58,245.76	55,192.28	3,053.48	107,707.04	102,060.60	5,646.44	47,576.78	45,082.6	
0,501,971.50	779,966.81	740,500.51	39,466.30	20,226.43	19,202.98	58,245.76	55,298.53	2,947.23	107,707.04	102,257.07	5,449.97	47,576.78	45,169.4	
9,761,470.99	779,966.81	741,925.98	38,040.83	20,226.43	19,239.94	58,245.76	55,404.98	2,840.78	107,707.04	102,453.92	5,253.13	47,576.78	45,256.3	
9,019,545.01	779,966.81	743,354.19	36,612.62	20,226.43	19,276.98	58,245.76	55,511.63	2,734.13	107,707.04	102,651.14	5,055.90	47,576.78	45,343.4	
8,276,190.82	779,966.81	744,785.14	35,181.67	20,226.43	19,314.09	58,245.76	55,618.49	2,627.27	107,707.04	102,848.74	4,858.30	47,576.78	45,430.7	
7,531,405.68	779,966.81	746,218.85	33,747.96	20,226.43	19,351.27	58,245.76	55,725.56	2,520.20	107,707.04	103,046.73	4,660.32	47,576.78	45,518.2	
6,785,186.83	779,966.81	747,655.33	32,311.48	20,226.43	19,388.52	58,245.76	55,832.83	2,412.93	107,707.04	103,245.09	4,461.95	47,576.78	45,605.8	
6,037,531.50	779,966.81	749,094.56	30,872.25	20,226.43	19,425.84	58,245.76	55,940.31	2,305.45	107,707.04	103,443.84	4,263.21	47,576.78	45,693.6	
5,288,436.94	779,966.81	750,536.57	29,430.24	20,226.43	19,463.24	58,245.76	56,047.99	2,197.77	107,707.04	103,642.97	4,064.08	47,576.78	45,781.5	
4,537,900.37	779,966.81	751,981.35	27,985.46	20,226.43	19,500.70	58,245.76	56,155.88	2,089.88	107,707.04	103,842.48	3,864.56	47,576.78	45,869.7	
3,785,919.02	779,966.81	753,428.92	26,537.89	20,226.43	19,538.24	58,245.76	56,263.98	1,981.78	107,707.04	104,042.38	3,664.67	47,576.78	45,958.0	
3,032,490.10	779,966.81	754,879.27	25,087.54	20,226.43	19,575.85	58,245.76	56,372.29	1,873.47	107,707.04	104,242.66	3,464.38	47,576.78	46,046.4	
2,277,610.83	779,966.81	756,332.41	23,634.40	20,226.43	19,613.54	58,245.76	56,480.81	1,764.95	107,707.04	104,443.33	3,263.72	47,576.78	46,135.1	
1,521,278.42	779,966.81	757,788.35	22,178.46	20,226.43	19,651.29	58,245.76	56,589.53	1,656.23	107,707.04	104,644.38	3,062.66	47,576.78	46,223.9	
0,763,490.07	779,966.81	759,247.09	20,719.72	20,226.43	19,689.12	58,245.76	56,698.47	1,547.29	107,707.04	104,845.82	2,861.22	47,576.78	46,312.9	
0,004,242.98	779,966.81	760,708.64	19,258.17	20,226.43	19,727.02	58,245.76	56,807.61	1,438.15	107,707.04	105,047.65	2,659.40	47,576.78	46,402.0	
9,243,534.34	779,966.81	762,173.01	17,793.80	20,226.43	19,765.00	58,245.76	56,916.97	1,328.79	107,707.04	105,249.87	2,457.18	47,576.78	46,491.3	
8,481,361.33	779,966.81	763,640.19	16,326.62	20,226.43	19,803.05	58,245.76	57,026.53	1,219.23	107,707.04	105,452.47	2,254.57	47,576.78	46,580.8	
7,717,721.14	779,966.81	765,110.20	14,856.61	20,226.43	19,841.17	58,245.76	57,136.31	1,109.45	107,707.04	105,655.47	2,051.58	47,576.78	46,670.5	
6,952,610.94	779,966.81	766,583.03	13,383.78	20,226.43	19,879.36	58,245.76	57,246.30	999.46	107,707.04	105,858.85	1,848.19	47,576.78	46,760.3	
6,186,027.91	779,966.81	768,058.71	11,908.10	20,226.43	19,917.63	58,245.76	57,356.50	889.26	107,707.04	106,062.63	1,644.41	47,576.78	46,850.4	
5,417,969.20	779,966.81	769,537.22	10,429.59	20,226.43	19,955.97	58,245.76	57,466.91	778.85	107,707.04	106,266.80	1,440.24	47,576.78	46,940.5	
4,648,431.98	779,966.81	771,018.58	8,948.23	20,226.43	19,994.39	58,245.76	57,577.53	668.23	107,707.04	106,471.37	1,235.68	47,576.78	47,030.9	
3,877,413.40	779,966.81	772,502.79	7,464.02	20,226.43	20,032.87	58,245.76	57,688.37	557.39	107,707.04	106,676.32	1,030.72	47,576.78	47,121.4	
3,104,910.61	779,966.81	773,989.86	5,976.95	20,226.43	20,071.44	58,245.76	57,799.42	446.34	107,707.04	106,881.68	825.37	47,576.78	47,212.2	
2,330,910.75	779,966.81	775,479.79	4,487.02	20,226.43	20,110.08	58,245.76	57,910.68	335.08	107,707.04	107,087.42	619.62	47,576.78	47,303.0	
1,555,440.96	779,966.81	776,972.59	2,994.22	20,226.43	20,148.79	58,245.76	58,022.16	223.60	107,707.04	107,293.57	413.48	47,576.78	47,394.1	
778,468.87	779,966.81	778,468.26	1,498.55	20,226.43	20,187.57	58,245.76	58,133.85	111.91	107,707.04	107,500.11	206.94	47,576.78	47,485.3	
31,198,672.40				809,057.39	777,972.90	2,329,830.43	2,240,316.89	89,513.54	4,308,281.77	4,142,754.88	165,526.88	1,903,071.28	1,829,954.0	
of 3														

104,916,611
330,929,750
555,448,962
778,465,370

EXHIBIT E

DRAFT

n Costs 30,000,000.00

0.77%

40

\$779,966.81

Beginning Balance	LAGUNA HILLS				LAKE FOREST			ORANGE			PLACENTIA	
	Payment	Cities Share of MCC	Additional Funding Cost	Total Payment 0.74%	Cities Share of MCC	Additional Funding Cost	Total Payment 1.85%	Cities Share of MCC	Additional Funding Cost	Total Payment 8.22%	Total Payment	Cities Share c MCC
10,000,000.00	\$779,966.81	722,216.81	57,750.00	5,774.93	5,347.34	427.59	14,443.40	13,373.99	1,069.41	64,151.54	1.83%	13,212.8
29,277,783.19	779,966.81	723,607.08	56,359.73	5,774.93	5,357.64	417.29	14,443.40	13,399.73	1,043.67	64,151.54	14,269.39	13,238.3
28,554,176.11	779,966.81	725,000.02	54,966.79	5,774.93	5,367.95	406.98	14,443.40	13,425.53	1,017.87	64,151.54	14,269.39	13,263.7
17,829,176.09	779,966.81	726,395.65	53,571.16	5,774.93	5,378.28	396.64	14,443.40	13,451.37	992.03	64,151.54	14,269.39	13,289.3
17,102,780.44	779,966.81	727,793.96	52,172.85	5,774.93	5,388.64	386.29	14,443.40	13,477.27	966.14	64,151.54	14,269.39	13,314.9
16,374,986.48	779,966.81	729,194.96	50,771.85	5,774.93	5,399.01	375.92	14,443.40	13,503.21	940.19	64,151.54	14,269.39	13,340.5
15,645,791.52	779,966.81	730,598.66	49,368.15	5,774.93	5,409.40	365.53	14,443.40	13,529.20	914.20	64,151.54	14,269.39	13,366.2
14,915,192.86	779,966.81	732,005.06	47,961.75	5,774.93	5,419.82	355.11	14,443.40	13,555.25	888.15	64,151.54	14,269.39	13,391.9
14,183,187.80	779,966.81	733,414.17	46,552.64	5,774.93	5,430.25	344.68	14,443.40	13,581.34	862.06	64,151.54	14,269.39	13,417.7
13,449,773.63	779,966.81	734,826.00	45,140.81	5,774.93	5,440.70	334.23	14,443.40	13,607.49	835.92	64,151.54	14,269.39	13,443.5
12,714,947.63	779,966.81	736,240.54	43,726.27	5,774.93	5,451.18	323.75	14,443.40	13,633.68	809.72	64,151.54	14,269.39	13,469.4
11,978,707.09	779,966.81	737,657.80	42,309.01	5,774.93	5,461.67	313.26	14,443.40	13,659.93	783.48	64,151.54	14,269.39	13,495.3
11,241,049.29	779,966.81	739,077.79	40,889.02	5,774.93	5,472.18	302.75	14,443.40	13,686.22	757.18	64,151.54	14,269.39	13,521.3
10,501,971.50	779,966.81	740,500.51	39,466.30	5,774.93	5,482.72	292.21	14,443.40	13,712.57	730.84	64,151.54	14,269.39	13,547.3
9,761,470.99	779,966.81	741,925.98	38,040.83	5,774.93	5,493.27	281.66	14,443.40	13,738.96	704.44	64,151.54	14,269.39	13,573.4
9,019,545.01	779,966.81	743,354.19	36,612.62	5,774.93	5,503.85	271.08	14,443.40	13,765.41	677.99	64,151.54	14,269.39	13,599.5
8,276,190.82	779,966.81	744,785.14	35,181.67	5,774.93	5,514.44	260.49	14,443.40	13,791.91	651.49	64,151.54	14,269.39	13,625.7
7,531,405.68	779,966.81	746,218.85	33,747.96	5,774.93	5,525.06	249.87	14,443.40	13,818.46	624.94	64,151.54	14,269.39	13,651.9
6,785,186.83	779,966.81	747,655.33	32,311.48	5,774.93	5,535.69	239.24	14,443.40	13,845.06	598.34	64,151.54	14,269.39	13,678.2
6,037,531.50	779,966.81	749,094.56	30,872.25	5,774.93	5,546.35	228.58	14,443.40	13,871.71	571.69	64,151.54	14,269.39	13,704.5
5,288,436.94	779,966.81	750,536.57	29,430.24	5,774.93	5,557.03	217.90	14,443.40	13,898.41	544.99	64,151.54	14,269.39	13,730.9
4,537,900.37	779,966.81	751,981.35	27,985.46	5,774.93	5,567.72	207.21	14,443.40	13,925.17	518.23	64,151.54	14,269.39	13,757.4
3,785,919.02	779,966.81	753,428.92	26,537.89	5,774.93	5,578.44	196.49	14,443.40	13,951.97	491.43	64,151.54	14,269.39	13,783.8
3,032,490.10	779,966.81	754,879.27	25,087.54	5,774.93	5,589.18	185.75	14,443.40	13,978.83	464.57	64,151.54	14,269.39	13,810.4
2,277,610.83	779,966.81	756,332.41	23,634.40	5,774.93	5,599.94	174.99	14,443.40	14,005.74	437.66	64,151.54	14,269.39	13,837.0
1,521,278.42	779,966.81	757,788.35	22,178.46	5,774.93	5,610.72	164.21	14,443.40	14,032.70	410.70	64,151.54	14,269.39	13,863.6
0,763,490.07	779,966.81	759,247.09	20,719.72	5,774.93	5,621.52	153.41	14,443.40	14,059.71	383.69	64,151.54	14,269.39	13,890.3
0,004,242.98	779,966.81	760,708.64	19,258.17	5,774.93	5,632.34	142.59	14,443.40	14,086.78	356.62	64,151.54	14,269.39	13,917.0
9,243,534.34	779,966.81	762,173.01	17,793.80	5,774.93	5,643.18	131.75	14,443.40	14,113.90	329.51	64,151.54	14,269.39	13,943.8
8,481,361.33	779,966.81	763,640.19	16,326.62	5,774.93	5,654.05	120.88	14,443.40	14,141.07	302.34	64,151.54	14,269.39	13,970.7
7,717,721.14	779,966.81	765,110.20	14,856.61	5,774.93	5,664.93	110.00	14,443.40	14,168.29	275.11	64,151.54	14,269.39	13,997.5
6,952,610.94	779,966.81	766,583.03	13,383.78	5,774.93	5,675.83	99.09	14,443.40	14,195.56	247.84	64,151.54	14,269.39	14,024.5
6,186,027.91	779,966.81	768,058.71	11,908.10	5,774.93	5,686.76	88.17	14,443.40	14,222.89	220.51	64,151.54	14,269.39	14,051.5
5,417,969.20	779,966.81	769,537.22	10,429.59	5,774.93	5,697.71	77.22	14,443.40	14,250.27	193.13	64,151.54	14,269.39	14,078.5
4,648,431.98	779,966.81	771,018.58	8,948.23	5,774.93	5,708.68	66.25	14,443.40	14,277.70	165.70	64,151.54	14,269.39	14,105.6
3,877,413.40	779,966.81	772,502.79	7,464.02	5,774.93	5,719.66	55.26	14,443.40	14,305.18	138.22	64,151.54	14,269.39	14,132.8
3,104,910.11	779,966.81	773,989.86	5,976.95	5,774.93	5,730.68	44.25	14,443.40	14,332.72	110.68	64,151.54	14,269.39	14,160.0
2,330,920.75	779,966.81	775,479.79	4,487.02	5,774.93	5,741.71	33.22	14,443.40	14,360.31	83.09	64,151.54	14,269.39	14,187.3
1,555,440.96	779,966.81	776,972.59	2,994.22	5,774.93	5,752.76	22.17	14,443.40	14,387.96	55.45	64,151.54	14,269.39	14,214.6
778,468.87	779,966.81	778,468.26	1,498.55	5,774.93	5,763.83	11.10	14,443.40	14,415.65	27.75	64,151.54	14,269.39	14,241.9
31,198,672.40	29,999,999.89	1,198,672.51	230,997.15	228,122.10	577,736.08	555,539.10	577,736.08	2,467,472.09	98,589.70	2,566,061.79	570,775.66	548,846.1

EXHIBIT E

Costs 30,000,000.00
0.77%
40
\$779,966.81

Beginning Balance	Payment	Cities Share of MCC	RANCHO SANTA MARGARITA			SAN JUAN CAPISTRANO			SANTA ANA			Total Payment	Cities Share of MCC	STANTON
			Total Payment	Cities Share of MCC	Additional Funding Cost	Total Payment	Cities Share of MCC	Additional Funding Cost	Total Payment	Cities Share of MCC	Additional Funding Cost			
0,000,000.00	\$779,966.81	722,216.81	5,449.84	5,046.32	403.51	7,024.07	6,504.00	520.07	22,899.31	165,318.12	13,219.19	2.04%	15,932.67	14,752.91
9,277,783.19	779,966.81	723,607.08	5,449.84	5,056.04	393.80	7,024.07	6,516.52	507.55	178,537.31	165,636.36	12,900.95		15,932.67	14,781.35
8,554,176.11	779,966.81	725,000.02	5,449.84	5,065.77	384.07	7,024.07	6,529.06	495.01	178,537.31	165,955.21	12,582.10		15,932.67	14,809.84
7,829,176.09	779,966.81	726,395.65	5,449.84	5,075.52	374.32	7,024.07	6,541.63	482.44	178,537.31	166,274.67	12,262.64		15,932.67	14,838.31
7,102,780.44	779,966.81	727,793.96	5,449.84	5,085.29	364.55	7,024.07	6,554.22	469.85	178,537.31	166,594.75	11,942.56		15,932.67	14,866.91
6,374,986.48	779,966.81	729,194.96	5,449.84	5,095.08	354.76	7,024.07	6,566.84	457.23	178,537.31	166,915.45	11,621.87		15,932.67	14,895.54
5,645,791.52	779,966.81	730,598.66	5,449.84	5,104.89	344.95	7,024.07	6,579.48	444.59	178,537.31	167,236.76	11,300.55		15,932.67	14,924.21
4,915,192.86	779,966.81	732,005.06	5,449.84	5,114.72	335.12	7,024.07	6,592.14	431.92	178,537.31	167,558.69	10,978.62		15,932.67	14,952.94
4,183,187.80	779,966.81	733,414.17	5,449.84	5,124.56	325.28	7,024.07	6,604.83	419.23	178,537.31	167,881.24	10,656.07		15,932.67	14,981.71
3,449,773.63	779,966.81	734,826.00	5,449.84	5,134.43	315.41	7,024.07	6,617.55	406.52	178,537.31	168,204.41	10,332.90		15,932.67	15,010.56
2,714,947.63	779,966.81	736,240.54	5,449.84	5,144.31	305.53	7,024.07	6,630.29	393.78	178,537.31	168,528.21	10,009.11		15,932.67	15,039.44
1,978,707.09	779,966.81	737,657.80	5,449.84	5,154.21	295.62	7,024.07	6,643.05	381.02	178,537.31	168,852.62	9,684.69		15,932.67	15,068.41
1,241,049.29	779,966.81	739,077.79	5,449.84	5,164.14	285.70	7,024.07	6,655.84	368.23	178,537.31	169,177.66	9,359.65		15,932.67	15,097.41
0,501,971.50	779,966.81	740,500.51	5,449.84	5,174.08	275.76	7,024.07	6,668.65	355.42	178,537.31	169,503.33	9,033.98		15,932.67	15,126.44
9,761,470.99	779,966.81	741,925.98	5,449.84	5,184.04	265.80	7,024.07	6,681.49	342.58	178,537.31	169,829.62	8,707.69		15,932.67	15,155.66
9,019,545.01	779,966.81	743,354.19	5,449.84	5,194.02	255.82	7,024.07	6,694.35	329.72	178,537.31	170,156.55	8,380.77		15,932.67	15,184.71
8,276,190.82	779,966.81	744,785.14	5,449.84	5,204.01	245.82	7,024.07	6,707.24	316.83	178,537.31	170,484.10	8,053.22		15,932.67	15,214.00
7,531,405.68	779,966.81	746,218.85	5,449.84	5,214.03	235.81	7,024.07	6,720.15	303.92	178,537.31	170,812.28	7,725.03		15,932.67	15,243.25
6,785,186.83	779,966.81	747,655.33	5,449.84	5,224.07	225.77	7,024.07	6,733.08	290.98	178,537.31	171,141.09	7,396.22		15,932.67	15,272.65
6,037,531.50	779,966.81	749,094.56	5,449.84	5,234.13	215.71	7,024.07	6,746.05	278.02	178,537.31	171,470.54	7,066.77		15,932.67	15,302.05
5,288,436.94	779,966.81	750,536.57	5,449.84	5,244.20	205.64	7,024.07	6,759.03	265.04	178,537.31	171,800.62	6,736.69		15,932.67	15,331.45
4,537,900.37	779,966.81	751,981.35	5,449.84	5,254.30	195.54	7,024.07	6,772.04	252.03	178,537.31	172,131.34	6,405.98		15,932.67	15,361.00
3,785,919.02	779,966.81	753,428.92	5,449.84	5,264.41	185.43	7,024.07	6,785.08	238.99	178,537.31	172,462.69	6,074.62		15,932.67	15,390.57
3,032,490.10	779,966.81	754,879.27	5,449.84	5,274.55	175.29	7,024.07	6,798.14	225.93	178,537.31	172,794.68	5,742.63		15,932.67	15,420.20
2,277,610.83	779,966.81	756,332.41	5,449.84	5,284.70	165.14	7,024.07	6,811.23	212.84	178,537.31	173,127.31	5,410.00		15,932.67	15,449.88
1,521,278.42	779,966.81	757,788.35	5,449.84	5,294.87	154.97	7,024.07	6,824.34	199.73	178,537.31	173,460.58	5,076.73		15,932.67	15,479.67
0,763,490.07	779,966.81	759,247.09	5,449.84	5,305.06	144.77	7,024.07	6,837.48	186.59	178,537.31	173,794.49	4,742.82		15,932.67	15,509.41
0,004,242.98	779,966.81	760,708.64	5,449.84	5,315.28	134.56	7,024.07	6,850.64	173.43	178,537.31	174,129.05	4,408.27		15,932.67	15,539.28
9,243,534.34	779,966.81	762,173.01	5,449.84	5,325.51	124.33	7,024.07	6,863.83	160.24	178,537.31	174,464.24	4,073.07		15,932.67	15,569.15
8,481,361.33	779,966.81	763,640.19	5,449.84	5,335.76	114.08	7,024.07	6,877.04	147.03	178,537.31	174,800.09	3,737.22		15,932.67	15,599.15
7,717,721.14	779,966.81	765,110.20	5,449.84	5,346.03	103.81	7,024.07	6,890.28	133.79	178,537.31	175,136.58	3,400.73		15,932.67	15,629.15
6,952,610.94	779,966.81	766,583.03	5,449.84	5,356.32	93.52	7,024.07	6,903.54	120.53	178,537.31	175,473.71	3,063.60		15,932.67	15,659.28
6,186,027.91	779,966.81	768,058.71	5,449.84	5,366.63	83.21	7,024.07	6,916.83	107.24	178,537.31	175,811.50	2,725.81		15,932.67	15,689.41
5,417,969.20	779,966.81	769,537.22	5,449.84	5,376.96	72.87	7,024.07	6,930.14	93.92	178,537.31	176,149.94	2,387.37		15,932.67	15,719.67
4,648,431.98	779,966.81	771,018.58	5,449.84	5,387.31	62.52	7,024.07	6,943.48	80.58	178,537.31	176,489.03	2,048.28		15,932.67	15,749.88
3,877,413.40	779,966.81	772,502.79	5,449.84	5,397.69	52.15	7,024.07	6,956.85	67.22	178,537.31	176,828.77	1,708.54		15,932.67	15,780.21
3,104,916.61	779,966.81	773,989.86	5,449.84	5,408.08	41.76	7,024.07	6,970.24	53.83	178,537.31	177,169.17	1,368.15		15,932.67	15,810.55
2,330,926.75	779,966.81	775,479.79	5,449.84	5,418.49	31.35	7,024.07	6,983.66	40.41	178,537.31	177,510.22	1,027.10		15,932.67	15,841.07
1,555,440.96	779,966.81	776,972.59	5,449.84	5,428.92	20.92	7,024.07	6,997.10	26.96	178,537.31	177,851.92	683.39		15,932.67	15,871.57
778,468.82	779,966.81	778,468.26	5,449.84	5,439.37	10.47	7,024.07	7,010.57	13.50	178,537.31	178,194.29	343.02		15,932.67	15,902.06
31,198,672.40	29,999,999.89	1,198,672.51	217,993.55	209,618.10	8,375.45	280,962.76	270,168.00	10,794.77	7,141,492.48	6,867,111.87	274,380.61		637,306.82	612,821.11

