



CITY OF SANTA FE SPRINGS
MEETINGS OF THE PUBLIC FINANCING AUTHORITY,
WATER UTILITY AUTHORITY, HOUSING SUCCESSOR,
SUCCESSOR AGENCY, AND CITY COUNCIL
AGENDA

TUESDAY, APRIL 15, 2025
AT 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
11710 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670

CITY COUNCIL

William K. Rounds, Mayor
Joe Angel Zamora, Mayor Pro Tem
Annette Rodriguez, Councilmember
Juanita Martin, Councilmember
John M. Mora, Councilmember

CITY MANAGER

René Bobadilla, P.E.

CITY ATTORNEY

Rick Olivarez

CITY STAFF

Assistant City Manager
Fire Chief
Police Chief
Director of Community Development
Director of Community Services
Director of Finance
Director of Parks & Recreation
Director of Police Services
Director of Public Works
City Clerk

Nicholas Razo
Chad Van Meeteren
Aviv Bar
Cuong Nguyen
Maricela Balderas
Lana Dich
Gus Hernandez
Arlene Salazar
James Enriquez
Fernando N. Muñoz

NOTICES

This City Council Meeting ("Council") will be held in person and will meet at City Hall – City Council Chambers, 11710 E. Telegraph Road, Santa Fe Springs, California. The meeting will be live streamed on the City's YouTube Channel and can be accessed on the City's website via the following link:

https://santafesprings.gov/city_council/city_council_meetings/index.php

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

SB 1439: Effective January 1, 2025, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than \$500 from an interested person. The Council Member would need to disclose the donation and abstain from voting.

Public Comments: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council on the day of the meeting, please fill out a speaker card provided at the door and submit it to City Clerk staff. You may also submit comments in writing by sending them to the City Clerk's Office at cityclerk@santafesprings.gov. All written comments received by 12:00 p.m. the day of the City Council Meeting will be distributed to the City Council and made a part of the official record of the meeting. Written comments will not be read at the meeting, only the name of the person submitting the comment will be announced. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Council Meeting Start Times: If there is a closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 5:00 p.m. and open session shall start at 6:00 p.m. If there is no closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 6:00 p.m.

Please Note: Staff reports and supplemental attachments are available for inspection online and at the office of the City Clerk in City Hall, during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday. Telephone: (562) 868-0511.

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PRESENTATIONS

1. 2024-25 MISS SANTA FE SPRINGS APPRECIATION (PARKS & RECREATION)
2. PROCLAMATION – NATIONAL VOLUNTEER WEEK (COMMUNITY SERVICES)
3. PROCLAMATION – NATIONAL ARBOR DAY (PUBLIC WORKS)
4. PROCLAMATION – COMMUNITY DEVELOPMENT WEEK
(COMMUNITY DEVELOPMENT)

CHANGES TO AGENDA

PUBLIC COMMENTS ON NON-AGENDA & NON-PUBLIC HEARING AGENDA ITEMS

At this time, the general public may address the City Council on both non-agenda *and* non-public hearing agenda items. Comments relating to public hearing items will be heard during the public hearing. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the City Council.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

PUBLIC HEARING – NONE

OLD BUSINESS – NONE

REGULAR BUSINESS – NONE

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

PUBLIC FINANCING AUTHORITY

5. **MINUTES OF THE MARCH 18, 2025 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Public Financing Authority:

1) Approve the minutes as submitted.

6. **MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)**

RECOMMENDATION: It is recommended that the Public Financing Authority:

1) Receive and file the report.

WATER UTILITY AUTHORITY

7. **MINUTES OF THE MARCH 18, 2025 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Approve the minutes as submitted.

8. **MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)**

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Receive and file the report.

HOUSING SUCCESSOR

9. **MINUTES OF THE MARCH 18, 2025 HOUSING SUCCESSOR MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Housing Successor:

1) Approve the minutes as submitted.

SUCCESSOR AGENCY

10. **MINUTES OF THE MARCH 18, 2025 SUCCESSOR AGENCY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Approve the minutes as submitted.