EXHIBIT E
DRAFT

Costs 30,000,000.00
0.77%
40
\$779,966.81

Beginning Balance	Payment	Cities Share of MCC	Additional Funding Cost	TUSTIN			VILLA PARK			YORBA LINDA			TOTAL	
				Total Payment 2.64%	Cities Share of MCC	Additional Funding Cost	Total Payment 0.16%	Cities Share of MCC	Additional Funding Cost	Total Payment 1.54%	Cities Share of MCC	Additional Funding Cost	Total Payment 100.00%	Cities Share MCC
0,000,000.00	\$779,966.81	722,216.81	57,750.00	20,569.07	19,046.11	1,522.97	1,218.13	1,127.94	90.19	12,048.98	11,156.86	892.13	779,966.83	722,216
9,277,783.19	779,966.81	723,607.08	56,359.73	20,569.07	19,082.77	1,486.30	1,218.13	1,130.11	88.02	12,048.98	11,178.33	870.65	779,966.83	723,607
8,554,176.11	779,966.81	725,000.02	54,966.79	20,569.07	19,119.50	1,449.57	1,218.13	1,132.28	85.85	12,048.98	11,199.85	849.13	779,966.83	725,000
7,829,176.09	779,966.81	726,395.65	53,571.16	20,569.07	19,156.31	1,412.76	1,218.13	1,134.46	83.67	12,048.98	11,221.41	827.57	779,966.83	726,395
7,102,780.44	779,966.81	727,793.96	52,172.85	20,569.07	19,193.19	1,375.89	1,218.13	1,136.65	81.48	12,048.98	11,243.01	805.97	779,966.83	727,793
6,374,986.48	779,966.81	729,194.96	50,771.85	20,569.07	19,230.13	1,338.94	1,218.13	1,138.83	79.29	12,048.98	11,264.65	784.33	779,966.83	729,194
5,645,791.52	779,966.81	730,598.66	49,368.15	20,569.07	19,267.15	1,301.92	1,218.13	1,141.03	77.10	12,048.98	11,286.34	762.64	779,966.83	730,598
4,915,192.86	779,966.81	732,005.06	47,961.75	20,569.07	19,304.24	1,264.83	1,218.13	1,143.22	74.91	12,048.98	11,308.07	740.92	779,966.83	732,005
4,183,187.80	779,966.81	733,414.17	46,552.64	20,569.07	19,341.40	1,227.67	1,218.13	1,145.42	72.70	12,048.98	11,329.83	719.15	779,966.83	733,414
3,449,773.63	779,966.81	734,826.00	45,140.81	20,569.07	19,378.63	1,190.44	1,218.13	1,147.63	70.50	12,048.98	11,351.64	697.34	779,966.83	734,826
2,714,947.63	779,966.81	736,240.54	43,726.27	20,569.07	19,415.94	1,153.14	1,218.13	1,149.84	68.29	12,048.98	11,373.50	675.49	779,966.83	736,240
1,978,707.09	779,966.81	737,657.80	42,309.01	20,569.07	19,453.31	1,115.76	1,218.13	1,152.05	66.08	12,048.98	11,395.39	653.59	779,966.83	737,657
1,241,049.29	779,966.81	739,077.79	40,889.02	20,569.07	19,490.76	1,078.31	1,218.13	1,154.27	63.86	12,048.98	11,417.33	631.66	779,966.83	739,077
0,501,971.50	779,966.81	740,500.51	39,466.30	20,569.07	19,528.28	1,040.79	1,218.13	1,156.49	61.64	12,048.98	11,439.30	609.68	779,966.83	740,500
9,761,470.99	779,966.81	741,925.98	38,040.83	20,569.07	19,565.87	1,003.20	1,218.13	1,158.72	59.41	12,048.98	11,461.32	587.66	779,966.83	741,925
9,019,545.01	779,966.81	743,354.19	36,612.62	20,569.07	19,603.54	965.54	1,218.13	1,160.95	57.18	12,048.98	11,483.39	565.59	779,966.83	743,354
8,276,190.82	779,966.81	744,785.14	35,181.67	20,569.07	19,641.27	927.80	1,218.13	1,163.18	54.95	12,048.98	11,505.49	543.49	779,966.83	744,785
7,531,405.68	779,966.81	746,218.85	33,747.96	20,569.07	19,679.08	889.99	1,218.13	1,165.42	52.71	12,048.98	11,527.64	521.34	779,966.83	746,218
6,785,186.83	779,966.81	747,655.33	32,311.48	20,569.07	19,716.96	852.11	1,218.13	1,167.67	50.46	12,048.98	11,549.83	499.15	779,966.83	747,655
6,037,531.50	779,966.81	749,094.56	30,872.25	20,569.07	19,754.92	814.15	1,218.13	1,169.91	48.22	12,048.98	11,572.07	476.92	779,966.83	749,094
5,288,436.94	779,966.81	750,536.57	29,430.24	20,569.07	19,792.95	776.13	1,218.13	1,172.17	45.96	12,048.98	11,594.34	454.64	779,966.83	750,536
4,537,900.37	779,966.81	751,981.35	27,985.46	20,569.07	19,831.05	738.02	1,218.13	1,174.42	43.71	12,048.98	11,616.66	432.32	779,966.83	751,981
3,785,919.02	779,966.81	753,428.92	26,537.89	20,569.07	19,869.22	699.85	1,218.13	1,176.68	41.45	12,048.98	11,639.02	409.96	779,966.83	753,428
3,032,490.10	779,966.81	754,879.27	25,087.54	20,569.07	19,907.47	661.60	1,218.13	1,178.95	39.18	12,048.98	11,661.43	387.55	779,966.83	754,875
2,277,610.83	779,966.81	756,332.41	23,634.40	20,569.07	19,945.79	623.28	1,218.13	1,181.22	36.91	12,048.98	11,683.88	365.11	779,966.83	756,332
1,521,278.42	779,966.81	757,788.35	22,178.46	20,569.07	19,984.19	584.88	1,218.13	1,183.49	34.64	12,048.98	11,706.37	342.61	779,966.83	757,788
0,763,490.07	779,966.81	759,247.09	20,719.72	20,569.07	20,022.66	546.41	1,218.13	1,185.77	32.36	12,048.98	11,728.90	320.08	779,966.83	759,247
0,004,242.98	779,966.81	760,708.64	19,258.17	20,569.07	20,061.20	507.87	1,218.13	1,188.05	30.08	12,048.98	11,751.48	297.50	779,966.83	760,708
9,243,534.34	779,966.81	762,173.01	17,793.80	20,569.07	20,099.82	469.25	1,218.13	1,190.34	27.79	12,048.98	11,774.10	274.88	779,966.83	762,173
8,481,361.33	779,966.81	763,640.19	16,326.62	20,569.07	20,138.51	430.56	1,218.13	1,192.63	25.50	12,048.98	11,796.77	252.21	779,966.83	763,640
7,717,721.14	779,966.81	765,110.20	14,856.61	20,569.07	20,177.28	391.79	1,218.13	1,194.93	23.20	12,048.98	11,819.48	229.51	779,966.83	765,110
6,952,610.94	779,966.81	766,583.03	13,383.78	20,569.07	20,216.12	352.95	1,218.13	1,197.23	20.90	12,048.98	11,842.23	206.75	779,966.83	766,583
6,186,027.91	779,966.81	768,058.71	11,908.10	20,569.07	20,255.04	314.04	1,218.13	1,199.53	18.60	12,048.98	11,865.02	183.96	779,966.83	768,058
5,417,969.20	779,966.81	769,537.22	10,429.59	20,569.07	20,294.03	275.05	1,218.13	1,201.84	16.29	12,048.98	11,887.86	161.12	779,966.83	769,537
4,648,431.98	779,966.81	771,018.58	8,948.23	20,569.07	20,333.09	235.98	1,218.13	1,204.15	13.98	12,048.98	11,910.75	138.23	779,966.83	771,018
3,877,413.40	779,966.81	772,502.79	7,464.02	20,569.07	20,372.24	196.84	1,218.13	1,206.47	11.66	12,048.98	11,933.68	115.30	779,966.83	772,502
3,104,918.61	779,966.81	773,989.86	5,976.95	20,569.07	20,411.45	157.62	1,218.13	1,208.79	9.33	12,048.98	11,956.65	92.33	779,966.83	773,989
2,330,990.75	779,966.81	775,479.75	4,487.02	20,569.07	20,450.74	118.33	1,218.13	1,211.12	7.01	12,048.98	11,979.67	69.32	779,966.83	775,479
1,555,440.96	779,966.81	776,972.59	2,994.21	20,569.07	20,490.11	78.96	1,218.13	1,213.45	4.68	12,048.98	12,002.73	46.25	779,966.83	776,972
778,466.81	779,966.81	778,468.26	1,498.55	20,569.07	20,529.55	39.52	1,218.13	1,215.79	2.34	12,048.98	12,025.83	23.15	779,966.83	778,468
				822,762.96	791,151.90	31,611.07	48,725.15	46,853.10	1,872.05	481,959.28	463,442.10	18,517.18	31,198,673.02	30,000,000

Term Sheet

This term sheet sets forth the proposed terms and conditions for the provision of animal care and shelter services by the Orange County Humane Society (OCHS) to the City of Garden Grove (City).

- Animal care and shelter services will be provided for approximately 3,900 animals per year.
- Services will be provided at an estimated flat rate cost of 290,000 for up to 3,500 animals per year and \$310,000 for up to 3,900 animals per year. For animals over 3,900, an additional cost of \$7.00/dog and \$5.00/cat per day will be charged.
- All animals will be held in accordance with the requirements of the California Food and Agriculture Code unless sooner redeemed by their respective owners or adopted. At the direction of the City, the OCHS shall hold animals longer at an additional charge of: \$7.00/dog, \$5.00/cat for each additional day.
- Contract term of 5 years with option of five additional, one-year extensions.
- City will make a contribution toward the expansion of OCHS facilities to include a new drop-off/remote office, which would provide additional space to accommodate City's animal shelter needs. To this end, the City agrees to pay up to 25% of the cost of the related tenant improvements, up to \$25,000.
- City will commence service with OCHS within 6 months of execution of a formal agreement.
- This term sheet will constitute nonbinding instruction to prepare a formal agreement consistent with these terms.

Agreed:.

City of Garden Grove

By: _____

City Manager

Date: _____

Orange County Humane Society

By: Samir S. Botros

Name: Samir S. Botros DVM

Title: Chief Officer

Date: 3/15/16

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	City Manager	Dept.:	Public Works
Subject:	Approval of a Cooperative Agreement with the Orange County Transportation Authority for the design phase of the Orange County Streetcar Project. (<i>Action Item</i>)		
		Date:	3/22/2016

OBJECTIVE

To request the City Council approve a Cooperative Agreement with the Orange County Transportation Authority (OCTA) for the design phase of the Orange County Streetcar Project (Streetcar Project).

BACKGROUND

In 2006 the cities of Garden Grove and Santa Ana partnered in a Go Local Project to study the feasibility of a transit system to extend the reach of the Metrolink. City Council adopted a resolution of support for the Streetcar Project on January 28, 2014 and also adopted a resolution approving the selection of Streetcar Alternative 1 as the Locally Preferred Alternative on February 10, 2015.

DISCUSSION

The proposed Streetcar Project would include an at-grade rail system from the Santa Ana Regional Transportation Center to the northeast corner of Harbor Boulevard and Westminster Avenue. The alignment would be approximately 4.1 miles traversing through the Santa Ana Civic Center area and going up the Pacific Electric Right of Way to reach the intersection of Harbor Boulevard and Westminster Avenue. This Cooperative Agreement applies to the design phase of the Streetcar Project. Staff will be involved in consultant selection for the preparation of the plans and specifications, periodic formal reviews of the design package, as well as other duties outlined in the agreement. All staff time shall be reimbursed by the OCTA in compliance with the Agreement and the attachment shown in Exhibit E of the Agreement. The design package is anticipated to be completed by October 2017. The design package is anticipated to cost \$16.43 million dollars. The construction cost is estimated at \$289 million dollars. The project is anticipated to be funded through

federal, state, and local grants. Construction is anticipated to begin in June 2018 and the streetcar will be in operation by December 2020.

FINANCIAL IMPACT

There is no impact to the General Fund. All city labor costs incurred for this project will be reimbursed monthly by OCTA, from execution of this agreement to the end of the project design phase.

RECOMMENDATION

It is recommended that the City Council:

- Approve the attached Cooperative Agreement No. C-5-3807 with the Orange County Transportation Authority for the Orange County Streetcar Project;
- Authorize the City Manager to sign the Cooperative Agreement on behalf of the City.

By: Dai C. Vu, P.E., Associate Engineer

ATTACHMENTS:

Description	Upload Date	Type	File Name
OCTA COOP AGRMNT	3/14/2016	Cover Memo	4.12.16_octacoop.pdf

COOPERATIVE AGREEMENT NO. C-5-3807
BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF GARDEN GROVE
FOR
THE DESIGN PHASE
OF THE
OC STREETCAR PROJECT

THIS COOPERATIVE AGREEMENT ("Agreement"), is effective this _____ day of _____, 2016, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange California 92863-1584, a public entity of the State of California (herein referred to as "AUTHORITY") and the City of Garden Grove, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "CITY") each individually known as "Party" and collectively known as the "Parties".

RECITALS:

WHEREAS, the OC Streetcar Project ("Project") refers to the implementation of the OC Streetcar as illustrated in Exhibit A and as specifically described in this Agreement;

WHEREAS, the AUTHORITY and the CITY entered into a Memorandum of Understanding (MOU) on August 31, 2015 for this Project in advance of this Agreement;

WHEREAS, the AUTHORITY, in cooperation with the Federal Transit Administration (FTA) and the CITY, is proposing to design, construct, operate and maintain the OC Streetcar. The AUTHORITY is a grantee of the Federal Transit Administration.

WHEREAS, the Santa Ana/Garden Grove Streetcar Locally Preferred Alternative was identified by the Santa Ana City Council on August 5, 2014 and approved through the certification of the Environmental Impact Report by the Santa Ana City Council on January 20, 2015;

1 WHEREAS, on February 10, 2015, the Garden Grove City Council adopted Resolution No.
2 9269-15 entitled A Resolution of the City Council of the City of Garden Grove approving the
3 selection of Streetcar Alternative 1 as the locally preferred alternative of the Santa Ana-Garden
4 Grove Fixed Guideway Project;

5 **WHEREAS**, on August 11, 2014, the AUTHORITY Board of Directors approved the
6 AUTHORITY to be the lead agency on all phases of the Project;

7 **WHEREAS**, this Agreement defines the roles, responsibilities, commitments, obligations, and
8 expectations for the AUTHORITY and the CITY as they relate to the Project design phase including
9 financial obligations;

10 **WHEREAS** it is the intent of the AUTHORITY and the CITY that the CITY shall be acting at
11 all times in respect to the Project as a Vendor as that term is used for federal funding requirements
12 purposes and that the CITY shall conduct any activities on the Project in compliance with all federal
13 rules, regulations and circulars applicable to Project Vendors.

14 **WHEREAS**, the Parties intend to enter into an agreement, prior to construction to establish
15 the roles, responsibilities and expectations for the AUTHORITY and the CITY as they relate to
16 Project construction;

17 **WHEREAS**, the OC Streetcar Project becomes the "OC Streetcar" upon the initiation of
18 revenue service;

19 **WHEREAS**, the Parties intend to enter into an agreement , prior to construction, to establish
20 the roles, responsibilities and expectations of the OC Streetcar operating in the CITY's public way;

21 **WHEREAS**, the Parties intend to enter into an agreement, prior to revenue service, to
22 establish the roles, responsibilities and expectations for the AUTHORITY and the CITY as they
23 relate to the operations and maintenance of the OC Streetcar and adjacent streets;

24 **WHEREAS**, the Project will be funded through a combination of federal, state and local
25 funds;

1 **WHEREAS**, the AUTHORITY's Board of Directors approved this Agreement on ____ day of
2 _____, 2016;

3 **WHEREAS**, the CITY's City Council approved this Agreement on ____ day of
4 _____, 2016;

5 **NOW, THEREFORE**, it is mutually understood and agreed by the AUTHORITY and the CITY
6 as follows:

7 **ARTICLE 1. DEFINITIONS**

8 "Betterment" means any work or items that are requested by the CITY or a third party that go
9 beyond what is needed for the basic functioning of the Project. Betterments must i) not be
10 prohibited by a governing state or federal standard ii) not adversely impact the operation of the
11 Project and iii) not unreasonably delay or interfere with the Project schedule. Notwithstanding the
12 foregoing, none of the following shall be considered Betterments:

- 13 (a) A change in scope to which the Parties mutually agree, is necessary for the construction,
14 operation or maintenance of the Project;
- 15 (b) A requirement of applicable law;
- 16 (c) A requirement of applicable city standards in effect as of the Effective Date of the
17 Agreement;
- 18 (d) Any measures to mitigate environmental or other impacts of the Project arising from the
19 construction or operation or maintenance of the Project, including measures identified in
20 the Project's EIR or any required supplemental or addenda environmental report once
21 cleared.

22 "CEQA" means California Environmental Quality Act.

23 "Construction Agreement" means the cooperative agreement between the Parties
24 established to define the roles responsibilities and expectations during the construction, start up and
25 testing of the Project.

1 "Construction Contractor" means the firms(s) procured by the AUTHORITY to construct the
2 Project or portions of the Project.

3 "Day" or "Days" means calendar days and not business days, unless a different meaning
4 clearly appears from the context.

5 "Design Consultant" means the firm(s) procured by the AUTHORITY to perform preliminary
6 and/or final design services to produce the Plans and Specifications.

7 "Effective Date" means the date this Agreement is executed by the Parties.

8 "OC Streetcar" is the operating streetcar vehicles and all streetcar infrastructure including the
9 track, the overhead contact system (wires, poles, conduits, and appurtenances), the traction power
10 system (substations, conduits, controllers, and appurtenances), streetcar signage, stations or stops
11 (lighting, shelters, and all stop features), utilities supporting the streetcar from point of service, and a
12 maintenance and storage facility (MSF).

13 "Operations and Maintenance Agreement" means the cooperative agreement between the
14 AUTHORITY and the CITY establishing the roles, responsibilities, and expectations with respect to
15 the operations and maintenance of the OC Streetcar.

16 "PE ROW" means the property owned by the AUTHORITY, previously the Pacific Electric
17 Railroad ROW, intended to be used for the OC Streetcar between Raitt Street and Harbor
18 Boulevard.

19 "Plans and Specifications" means the Project plans, specifications, and special provisions
20 prepared by the Design Consultant and/or the AUTHORITY providing the information necessary to
21 construct the Project.

22 "Project Submittals" means all design drawings, product data, test data, specifications,
23 design submittals, schedules, cost estimates, erection drawings or similar documents which are
24 produced by or on behalf of the AUTHORITY during the design of the Project, and which relate to
25 the Plans and Specifications or otherwise affect the interests of the CITY under this Agreement.
26

1 "Public Way Use Agreement" means the agreement established between the Parties
2 establishing the AUTHORITY's right to use the CITY's public way for the OC Streetcar.

3 "Ready to Bid" is a design package level of completeness indicating the design is complete,
4 the CITY's comments have been addressed, all drawings and specifications have been affixed with
5 a seal as required, and the title sheet has been signed by both the AUTHORITY and the CITY.

6 "Revenue Service" means the streetcar is operational and providing service to the public as
7 intended.

8 "Site Plan Review" is the process by which the CITY reviews project development submittals
9 and identify the requirements and conditions of approval for a development project.

10 "Work Plan" is the CITY's staffing budget for the responsibilities identified in this Agreement
11 and as provided for in Exhibit C, Table C-1.

12 **ARTICLE 2. COMPLETE AGREEMENT**

13 A. This Agreement, including any attachments incorporated herein and made applicable
14 by reference, constitutes the entire term(s) and condition(s) for the subject matter addressed in this
15 Agreement between the AUTHORITY and the CITY. This Agreement does not replace or
16 supersede the MOU for this Project entered into prior to this Agreement; however, any terms or
17 conditions in conflict shall be controlled by this Agreement. The invalidity in whole or in part of any
18 term or condition of this Agreement shall not affect the validity of other term(s) or condition(s) of this
19 Agreement. The above referenced Recitals are true and correct and are incorporated by reference
20 herein.

21 B. The AUTHORITY's failure to insist on any instance(s) of the CITY's performance of
22 any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of
23 the AUTHORITY's right to such performance or to future performance of such term(s) or
24 condition(s), and the CITY's obligation in respect thereto shall continue in full force and effect.
25 Changes to any portion of this Agreement shall not be binding upon the AUTHORITY except when
26 specifically confirmed in writing by an authorized representative of the AUTHORITY by way of a

1 written amendment to this Agreement and issued in accordance with the provisions of this
2 Agreement.

3 C. The CITY's failure to insist on any instance(s) of the AUTHORITY's performance of
4 any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of
5 the CITY's right to such performance or to future performance of such term(s) or condition(s), and
6 the AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to
7 any portion of this Agreement shall not be binding upon the CITY except when specifically confirmed
8 in writing by an authorized representative of the CITY by way of a written amendment to this
9 Agreement and issued in accordance with the provisions of this Agreement.

10 **ARTICLE 3. SCOPE OF AGREEMENT**

11 This Agreement specifies the roles and responsibilities of the Parties as they pertain to the
12 design phase of the Project and subjects addressed herein. Both the AUTHORITY and the CITY
13 agree that each will cooperate and coordinate with the other in all activities covered by this
14 Agreement and any other supplemental agreements that may be required to facilitate purposes
15 thereof.

16 **ARTICLE 4. RESPONSIBILITIES OF THE AUTHORITY**

17 The AUTHORITY agrees to the responsibilities for the Project assigned herein to the
18 AUTHORITY pursuant to Exhibit B Project Scope and Exhibit C Financial Obligations attached
19 hereto and made part of this Agreement.

20 **ARTICLE 5. RESPONSIBILITIES OF THE CITY**

21 The CITY agrees to the responsibilities for the Project assigned herein to the CITY pursuant
22 to Exhibit B Project Scope and Exhibit C Financial Obligations attached hereto and made part of this
23 Agreement.

24 **ARTICLE 6. DELEGATED AUTHORITY**

25 The actions required to be taken by the CITY in the implementation of this Agreement are
26 delegated to its City Manager, or designee, and the actions required to be taken by the AUTHORITY

1 in the implementation of this Agreement are delegated to the AUTHORITY's Chief Executive Officer
2 or designee.

3 **ARTICLE 7. MAXIMUM OBLIGATION**

4 Notwithstanding any provisions of this Agreement to the contrary, the AUTHORITY and the
5 CITY mutually agree that the AUTHORITY's maximum cumulative payment obligation under this
6 Agreement shall be Two Hundred Thirty Thousand Four Hundred Eleven Dollars (\$230,411), unless
7 agreed to and amended in writing by both Parties.

8 **ARTICLE 8. AUDIT AND INSPECTION**

9 The AUTHORITY and the CITY shall maintain a complete set of records in accordance with
10 generally accepted accounting principles. Upon reasonable notice, the CITY shall permit the
11 authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll,
12 books, accounts, and other data and records of the CITY for a period of four (4) years after final
13 payment, or until any on-going audit is completed. For purposes of audit, the date of completion of
14 this Agreement shall be the date of the AUTHORITY's payment of the CITY's final billing (so noted
15 on the invoice) under this Agreement. The AUTHORITY shall have the right to reproduce any such
16 books, records, and accounts. The above provision with respect to audits shall extend to and/or be
17 included in City contracted work.

18 **ARTICLE 9. INDEMNIFICATION**

19 A. To the fullest extent permitted by law, the CITY shall defend (at the CITY's sole cost
20 and expense with legal counsel reasonably acceptable to the AUTHORITY), indemnify, protect, and
21 hold harmless the AUTHORITY, its officers, directors, employees, and agents from and against any
22 and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards,
23 settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney
24 fees, including but not limited to claims arising from injuries to or death of persons (the CITY's
25 employees included), for damage to property, including property owned by the AUTHORITY, or from
26 any violation of any federal, state, or local law or ordinance, alleged to be caused by the negligent

1 acts, omissions or willful misconduct of the CITY, its officers, directors, employees or agents in
2 connection with or arising out of the performance of this Agreement.

3 B. To the fullest extent permitted by law, the AUTHORITY shall defend (at the
4 AUTHORITY's sole cost and expense with legal counsel reasonably acceptable to the CITY),
5 indemnify, protect, and hold harmless the CITY, its officers, directors, employees, and agents from
6 and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments,
7 arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal
8 costs and attorney fees, including but not limited to claims arising from injuries to or death of
9 persons (the AUTHORITY's employees included), for damage to property, including property owned
10 by the CITY, or from any violation of any federal, state, or local law or ordinance, alleged to be
11 caused by the negligent acts, omissions or willful misconduct of the AUTHORITY, its officers,
12 directors, employees or agents in connection with or arising out of the performance of this
13 Agreement.

14 C. The indemnification and defense obligations of this Agreement shall survive its
15 expiration or termination.

16 **ARTICLE 10. ADDITIONAL PROVISIONS**

17 A. Term of Agreement: This Agreement shall be in full force and effect for a term of one
18 year past the first day of Revenue Service as defined. The Parties do not intend that the term of this
19 Agreement shall exceed any limitation imposed by law, including without limitation the laws of
20 California, and agree to comply with any applicable requirements of such laws in connection with
21 any renewal of the term of this Agreement.

22 B. Termination: In the event either Party defaults in the performance of their obligations
23 under this Agreement or breaches any of the provisions of this Agreement, the non-defaulting Party
24 shall have the option to terminate this Agreement upon thirty (30) days prior written notice to the
25 other Party. This option shall only be available if the non-defaulting Party has provided reasonable
26

1 notice to the defaulting Party of any default and the opportunity to cure such default within forty-five
2 (45) days.

3 C. Termination for Convenience: This Agreement may not be terminated by either Party
4 for convenience.

5 D. Termination for Lack of Funding: The AUTHORITY may terminate this Agreement in
6 the event funding is not available.

7 E. Compliance: The AUTHORITY and the CITY shall comply with all applicable federal,
8 state, and local laws, statues, ordinances and regulations of any governmental authority having
9 jurisdiction over the Project.

10 F. Legal Authority: The AUTHORITY and the CITY hereto consent that they are
11 authorized to execute this Agreement on behalf of said Parties and that, by so executing this
12 Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

13 G. Severability: If any term, provision, covenant or condition of this Agreement is held to
14 be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the
15 remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or
16 condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17 H. Counterparts of Agreement: This Agreement may be executed and delivered in any
18 number of counterparts, each of which, when executed and delivered shall be deemed an original
19 and all of which together shall constitute the same agreement. Facsimile or emailed PDF
20 documents with signatures will be permitted.

21 I. Force Majeure: Either Party shall be excused from performing its obligations under
22 this Agreement during the time and to the extent that it is prevented from performing by an
23 unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts
24 of God; commandeering of material, products, plants or facilities by the federal, state or local
25 government; national fuel shortage; or a material act or omission by the other Party, when
26 satisfactory evidence of such cause is presented to the other Party, and provided further that such

1 nonperformance is unforeseeable, beyond control and not due to the fault or negligence of the Party
2 not performing.

3 J. Assignment: Neither this Agreement, nor any of the Parties' rights, obligations,
4 duties, or authority hereunder may be assigned in whole or in part by either Party without the prior
5 written consent of the other Party in its sole and absolute discretion. Any such attempt of
6 assignment shall be deemed void and of no force and effect. Consent to one assignment shall not
7 be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such
8 subsequent assignment.

9 K. Governing Law and Venue: The laws of the State of California and applicable local
10 and federal laws, regulations and guidelines shall govern this Agreement. The Parties agree that
11 Orange County, California shall be the venue for any action or proceeding that may be brought in
12 connection with this Agreement.

13 L. Dispute Resolution: Disputes arising out of this Agreement shall be resolved at the
14 lowest possible level. If a dispute cannot be resolved, it shall be elevated promptly to the next
15 resolution level. The three levels of dispute resolution shall be: both Parties' Project Manager level
16 (lowest), Executive Director level (middle), and Chief Executive Officer/City Manager level (highest).
17 If the dispute has not been resolved within sixty (60) days of referral to the highest level above,
18 either Party shall not be precluded from initiating litigation upon fourteen (14) days written notice to
19 the other Party; provided however, that if one Party has requested the other to participate in the
20 informal process listed above, at any level, and the other Party has unreasonably failed to
21 participate, the requesting Party may initiate litigation upon fourteen (14) days written notice.

22 M. Litigation fees: Should litigation arise out of this Agreement for the performance
23 thereof, each Party shall be responsible for its own costs and expenses, including attorney's fees.

24 N. Notices: Any notices, requests, or demands made between the Parties pursuant to
25 this Agreement are to be directed as follows:

26 /

To CITY: City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840	To AUTHORITY: Orange County Transportation Authority 550 South Main Street P.O. Box 14184 Orange, CA 92863-1584
ATTENTION: Scott C. Stiles City Manager Tel: 714-741-5379 E-Mail: sstiles@garden-grove.org	ATTENTION: Lydia Bilynsky Section Manager III, Capital Projects Tel: (714) 560-5568 E-Mail: LBilynsky@octa.net
Cc: William E. Murray Public Works Director Tel: 714-741-5379 E-Mail: wem@garden-grove.org	Cc: Jim Beil Executive Director, Capital Programs Tel: (714) 560-5646 E-Mail: JBeil@octa.net

O. Amendments: This Agreement may be modified or amended only by a written document executed by both the AUTHORITY and the CITY. Such document shall expressly state that it is intended by the Parties to amend specifically identified terms and conditions of this Agreement.

P. Compliance with FTA Requirements: The CITY shall comply with all Federal Transit Administration (FTA) requirements, including but not limited to, Circular C 5010 1D and Circular 4220.1F as updated from time to time. Any third party contracting shall include Exhibit D – Required Federal Clauses attached hereto and incorporated by reference in all third party contracts.

Q. Incorporation of Exhibits: This Agreement in its entirety includes the Exhibits listed below, all of which are, by this reference, incorporated herein and made part hereof as though fully set forth. The Exhibits of this Agreement are:

(CAMM to Update)

EXHIBIT A – PROJECT MAP

EXHIBIT B – PROJECT SCOPE

EXHIBIT C – FINANCIAL OBLIGATIONS

EXHIBIT D – REQUIRED FEDERAL CLAUSES

EXHIBIT E – CITY SUPPORT WORK PLAN

CITY OF GARDEN GROVE

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

By: _____

Scott C. Stiles

Darrell Johnson

City Manager

Chief Executive Officer

APPROVAL RECOMMENDED:

By: _____

Jim Beil

Executive Director, Capital Programs

Dated : _____

ATTEST:

By: _____

Kathy Bailor

City Clerk

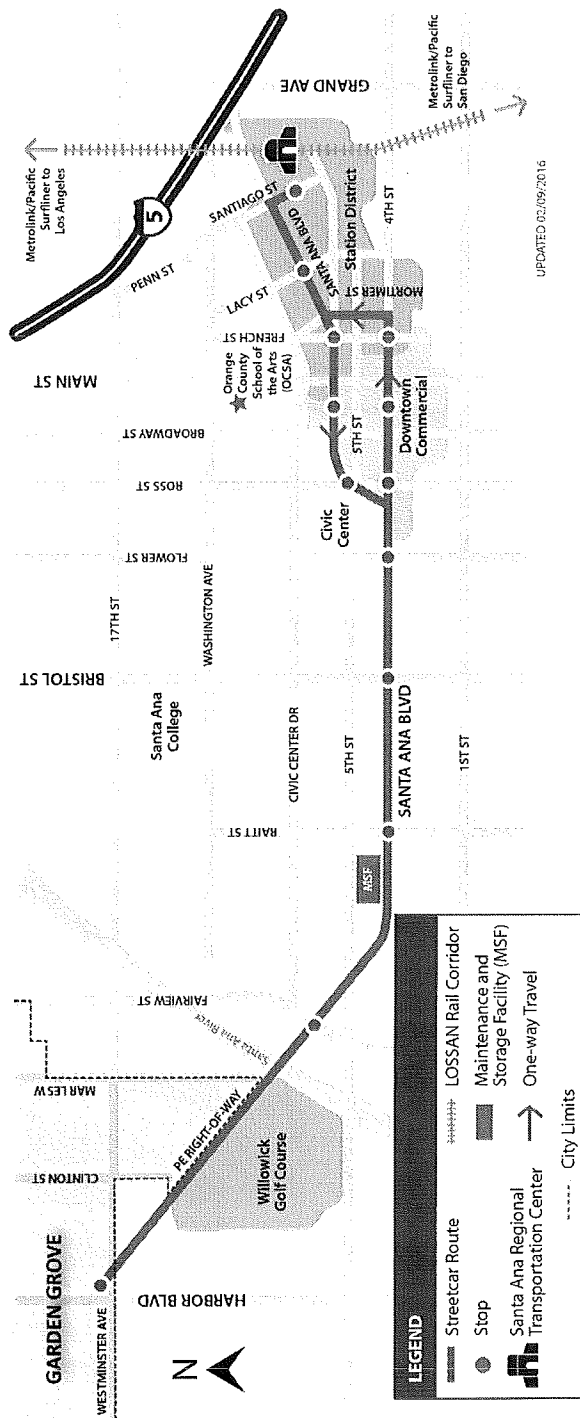
Dated : _____

LIST OF EXHIBITS

(CAMM to Update)

- Exhibit A – Project Map
- Exhibit B – Project Scope
- Exhibit C – Financial Obligations
- Exhibit D – Required Federal Clauses
- Exhibit E – City Support Work Plan

PROJECT MAP



PROJECT SCOPE

1.0 DEFINITIONS

The terms defined in Article 1 of this Agreement are incorporated into and made a part of Exhibit B.

2.0 STATEMENT OF MUTUAL SUPPORT

The CITY and the AUTHORITY hereby acknowledge their mutual support of the Project. Each Party agrees to cooperate with the other Party in a manner consistent with the commitments made and obligations assumed in this Agreement. Such cooperation and assistance shall include the dedication and reallocation of personnel, as required and is reasonably feasible, to meet Project goals including budget, schedule, and quality.

3.0 NOT USED

4.0 PROJECT MANAGEMENT

4.1 AUTHORITY MANAGEMENT

The AUTHORITY shall be responsible for project management. The AUTHORITY is responsible for the overall Project and to ensure that all federal and State requirements are met. The AUTHORITY is responsible for all management decisions unless stated otherwise herein.

The AUTHORITY shall identify a single point of contact (the AUTHORITY Project Manager) for the Project. The AUTHORITY Project Manager will be empowered to make certain decisions on behalf of the AUTHORITY and will manage the AUTHORITY's responsibilities as defined in this Agreement. The AUTHORITY Project Manager or designee will be able to provide clear and concise direction in situations where conflicting information is received from different AUTHORITY departments. All coordination with the AUTHORITY departments regarding the Project will be through the AUTHORITY Project Manager or designee.

4.2 CITY MANAGEMENT

The CITY shall identify a CITY Representative for the Project as a single point of contact for the Project. The CITY Representative will convey all direction provided by the CITY on behalf of the

CITY and will manage the CITY's responsibilities as defined in this Agreement. The CITY Representative will provide the AUTHORITY with clear and concise direction in situations where conflicting information is received from different CITY departments. All coordination with CITY departments regarding the Project will be through the CITY Representative, unless otherwise agreed upon by the CITY and the AUTHORITY.

4.3 SCHEDULE

The AUTHORITY shall develop a baseline schedule early in Project development. The CITY shall support the AUTHORITY in their efforts to meet Project milestones in order to achieve timely implementation of the Project. To the extent permitted by law, the CITY also agrees to cooperate and work with the AUTHORITY to mitigate adverse schedule conditions that jeopardize on-time Project completion.

4.4 REPORTING

The AUTHORITY will produce a monthly progress report providing an update on project status, budget, schedule, including a three (3) month look ahead schedule, and other information. The AUTHORITY shall provide the CITY access to the monthly progress report electronically.

4.5 PROCUREMENTS

The AUTHORITY shall be responsible for all procurement activities required for the Project. The CITY shall have, at the CITY's discretion, one (1) representative on all selection/evaluation committees including but not limited to public outreach, station and urban design, and construction management. The CITY Representative or designee shall be available for the procurement activities as scheduled.

4.5.1 Betterments

The AUTHORITY shall address CITY Betterment requests as separate cooperative agreements, or amendments to cooperative agreements, for each Betterment request. See Exhibit C – Financial Obligations, Section 4.0 for additional information.

4.6 RECORDS MANAGEMENT

The AUTHORITY shall maintain all Project records per the AUTHORITY's policies and procedures.

5.0 PROJECT INFRASTRUCTURE

5.1 ROUTE DESCRIPTION

The Project is 4.15 miles long more or less, and is represented in Exhibit A. The portion of the Project in Garden Grove (approximately .45 miles) is split into two locations due to an irregular city limit boundary. One portion is at the western terminus of the Project between Harbor Boulevard and Westminster Avenue. The other portion is located generally adjacent to Willowick Golf Course.

5.2 TRACKWAY

5.2.1 Track

The AUTHORITY reserves the right to use embedded track, ballasted track, or direct fixation for the trackway.

5.2.2 Drainage Facilities

The AUTHORITY shall mitigate any additional surface storm water drainage needs generated from the trackway or other impervious areas added by the Project or any change in drainage patterns caused solely by the Project. The mitigation of additional surface storm water drainage for the Project shall meet the CITY's National Pollutant Discharge Elimination System (NPDES) permit standards and will be subject to the CITY's storm water management requirements.

5.3 ROADWAY

5.3.1 Park and Ride Access

The AUTHORITY shall be allowed to install two access points to the park and ride at the western terminus of the Project; one onto Harbor Boulevard and one onto Westminster Avenue.

5.4 LANDSCAPING/IRRIGATION

Any landscaping or irrigation systems in the public way or on City property impacted by Project construction will be replaced or relocated with drought tolerant landscaping, space permitting.

No new landscaped areas are required for this Project in the CITY's public way.

Existing CITY owned irrigation systems that may be impacted by the Project will be tested prior to construction to verify operational fitness. Systems found to be non-operational shall have heads, valves, and controllers relocated and left in a connection-ready status.

5.5 LIGHTING

There is no new street lighting included in this Project unless mutually agreed otherwise. Lighting will be added at the terminus to meet pedestrian lighting standards. The AUTHORITY is not required to upgrade existing lighting if not impacted by the Project.

5.6 UTILITIES

5.6.1 CITY Utilities

CITY utilities include, but are not limited to, the CITY's water distribution system, storm drain system, sanitary sewer system, traffic signal conduits, and the street lighting system. The AUTHORITY's intent is to implement the Project with the least utility impacts possible. Any existing utility in direct conflict with a Project element shall be relocated.

5.6.2 Public Utilities

The AUTHORITY shall initiate discussions with each public utility to rearrange or relocate its public utility facilities that may be determined by the AUTHORITY and the CITY to conflict with the Project. Public utilities are all non-CITY utilities including but not limited to communications, electric, gas, and cable. In the event the public utility fails to agree or fails to make the rearrangement or relocation in a timely manner, the CITY shall exercise and/or assign its rights under any state laws or under any applicable franchise as requested by the AUTHORITY to effectuate such rearrangement or relocation to permit the AUTHORITY to rearrange or relocate the utility in a timely manner. The CITY shall cooperate with the AUTHORITY, shall provide assistance to the AUTHORITY as needed, and shall join with the AUTHORITY as a party in the prosecution or defense of the CITY's and the AUTHORITY's rights under the laws of the State of California to cause such rearrangements or relocations. The AUTHORITY shall underground only those

overhead utilities found in conflict with the proposed Project elements. Additional undergrounding of overhead utilities, if not in conflict with the Project, shall be considered a Betterment.

5.7 STREETCAR STOPS

5.7.1 Locations/Position

Project-wide it is anticipated there will be ten (10) streetcar stops for passengers to access the streetcar in each direction. There will be one stop in Garden Grove located between Harbor Boulevard and Westminster Avenue.

5.7.2 Overhead Contact System (OCS)

The OCS distributes the power generated by traction power substations used to propel the streetcars.

The poles used to support the OCS shall be smooth, round and tapered steel poles and shall match the color used elsewhere on the Project.

5.8 STREETCARS

The AUTHORITY is responsible for the procurement of streetcar vehicles.

6.0 DESIGN

6.1.1 Design Criteria

The AUTHORITY will develop design criteria and standards for the Project that are consistent with CITY design standards and guidelines. Applicable City standards are those in place on the Effective Date of this Agreement unless agreed to otherwise. The Project design criteria shall include the technical requirements and provisions for the Project and include which standards, specifications, and other requirements will be adhered to by the AUTHORITY's design consultants and Construction Contractors. The CITY shall review and approve design criteria that affect CITY owned assets. The Project design criteria shall include a design exception process with the approval of the applicable Party included. Once adopted, design criteria and referenced criteria requirements will not change unless agreed mutually otherwise.

6.1.2 Project Information

The CITY shall provide the AUTHORITY with electronic copies of all available record drawings, CADD files, and any other documents applicable to the Project.

6.1.3 Construction Phasing

During design, the AUTHORITY and the CITY will work collaboratively to develop the construction phasing for the Project. The AUTHORITY and the CITY shall gather input from the public in the development of construction phasing alternatives. The construction phasing plan shall be developed by the sixty (60) percent design level of completion in order for the information to be implemented into the Plans and Specifications.

6.1.4 Packaging

The Plans and Specifications prepared by the AUTHORITY shall be comprehensive and represent the complete design of the Project. All design plans shall be on a uniform border, numbered sequentially, and segregated by discipline as deemed appropriate by the AUTHORITY. The design plans and specifications, at the Ready to Bid stage, shall have a signature sheet for both AUTHORITY approval and CITY concurrence. CITY or AUTHORITY signature on individual sheets or specifications is not required.

6.1.5 Design Reviews

The Plans and Specification design package(s) will entail a formal review package including 30 percent, 60 percent, 90 percent, and Ready to Bid specific to the City. Each shall be scheduled in advance with at least a three-week notice provided for each submittal. The total review time shall be twenty (20) days for each formal review package submittal. The twenty (20) day period begins when the City receives the submittals. If multiple formal review packages are prepared the separate packages will not be concurrently reviewed. In situations where the AUTHORITY intends to submit review packages outside of the formal review packages, the CITY and the AUTHORITY will determine the review times on a case by case basis. The AUTHORITY shall provide the number of

copies of the Plans and Specifications for review as requested by the CITY. The CITY shall provide written comments on hard-copy prints, e-file comments, or tabular comments with clear reference to where the comment applies in the review set. Comments must be clear, concise, and legible. Prior to submission to the AUTHORITY, the CITY shall resolve any conflicting comments.