11. **SUCCESSOR AGENCY RESOLUTION NO. SA-2025-002, CONFIRMING THE CONTINUED EXISTENCE OF THE DISPOSITION AND DEVELOPMENT AGREEMENT DATED MAY 11, 1995, WITH THE SCHORK FAMILY PARTNERSHIP AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT DEED CONVEYING THE SUCCESSOR AGENCY PROPERTIES LOCATED AT APNS: 8082-002-914 AND 8082-002-915 TO THE SCHORK FAMILY PARTNERSHIP (COMMUNITY DEVELOPMENT)**

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Adopt the attached resolution confirming the continued existence of the Disposition and Development Agreement (“DDA”) dated May 11, 1995, between the former CDC and the Schork Family Partnership, and authorizing the execution and delivery of a Grant Deed conveying the properties located at Assessor Parcel Numbers (“APN”): 8082-002-914 and 8082-002-915 to the Schork Family Partnership.

CITY COUNCIL

12. **MINUTES OF THE MARCH 18, 2025 CITY COUNCIL MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the minutes as submitted.

13. **PROFESSIONAL SERVICES AGREEMENTS WITH HUGHES MARINO, INC. FOR REAL ESTATE CONSULTANT SERVICES (COMMUNITY DEVELOPMENT)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Professional Service Agreements between the City of Santa Fe Springs and Hughes Marino, Inc.; and
- 2) Authorize the City Manager to execute and act as the City Representative for two Professional Services Agreements for broker services with Hughes Marino, Inc., one for lease transactions and another for sales transactions; and
- 3) Determine that the action is categorically exempt pursuant to the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 *et seq.*); and
- 4) Take such additional, related action that may be desirable.

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Council member announcements; requests for future agenda items; conference/meetings reports. Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

ADJOURNMENT

I, Fernando N. Muñoz, City Clerk for the City of Santa Fe Springs hereby certify that a copy of this agenda has been posted no less than 72 hours at the following locations; City's website at www.santafesprings.gov; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road.

FOR ITEM NO. 5, PLEASE SEE ITEM NO. 12



CITY OF SANTA FE SPRINGS

PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance & Administrative Services

SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC
FINANCING AUTHORITY (PFA)

DATE: April 15, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 3/31/2025	None
Outstanding principal at 3/31/2025	\$25,205,601

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment.

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Page 2 of 3

Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016, the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017, the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The Successor Agency will continue to request sufficient distributions from the RPTTF to make required bond payments through maturity on September 1, 2028.

ATTACHMENT(S):

None.

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

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<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

FOR ITEM NO. 7, PLEASE SEE ITEM NO. 12



CITY OF SANTA FE SPRINGS

WATER UTILITY AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

**SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY
AUTHORITY (WUA)**

DATE: April 15, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 3/31/2025	None
Outstanding principal at 3/31/2025	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 3/31/2025	None
Outstanding principal at 3/31/2025	\$395,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

Page 2 of 2

(issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The WUA budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

ATTACHMENT(S):

None.

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

FOR ITEM NO. 9, PLEASE SEE ITEM NO. 12

FOR ITEM NO. 10, PLEASE SEE ITEM NO. 12



CITY OF SANTA FE SPRINGS

SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Board Chair and Members

FROM: René Bobadilla, Executive Director

BY: Cuong Nguyen, Director of Community Development

SUBJECT: **SUCCESSOR AGENCY RESOLUTION NO. SA-2025-002, CONFIRMING THE CONTINUED EXISTENCE OF THE DISPOSITION AND DEVELOPMENT AGREEMENT DATED MAY 11, 1995, WITH THE SCHORK FAMILY PARTNERSHIP AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT DEED CONVEYING THE SUCCESSOR AGENCY PROPERTIES LOCATED AT APNS: 8082-002-914 AND 8082-002-915 TO THE SCHORK FAMILY PARTNERSHIP**

DATE: April 15, 2025

RECOMMENDATION(S):

It is recommended that the Successor Agency Board acting on behalf of the former Santa Fe Springs Community Development Commission ("CDC"):

- 1) Adopt the attached resolution confirming the continued existence of the Disposition and Development Agreement ("DDA") dated May 11, 1995, between the former CDC and the Schork Family Partnership, and authorizing the execution and delivery of a Grant Deed conveying the properties located at Assessor Parcel Numbers ("APN"): 8082-002-914 and 8082-002-915 to the Schork Family Partnership.