The AUTHORITY shall hold comment resolution meetings for each formal review stage and discipline, and shall discuss rejected comments with each reviewer. It is the AUTHORITY's responsibility to evaluate conflicting review comments between the various stakeholders (utility companies, agencies, etc.) and work with the reviewers to develop a final disposition.

The AUTHORITY shall respond in writing to each comment received within twenty (20) days. Any comments received after the review period shall be evaluated for relevance and shall be incorporated into the next design submittal when applicable. Comments received after the Ready to Bid review period, that have a material effect on Project cost or schedule shall be considered a Betterment. The exclusion of any review comment from the CITY shall be discussed between the Parties until mutually agreed upon. Any review comment not resolved within a reasonable time may be requested by either Party to be resolved in the Dispute Resolution process, identified in Article 10.L.

The AUTHORITY shall adopt a validation process to ensure that all accepted comments (from all reviewers) have been incorporated into the Plans and Specifications. The AUTHORITY shall demonstrate to the CITY that all comments have been implemented or resolved satisfactorily in the final Plans and Specifications.

Comments received that are deemed a Betterment, as determined by the AUTHORITY, shall be discussed with the CITY to determine if the CITY is interested in submitting a Betterment request.

6.1.6 Authorization to Bid

The AUTHORITY may advertise the procurement of a Construction Contractor as necessary to meet the Project schedule. The AUTHORITY shall not issue the Invitation for Bids for

construction until the Ready to Bid set of documents is complete as defined in Article 1 of the Agreement unless provided for otherwise herein.

The CITY shall not unnecessarily withhold the signing of the Ready to Bid cover sheet if the AUTHORITY has addressed all comments in good faith. If no comments have been elevated in the Dispute Resolution process as provided for in Article 10.L, the AUTHORITY may proceed into construction fourteen (14) days following written notice to the CITY that all comments have been addressed without the City's signature on the cover sheet.

6.1.7 Artistic Influence

The extent of the AUTHORITY's Project artwork obligations shall be to contract a station and urban design consultant to develop aesthetic design concepts that will incorporate artistic influence into the Project. Any artistic influence incorporated into the Project must meet FTA guidelines as an eligible expense. All other requested artwork shall be considered a Betterment.

6.1.8 Station and Urban Design

The AUTHORITY shall develop station and urban design concepts through an urban design consultant separate from the Project Design Consultant's scope of work, and gather community input on the urban aspects of the Project. The AUTHORITY is committed to an iterative process focused on securing community stakeholder consensus prior to advancing the concepts to final design. The Parties agree that the iterative process shall be orchestrated in a manner that reduces the number of concepts with each iteration. Once consensus is reached, the AUTHORITY shall advance the concept to the Design Consultant responsible for final design.

7.0 PUBLIC INVOLVEMENT

The AUTHORITY shall lead Project public involvement. The AUTHORITY shall develop and implement a public awareness campaign (PAC) in collaboration with and including input from the CITY that includes business outreach to advise businesses, residents, elected officials, motorists, and media of Project status. The AUTHORITY shall report on activities and collateral material

development during the Project. The AUTHORITY shall keep the CITY informed on PAC events, notices, and Project updates.

8.0 REAL ESTATE

The AUTHORITY shall be responsible for all right of way acquisition activities. If necessary, the AUTHORITY and the CITY shall cooperate in implementing eminent domain. If requested by the AUTHORITY, the CITY shall conduct public hearings to hear resolutions of necessity and agrees to exercise its rights under eminent domain, to assign all of its rights, and to join the AUTHORITY in litigation if necessary. Compensation for right of way acquisition support is addressed in Exhibit C, Section 4.2.

9.0 COORDINATION OF ADJACENT PROJECTS

The CITY agrees to keep the AUTHORITY informed on all design and construction projects that may directly impact this Project and that are submitted to the CITY for approval. This includes, but is not limited to, utility projects, communication projects, development projects, and other improvement projects.

To the extent permitted by law and except for renewals or extensions of existing licenses or permits, and renewals or extensions of existing use rights, the CITY shall not issue new licenses, permits, or use rights within the City's public right of way that materially interfere with the AUTHORITY's construction of the Project.

10.0 PERMITS AND COORDINATION

10.1 USE OF RIGHT OF WAY

The CITY agrees to grant to the AUTHORITY certain non-exclusive rights to use the CITY right of way for streetcar purposes, including the right to construct, operate, and maintain tracks, stations, OC Streetcar elements, and other improvements necessary for the OC Streetcar on that portion of the Project alignment constituting the CITY's public way or right of way. The AUTHORITY's use of the CITY's public way or right of way shall be at no charge and upon such terms and conditions as set forth in a Public Way Use Agreement.

10.2 PERMITS

By executing this Agreement, the CITY agrees to use its best efforts to facilitate all necessary authority, permission, and permits to enable the AUTHORITY to construct the Project as set forth herein. The CITY and the AUTHORITY acknowledge that the intent of this Agreement is to incorporate the majority of the CITY's requirements with respect to the permit the AUTHORITY must obtain to construct the Project. However, before the AUTHORITY begins construction, the AUTHORITY shall apply for and the CITY agrees to not unreasonably withhold such permit(s).

The AUTHORITY, and/or its Construction Contractor(s), shall not be charged for the CITY's fixed cost permit issuance fees for building and street work permits deemed necessary for the Project.

FINANCIAL OBLIGATIONS

1.0 DEFINITIONS

The terms defined in Article 1 of this Agreement are incorporated into and made a part of Exhibit C.

2.0 PROJECT FUNDING

The AUTHORITY is responsible for securing and administering all federal, state, and local funding for the Project.

3.0 PROJECT COSTS

The AUTHORITY is responsible for all Project capital costs. The AUTHORITY is not responsible for Betterment costs.

4.0 BETTERMENTS

4.1 BETTERMENT REQUESTS

Betterment requests submitted by the CITY to the AUTHORITY shall be established as separate cooperative agreements or as amendments to existing cooperative agreements under the framework established herein. All Betterments shall be paid for by the CITY. The following steps for a Betterment include:

1. The CITY shall submit to the AUTHORITY a Betterment request in writing. Each request shall include a detailed scope of work including identification of any work the CITY intends to self-perform.
2. The AUTHORITY shall review the Betterment request and prepare and submit to the CITY a proposal identifying scope clarifications, design costs, construction costs, and administration/management costs.
3. The CITY shall review the Betterment proposal. If acceptable, the CITY shall submit written authorization for the AUTHORITY to move forward. If further negotiations are necessary before authorization is provided, the CITY and the AUTHORITY shall negotiate and update the proposal to accurately reflect the negotiated terms and

conditions. The AUTHORITY reserves the right to decline any Betterment request that materially impacts the Project schedule.

4. All Betterment reimbursements by the CITY shall be lump sum and shall equal the agreed upon budget amount. The AUTHORITY agrees to segregate the Betterment with respect to accounting and cost reporting.

Any design work done by the AUTHORITY's Design Consultant on a Betterment, and incorporated into the Plans and Specifications, shall be constructed, without exception, by the AUTHORITY's Construction Contractor, as part of the Project construction effort.

4.2 BETTERMENT REIMBURSEMENT

The City's reimbursement of AUTHORITY costs associated with a Betterment shall be on a lump sum basis. Each Betterment cooperative agreement shall identify the timing and methodology for reimbursement.

5.0 CITY COSTS

5.1 CITY SUPPORT SCOPE

5.1.1 City Staff Support

City staffing support is CITY staff time spent in support of the Project and includes, but is not limited to, administering the CITY's support efforts, Project meetings, construction package reviews, site plan reviews, station and urban design participation, and public outreach efforts. The City Representative is responsible for managing CITY staff support on the Project and shall ensure time charged is reasonable and necessary. Support costs are for the design phase of the Project and shall not include costs incurred past the notice to proceed for construction.

5.1.2 City Consultant Services

Any consultant services used by the CITY on behalf of the Project shall be coordinated with the AUTHORITY. Any existing contracts the CITY intends to use for Project support must be reviewed by the AUTHORITY for compliance with FTA requirements and the CITY agrees to follow

the AUTHORITY's requirements for contract modifications or task order language prior to advancing any Project support work.

Should the CITY determine a need for additional consultant services, the CITY shall submit the scope, schedule and budget to the AUTHORITY for review and approval prior to commencing the procurement or authorizing the work under existing contracts. The AUTHORITY will verify there is no potential duplication of effort or risks to the overall Project schedule and budget and that there is no existing conflict of interest with existing contracts. In addition, the AUTHORITY will confirm the forecasted expenditures are eligible for reimbursement. All procurements must meet FTA requirements.

The CITY agrees to include information regarding conflict of interest with future AUTHORITY procurements related to the Project in all CITY support procurements.

Support costs are for the design phase of the Project and shall not include costs incurred past the notice to proceed for construction. CITY support costs associated with the construction phase of the Project will be addressed in the Construction Agreement.

5.1.3 Additional City Support

Additional City Support is to provide a means for the AUTHORITY to secure CITY support for the condemnation of property and for support on environmental update documents in a timely manner. The AUTHORITY recognizes that the CITY may use existing contracts for legal or other services to provide Additional City Support as requested by the AUTHORITY in accordance with the procedures below. The AUTHORITY shall use its best efforts to facilitate the CITY's use of such agreements, including without limitation seeking a waiver or other relief from applicable FTA requirements as necessary. In the event the CITY is unable to use an existing agreement for the purposes of providing Additional City Support because of noncompliance with FTA requirements, the AUTHORITY recognizes that the CITY in those circumstances may be unable to render Additional City Support, and the CITY shall thereupon be relieved from any obligation under this section.

Additional City Support is not intended to provide contingency for other Work Plan activities.

The following procedure shall be followed when Additional City Support is requested:

1. The AUTHORITY shall submit to the CITY a support request in writing. Each request shall include a detailed scope of work. For time sensitive activities, the AUTHORITY may authorize an initial amount in the request for support.
2. If an initial authorization is provided, the CITY shall provide support as requested and then the CITY shall prepare and submit to the AUTHORITY a proposal identifying scope clarifications, support costs, management/administrative costs, and any third party costs.
3. The AUTHORITY shall review the CITY's support proposal. If further negotiations are necessary before authorization is provided, the CITY and the AUTHORITY shall negotiate and update the proposal to accurately reflect the negotiated terms and conditions. If the cost of the support will exceed the provisional amount provided for Additional City Support, the Parties shall amend Article 7.0 – Maximum Obligation and provide a supplemental work plan to Exhibit E – City Support Work Plan.
4. All Additional Support Work shall be tracked separately and segregated as an independent task as identified with each authorization when invoicing.

5.2 CITY WORK PLAN BUDGET

5.2.1 City Staff Support

The CITY staff support budget has been developed by identifying positions, hours, and rates in the categories shown in the City Support Work Plan ("Work Plan") in Exhibit E.

AUTHORITY will reimburse CITY for actual CITY staff support costs incurred in accordance with the Work Plan Budget. Actual costs include all eligible CITY direct and indirect costs. The actual indirect cost recovery rate applied to direct labor costs will be adjusted following federal regulations. The cost to develop a Cost Allocation Plan to determine an indirect cost recovery rate is not eligible for reimbursement.

5.2.2 Additional City Support

Additional CITY support costs not included in the CITY Work Plan budget shall be included in an amendment to this Agreement. The CITY may not provide additional support without prior written authorization from the AUTHORITY.

5.2.3 Periodic Cost Reviews

The AUTHORITY and the CITY agree to regularly monitor CITY costs expended in comparison to the CITY support budget and the remaining effort anticipated. A formal review of funds expended shall be conducted by the Parties immediately following the submittal of the CITY's invoice inclusive of the construction package reviews at the 30%, 60%, and 90% periods which are generally scheduled for June 2016, January 2017, and June 2017 respectively. In the event the remaining level of effort required, as agreed to by the Parties, exceeds the remaining budget, the Work Plan Budget shall be updated through an amendment to this Agreement.

5.3 INVOICING PROCEDURES

Each month, the CITY shall submit an invoice to the AUTHORITY for actual costs incurred the prior month. Invoices shall be submitted within 30 days of the end of the monthly invoice period. Invoices shall be submitted in duplicate to AUTHORITY's Accounts Payable office. The CITY may also submit invoices electronically to the AUTHORITY's Accounts Payable Department at vendorinvoices@octa.net. The AUTHORITY shall remit payment within thirty (30) days of the receipt and approval of each invoice. Each invoice shall include the following information:

1. Reference to Agreement No. C-5-3583;
2. The time period covered by the invoice;
3. An identification of the execution date of this Agreement;
4. Work Plan budget and cumulative invoice amount;
5. Hours worked per person in the invoiced period;
6. Burdened Rate per person invoiced;

7. Indirect cost recovery rate applied to the total cost of CITY direct labor;
 8. Current invoice payment amount due;
 9. Signed and approved timesheets;
 10. Description of work performed adequate to correlate hours shown and work performed;
 11. Consultant invoices for the invoice period with the same information as required above;
- and

Any other information requested by the AUTHORITY to substantiate the validity of an invoice.

5.4 CONSULTANT PAYMENT VERIFICATION

The CITY shall provide the AUTHORITY verification of all consultant payments made by the CITY associated with CITY support within thirty (30) days of the consultant payment date.

6.0 NOT USED

7.0 FEES

7.1 PERMIT FEES

The AUTHORITY, and/or its Construction Contractor(s), shall not be charged for the CITY's fixed-cost permit issuance fees for building and street work permits deemed necessary for the Project.

7.2 DEVELOPMENT IMPACT FEES

The AUTHORITY shall pay for CITY adopted and third party development impact fees such as water and sewer connections, among others, which are related to site improvements for individual stations, maintenance facilities and other similar structures supporting the Project.

REQUIRED FEDERAL CLAUSES FOR THIRD PARTY AGREEMENTS

The following provisions apply to all purchases regardless of its value:

ARTICLE 1. FEDERAL CHANGES

CONSULTANT shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the agreement between the AUTHORITY and FTA, as they may be amended or promulgated from time to time during this Agreement. CONSULTANT's failure to comply shall constitute a material breach of contract.

ARTICLE 2. NO FEDERAL GOVERNMENT OBLIGATION TO THIRD PARTIES

AUTHORITY and CONSULTANT acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Agreement, absent the express written consent by the Federal Government, the Federal Government is not a party to this Agreement and shall not be subject to any obligations or liabilities to the AUTHORITY, CONSULTANT, or any other party (whether or not a party to this Agreement) pertaining to any matter resulting from the underlying Agreement. CONSULTANT agrees to include these requirements in all of its subcontracts.

ARTICLE 3. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

A. CONSULTANT acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. §§3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this project. Accordingly, by signing this Agreement, CONSULTANT certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying Agreement of the FTA assisted project for which this Agreement's work is being performed. CONSULTANT also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose penalties of the Program Fraud Civil Remedies Act of 1986 on CONSULTANT to the extent the Federal Government deems appropriate.

B. CONSULTANT also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under an agreement connected with a project that is financed in whole or part with Federal assistance awarded by FTA under the authority of 49 U.S.C. §5307 et seq., the Government reserves the right to impose the penalties of 18 U.S.C. §1001 and 49 U.S.C. §5307(n) (1) et seq. on CONSULTANT, to the extent the Federal Government deems appropriate. CONSULTANT agrees to include this requirement in all of its subcontracts.

ARTICLE 4. CIVIL RIGHTS ASSURANCE

During the performance of this Agreement, CONSULTANT, for itself, its assignees and successors in interest agree as follows:

A. Compliance with Regulations: CONSULTANT shall comply with the Regulations

relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Agreement.

B. Nondiscrimination: CONSULTANT, with regard to the work performed by it during the Agreement, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the Regulations.

C. Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by CONSULTANT for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by CONSULTANT of CONSULTANT's obligations under this Agreement and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

D. Information and Reports: CONSULTANT shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the AUTHORITY to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a CONSULTANT is in the exclusive possession of another who fails or refuses to furnish this information CONSULTANT shall so certify to the AUTHORITY as appropriate, and shall set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of CONSULTANT's noncompliance with nondiscrimination provisions of this Agreement, the AUTHORITY shall impose Agreement sanctions as it may determine to be appropriate, including, but not limited to:

1. *Withholding of payments to CONSULTANT under the Agreement until CONSULTANT complies; and/or*
2. *Cancellation, termination, or suspension of the Agreement, in whole or in part.*

F. Title VI of the Civil Rights Act. In determining the types of property or services to acquire, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance in violation of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. Sections 2000d *et seq.* and DOT regulations, "Nondiscrimination in Federally Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964," 49 CFR Part 21. In addition, FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," 05-13-07, provides FTA guidance and instructions for implementing DOT's Title VI regulations.

G. The Americans with Disabilities Act of 1990, as amended (ADA), 42 U.S.C. Sections 12101 *et seq.*, prohibits discrimination against qualified individuals with disabilities in all programs, activities, and services of public entities, as well as imposes specific requirements on public and private providers of transportation.

H. Incorporation of Provisions: CONSULTANT shall include the provisions of paragraphs (A) through (H) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. CONSULTANT shall take such action with respect to any subcontract or procurement as the AUTHORITY may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event CONSULTANT becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, CONSULTANT may request the AUTHORITY to enter into such litigation to protect the interests of the AUTHORITY, and, in addition, CONSULTANT may request the United States to enter into such litigation to protect the interests of the United States.

ARTICLE 5. DBE CONTRACT PROVISIONS FOR FTA-ASSISTED CONTRACTS WITH DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOALS

I. DBE Participation

It is the Consultant's responsibility to be fully informed regarding the requirements of 49 CFR, Part 26 and the Orange County Transportation Authority's (Authority's) DBE program developed pursuant to these regulations. Particular attention is directed to the following:

- A. A DBE must be a small business firm defined pursuant to 13 CFR 121 and be certified through the California Unified Certification Program (CUCP).
- B. A certified DBE may participate as a prime consultant, subconsultant, joint venture partner, as a vendor of material or supplies, or as a trucking company.
- C. A DBE must perform a commercially useful function pursuant to 49 CFR 26.55 that is, a DBE firm must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work.
- D. Consultant must not claim DBE participation as attained until the amount to be claimed is paid and fully adheres to DBE crediting provisions.

If the Consultant has committed to utilize DBE(s) in the performance of this DOT-assisted contract, the Consultant's submitted "DBE Participation Commitment Form" will be utilized to monitor Consultant's DBE commitments, unless otherwise directed and/or approved by the Authority prior to the Consultant effectuating any changes to its DBE participation commitment(s) (*Refer to Subsection H: "Performance of DBE Subconsultants"*).

Consultant must complete and submit all required DBE documentation to effectively capture all DBE utilization on the Authority's DOT-assisted contracts whether achieved race neutrally or race consciously. Even if a Consultant has not committed to utilize DBE(s) in the performance of this contract, the Consultant must execute and submit all required DBE forms and other related documentation as specified under this contract or as otherwise requested by the Authority. No changes to the Consultant's DBE Commitment must be made until proper protocols for review and approval of the Authority are rendered in writing.

To ensure full compliance with the requirements of 49 CFR, Part 26 and the Authority's DBE Program, the Consultant must:

- A. Take appropriate actions to ensure that it will continue to meet the DBE Commitment at the minimal level committed to at award or will satisfy the good faith efforts to meet the DBE

Commitment, when change orders or other contract modifications alter the dollar amount of the contract or the distribution of work. The Consultant must apply and report its DBE goal commitments against the total Contract Value, including any contract change orders and/or amendments.

II. DBE Policy and Applicability

In accordance with federal financial assistance agreements with the U.S. Department of Transportation (U.S. DOT), the Authority has adopted a Disadvantaged Business Enterprise (DBE) Policy and Program, in conformance with Title 49 CFR, Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs".

The project is subject to these stipulated regulations and the Authority's DBE program. In order to ensure that the Authority achieves its overall DBE Program goals and objectives, the Authority encourages the participation of DBEs as defined in 49 CFR, Part 26 in the performance of contracts financed in whole or in part with U.S. DOT funds. Pursuant to the intent of these Regulations, it is also the policy of the Authority to:

Fulfill the spirit and intent of the Federal DBE Program regulations published under U.S. DOT Title 49 CFR, Part 26, by ensuring that DBEs have equitable access to participate in all of Authority's DOT-assisted contracting opportunities.

Ensure that DBEs can fairly compete for and perform on all DOT-assisted contracts and subcontracts.

Ensure non-discrimination in the award and administration of Authority's DOT-assisted contracts.

Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.

Ensure that only firms that fully meet 49 CFR, Part 26 eligibility standards are permitted to participate as DBEs.

Help remove barriers to the participation of DBEs in DOT-assisted contracts.

Assist in the development of firms that can compete successfully in the marketplace outside the DBE Program.

Consultant must not discriminate on the basis of race, color, national origin, or sex in the award and performance of subconsultant.

Any terms used in this section that are defined in 49 CFR, Part 26, or elsewhere in the Regulations, must have the meaning set forth in the Regulations. In the event of any conflicts or inconsistencies between the Regulations and the Authority's DBE Program with respect to DOT-assisted contracts, the Regulations must prevail.

III. Authority's DBE Policy Implementation Directives

Pursuant to the provisions associated with federal regulation 49 CFR, Part 26, the Disadvantaged Business Enterprise (DBE) program exists to ensure participation, equitable competition, and assistance to participants in the USDOT DBE program. Accordingly, based on the Authority's analysis of its past utilization data, coupled with its examination of similar Agencies' Disparity Study and recent Goal Methodology findings the Authority has implemented the reinstatement of the DBE program utilizing both race-conscious and race-neutral means across the board as all protected groups participation have been affected using strictly race neutral means on its FTA-assisted contracts.

The Authority reinstates the use of contract goals and good faith efforts. Meeting the contract-specific goal by committing to utilize DBEs or documenting a bona fide good faith effort to do so, is a condition of award. Additionally, contract-specific goals are now specifically targeted at DBEs (*DBEs owned and controlled by Black Americans, Hispanic Americans, Asian-Pacific Americans, Native Americans, Asian-Pacific Americans, Sub-Continent Asian Americans, and Women*). In the event of a substitution, a DBE must be substituted with another DBE or documented adequate good faith efforts to do so must be made, in order to meet the contract goal and DBE contract requirements.

I. Definitions

The following definitions apply to the terms used in these provisions:

1. **"Disadvantaged Business Enterprise (DBE)"** means a small business concern: (a) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
2. **"Small Business Concern"** means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto, except that a small business concern must not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has annual average gross receipts in excess of \$19.57 million over the previous three fiscal years.
3. **"Socially and Economically Disadvantaged Individuals"** means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans, women and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act, or by the Authority pursuant to 49 CFR part 26.65. Members of the following groups are presumed to be socially and economically disadvantaged:
 - A. "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;
 - B. "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - C. "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts,

or Native Hawaiians;

- D. "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas;
- E. "Asian-Indian Americans," which includes persons whose origins are from India, Pakistan, and Bangladesh; and
- F. Women, regardless of ethnicity or race.

- 4. **"Owned and Controlled"** means a business: (a) which is at least 51 percent owned by one or more "Socially and Economically Disadvantaged Individuals" or, in the case of a publicly-owned business, at least 51 percent of the stock of which is owned by one or more "Socially and Economically Disadvantaged Individuals"; and (b) whose management and daily business operations are controlled by one or more such individuals.
- 5. **"Manufacturer"** means a firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies obtained by the Consultant.
- 6. **"Regular Dealer"** means a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials or supplies required for the performance of the contract are bought, kept in stock, and regularly sold to the public in the usual course of business. The firm must engage in, as its principal business, and in its own name, the purchase and sale of the product in question. A regular dealer in such bulk items as steel, cement, gravel, stone and petroleum products need not keep such products in stock if it owns or operates distribution equipment.
- 7. **"Fraud"** includes a firm that does not meet the eligibility criteria of being a certified DBE and that attempts to participate in a DOT-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty. The Authority may take enforcement action under 49 CFR, Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under 49 CFR, Part 31. The Authority may refer the case to the Department of Justice, for prosecution under 18 U.S.C. 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT-assisted program or otherwise violates applicable Federal statutes.
- 8. **"Other Socially and Economically Disadvantaged Individuals"** means those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who, on a case-by-case basis, are determined by Small Business Administration or a recognized California Unified Certification Program Certifying Agency to meet the social and economic disadvantage criteria described below.

A. "Social Disadvantage"

- 1. The individual's social disadvantage must stem from his/her color, national origin, gender, physical handicap, long-term residence in an environment isolated from the

- mainstream of American society, or other similar cause beyond the individual's control.
2. The individual must demonstrate that he/she has personally suffered social disadvantage.
 3. The individual's social disadvantage must be rooted in treatment, which he/she has experienced in American society, not in other countries.
 4. The individual's social disadvantage must be chronic, longstanding and substantial, not fleeting or insignificant.
 5. The individual's social disadvantage must have negatively affected his/her entry into and/or advancement in the business world.
 6. A determination of social disadvantage must be made before proceeding to make a determination of economic disadvantage.

B. "Economic Disadvantage"

1. The individual's ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities, as compared to others in the same line of business and competitive market area that are not socially disadvantaged.
2. The following criteria will be considered when determining the degree of diminished credit and capital opportunities of a person claiming social and economic disadvantage:

With respect to the individual:

- availability of financing bonding capability
- availability of outside equity capital
- available markets

With respect to the individual and the business concern:

- personal and business assets
- personal and business net worth
- personal and business income and profits

IV. Submission of DBE Information and Ongoing Reporting Requirements (Post-Award)

If there is a DBE goal on the contract, Consultant must complete and submit the following DBE exhibits (forms) consistent with Consultant DBE Goal Commitment within the specified timelines. Even if no DBE participation will be reported, the Consultant must execute and return the form:

1. "Monthly DBE Subconsultant Commitment and Attainment Report Summary and Payment Verification " (Form 103)

The purpose of this form is to ensure Consultant DBE commitments are attained, properly reported and credited in accordance with DBE crediting provisions based on the capacity the DBE performs the scope of work/service. This form further serves to collect DBE utilization data required under 49 CFR, Part 26.

The Consultant is required to complete and submit a Form 103 to the Authority by the 10th of each month until completion of the contract. The Consultant must submit

its first Form 103 following the first month of contract activity. Upon completion of the contract, the Consultant must complete and submit a "Final: Monthly DBE Subconsultant Commitment and Attainment Report Summary and Payment Verification" (Form 103) to facilitate reporting and capturing actual DBE attainments at conclusion of the contract.

The Form 103 must include the following information:

A. General Contract Information – Including Contract Number and Name, Prime Consultant and the following:

1. Original Contract Amount
2. Running Total of Change Order Amount
3. Current Contract Amount
4. Amount Paid to Consultant during Month
5. Amount Paid to Consultant from Inception to Date
6. DBE Contract Goal
7. Total Dollar Amount of DBE Commitment
8. DBE Commitment as Percentage of Current Contract Amount

B. Listed and/Proposed Consultant/Subconsultant Information – For All DBE participation being claimed either Race Neutrally or Race Consciously, regardless of tier:

1. DBE Firm Name, Address, Phone Number, DBE Type of Operation, Certification Type and Certification Number.
2. DBE Firm Contract Value Information:
Original contract amount, running total of change order amount, Current contract amount, Amount paid to Consultant during month and Amount paid to Consultant to date.

2. Consultant Assurance of Full Compliance with Prompt Payment Provisions

Consultant to sign the prompt payment assurance statement of compliance contained within the Form 103. Consultant is to further maintain and submit at the request of Authority a detailed running tally of related invoices submitted by DBE(s) and Non DBE(s), including dates of invoice submission, dates accepted and corresponding dates and amount of payments made. The Payment and Retention Reporting tally must also include:

DBE(s) and Non DBE(s) Invoice Number, Invoice Amount, Invoice Date, Prime Consultant's Invoice Number that incorporated the corresponding DBE and Non DBE invoice(s) for billing purposes, Date of Invoice submission to Authority, Date and amount Authority paid on Prime Consultant's Invoice. The report must also reflect a breakout of retention withheld (including retention as specified in subcontract agreement(s) and disputed invoice retention) and retention payments made, check number and date paid to DBE and Non DBE.

Consultant is advised not to report the participation of DBE(s) toward the Consultant's DBE attainment until the amount being claimed has been paid to the

DBE. Verification of payments and/or a signed Verification of Payment by the applicable DBE or Non DBE must be submitted with Form 103 to authenticate reported payments.

3. DBE Subcontract Agreements

The Consultant must submit to the Authority copies of executed subcontracts and/or purchase orders (PO) for all DBE firms participating on the contract within ten (10) working days of award. The Consultant must immediately notify the Authority in writing of any problems it may have in obtaining the subcontract agreements from listed DBE firms within the specified time.

4. "Monthly DBE Trucking Verification" Form

Prior to the 10th of each month, the Consultant must submit documentation on the "Monthly DBE Trucking Verification" Form to the Authority showing the amount paid to DBE trucking companies. The Consultant must also obtain and submit documentation to the Authority showing the amount paid by DBE trucking companies to all firms, including owner-operators, for the leasing of trucks. If the DBE leases trucks from a non-DBE, the Contactor may count only the fee or commission the DBE receives as a result of the lease arrangement.

The Consultant must also obtain and submit documentation to the Authority showing the truck number, owner's name, California Highway Patrol CA number, and if applicable, the DBE certification number of the owner of the truck for all trucks used during that month.

5. "Final Report-Utilization of Disadvantaged Business Enterprises (DBE), First Tier Subconsultants"

Upon completion of the contract, a summary of these records must be prepared on the: "Final Report-Utilization of Disadvantaged Business Enterprises (DBE), First Tier Subconsultants" and certified correct by the Consultant or the Consultant's authorized representative, and must be furnished to the Engineer. The form must be furnished to the Authority within ninety (90) days from the date of contract acceptance. The amount of \$10,000 will be withheld from payment until a satisfactory form is submitted.

6. "Disadvantaged Business Enterprises (DBE) Certification Status Change"

If a DBE Sub is decertified during the life of the project, the decertified Subconsultant must notify the Consultant in writing with the date of decertification. If a Subconsultant becomes a certified DBE during the life of the project, the Subconsultant must notify the Consultant in writing with the date of certification (Attach DBE certification/Decertification letter). The Consultant must furnish the written documentation to the AUTHORITY.

Upon completion of the contract, the "Disadvantaged Business Enterprises (DBE) Certification Status Change" must be signed and certified correct by the Consultant indicating the DBEs' existing certification status. If there are no

changes, please indicate "No Changes". The certified form must be furnished to the Authority within ninety (90) days from the date of contract acceptance.

V. DBE Eligibility and Commercially Useful Function Standards

A DBE must be certified at the time of Proposal submission:

1. A certified DBE must be a small business concern as defined pursuant to Section 3 of the U.S. Small Business Act and relevant regulations promulgated pursuant thereto.
2. A DBE may participate as a Prime Consultant, Subconsultant, joint venture partner with a Prime or Subconsultant, vendor of material or supplies, or as a trucking company.
3. A DBE joint venture partner must be responsible for specific contract items of work, or clearly defined portions thereof. Responsibility means actually performing, managing and supervising the work with its own forces. The DBE joint venture partner must share in the capital contribution, control, management, risks and profits of the joint venture commensurate with its ownership interest.
4. At time of proposal submission, DBEs must be certified by the California Unified Certification Program (CUCP). Listings of DBEs certified by the CUCP are available from the following sources:
 - A. The CUCP web site, which can be accessed at <http://www.californiaucp.com>; or the Caltrans "Civil Rights" web site at <http://www.dot.ca.gov/hq/bep>.
5. A DBE must perform a commercially useful function in accordance with 49 CFR 26.55 (i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work). A DBE should perform at least thirty percent (30%) of the total cost of its contract with its own workforce to presume it is performing a commercially useful function.

VI. DBE Crediting Provisions

1. When a DBE is proposed to participate in the contract, either as a Prime Consultant or Subconsultant, at any tier, only the value of the work proposed to be performed by the DBE with its own forces may be counted towards DBE participation. If the Consultant is a DBE joint venture participant, only the DBE proportionate interest in the joint venture must be counted.
2. If a DBE intends to subcontract part of the work of its subcontract to a lower-tier Subconsultant, the value of the subcontracted work may be counted toward DBE participation only if the Subconsultant is a certified DBE and actually performs the work with their own forces. Services subcontracted to a Non-DBE firm may not be credited toward the Prime Consultant's DBE attainment.
3. Consultant is to calculate and credit participation by eligible DBE vendors of

- equipment, materials, and suppliers toward DBE attainment, as follows:
- A. Sixty percent (60%) of expenditure(s) for equipment, materials and supplies required under the Contract, obtained from a regular dealer; or
 - B. One hundred percent (100%) of expenditure(s) for equipment, materials and supplies required under the Contract, obtained from a DBE manufacturer.
4. The following types of fees or commissions paid to DBE Subconsultants, Brokers, and Packagers may be credited toward the prime Consultant's DBE attainment, provided that the fee or commission is reasonable, and not excessive, as compared with fees or commissions customarily allowed for similar work, including:
- A. Fees and commissions charged for providing bona fide professional or technical services, or procurement of essential personnel, facilities, equipment, materials, or supplies required in the performance of the Contract;
 - B. Fees charged for delivery of material and supplies (excluding the cost of materials or supplies themselves) when the licensed hauler, trucker, or delivery service is not also the manufacturer of, or a regular dealer in, the material and supplies;
 - C. Fees and commissions charged for providing any insurance specifically required in the performance of the Contract.
5. Consultant may count the participation of DBE trucking companies toward DBE attainment, as follows:
- A. The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract.
 - B. The DBE must itself own and operate at least one fully licensed, insured, and operational truck used on the contract.
 - C. The DBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.
 - D. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the contract.
 - E. The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by a DBE.
 - F. For purposes of this paragraph, a lease must indicate that the DBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

6. If the Consultant listed a non-certified 1st tier Subconsultant to perform work on this contract, and the non-certified Subconsultant subcontracts a part of its work or purchases materials and/or supplies from a lower tier DBE certified Subconsultant or Vendor, the value of work performed by the lower tier DBE firm's own forces can be counted toward DBE participation on the contract. If a DBE Consultant performs the installation of purchased materials and supplies they are eligible for full credit of the cost of the materials.

VII. Performance of DBE Subconsultants

DBEs must perform work or supply materials as listed in the "DBE Participation Commitment Form" specified under "*DBE Proposal Submission Requirements*" of these special provisions. Do not terminate a DBE listed Subconsultant for convenience and perform the work with your own forces or obtain materials from other sources without prior written authorization from the AUTHORITY.

The AUTHORITY grants authorization to use other forces or sources of materials for requests that show any of the following justifications (written approval from the AUTHORITY must be obtained prior to effectuating a substitution):

1. Listed DBE fails or refuses to execute a written contract based on plans and specifications for the project.
2. You stipulate a bond is a condition of executing the subcontract and the listed DBE fails to meet your bond requirements.
3. Work requires a Consultants' license and listed DBE does not have a valid license under Consultants License Law.
4. Listed DBE fails or refuses to perform the work or furnish the listed materials.
5. Listed DBE's work is unsatisfactory and not in compliance with the contract.
6. Listed DBE delays or disrupts the progress of the work.
7. Listed DBE becomes bankrupt or insolvent.

If a listed DBE Subconsultant is terminated, you must make good faith efforts to find another DBE Subconsultant to substitute for the original DBE. The substitute DBE must perform at least the same amount of work as the original DBE under the contract to the extent needed to meet the DBE goal.

The substitute DBE must be certified as a DBE at the time of request for substitution. The AUTHORITY does not pay for work or material unless it is performed or supplied by the listed DBE, unless the DBE is terminated in accordance with this section.

VIII. Additional DBE Subconsultants

In the event Consultant identifies additional DBE Subconsultants or suppliers not previously identified by Consultant for DBE participation under the contract, Consultant must notify the Authority by submitting "Request for Additional DBE Firm" to enable Consultant to capture all DBE participation. Consultant must also submit, for each DBE identified after contract execution, a written confirmation from the DBE acknowledging that it is participating in the contract for a specified value, including the corresponding scope of work (a subcontract agreement can serve in lieu of the written confirmation).

IX. DBE "Frauds" and "Fronts"

Only legitimate DBEs are eligible to participate as DBEs in the Authority's federally - assisted contracts. Proposers are cautioned against knowingly and willfully using "fronts." The use of "fronts" and "pass through" subcontracts to non-disadvantaged firms constitute criminal violations. Further, any indication of fraud, waste, abuse or mismanagement of Federal funds should be immediately reported to the Office of Inspector General, U.S. Department of Transportation at the toll-free hotline: (800) 424-9071; or to the following: 245 Murray Drive, Building 410, Washington, DC 20223; Telephone: (202) 406-570.

X. Consultant's Assurance Clause Regarding Non-Discrimination

In compliance with State and Federal anti-discrimination laws, the Consultant must affirm that they will not exclude or discriminate on the basis of race, color, national origin, or sex in consideration of contract award opportunities. Further, the Consultant must affirm that they will consider, and utilize Subconsultants and vendors, in a manner consistent with non-discrimination objectives.

XI. Prompt Payment Clause

Upon receipt of payment by Authority, Consultant agrees to promptly pay each Subconsultant for the satisfactory work performed under this Agreement, no later than seven (7) calendar days. Consultant agrees further to return retainage payments to each Subconsultant within thirty (30) calendar days after the Subconsultant's work is satisfactorily completed. Authority reserves the right to request the appropriate documentation from Consultant showing payment has been made to the Subconsultants. Any delay or postponement of payment from the above referenced time frames may occur only for good cause following written approval by Authority.

In accordance with 49 CFR part 26.29 "Prompt Payment Provisions" (DBE Final Rule) the Authority will elect to utilize the following method to comply with the prompt payment of retainage requirement:

Hold retainage from the Consultant and provide for prompt and regular incremental acceptances of portions of the Consultant, pay retainage to prime Consultants based on these acceptances, and require a contract clause obligating the Consultant to pay all retainage owed to the Subconsultants for satisfactory completion of the accepted work within thirty (30) days after payment to the Consultant.

Failure to comply with this provision or delay in payment without prior written approval from Authority will constitute noncompliance, which may result in appropriate administrative sanctions, including, but not limited to a withhold of two (2%) percent of the invoice amount due per month for every month that payment is not made.

These prompt payment provisions must be incorporated in all subcontract agreements issued by Consultant under this Agreement. Each subcontract must require the Subconsultant to make payments to sub-Subconsultants and suppliers in a similar manner.

XII. Administrative Remedies and Enforcement

Consultant must fully comply with the DBE contract requirements, including the Authority's DBE Program and Title 49 CFR, Part 26 "Participation of Disadvantaged Businesses in Department of Transportation Financial Assistance Programs" and ensure that all Subconsultants regardless of tier are also fully compliant. Consultant's failure to comply constitutes a material breach of contract, wherein the Authority will impose all available administrative sanctions including payment withholdings, necessary to effectuate full compliance. In instances of identified non-compliance, a Cure Notice will be issued to the Consultant identifying the DBE non-compliance matter(s) and specifying the required course of action for remedy.

The Consultant must be given ten (10) working days from the date of the Cure Notice to remedy or to (1) File a written appeal accompanied with supporting documentation and/or (2) Request a hearing with the Authority to reconsider the Authority's DBE determination. Failure to respond within the ten (10) working day period must constitute a waiver of the Consultant's right to appeal. If the Consultant files an appeal, the Authority, must issue a written determination and/or set a hearing date within ten (10) working days of receipt of the written appeal, as applicable. A final Determination will be issued within ten (10) working days after the hearing, as applicable.

If, after review of the Consultant's appeal, the Authority decides to uphold the decision to impose DBE administrative remedies on the Consultant, the written determination must state the specific remedy(s) to be imposed.

Failure to comply with the Cure Notice and/or to remedy the identified DBE non-compliance matter(s) is a material breach of contract and is subject to administrative remedies, including, withholding at minimum of two (2%) percent of the invoice amount due per month for every month that the identified non-compliance matter(s) is not remedied. Upon satisfactory compliance the Authority will release all withholdings.

In addition to administrative remedies defined in this section, the Authority is not precluded from invoking other contractual and/or legal remedies available under federal, state or local laws.

ARTICLE 6. ACCESS TO RECORDS AND REPORTS

CONSULTANT shall provide AUTHORITY, the U.S. Department of Transportation (DOT), the Comptroller General of the United States, or other agents of AUTHORITY, such access to CONSULTANT's accounting books, records, payroll documents and facilities of CONSULTANT which are directly pertinent to this Agreement for the purposes of examining, auditing and inspecting all accounting books, records, work data, documents and activities related hereto. CONSULTANT shall maintain such books, records; data and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during CONSULTANT's performance hereunder and for a period of four (4) years from the date of final payment by AUTHORITY. AUTHORITY's right to audit books and records directly related to this Agreement shall also extend to all first-tier subcontractors identified in this Agreement. CONSULTANT shall permit any of the foregoing parties to reproduce documents by any means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

ARTICLE 7. INCORPORATION OF FTA TERMS

All contractual provisions required by Department of Transportation (DOT), whether or not expressly set forth in this document, as set forth in Federal Transit Administration (FTA) Circular 4220.1F, as amended, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. CONSULTANT shall not perform any act, fail to perform any act, or refuse to comply with any requests, which would cause AUTHORITY to be in violation of the FTA terms and conditions.

ARTICLE 8. ENERGY CONSERVATION REQUIREMENTS

CONSULTANT shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy Conservation Act.

ARTICLE 9. FLY AMERICA REQUIREMENTS

CONSULTANT agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and sub-recipient of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. CONSULTANT shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. CONSULTANT agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

ARTICLE 10. TRANSPORTATION OF EQUIPMENT, MATERIALS OR COMMODITIES BY OCEAN VESSEL

A. CONSULTANT shall utilize privately owned United States-flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.

B. CONSULTANT shall furnish within twenty (20) working days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipping originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of lading in English for each shipment of cargo described in paragraph 0 of this Article to AUTHORITY (through CONSULTANT in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590, marked with appropriate identification of the project.

ARTICLE 11. PROHIBITED INTERESTS

A. CONSULTANT covenants that, for the term of this Agreement, no director, member, officer or employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

B. No member of or delegate to, the Congress of the United States shall have any interest, direct or indirect, in this Agreement or to the benefits thereof.

ARTICLE 12. ALCOHOL AND DRUG POLICY

A. CONSULTANT agrees to establish and implement an alcohol and drug program that complies with 41 U.S.C sections 701-707, (the Drug Free Workplace Act of 1988), which is attached to this Agreement as Exhibit B, and produce any documentation necessary to establish its compliance with sections 701-707.

B. Failure to comply with this Article may result in nonpayment or termination of this Agreement.

ARTICLE 13. PRIVACY ACT

CONSULTANT shall comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. §552a. Among other things, CONSULTANT agrees to obtain the express consent of the Federal Government before CONSULTANT or its employees operate a system of records on behalf of the Federal Government. CONSULTANT understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying Agreement.