FISCAL IMPACT:

Conveyance of the properties would not result in any adverse fiscal impact on the General Funds. The eventual transfer of the properties will result in them being placed on the tax roll and as a result, the City will receive property tax.

BACKGROUND/DISCUSSION:

On May 11, 1995, the former Santa Fe Springs Community Development Commission ("CDC") entered into a Disposition and Development Agreement ("DDA" or "Agreement") with the Schork Family Partnership ("Schork") for the purchase and development of the El Monte RV Center Property, located at 10860 Firestone Boulevard ("Subject Site") in Santa Fe Springs ("City"). The Agreement was intended to facilitate the development of

the Subject Site by leasing it to Schork with an option to transfer ownership to them upon the receipt of Four Hundred Forty Thousand Dollars (\$440,000) in sales tax revenue generated by the operations on the Subject Site.

Under the terms of the Agreement, the City leased the properties to Schork for the operation of the El Monte RV Center. Sales tax revenue accumulated over time, and once the required amount of \$440,000 in sales tax was received, the Agreement calls for the transfer of the properties to Schork.

Over time, due to the dissolution of redevelopment agencies under state law and changes in personnel, the Subject Site was not immediately transferred as stipulated in the Agreement. The Successor Agency (“SA”), which was established pursuant to Assembly Bill x1 26 (AB 26) and Assembly Bill (AB) 1484 after the dissolution of the CDC, assumed the responsibility of managing and disposing of former redevelopment agency properties.

In 2023, the Successor Agency was made aware of the Agreement when Schork provided the original agreement document to SA staff. Upon review, it was confirmed that the required sales tax revenue had been received by the City, triggering the property transfer provisions of the Agreement.

As required by the California Department of Finance (“DOF”) and pursuant to the oversight process, the Successor Agency received approval from the Fourth District Consolidated County Oversight Board for the continuation of the Agreement and the property transfer through the adoption of Resolution No. OB 2024-002. The Successor Agency intends to honor and carry out the terms of the 1995 Agreement, which include transferring ownership of the properties to the Schork Family Partnership.

The disposition of the Subject Site qualifies for a “grandfathering exemption” pursuant to the Surplus Lands Act (Gov. Code § 54220 *et seq.*) as it existed in 2019 due to the CDC’s execution of the Agreement prior to September 30, 2019, and because the conveyance of the Subject Site will occur prior to December 31, 2027. Therefore, the SA is not required to distribute a Notice of Availability for the Subject Site.

ANALYSIS

Transfer of Property: The properties subject to this resolution, located at Assessor Parcel Numbers (APNs) 8082-002-914 and 8082-002-915, have been used for the El Monte RV Center operations for several years. The transfer will fulfill the intended outcome of the 1995 Agreement and formally transfer the ownership to Schork.

Awareness of the Agreement: For almost 28 years, no actions were taken by either the CDC, SA or Schork regarding the property transfer, in part because the disposition of the Subject Site was due to an inadvertent error that disposition of the Subject Site was already subject to a DDA. Due to changes in personnel and a lack of centralized oversight for all agreements, Schork brought the existence of the Agreement to SA staff’s attention. Because Schork has met the conditions precedent to convey the Subject Site, the Successor Agency intends to honor the Agreement and move forward with the property transfer.

Completion of Sales Tax Requirements: The City's Finance Department has confirmed that the \$440,000 sales tax requirement has been met, and the property transfer is in compliance with the original terms of the Agreement.

Approval Process: The Successor Agency Board reviewed and approved the action at its meeting on December 5, 2023 through the adoption of Resolution No. SA 2023-002. The County Oversight Board confirmed the existence of the Agreement, approved and authorized the transfer of the Subject Site to Schork through the adoption of Resolution No. OB 2024-002. The Department of Finance ("DOF") subsequently issued a letter confirming that no further action was needed on behalf of DOF because the disposition of the property was pursuant to an approved Long Range Property Management Plan. The next step is for the City Council to adopt a resolution confirming the continued existence of the DDA and authorizing the execution of a Grant Deed for the transfer. Following this, the Successor Agency will seek approval from the County Oversight Board for final approval.