ARTICLE 14. CONFLICT OF INTEREST

CONSULTANT agrees to avoid organizational conflicts of interest. An organizational conflict of interest means that due to other activities, relationships or contracts, CONSULTANT is unable, or potentially unable to render impartial assistance or advice to the Authority; CONSULTANT's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or CONSULTANT has an unfair competitive advantage. CONSULTANT is obligated to fully disclose to the AUTHORITY in writing Conflict of Interest issues as soon as they are known to CONSULTANT. CONSULTANT is obligated to fully disclose to the AUTHORITY in writing Conflict of Interest issues as soon as they are known to CONSULTANT. All disclosures must be submitted in writing to AUTHORITY pursuant to the Notice provision herein. This disclosure requirement is for the entire term of this Agreement.

ARTICLE 15. CODE OF CONDUCT

CONSULTANT agrees to comply with the AUTHORITY's Code of Conduct as it relates to Third Party contracts which is hereby referenced and by this reference is incorporated herein. CONSULTANT agrees to include these requirements in all of its subcontracts.

ARTICLE 16. PROTEST PROCEDURES

The Authority has on file a set of written protest procedures applicable to this solicitation that may be obtained by contacting the Contract Administrator/Buyer responsible for this procurement. Any protest filed by CONSULTANT in connection with this solicitation must be submitted in accordance with the Authority's written procedures.

The following additional provisions apply to all purchases over \$10,000

ARTICLE 17. TERMINATION

A. AUTHORITY may terminate this Agreement for its convenience at any time, in whole or part, by giving CONSULTANT written notice thereof. Upon termination, AUTHORITY shall pay CONSULTANT its allowable costs incurred to date of that portion terminated. Said termination shall be construed in accordance with the provisions of CFR Title 48, Chapter 1, Part 49, of the Federal Acquisition Regulation (FAR) and specific subparts and other provisions thereof applicable to termination for convenience. If AUTHORITY sees fit to terminate this Agreement for convenience, said notice shall be given to CONSULTANT in accordance with the provisions of the FAR referenced above. Upon receipt of said notification, CONSULTANT agrees to comply with all applicable provisions of the FAR pertaining to termination for convenience.

B. AUTHORITY may terminate this Agreement for CONSULTANT's default if a federal or state proceeding for the relief of debtors is undertaken by or against CONSULTANT, or if CONSULTANT makes an assignment for the benefit of creditors, or for cause if CONSULTANT fails to perform in accordance with the scope of work or breaches any term(s) or violates any provision(s) of this Agreement and does not cure such breach or violation within ten (10) calendar days after written notice thereof by AUTHORITY. CONSULTANT shall be liable for any and all reasonable costs incurred by AUTHORITY as a result of such default or breach including, but not limited to, procurement costs of the same or similar services defaulted by CONSULTANT under this Agreement. Such termination shall comply with CFR Title 48, Chapter 1, Part 49, of the FAR.

ARTICLE 18. RECYCLED PRODUCTS

CONSULTANT shall comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in subpart B of 40 CFR Part 247. CONSULTANT agrees to include this requirement in all of its subcontracts.

The following additional provisions apply to all purchases over \$25,000

ARTICLE 19. DEBARMENT & SUSPENSION:

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS - PRIMARY PARTICIPANT AND LOWER-TIER PARTICIPANTS

Unless otherwise permitted by law, any person or firm that is debarred, suspended, or voluntarily excluded, as defined in the Federal Transit Administration (FTA) Circular 2015.1, dated April 28, 1989, may not take part in any federally funded transaction, either as a participant or a principal, during the period of debarment, suspension, or voluntary exclusion. Accordingly, the Authority, acting on behalf of the District, may not enter into any transaction with such debarred, suspended, or voluntarily excluded persons or firms during such period.

A certification process has been established by 49 CFR Part 29, as a means to ensure that debarred suspended or voluntarily excluded persons or firms do not participate in Federally assisted projects. The inability to provide the required certification will not necessarily result in denial of participation in a covered transaction. A person or firm that is unable to provide a positive

certification as required by this solicitation must submit a complete explanation attached to the certification. FTA will consider the certification and any accompanying explanation in determining whether or not to provide assistance for the project. Failure to furnish a certification or an explanation may disqualify that person or firm from participating in the project.

The following additional provisions apply to all purchases over \$100,000:

ARTICLE 20. DISPUTES

A. Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by supplemental agreement shall be decided by AUTHORITY's Director, Contracts Administration and Materials Management (CAMM), who shall reduce the decision to writing and mail or otherwise furnish a copy thereof to CONSULTANT. The decision of the Director, CAMM, shall be final and conclusive.

B. The provisions of this Article shall not be pleaded in any suit involving a question of fact arising under this Agreement as limiting judicial review of any such decision to cases where fraud by such official or his representative or board is alleged, provided, however, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any appeal proceeding under this Article, CONSULTANT shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

C. Pending final decision of a dispute hereunder, CONSULTANT shall proceed diligently with the performance of this Agreement and in accordance with the decision of AUTHORITY's Director, CAMM. This "Disputes" clause does not preclude consideration of questions of law in connection with decisions provided for above. Nothing in this Agreement, however, shall be construed as making final the decision of any AUTHORITY official or representative on a question of law, which questions shall be settled in accordance with the laws of the state of California.

ARTICLE 21. CLEAN WATER REQUIREMENTS

CONSULTANT shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. CONSULTANT shall report each violation to AUTHORITY and understands and agrees that the AUTHORITY who will in turn, report each violation as required to assure notification to FTA and appropriate EPA Regional Office. CONSULTANT agrees to include this requirement in all of its subcontracts.

ARTICLE 22. CLEAN AIR

CONSULTANT shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. CONSULTANT shall report each violation to AUTHORITY, who will in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. CONSULTANT agrees to include this requirement in all of its subcontracts.

ARTICLE 23. LOBBYING

CONSULTANT's who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying". Each tier certifies to the above that it will not or has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

ARTICLE 24. BUY AMERICA

A. CONSULTANT is directed to the "Buy America" requirements of the Surface Transportation Assistance Act of 1982 (Section 165) and the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) Sections 1041(a) and 1048(a) and the regulations adopted pursuant thereto. In conformance with the law and regulations, all manufacturing processes for steel and iron materials furnished for incorporation into the work on this Project shall occur in the United States; with the exception that pig iron and processed, pelletized and reduced iron ore manufactured outside of the United States may be used in domestic manufacturing process for such steel and iron materials. The application of coatings, such as epoxy coating, galvanizing, painting, and other coating that protects or enhances the value of steel or iron materials shall be considered a manufacturing process subject to the "Buy America" requirements.

B. A Certificate of Compliance, conforming to the provisions of this Article shall be furnished for steel and iron materials. The certificates, in addition to certifying that the materials comply with the specifications, shall specifically certify that all manufacturing processes for the materials occurred in the United States, except for the exceptions listed herein.

C. The requirements imposed by law and regulations do not prevent a minimal use of foreign steel and iron materials of the total combined cost of the materials used does not exceed one-tenth of one percent (0.1 percent) of the total contract cost or \$2,500, whichever is greater. CONSULTANT shall furnish the AUTHORITY acceptable documentation of the quantity and value of the foreign steel and iron prior to incorporating the materials in the work.

CITY SUPPORT WORK PLAN

OC Streetcar
City Work Plan
Design Phase
2/18/2016

Assumed Indirect
Cost Recovery
Rate
10.73%

		10.73%	3 Months (9/23/15 - 12/31/15)							
					Administration & Coordination	Project Meetings	Construction Package Review	Station and Urban Design Participation	Public Outreach	Council & Board Briefings
		(Salary + Fringe) w/ Indirect Cost Recovery Rate Applied	% on Project	Total Hours		Bi-weekly coordination meetings with designers, agreement meetings, and other meetings. 8 Meetings	N/A	N/A	Participation in meetings with OCTA, community meetings, and coordination meetings.	Time spent is reserved for time preparing/presenting to Council or Board. OCTA will prepare a monthly Board/Council Handout
	2015 Total	Cost								
		\$0	0.0%	0						
	Public Works Director	\$0	0.0%	0						
	Community Development Director	\$0	0.0%	0						
	City Traffic Engineer	\$0	0.0%	0						
	Associate Engineer	\$0	0.0%	0						
	Associate Planner	\$0	0.0%	0						
	City Attorney	\$0	0.0%	0						
	Senior Administrative Analyst	\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0%	0						
		\$0	0.0							

**COOPERATIVE AGREEMENT NO. C-5-3807
EXHIBIT E**

**OC Streetcar
City Work Plan
Design Phase
2/18/2016**

Design Phase 2/21/8/2016		Assumed Indirect Cost Recovery Rate		12 Months (1/1/2016 - 12/31/2016)						
		10.73%								
Position	2016 Total Cost	(Salary + Fringe) w/ Indirect Cost Recovery Rate Applied	% on Project	Total Hours	Administration & Coordination	Project Meetings	Construction Package Review	Station and Urban Design Participation	Public Outreach	Council/Board Briefings
						Bi-weekly coordination meetings, meetings w/ designers, agreement meetings, and other meetings. 26 Meetings	30% Review (Jul. 2016) 60% Review (Nov. 2016)	Assume participation as follows: (3) Urban Concept Review Packages that will address stops, TPSS, OCS, etc	Participation in meetings with OCTA, community meetings, and coordination meetings.	Time spent is reserved for time preparing/presenting to Council or Board. OCTA will prepare a monthly Board/Council Handout
Public Works Director	\$8,768	\$175.36	2.4%	50			20	10		20
Planning Services Manager	\$33,265	\$135.22	11.8%	246	20	26	120	20	40	20
City Traffic Engineer	\$38,726	\$129.95	14.3%	238	20	78	120	20	40	20
Associate Engineer	\$15,494	\$110.67	6.7%	140			60	80		
Associate Planner	\$11,045	\$78.90	6.7%	140			60	80		
City Attorney	\$4,000	\$200.00	1.0%	20						20
Senior Administrative Analyst	\$1,990	\$79.60	1.2%	25	20					5
	\$0		0.0%	0						
	\$0		0.0%	0						
2016 Total	\$113,288			919	60	104	380	210	80	85

COOPERATIVE AGREEMENT NO. C-5-3807
EXHIBIT E

OC Streetcar
City Work Plan
Design Phase
2/18/2016

Assumed Indirect
Cost Recovery
Rate

10.73%

	Position	2017 Total Cost	(Salary + Fringe) w/ Indirect Cost Recovery Rate Applied	% on Project	Total Hours	12 Months (1/1/2017 - 12/31/2017)					
						Administration & Coordination	Project Meetings	Construction Package Review	Station and Urban Design Participation	Public Outreach	Council/Board Briefings
	Public Works Director	\$7,015	\$175.36	1.9%	40		Bi-weekly coordination meetings, meetings w/ designers, agreement meetings, and other meetings. 26 Meetings	90% Review (Jun, 2017) Ready to Bid Review (Oct. 2017)	N/A	Participation in meetings with OCTA, community meetings, and coordination meetings.	Time spent is reserved for time preparing/presenting to Council or Board. OCTA will prepare a monthly Board/Council Handout
	Planning Services Manager	\$30,561	\$135.22	10.9%	226	20	26	120		40	20
	City Traffic Engineer	\$36,127	\$129.95	13.4%	278	20	78	120		40	20
	Associate Engineer	\$6,640	\$110.67	2.9%	60			60			
	Associate Planner	\$4,734	\$78.90	2.9%	60			60			
	City Attorney	\$4,000	\$200.00	1.0%	20						20
	Senior Administrative Analyst	\$1,990	\$79.60	1.2%	25	20					5
		\$0		0.0%	0						
		\$0		0.0%	0						
	2017 Total	\$91,067			709	60	104	380	0	80	85

COOPERATIVE AGREEMENT NO. C-5-3807
EXHIBIT E

OC Streetcar
City Work Plan
Design Phase
2/18/2016

Assumed Indirect
Cost Recovery
Rate

10.73%

Position	2018 Total Cost	(Salary + Fringe) w/ Indirect Cost Recovery Rate Applied	% on Project	Total Hours	7 Months (1/1/2018 - 6/31/2018)					
					Administration & Coordination	Project Meetings	Construction Package Review	Station and Urban Design Participation	Public Outreach	Council/Board Briefings
Public Works Director	\$1,754	\$175.36	0.5%	10		Bi-weekly coordination meetings, meetings w/ designers, agreement meetings, and other meetings. 20 Meetings	N/A		Participation in meetings with OCTA, community meetings, and coordination meetings.	Time spent is reserved for time preparing/presenting to Council or Board. OCTA will prepare a monthly Board/Council Handout
Planning Services Manager	\$8,113	\$135.22	2.9%	60	10	20			20	10
City Traffic Engineer	\$12,995	\$129.95	4.8%	100	10	60			20	10
Associate Engineer	\$0	\$110.67	0.0%	0						
Associate Planner		\$78.90	0.0%	0						
City Attorney	\$2,000	\$200.00	0.5%	10						10
Senior Administrative Analyst	\$1,194	\$79.60	0.7%	15	10					5
	\$0		0.0%	0						
2018 Total	\$26,056			195	30	80	0	0	40	45

Total City Design Phase Costs

\$230,411

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott Stiles	From:	Karl Hill
Dept.:	City Manager	Dept.:	Community Development
Subject:	Discussion of Commercial Marijuana Activity Regulation. (Action Item)	Date:	3/22/2016

OBJECTIVE

To request that the Council discuss and consider regulations for marijuana dispensaries and cultivation, and provide direction to staff.

BACKGROUND

At their meeting of February 23, 2016, the City Council requested an update and discussion regarding regulations permitting Medical Marijuana dispensaries, including the possibility of permitting cultivation.

In 2011, City Staff pursued generating a permit process for Medical Marijuana Dispensaries, which included requiring background information, paying a fee, providing information such as a business description, employee identification, criminal background check, and other operational characteristics of the business, as part of a multi-phase approach to Dispensary permitting in the City. A second phase included a land use permit process, similar to a Conditional Use Permit application, which would have allowed the City to collect business operational information, maps, plans, and other required material, along with proof of insurance and the list of products and services to be provided at the business. A third and final phase would have included an internal review and approval by all City Departments.

Phases one and two determined land use permitting zones, such as retail commercial locations, along with distance requirements to other uses such as residential properties and schools. Also included were the floor plan layout and size of tenant space, the provision of a security plan and lighting plan, assurance that disabled access requirements were met. These phases also required the payment of fees. It was considered at the time that the third phase would be subject to approval before a regulatory body, such as the Zoning Administrator or Planning Commission for final approval or denial of the application, which would have been based on the information provided through phases one and two.

Many of the regulations that were considered in 2011 may not be applicable today

because they addressed dispensaries based on the then existing model of marijuana cooperatives and collectives, rather than the new retail model of dispensing marijuana supported by the 2015 Medical Marijuana Regulation and Safety Act discussed below.

Due to various changes in the case law and in the administration of the law at the time, including the Federal Government's classification of Marijuana as a Class 1 drug, which classifies it as dangerous with no accepted medical use, the City in 2011 ultimately elected not to pursue regulation and banned all Medical Marijuana activity in the City.

Last year, the State enacted a set of laws commonly known as the Medical Marijuana Regulation & Safety Act (the "Act"). The Act is comprised of three discreet pieces of legislation, each signed by the Governor on October 9, 2015. Assembly Bill 266 establishes a dual licensing structure requiring state licenses and a local license or permit for commercial cannabis businesses, with the State Department of Consumer Affairs heading an overall regulatory structure establishing minimum health and safety and testing standards. Assembly Bill 243 establishes a regulatory and licensing structure for cultivation sites under the Department of Food and Agriculture. Senate Bill 643 establishes criteria for licensing medical marijuana businesses, regulates physicians, and recognizes local authority to levy taxes and fees. As to dispensaries and cultivation, the Act authorizes the State Department of Consumer Affairs and Department of Food and Agriculture to establish minimum standards for dispensaries and cultivation, including the following:

- Standards for pesticides in marijuana cultivation, and maximum tolerances for pesticides and other foreign object residue.
- Standards for production and labelling of all edible medical cannabis products.
- Establishment of a dual licensing system where the State will issue licenses, and local governments will issue permits or licenses to operate marijuana businesses, according to local ordinances. State licenses will be issued beginning in January 2018.
- Caps total cultivation for a single licensee at four acres statewide, subject to local ordinances.
- Establishment of uniform health and safety standards, testing standards, and security requirements at dispensaries and during transport of marijuana products.
- Standards for certification of testing labs, and specified minimum testing requirements. Prohibits testing lab operators from being licensees in any other category of the marijuana business activities.
- Provides for labor peace agreements under which unions agree not to engage in strikes, work stoppages, etc. and employers agree to provide unions

reasonable access to employees for the purpose of organizing them.

- Provides for civil penalties for unlicensed activity, and specifies that applicable criminal penalties under existing law will continue to apply.
- Phases out the existing model of marijuana cooperatives and collectives one year after the Department of Consumer Affairs announces that state licensing has begun.

DISCUSSION

The matter of medical marijuana has again become of topic of discussion concerning the growing, dispensing, and usage for medicinal purposes. It is expected that a ballot measure addressing recreational use of marijuana will qualify for the ballot in November of this year. Should the City consider allowing the cultivation, dispensing, and usage, certain considerations and provisions should be discussed and possibly put in place to address the sale, dispensing, and use of marijuana products and related paraphernalia. These provisions would pertain to development, performance, and operational standards applied to all dispensaries, as well as create development standards for marijuana cultivation and manufacturing.

Development standards to be considered commences with a discussion regarding specific zones in which the different marijuana business activities would be allowed, the places of cultivation, distances from other dispensaries, distances from schools and residential zones, and other possible impacted land uses. Standards could also require each use to be subject to a Conditional Use Permit with conditions of approval to provide appropriate security, lighting, noise and odor control, and hours of operation. Other measures could ensure that ample parking is provided, disabled accessibility is met, development and other regulatory fees are paid, the requirement for background checks of the operators, proper insurance, and the business' operational characteristics to ensure compliance with minimum State requirements and the City's own requirements.

The Act provides the City ample regulatory authority to regulate marijuana related businesses within the City. The Act, at Business and Professions Code section 19316(a) provides,

Pursuant to Section 7 of Article XI of the California Constitution, a city, county, or city and county may adopt ordinances that establish additional standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the state shall be the minimum standards for all licensees statewide.

Currently, the City has a ban on all marijuana commercial activities. In addition to standards already considered in 2011 that may apply to the new retail model of dispensing marijuana, additional regulations could be developed after completing an analysis and discussions with other cities that currently allow, and/or have considered, allowing marijuana businesses and activities. Learning from other jurisdictions could assist in developing regulations to address possible concerns and

issues experienced in these other cities, which could include a consideration of their development standards, their fee schedules taxation approaches, and law enforcement considerations.

The Act further recognizes the City's authority to establish fees and taxes applicable to marijuana activities. However, the California constitution as amended by Proposition 218 in 2006 requires that all new general taxes be approved by a majority of the City's voters at a regularly scheduled election. Thus, if the Council wishes to consider lifting the current ban on marijuana activities to generate additional revenue in the form of a tax on the sale of marijuana products, the November 2016 election presents the first opportunity to place a tax measure for voter approval. The next available regularly scheduled election will not take place until 2018. Based on the Election Code, the last day to submit a measure for inclusion in the November 2016 election ballot, is August 12, 2016. However, the Registrar of Voters recommends that election resolutions be adopted no later than June 20, 2016. It should be noted that the City Council may place a measure approving an ordinance establishing a tax rate for marijuana commercial activities prior to the adoption of regulations permitting the activity. The tax ordinance can stipulate that it is effective only in the event the City Council adopts an ordinance permitting commercial marijuana activities.

In regard to the 2011 action, it was anticipated that commercial zones were deemed appropriate zones for medical marijuana dispensaries at that time. However, since 2011, the City has rezoned several properties from traditional commercial zones to mixed-use zones. Thus, additional review is appropriate to determine if marijuana uses are compatible within the new mixed-use zoning districts. No review has been undertaken to date with respect to the appropriate zones in which to permit commercial cultivation of marijuana.

Staff is continuing to research appropriate regulations for commercial marijuana activities, including the appropriate level of taxation and the actions and experiences of other cities that have implemented or are in the process of implementing regulations and taxation ordinances for commercial marijuana activities. A more detailed report pertaining to possible regulation of commercial marijuana businesses for the City will be brought back to Council in the near future. At the meeting of February 23rd, Council Member Bui suggested that the City should conduct hearings to hear public input while developing regulations for the City. Land use regulations will be subject to public hearings before the Planning Commission, but a tax ordinance will not be subject to Planning Commission review or public hearings.

However, as mentioned above, a tax ordinance is subject to voter approval. Staff wishes to receive direction from the City Council on whether to hold community meetings for all aspects of any proposed commercial marijuana regulations prior to finalizing them.

FINANCIAL IMPACT

The financial ramifications, in terms of revenue generation and enforcement costs, are not known. Review of the experiences in other communities that permit dispensaries or cultivation may provide some degree of financial impact information. This review has not yet been completed.

RECOMMENDATION

It is recommended that the City Council take the following action:

- Discuss the matter and provide direction to staff.

By: Alana Cheng, Senior Analyst

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kathy Bailor

Dept.: City Manager Dept.: City Clerk

Subject: Discussion of February 24, 2016, District Attorney report regarding allegations of Brown Act violations, and Adoption of a Resolution designating the City Clerk as Closed Session Recorder. (Continued from the March 8, 2016, meeting) (*Action Item*) Date: 3/22/2016

Attached is the March 8, 2016, report regarding the District Attorney's February 24, 2016, report. The Mayor requested this matter be returned to the March 22, 2016, meeting for further discussion.