ENVIRONMENTAL IMPACT:

In accordance with the California Environmental Quality Act ("CEQA") (Pub. Res. Code § 21000 *et seq.*) and CEQA Guidelines (Cal. Code Regs., § 15000 *et seq.*), the disposition of the Subject Site is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that the disposition of the Subject Site in accordance with the DDA does not call for any subsequent development. Any future proposed development would be subject to CEQA.

SUMMARY:

It is recommended that the Successor Agency, acting on behalf of the CDC, adopt Resolution No. SA-2025-002 confirming the continued existence of the DDA dated May 11, 1995, between CDC and Schork. Additionally, the Successor Agency is requested to authorize the execution and delivery of a Grant Deed conveying the Subject Site, identified by APNs 8082-002-914 and 8082-002-915, to the Schork Family Partnership, in accordance with the terms of the Agreement.

ATTACHMENT(S):

- A. Resolution No. SA-2025-002
- B. Properties APN: 8082-002-914 and APN: 8082-002-915
- C. 1995 Disposition (Purchase) and Development Agreement
- D. Correspondence from Department of Housing and Community Development (March 17, 2025)

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

RESOLUTION NO. SA 2025-002

A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF SANTA FE SPRINGS CONFIRMING THE CONTINUED EXISTENCE OF THE DISPOSITION AND DEVELOPMENT AGREEMENT DATED MAY 11, 1995, WITH THE SCHORK FAMILY PARTNERSHIP AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT DEED CONVEYING THE SUCCESSOR AGENCY PROPERTIES LOCATED AT APNS: 8082-002-914 AND 8082-002-915 TO THE SCHORK FAMILY PARTNERSHIP

WHEREAS, pursuant to ABX1 26, and subsequently amended by AB 1484, SB 341, and SB 107 ("Dissolution Act"), the Santa Fe Springs Community Redevelopment Commission / Redevelopment Agency ("RDA") was dissolved as of February 1, 2012, and the City of Santa Fe Springs elected to serve as Successor Agency to the former RDA ("Successor Agency"); and

WHEREAS, on or about May 11, 1995, Successor Agency and the Schork Family Partnership ("Schork") (also known as El Monte RV) entered into that certain Disposition and Development Agreement ("DDA") for the property located on Firestone Boulevard and specifically identified as Assessor Parcel Numbers 8082-002-914 and 8082-002-915 ("Properties"), as described in the Legal Description incorporated by reference herein as Exhibit "A"; and

WHEREAS, a copy of the DDA is attached to this Resolution as Exhibit "B" and incorporated herein by reference; and

WHEREAS, pursuant to the DDA, the Successor Agency was to transfer the Properties to Schork upon the completion of specified conditions; and

WHEREAS, those conditions have been met; however, the Properties have not yet been transferred as required by the DDA; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency prepared a Long-Range Property Management Plan ("LRPMP"), which was approved by the State of California Department of Finance ("DOF") on November 24, 2015; and

WHEREAS, the LRPMP included the Properties for either Government Use or Disposition but inadvertently did not include that they were subject to that certain DDA; and

WHEREAS, Schork presented the DDA to the Successor Agency, representing that it had satisfied the conditions precedent of the DDA to convey the Properties to Schork;

WHEREAS, on December 5, 2023, the Successor Agency adopted Resolution No. SA-2023-002, herein incorporated by reference as Exhibit "C", declaring that the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995 and that the Successor Agency intends to honor the terms of the DDA and transfer the Properties to Schork as required under the DDA; and

WHEREAS, on July 18, 2024, the Los Angeles County Forth Supervisorial District Consolidated Oversight Board (“Oversight Board”) adopted Resolution No. OB-2024-002, herein incorporated by reference as Exhibit “D”, confirming the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995 and intends to honor the terms of the DDA and authorized the transfer of title of the Properties to Schork via a grant deed; and