ATTACHMENTS:

Description	Upload Date	Type	File Name
March 8, 2016, agenda report	3/14/2016	Backup Material	DA_agenda_report.pdf
Resolution	3/16/2016	Cover Memo	3-8-16_Resolution_-_DA-GG_Reso_Appointing_Clerk_Recorder_of_Closed_Session_(1).docx
February 24, 2016, District Attorney's Report	3/14/2016	Backup Material	DA_Report.pdf

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Mayor and Council Members From: Scott C. Stiles
Dept.: Dept.: City Manager
Subject: Discussion of February 24, 2016, District Date: 3/8/2016
Attorney report regarding allegations of
Brown Act violations, and Adoption of a
Resolution designating City Clerk as
Closed Session Recorder. (*Action Item*)

OBJECTIVE

The purpose of this memorandum is for the City Council to discuss the February 24, 2016, District Attorney Report regarding allegations of Brown Act violations, along with its recommendations, and consider adoption of a resolution designating the City Clerk and deputies as closed session recorders, including the recording of closed sessions for two years.

BACKGROUND

The District Attorney, in its February 24, 2016, report regarding its investigation of alleged Brown Act violations pertaining to the employment of the Public Safety Administrative Officer, concluded that there was a lack of sufficient evidence to prove a violation of the Brown Act beyond a reasonable doubt such that no criminal charges or civil action will be filed. The District Attorney nevertheless recommended that the City Council consider adopting various recommendations in the interest of promoting public transparency. The recommendations are listed in the discussion below.

Government Code section 54957.2 authorizes the City Council by resolution to designate a clerk to attend closed sessions and keep a minute book or recordings of the City Council's closed sessions for a period of two years. Although the City's records are open to the public, Government Code section 54957.2 mandates that closed session records be kept confidential.

DISCUSSION

The District Attorney, in its report recommended that the City Council consider the following recommendations:

1. To record future closed session meetings for a period of at least two years effective immediately;
2. If a new employment position is created in the future by the City Council, that the City Council commit to disclose the creation of the new position in public before filling the position;
3. That the City Council commit to refrain from relying on the "pending litigation" exception to create a new City position in closed session without reporting this action immediately at the conclusion of the closed session; and
4. That the City audit the work and performance of the Public Safety Administrative Officer to assure the public that the position is not a "no show" position.

The City Clerk is the designated recorder for all City Council meeting minutes and City records. Government Code section 54957.2 further authorizes the Council to designate the Clerk or some other officer to keep closed session records in the form of a minute book or audio recordings.

Staff recommends that the City Council adopt the resolution appointing the City Clerk and deputies as the official closed session recorders and authorize recording closed sessions for a period of two years. This action will implement the first recommendation of the District Attorney. Staff further recommends that the City Council affirm that any new employment position in the City will be created in open session. With this affirmation, the second and third recommendations of the District Attorney will be implemented.

FINANCIAL IMPACT

There is minimal financial impact to the General Fund resulting from the adoption of the resolution and recording of closed sessions,

RECOMMENDATION

It is recommended that the City Council:

- Adopt the Resolution designating the City Clerk and deputies as the official closed session recorders;
- Approve the recordation of closed sessions for a period of two years; and
- Affirm that any new employment position in the City will be created in open session of the City Council.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	3/1/2016	Resolution Letter	DA- GG_Reso_Appointing_Clerk_Recorder_of_Closed_Session_(1).docx

REVIEWERS:

Department	Reviewer	Action	Comments
City Manager	Stipe, Maria	Approved	
City Clerk	Bailor, Kathy	Approved	
City Attorney	Sandoval, Omar	Approved	
Deputy City Manager	Stipe, Maria	Approved	
City Manager	Stiles, Scott	Approved	

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DESIGNATING THE CITY CLERK AND DEPUTIES AS THE OFFICIAL RECORDER OF CLOSED SESSIONS PURSUANT TO GOVERNMENT CODE SECTION 54957.2

WHEREAS, the California Ralph M. Brown Act, Government Code Section 54957.2 authorizes the City Council by resolution to designate a clerk to attend closed sessions and keep a minute book or recordings of the City Council's closed sessions;

WHEREAS, closed session records shall be kept confidential and are not public records subject to inspection under the California Public Records Act (Government Code Section 6250 et seq.); and

WHEREAS, the City Council wishes to record its closed sessions for a period of two years and appoint the City Clerk and duly appointed deputies of the City Clerk to keep a record of City Council closed sessions.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES HEREBY RESOLVE AS FOLLOWS:

The City Clerk and his/her duly appointed deputies are hereby designated the official recorders of City Council closed sessions. The City Clerk and deputies shall maintain the confidentiality of the records consistent with Government Code Section 54957.2 and other applicable law. The closed sessions of the City Council shall be recorded for a period of two years.

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
DESIGNATING THE CITY CLERK AND DEPUTIES AS THE OFFICIAL RECORDER OF
CLOSED SESSIONS PURSUANT TO GOVERNMENT CODE SECTION 54957.2

WHEREAS, the California Ralph M. Brown Act, Government Code Section 54957.2 authorizes the City Council by resolution to designate a clerk to attend closed sessions and keep a minute book or recordings of the City Council's closed sessions;

WHEREAS, closed session records shall be kept confidential and are not public records subject to inspection under the California Public Records Act (Government Code Section 6250 et seq.); and

WHEREAS, the City Council wishes to record its closed sessions for a period of two years and appoint the City Clerk and duly appointed deputies of the City Clerk to keep a record of City Council closed sessions.

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES
HEREBY RESOLVE AS FOLLOWS:

The City Clerk and his/her duly appointed deputies are hereby designated the official recorders of City Council closed sessions. The City Clerk and deputies shall maintain the confidentiality of the records consistent with Government Code Section 54957.2 and other applicable law. The closed sessions of the City Council shall be recorded for a period of two years.



OFFICE OF THE

DISTRICT ATTORNEY

ORANGE COUNTY, CALIFORNIA

TONY RACKAUCKAS, DISTRICT ATTORNEY

February 24, 2016

City of Garden Grove
Scott Stiles, City Manager

Re: Allegations of Brown Act Violations
District Attorney Investigations Case # S.A. 14 -130

JIM TANIZAKI
SENIOR ASSISTANT D.A.
VERTICAL PROSECUTIONS/
VIOLENT CRIMES

JOSEPH D'AGOSTINO
SENIOR ASSISTANT D.A.
GENERAL FELONIES/
ECONOMIC CRIMES

MICHAEL LUBINSKI
SENIOR ASSISTANT D.A.
SPECIAL PROJECTS

JAIME COULTER
SENIOR ASSISTANT D.A.
BRANCH COURT OPERATIONS

CRAIG HUNTER
CHIEF
BUREAU OF INVESTIGATION

ROBERT WILSON
INTERIM DIRECTOR
ADMINISTRATIVE SERVICES

SUSAN KANG SCHROEDER
CHIEF OF STAFF

The Office of the Orange County District Attorney (OCDA) has completed an investigation regarding Ralph M. Brown Act violations by the City Council for the City of Garden Grove.

The district attorney is authorized not only to prosecute violations of the Brown Act, but short of litigation, the district attorney's office may issue public findings concerning, and/or admonitions, to offending local agencies.

The Brown Act [codified in Government Code §54950 *et seq*] is intended to ensure the public's right to attend the meetings of public agencies.... The Act thus serves to facilitate public participation in all phases of local government decision making and to curb misuse of the democratic process by secret legislation of public bodies. *Mckee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2005) 134 Cal. App. 4th 354, 358.

OVERVIEW

This letter contains a description of the scope and legal conclusions resulting from the OCDA investigation into the allegations that the Garden Grove City Council violated the Brown Act in August and September of 2014. This letter includes an overview of the OCDA's investigative methodology and procedures employed, as well as a description of the relevant evidence examined, witnesses interviewed, factual findings, and legal principles applied in analyzing the allegations and determining whether there is sufficient evidence to prove beyond a reasonable doubt that a crime was committed.

In early December 2014, the OCDA received information from law enforcement regarding possible violations of the Brown Act by the Garden Grove City Council in connection with creating the new position of Public Safety Administrative Officer and appointing David Barlag to this newly created position. Subsequently, OCDA also received a complaint from a resident of Garden Grove regarding similar allegations.

The OCDA conducted an independent and thorough investigation of the facts and circumstances surrounding these allegations and impartially reviewed all available evidence and legal standards. The scope and findings of this investigation and legal review are expressly limited to determining whether the Brown Act was violated during the process of creating the position of Public Safety Administrative Officer.

PROCEDURAL BACKGROUND

The initial information OCDA received alleged that the City of Garden Grove violated the Brown Act by creating the position of Public Safety Administrative Officer in a closed session meeting of the City Council. It was further alleged that the Garden Grove City Council appointed Garden Grove Fire Department (GGFD) Chief Barlag to this newly created position as part of an agreement between the City and Barlag after Barlag resigned his position as the Fire Chief of GGFD, and that this agreement was entered into in order to compensate Barlag for his resignation as Fire Chief of GGFD after a vote of no-confidence by the Firefighters' Union (Union). Any reference in this letter to "City Council" is intended to mean the Garden Grove City Council members and the mayor. The following is a list of individuals referenced in this letter:

- Bruce Broadwater: Then-Mayor of Garden Grove. He was voted out of office in November 2014 with his term ending in December 2014.
- Matthew Fertal: Then-City Manager of Garden Grove. Fertal was appointed the City Manager in February 2004, and he retired in December 2014.
- David Barlag: Public Safety Administrative Officer of Garden Grove. Prior Fire Chief of GGFD.
- Jeremy Broadwater: GGFD firefighter. Prior Garden Grove Park Ranger for approximately seven years. Son of former Mayor Bruce Broadwater.
- Steve Jones: Councilmember, City of Garden Grove.
- Kris Jones: Councilmember, City of Garden Grove.
- Dina Nguyen: Then-Councilmember, City of Garden Grove.
- Chris Phan: Councilmember, City of Garden Grove. Chris Phan is currently an Orange County deputy district attorney. The OCDA consulted with the California Attorney General's Office (CAG) prior to the commencement of this investigation, and the CAG concluded that it was appropriate for OCDA to investigate this matter notwithstanding the fact that Chris Phan is also employed as an Orange County deputy district attorney.
- Thomas Nixon: Then-Garden Grove City Attorney.

During this investigation and legal review, the OCDA obtained and considered a wide range of documents, including but not limited to the following documents:

- Agreement and release between the City of Garden Grove and Barlag;
- Garden Grove Resolution – salary plan for the position of Public Safety Administrative Officer;
- Emails and City documents belonging to Fertal;
- 35 emails and attachments from Barlag;
- Copies of all California Public Record Act requests filed with the City of Garden Grove from June 1, 2014, to March 9, 2015, relating to Barlag; and any responsive documents or letters submitted by the City of Garden Grove in response to such Public Record Act requests;
- Expense reports for Barlag;
- Statements of earnings for Barlag;
- Personnel records relating to Jeremy Broadwater's application to become a GGFD firefighter as well as records relating to his interviewing process;
- The letter communicating the Union's Vote of No Confidence in Barlag;
- All written correspondence between the City of Garden Grove and Barlag;
- Work product generated by Barlag from Sept. 30, 2014, to March 20, 2015; and
- City of Garden Grove records relating to City Council meetings and agendas.

In addition to reviewing records and documents, OCDA interviewed in excess of 20 individuals connected to the subject matter of the investigation.

On Feb. 6, 2015, prior to attempting to interview any official from the City of Garden Grove, OCDA requested that the Garden Grove City Council waive any potential attorney-client privilege relating to the subject matter of this investigation. This waiver was requested so that OCDA could interview all involved officials without having any such official refuse to answer questions on the grounds that the answers would violate the attorney-client privilege. Six days later, on Feb. 12, 2015, then-interim City Manager Allan Roeder confirmed to our office that the Garden Grove City Council agreed to the OCDA's request and waived the attorney-client privilege as it relates to the subject matter of this investigation. We thank them for their cooperation.

FACTUAL BACKGROUND

In November 2012, Barlag was appointed the Fire Chief of GGFD. The position of Fire Chief was an "at-will" position within the City of Garden Grove as detailed in a resolution approved by the City Council. An "at-will" appointment can be terminated by the City without cause. Barlag did not have a contract with the City guaranteeing him the position of Fire Chief for any specified period of time. As the Fire Chief of the GGFD, Barlag earned an annual salary of \$226,599.96. Prior to his appointment as Fire Chief, Barlag had worked for GGFD for about 30 years and rose through the ranks of the department after starting as a firefighter. Barlag was appointed Fire Chief by Garden Grove City Manager Fertal, who had the authority to make the appointment.

In October 2013, Jeremy Broadwater, who had previously worked for about seven years as a Garden Grove park ranger, was hired, at Barlag's direction, as a Garden Grove firefighter.

In June 2014, the Garden Grove Firefighters' Union held a "Vote of No Confidence" in Barlag as their Fire Chief. The Union notified the City Manager and the City Council of their vote of no confidence in Barlag, and also cited internal issues over the hiring of Jeremy Broadwater by Barlag as one of the reasons for their lack of confidence in Barlag's leadership. As a result of the management related issues at GGFD and the vote of no confidence as reported by the Union, the City Manager with the approval of the City Council retained the services of Management Partners, an independent management consulting firm, to conduct an audit of GGFD and identify problems within the department.

Between August 2014 and October 2014, a verbal report compiled by Management Partners was given to the City Manager. The City Manager subsequently verbally relayed the conclusions of the report to the members of the City Council. The report compiled by Management Partners identified the following issues at GGFD:

- Barlag not exercising appropriate managerial control;
- Lack of appropriate discipline within GGFD; and
- An appearance of favoritism by Barlag in hiring Jeremy Broadwater as a firefighter.

In early August 2014, Barlag contacted the Garden Grove City Attorney and notified him that he (Barlag) had spoken to a lawyer. In his conversation with the City Attorney, Barlag threatened litigation against the City of Garden Grove if he were removed as Fire Chief of the GGFD. Barlag also notified the City Manager of his intent to sue the City of Garden Grove if removed as Fire Chief. On Aug. 12, 2014, after speaking to Barlag earlier in the month, the City Attorney and the City Manager briefed the City Council in a closed session meeting about Barlag's threat of litigation. After they briefed the City Council on what they

described as a credible threat of litigation by Barlag, and without any meaningful discussion about the fact that Barlag was an "at-will" employee or the fact that the City could terminate Barlag's appointment without cause, the City Council directed the City Manager to find a resolution to Barlag's threat of litigation. It also became apparent that some members of the City Council concluded that Barlag should no longer remain the Fire Chief of GGFD because they lost confidence in his ability as well as his effectiveness in leading the department.

Thereafter, the City Manager proposed a solution to the City Council to the situation they were confronting in a closed session meeting. The City Manager proposed creating a new position for Barlag with the City of Garden Grove in exchange for removing him as the Fire Chief of the GGFD. Acting on Fernalt's recommendation, the City Council directed the City Manager, in a closed session meeting, to move forward with his proposal and negotiate a resolution with Barlag. The City Manager and the City Attorney drafted a settlement agreement between Barlag and the City of Garden Grove. The agreement included the following terms:

- Barlag's resignation as Fire Chief of GGFD;
- The creation of the position of Public Safety Administrative Officer in the City of Garden Grove;
- Upon Barlag's resignation as the Fire Chief of GGFD, Barlag would be appointed as the City's first Public Safety Administrative Officer;
- Barlag's new salary as the City's Public Safety Administrative Officer would be the salary he was earning as the Chief of GGFD (\$226,599.96) plus a training premium of five percent;
- Barlag would no longer receive a vehicle allowance, which he was receiving as the Fire Chief of GGFD;
- Barlag would be able to hold the position of Public Safety Administrative Officer for over two years and will retire from the City on Dec. 31, 2016;
- Barlag's enhanced salary as the City's Public Safety Administrative Officer would continue to count toward the calculation of his pension from the City upon his retirement in December 2016;
- The City would pay Barlag's attorney's fees in the amount of \$3,750; and
- A confidentiality non-disclosure clause will be included as part of the agreement.

The Public Safety Administrative Officer position was a new position in the City of Garden Grove. This position did not previously exist, and there was never a discussion about any need for such a position prior to the settlement agreement between the City and Barlag. This new position was created without a resolution of the City Council prior to the settlement agreement with Barlag. In total, the City Council held three closed session meetings in connection with this matter. The three closed session meetings were held on Aug. 12, 2014; Aug. 26, 2014; and Sept. 23, 2014. On Sept. 29, 2014, Barlag notified the City Manager in an email of his intent to resign as Fire Chief of GGFD after 32 years of service with the City.

On Sept. 30, 2014, the settlement agreement reached between the City of Garden Grove and Barlag was signed by both parties and it became effective immediately; Barlag was appointed as the City's Public Safety Administrative Officer and he was also referred to as the City's Public Safety Director. Barlag immediately started drawing an increased salary. None of these actions were properly created or approved on that date. Not until there was public inquiry was the position of Garden Grove Public Safety Administrative Officer, along with increased salary and benefits, properly created or authorized through open deliberations.

On or about Oct. 14, 2014, Management Partners completed and submitted their final written report regarding the management of GGFD. The written report included the above listed points from the verbal review previously provided to the City Council by the City Manager.

Acting under the pressure of multiple Public Records Act requests by members of the media, on Nov. 25, 2014, the City Council, in an open public session, adopted and ratified an amendment to Resolution Number 9251-14, publicly creating the new position of Public Safety Administrative Officer. This was the first public act by the City Council regarding the secret creation of a new position that paid over a quarter million dollars annually in public money.

On Dec. 8, 2014, the above detailed allegations relating to possible Brown Act violations were reported to OCDA by the Garden Grove Police Department. Shortly thereafter, in a conversation covertly taped by OCDA, Barlag stated that he (Barlag) and the City Manager had an understanding about Barlag's new position as Public Safety Administrative Officer. Barlag stated that his understanding with the City Manager was that Barlag will not be required to report to the City for work and it was based on this specific understanding that Barlag was no longer collecting a car allowance as part of the agreement signed on Sept. 30, 2014.

After his interview with OCDA on Feb. 19, 2015, and at the request of OCDA, the City Attorney provided OCDA with a legal memorandum detailing his legal position for why he felt it was legally appropriate for the City Council to hold closed session meetings in connection with the creation of the new position of Public Safety Administrative Officer, and why he felt it appropriate to keep such action secret until the City was forced to reveal it under the pressure of multiple Public Records Act Requests. We do not agree with that analysis with respect to the creation of a new job.

LEGAL ANALYSIS

1. Open Meetings

The Brown Act is codified in Government Code section 54950 *et seq.* Broadly, the Brown Act requires legislative bodies, including City Councils, to conduct the public's business in public. (Preamble, Government Code section 54950.) With certain limited exceptions, all meetings of the legislative body must be open to any member of the public to attend. (Government Code section 54953.) Before any decisions are made, members of the public must be given notice, by putting the item on the agenda, that the topic will be discussed at a particular meeting. (Government Code section 54954.2.) If an item is not on the agenda, it may not be discussed or voted on in the public meeting. (Government Code section 54954.2.) Furthermore, members of the public must be given the opportunity to comment on the matter before a vote is taken or a decision is made. (Government Code section 54954.3.) Under the Brown Act, private or secret meetings between a majority of the members of the legislative body are prohibited. (Government Code section 54952.2.) However, under certain limited circumstances, a legislative body may meet in "closed session" to discuss certain matters, such as labor or real property negotiations (Government Code sections 54957.6 & 54956.8), certain personnel matters (Government Code section 54957,) and to confer with legal counsel regarding "pending litigation," (Government Code section 54956.9.)

2. Anticipated/Pending Litigation Exception

In order for OCDA to file criminal charges for a violation of the Brown Act, the OCDA must be able to prove beyond a reasonable doubt a specific intent and mental state on the part of the accused. Government Code section 54959 requires that each "member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to **deprive the public** of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor."

Based on the position taken by the City Attorney, it appears that the Garden Grove City Council, on the advice of the City Attorney, relied on the "pending litigation" exception by holding multiple closed sessions.

meetings to discuss Barlag and the creation of the new position of Public Safety Administrative Officer. Regarding the "pending litigation" exception to the Brown Act requirements, Government Code section 54956.9 (d) provides the following:

"Litigation shall be considered *pending* when any of the following circumstances exist:

- (1) Litigation, to which the local agency is a party, has been initiated formally.
- (2) A point has been reached where, *in the opinion of the legislative body* of the local agency *on the advice of its legal counsel*, based on existing facts and circumstances, *there is a significant exposure to litigation against the local agency*.
- (3) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (2).
- (4) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation."

The courts have also recognized the need for a legislative body to confer in closed session with legal counsel when contemplating taking action which will likely result in litigation. In *County of Los Angeles v. Superior Court* (2005) 130 Cal.App.4th 1099, the Court of Appeal agreed with the County Board of Supervisors' conclusion that the "pending litigation" exception applied to a closed session discussion of the County's decision to cut Medicare funding to the King/Drew Medical Center, even though no lawsuit had yet been filed as a result of the decision.

3. Civil/Criminal Enforcement

a. Civil Litigation

As to civil enforcement, the allegation of Brown Act violations were submitted to the OCDA on Dec. 8, 2014, more than 90 days after the first closed session meeting on Aug. 12, 2014. In addition, by the time the allegations were submitted to the OCDA, the City Council had already cured the alleged violation by holding a public meeting and taking a public vote on the matter. Therefore, seeking a civil remedy is not an option since the City of Garden Grove had already taken corrective action on Nov. 25, 2014, by voting publicly on the creation of the position of Public Safety Administrative Officer.

b. Criminal Prosecution

In order to prove a Brown Act violation beyond a reasonable doubt, we must fairly consider the arguments and information provided to OCDA at our request by the Garden Grove City Attorney. The City Attorney's legal position is essentially that the City Council was allowed to discuss Barlag's situation in closed session, without reporting their actions, because Barlag had threatened to sue the City. The City Attorney argues that these closed session discussions pertaining to a pending litigation are authorized by Government Code section 54957.1(a)(3). The claimed legal reason for the City Attorney's assertion that the action taken in the closed session meetings did not need to be reported out is because the action was, ostensibly, to authorize the City Manager to offer employment to Barlag in exchange for Barlag waiving any legal claims he may have against the City. Therefore, the City Attorney took the position that the City Council's action did not settle the lawsuit *per se*, and therefore it was not required to be reported out in a public session because the offer to settle still had to be accepted by Barlag before it went into effect. This position was asserted by the City Attorney because if the City Council approved a settlement already agreed to by Barlag in a closed session, the Brown Act would have required this action to be disclosed to the public in open session, at the conclusion of the closed session.

In deciding if OCDA can prove beyond a reasonable doubt that this reliance on the "pending litigation" exception was a ruse or a pretext, we have to fairly and reasonably consider the following two legal points.

First, the open session requirements of Government Code section 54957.1(a)(5) apply only to actions taken as a result of a complaint or charges made against the affected City employee in accordance with Government Code section 54957, and only when an open session is requested by the affected employee. In this case, the affected employee is Barlag and he never made such a request. In *Furtado v. Sierra Community College* (1998) 68 Cal.App.4th 876, a former employee of the community college challenged the decision of the college's board of trustees to not renew her contract. The superior court ruled against her and she appealed, arguing that the board's decision violated the Brown Act. The court of appeal rejected her argument and held that the open session requirement applies only to the portion of the meeting pertaining to specific complaints or charges brought against the employee. (*Furtado, supra*, at pp. 880-882.) And even then, the Brown Act only requires that the discussions take place in open session when requested by the affected employee. (*Ibid.*) The court went on to note that in drafting the Brown Act, "the Legislature has drawn a reasonable compromise, leaving most personnel matters to be discussed freely and candidly in closed session" (*Id.* at p. 882.)

In the present case, even if the City Council's reliance on the pending litigation exception was a ruse, and its primary objective was to discuss Barlag's employment, the discussion would only need to be held in an open session if it were a result of a complaint or charge brought against Barlag. Even then, the discussion would only need to be held in an open session if Barlag specifically requested that the complaint or charges be discussed in open session. While it could easily be argued that the City Council's discussion came about as a result of a complaint or charge pertaining to Barlag's recent personnel related decisions while at the helm of the GGFD, there is no indication whatsoever that Barlag requested a public airing of the grievance in an open session. Quite the contrary, there is every indication that Barlag wanted this matter resolved quietly and privately.

Accordingly, because there was no request by Barlag to discuss the complaints or charges in an open session, the requirements of Government Code section 54957.1(a)(5) do not apply, and OCDA cannot rely on this section to prove, beyond a reasonable doubt, that the City Council's actions violated the Brown Act.

Secondly, we have to take into account the fact that the action taken by the City Council did **not** immediately affect Barlag's employment status. The Brown Act only requires immediate reporting of a closed session action when the action immediately affects the employment status of the employee. In *Gillespie v. San Francisco Public Library Commission* (1998) 67 Cal.App.4th 1165, the plaintiff sued to block the Library Commission's nomination of candidates for City Librarian. The plaintiff argued that the Brown Act (as well as the City of San Francisco's *Sunshine Ordinance*) required that the Commission's discussion be held in open session. In the alternative, the plaintiff argued that the Commission's decision, made in closed session, should have immediately been reported out. In rejecting the plaintiff's arguments, the court of appeal reasoned that because the Commission's decision was to *nominate* candidates for City Librarian, only one of which was to be *appointed* at a later date by the mayor, the closed session discussion was proper and the action taken need not be reported out. The court of appeal noted that the "plain reading of these statutes compels the conclusion that only actions taken in closed session which *immediately* affect the employment status of a public official are to be reported the same day." (*Gillespie, supra*, at p. 1175; *emphasis in original.*) The court of appeal relied heavily on an Attorney General's Opinion (*Compensation of Hospital Administrator*, Attorney General's Opinion No. 79-1110, 63 Ops.Cal.Atty.Gen. 215 (1980)) which concluded that "to require a public report on all 'action taken' in executive [closed] session on 'personnel matters' could effectively destroy the 'personnel exception.'" (*Id.*, at p. 1176, quoting from page 220 of the Attorney General's Opinion.)

In the present case, the action taken by the Garden Grove City Council was to authorize the City Manager to offer a new position with the City to Barlag, and this new position was to take effect at a future date after the closed session meeting. In addition, the offer of new employment to Barlag was conditional upon Barlag resigning as Fire Chief of GGFD and waiving any legal claims he may have against the City of Garden Grove. Like the decision made by the library commission in *Gillespie*, there is an argument to be made that the action taken by the Garden Grove City Council did not *immediately* affect the employment status of Barlag. The new employment of Barlag did not take effect immediately on any of the days of the closed session meetings, and the terms and conditions still needed to be agreed to by Barlag. As a result, even if the City's pending litigation argument was simply a ruse to take action on Barlag's employment status, the way in which the City Council went about it, whether intentional or not, appears to give the City Council a defense against the applicability of the reporting requirements of the Brown Act. Consequently, because the courts have been inclined to show a deference to a City Council handling employment matters in closed sessions, the conclusion that the Garden Grove City Council's action was primarily an employment decision, and only tangentially related to a pending litigation, and the OCDA would likely come up short of being able to prove a violation of the Brown Act beyond a reasonable doubt.

Accordingly, it is our opinion that there is a lack of sufficient evidence to prove a violation of the Brown Act beyond a reasonable doubt, and therefore, it will not be appropriate for the OCDA to file criminal charges alleging a violation of the Brown Act under the anticipated/pending litigation exception.

OCDA'S FINDINGS AND CONCERNS

OCDA believes it is necessary to make findings and recommendations. It is the position of OCDA that the actions taken by the City of Garden Grove in this instance violated the spirit and intent of the Brown Act. Even though there are no litigation remedies available to us, it is important that the OCDA makes public findings.

We do not believe the City Attorney's legal analysis on this topic to be convincing. It is our opinion that there is a reasonable inference that the City Council simply used the pending litigation exception as a ruse or a pretext to get around the disclosure requirements of the Brown Act with respect to actions taken in closed session which affect employment status in accordance with Government Code section 54957.1(a)(5).

Our investigation concluded, and the City of Garden Grove has acknowledged, that it is the City Manager who makes employee decisions as to hiring, evaluation and termination, not council members. Garden Grove's City Council only governs the appointment of the City Manager. All other employee decisions are made by the City Manager. In that the City Manager makes employee decisions, previous California Attorney General Opinions have held that in those situations, the governing body (city council) has no authority to meet in closed session concerning the staff. (Attorney General's Opinion, 85 Ops.Cal.Atty.Gen. 77 (2002).)

What we have learned in our investigation is as follows:

- Closed session held Aug. 12, 2014, under the "Anticipated Litigation" exception, discussed employment status of Barlag.
- Closed session held Aug. 26, 2014, under the "Anticipated Litigation" exception, discussed employment status of Barlag.
- Closed session held Sept. 23, 2014, under the "Anticipated Litigation" exception, discussed employment status of Barlag.

- Councilmembers in closed session discussed the creation of a job that previously did not exist, Public Safety Administrative Director.
- Councilmembers in closed session discussed Barlag being made the Public Safety Administrative Director effective immediately upon signing the agreement.
- Councilmembers, along with the City Manager and City Attorney, in closed session did not discuss nor remember discussing the fact that Barlag was an “at-will” employee.
- Councilmembers, along with the City Manager and City Attorney, in closed session did not discuss nor remember discussing if there were any merits to Barlag’s threat of litigation.
- No councilmember in closed session, along with the City Manager and City Attorney, objected to any of the above-described actions.
- On Sept. 30, 2014, Barlag signed “CITY OF GARDEN GROVE SETTLEMENT AGREEMENT AND GENERAL RELEASE”.
- On Sept. 30, 2014, Barlag started receiving salary and benefits in the position of Public Safety Administration Officer.
- Until public and press inquiries, there was no requirement that Barlag report to work in the City of Garden Grove.
- The position of Public Safety Administration Officer was not officially created until the city council meeting on Nov. 25, 2014, in open session, on a vote of four votes for and one against.

It is our perception that the “Anticipated Litigation” exception to the Brown Act was manipulated in such a way to allow the Garden Grove City Council to go into closed session to allow the City Council to delay the public from finding out what their elected officials were doing with respect to the resignation of Barlag as Fire Chief, the creation of a highly paid new position, and the selection of Barlag to that position.

Based on the entirety of all the available evidence in this case, there appears to be reasonable cause to believe that the reliance by the former City Attorney and the former City Manager on this exception to the Brown Act requirement of Open Public Meetings is merely a pretext to keep this situation a secret for reasons not allowed under the Brown Act. Barlag was an “at-will” employee who could be terminated without cause. It is true that Barlag, just like any other “at-will” employee, could not be terminated for an “illegal cause.” An employee’s national origin, ethnic background, or sexual orientation are some of the examples of “illegal causes.” However, in Barlag’s situation, the need for terminating his employment had nothing to do with any illegal cause. In addition, the City Council was also aware of an independent audit prepared by an outside consulting firm showing ample cause to doubt the effectiveness of Barlag as the Fire Chief of GGFD.

RECOMMENDATIONS


In light of the above detailed facts and circumstances, OCDA is recommending that the Garden Grove City Council consider adopting the following steps in the interest of promoting public transparency:

1. To record any and all future closed session meetings for a period of at least two years, effective immediately, in accordance with the provisions of Government Code section 54690;
2. If a new employment position is created in the future by the Garden Grove City Council, the City Council commits to disclose the creation of the new position in public before filling the position;
3. The Garden Grove City Council commits to refrain from relying on the ‘pending litigation’ exception, provided for in Government Code Section 54956.9, to create a new City position in closed session, without reporting this action immediately at the conclusion of the closed session meeting; and

4. The City audits the work and performance of the newly created "Public Safety Administrative Officer" to assure the public that the position is not a "no show" job.

Accordingly, the OCDA is closing its inquiry into this matter.


EBRAHIM BAYTIEH
Assistant District Attorney


MICHAEL LUBINSKI
Senior Assistant District Attorney

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Kathy Bailor

Dept.: City Manager Dept.: City Clerk

Subject: Discussion of a Resolution in Support of SB 969 to allow for the sale of Vietnamese rice cakes at room temperature, as requested by Council Member Bui. Date: 3/22/2016

The attached information is listed for discussion of a Resolution in Support of SB 969 to allow for the sale of Vietnamese rice cakes at room temperature, as requested by Council Member Bui.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	3/16/2016	Cover Memo	Mock_Resolution.docx
Fact Sheet	3/16/2016	Cover Memo	Fact_Sheet_SB_969.docx
SB 969	3/16/2016	Backup Material	SB_969_Language_3-15-16_(1).pdf

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____

WHEREAS, the City of XXXXX proudly supports Vietnamese-American communities throughout California; and

WHEREAS, since their arrival to the United States, Vietnamese-Americans have enhanced and continue to strengthen California's culture through the establishment of vibrant Little Saigon Communities and the celebration of the Lunar New Year (Tết), thereby preserving Vietnamese heritage for younger generations; and

WHEREAS, the Vietnamese-American community consumes traditional Vietnamese rice cakes during the Lunar New Year celebration, continuing a centuries old tradition in the Vietnamese community; and

WHEREAS, currently, traditional Vietnamese rice cakes cannot be sold at room temperature because California Health and Safety code requires potentially perishable food to be stored at specified temperatures to be sold to the public; and

WHEREAS, in an effort to ensure that Vietnamese rice cakes can be sold in their traditional manner at room temperature, Senator Janet Nguyen introduced Senate Bill 969; and

WHEREAS, Senate Bill 969 (SB 969) amends the California Health and Safety Code to authorize a food facility to sell Vietnamese rice cakes that have been at room temperature for no more than 72 hours; and

WHEREAS, the California State Legislature has passed AB 187 (2001) and SB 888 (2010) which allowed for the room temperature sale of Korean rice cakes and Asian rice-based noodles for specified lengths of time, respectively; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF XXXXX hereby determines, finds, and resolves as follows:

Section 1. The City Council of the City of XXXXX, State of California, supports Senate Bill 969 and urges the California State Legislature to pass this legislation to allow for the sale of Vietnamese rice cakes at room temperature.

Section 2. The Clerk of the City of XXXXX is directed to send this resolution to the Honorable Members of the California State Senate and the California State Assembly representing the City of XXXXX

Section 3. The resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall attest to and certify the vote adopting this resolution.



SB 969 – Vietnamese Rice Cakes

SUMMARY

SB 969 would allow for an exemption in the Health and Safety Code for traditional Vietnamese Rice Cakes to be sold year-round, provided that they are labeled with health precautions warning that the rice cake must be consumed within two days.

BACKGROUND

Traditional Vietnamese rice cakes are manufactured primarily around the holiday seasons such as Tet. There are generally two forms of rice cakes that take more than ten hours to cook; one with meat-filling and one with a fruit-filling. Traditionally, families will keep these rice cakes for up to one week before safely consuming, although many will refrigerate them by the end of the day. Under current requirements established by the Department of Public Health due to the presence of perishable ingredients, Vietnamese rice cakes must be sold refrigerated or frozen. However, it is against tradition to purchase rice cakes that are cold. This stigma prevents traditional Vietnamese rice cakes from being sold year-round in stores without facing citations from public health regulators. Additionally, these cakes are often sold for charitable events to raise money during the holidays.

EXISTING LAW

The California State Legislature passed two measures that allow for similar exemptions for traditional cultural recipes. In 2001, AB 187 (Liu) allowed for Korean rice cakes to be sold, provided they have been at room temperature for no more than 24 hours. In 2010, the Legislature passed SB 888 (Yee) which similarly allowed for Asian rice based noodles to be sold, provided they

are labeled as perishable and are to be consumed within 4 hours of manufacture. Vietnamese rice cakes contain different ingredients and cooking methods so they are excluded from both of these current statutory exemptions.

THE SOLUTION

SB 969 would allow for perishable Vietnamese rice cakes that are cooked and served according to traditional recipes to be sold at room temperature for no more than 48 hours with appropriate warning labels.

FISCAL EFFECT

Unknown at this time

SPONSOR

Author

SUPPORT

City of Fountain Valley

STAFF CONTACT

Brandon Ebeck
Legislative Aide
(916) 651-4375
Brandon.Ebeck@Sen.CA.Gov

SENATE BILL

No. 969

**Introduced by Senator Nguyen
(Coauthor: Senator Huff)**

(Coauthors: Assembly Members *Campos*, Chang, Kim, McCarty, and Williams)

February 8, 2016

An act to amend ~~Section~~ *Sections 111222 and 111223* of, to amend the heading of Article 14 (commencing with Section 111222) of Chapter 5 of Part 5 of Division 104 of, and to add Section 114429.3 to, the Health and Safety Code, relating to food.

LEGISLATIVE COUNSEL'S DIGEST

SB 969, as amended, Nguyen. Vietnamese rice cakes.

Existing law, the Sherman Food, Drug, and Cosmetic Law, requires all manufacturers of Korean rice cakes, as defined, to place a label issued by the Korean Rice Cake Association Corporation on the Korean rice cake that indicates the date of manufacture, and requires the label to include a statement that the rice cake must be consumed within one day of manufacture. A violation of these provisions is a crime.

This bill would ~~require~~ *require, except as provided*, a manufacturer of Vietnamese rice ~~cakes~~ *cakes, as defined*, to place a label on the Vietnamese rice cake that indicates the date ~~of manufacture, and time the cooking process was completed~~, and would require the label to include a statement that the rice cake must be consumed within ~~3 days of manufacture~~ *48 hours of the date and time printed on the label*. By creating a new crime, this bill would impose a state-mandated local program.

Existing law, the California Retail Food Code, provides for the regulation of health and sanitation standards for food facilities, as defined, by the State Department of Public Health. Under existing law, local health agencies are primarily responsible for enforcing the California Retail Food Code. A violation of any of these provisions is a crime. Existing law authorizes a food facility to sell Korean rice cakes, as defined, that have been at room temperature for no more than 24 hours, and requires, at the end of the operating day, Korean rice cakes that have been at room temperature for no more than 24 hours to be destroyed in a manner approved by the enforcement agency.

This bill would also authorize a food facility to sell Vietnamese rice cakes that have been at ~~room temperature no more than 70 degrees Fahrenheit~~ for no more than ~~72~~ 48 hours, and would ~~require, at the end of the operating day,~~ require Vietnamese rice cakes that have been at room temperature for no more than ~~72~~ 48 hours to be destroyed in a manner approved by the enforcement agency. By imposing new enforcement requirements on local health agencies, and by creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Article 14 (commencing with
2 Section 111222) of Chapter 5 of Part 5 of Division 104 of the
3 Health and Safety Code is amended to read:

4
5 Article 14. Asian Rice Noodles, Korean Rice Cakes, and
6 Vietnamese Rice Cakes
7

1 *SEC. 2. Section 111222 of the Health and Safety Code is*
2 *amended to read:*

3 111222. For purposes of this article the following definitions
4 shall apply:

5 (a) “Asian rice-based noodle” is defined as a rice-based pasta
6 that contains rice powder, water, wheat starch, vegetable cooking
7 oil, and optional ingredients to modify the pH or water activity,
8 or to provide a preservative effect. The ingredients shall not include
9 any animal fats or any other products derived from animals. An
10 Asian rice-based noodle is prepared by using a traditional method
11 that includes cooking by steaming at not less than 130 degrees
12 Fahrenheit, for not less than four minutes.

13 (b) “Korean rice cake” is defined as a confection that contains
14 rice powder, salt, sugar, various edible seeds, oil, dried beans, nuts,
15 dried fruits, and dried pumpkin. The ingredients may not include
16 any animal fats or any other products derived from animals. A
17 Korean rice cake is prepared by using a traditional Korean method
18 that includes cooking by steaming at not less than 275 degrees
19 Fahrenheit, for not less than five minutes, nor more than 15
20 minutes.

21 (c) “Vietnamese rice cake,” also known as *Bánh Tét* or *Bánh*
22 *Chung*, is defined as a confection that contains a combination of
23 rice, beans, and meat or fruit wrapped tightly in banana leaves
24 for cooking. *Bánh Tét* is a rice cake in a cylindrical shape, and
25 *Bánh Chung* is a rice cake in a square shape. A Vietnamese rice
26 cake is prepared using a traditional Vietnamese method that
27 includes cooking by boiling in water for not less than 10 hours.
28 Vietnamese rice cakes are required to be handled, prepared, and
29 stored under sanitary conditions both when they are kept at no
30 more than 70 degrees Fahrenheit upon completion of cooking and
31 after the rice cakes have been cooled to below 70 degrees
32 Fahrenheit. Any Vietnamese rice cakes that are unwrapped from
33 the banana leaves after cooking shall be refrigerated.

34 ~~SEC. 2:~~

35 *SEC. 3. Section 111223 of the Health and Safety Code is*
36 *amended to read:*

37 111223. (a) (1) All manufacturers of Asian rice-based noodles
38 shall place a label on the packaging of Asian rice-based noodles
39 that indicates the date and time that the product first came out of
40 hot holding at temperatures above 135 degrees Fahrenheit and

1 includes a statement that the Asian rice-based noodles are
2 perishable.

3 (2) The product packaging shall only be labeled once.

4 (3) Notwithstanding paragraphs (1) and (2), this section shall
5 not apply to Asian rice-based noodles that have a pH of 4.6 or
6 below, have a water activity of 0.85 or below, or have been
7 determined by the department to be nonpotentially hazardous foods
8 based on formulation and supporting laboratory documentation
9 submitted to the department by the manufacturer.

10 (b) All manufacturers of Korean rice cakes shall place a label
11 issued by the Korean Rice Cake Association Corporation on the
12 Korean rice cake that indicates the date of manufacture. The Korean
13 rice cakes label shall include a statement that the rice cake must
14 be consumed within one day of manufacture.

15 (c) *(1) All manufacturers of Vietnamese rice cakes shall place*
16 *a label on the Vietnamese rice cake that indicates the date of*
17 ~~*manufacture, and time the cooking process was completed.*~~ The
18 Vietnamese rice cakes label shall include a statement that the rice
19 cake must be consumed within ~~three days of manufacture,~~ 48 hours
20 *of the date and time printed on the label.*

21 *(2) Notwithstanding paragraph (1), this section does not apply*
22 *to Vietnamese rice cakes that have been determined by the*
23 *department to be nonpotentially hazardous foods based on*
24 *formulation and supporting laboratory documentation submitted*
25 *to the department by the manufacturer.*

26 ~~SEC. 3:~~

27 SEC. 4. Section 114429.3 is added to the Health and Safety
28 Code, to read:

29 114429.3. (a) Notwithstanding Sections 113996 and 114343
30 and if permitted by federal law, a food facility may sell Vietnamese
31 rice cakes that have been at ~~room temperature~~ *no more than 70*
32 *degrees Fahrenheit* for no more than ~~72~~ 48 hours.

33 ~~(b) At the end of the operating day, Vietnamese rice cakes that~~
34 ~~have been at room temperature~~ *no more than 70 degrees Fahrenheit*
35 *for no more than 48 hours* shall be destroyed in a manner
36 approved by the enforcement agency.

37 ~~(c) All manufacturers of Vietnamese rice cakes shall place a~~
38 ~~label on the Vietnamese rice cake as prescribed by~~ *bear a label*
39 *meeting the requirements of Section 111223.*

1 ~~SEC. 4.~~

2 *SEC. 5.* No reimbursement is required by this act pursuant to
3 Section 6 of Article XIII B of the California Constitution for certain
4 costs that may be incurred by a local agency or school district
5 because, in that regard, this act creates a new crime or infraction,
6 eliminates a crime or infraction, or changes the penalty for a crime
7 or infraction, within the meaning of Section 17556 of the
8 Government Code, or changes the definition of a crime within the
9 meaning of Section 6 of Article XIII B of the California
10 Constitution.

11 However, if the Commission on State Mandates determines that
12 this act contains other costs mandated by the state, reimbursement
13 to local agencies and school districts for those costs shall be made
14 pursuant to Part 7 (commencing with Section 17500) of Division
15 4 of Title 2 of the Government Code.

O