WHEREAS, the Oversight Board directed the Successor Agency to transmit Resolution No. OB-2024-002 to the DOF pursuant to Health and Safety Code (“HSC”) Section 34179(h)(1); and

WHEREAS, on August 22, 2024, the DOF issued a determination, herein incorporated by reference as Exhibit “E”, confirming that no action in relation to Resolution No. OB-2024-002 was necessary because, pursuant to HSC Section 34191.5(f), actions taken to implement the disposition of property pursuant to an approved LRPMP do not require review by the DOF; and

WHEREAS, the Surplus Lands Act (“Act”) (Gov. Code § 54220 *et seq.*) requires a local agency to make a formal declaration when certain real property is no longer needed for an “agency’s use” as defined by the Act; and

WHEREAS, the Act provides that land held in the Community Redevelopment Property Trust Fund pursuant to HSC Section 34191.4 and land that has been designated in the LRPMP approved by the DOF pursuant to HSC Section 34191.5, either for sale or for future development is “surplus land,” but that it does not include any specific disposal of land to an identified entity described in the plan (Gov. Code § 54221(b)(2)); and

WHEREAS, the Properties were included in the Successor Agency’s approved LRPMP for either Government Use or Disposition and that they were inadvertently not identified as being subject to a specific disposal of land to an identified entity; and

WHEREAS, both the Successor Agency and the Oversight Board have adopted resolutions confirming the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995 between the Successor Agency and Schork for the Properties; and

WHEREAS, both the Successor Agency and the Oversight Board intend to honor the terms of the DDA and transfer the Properties to Schork as required under the DDA; and

WHEREAS, the Properties are “surplus land” because the Properties were identified in the LRPMP either for sale or for future development, but did not include any specific disposal of land to an identified entity in the plan; and

WHEREAS, on March 17, 2025, the State of California Department of Housing and Community Development issued a determination confirming the Properties qualify for the “grandfathering exemption” under Government Code Section 54234(a)(1) because the RDA entered into a DDA prior to September 30, 2019 and the Properties will be conveyed prior to December 31, 2027; and

WHEREAS, the Successor Agency hereby confirms that the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995; and

WHEREAS, the Successor Agency hereby honors the terms of the DDA and approves the transfer of the Properties to Schork, and/or its successors and assigns, as required under the DDA; and

NOW, THEREFORE, SUCCESSOR AGENCY OF SANTA FE SPRINGS ACTING ON BEHALF OF THE FORMER SANTA FE SPRINGS COMMUNITY DEVELOPMENT AGENCY, DOES HEREBY FIND, DETERMINE, DECLARE, AND RESOLVE AS FOLLOWS:

SECTION 1. The aforementioned recitals set forth above are true and correct and are incorporated herein in full.

SECTION 2. The Properties are “surplus land” under the Surplus Lands Act because they are included in the Santa Fe Springs Community Redevelopment Commission/ Redevelopment Agency’s Long-Range Property Management Plan that was approved by the State of California’s Department of Finance on November 24, 2015, but are subject to an existing disposition and development agreement which would dispose of the Properties to an identified entity.

SECTION 3. The Properties qualify for the “grandfathering exemption” under Section 54234(a)(1) of the Act because the RDA and Schork entered into a DDA prior to September 30, 2019, and intend to dispose of the Properties prior to December 31, 2027.

SECTION 4. Schork has satisfied the conditions precedent to convey the Properties from the Santa Fe Springs Community Redevelopment Commission/ Redevelopment Agency to Schork.

SECTION 5. The Department of Finance has determined that no further action is necessary on its part because the disposition of the Properties is consistent with the applicable Long Range Property Management Plan.

SECTION 6. The Successor Agency hereby authorizes the execution and transfer of the Properties via a Grant Deed to Schork subject to the terms of the Disposition and Development Agreement dated May 11, 1995, between the Santa Fe Springs Community Redevelopment Commission/Redevelopment Agency and the Schork Family Partnership.

SECTION 7. The Successor Agency hereby authorizes the Successor Agency Counsel to make any clarifying changes necessary to effectuate the disposition of the Properties contemplated by the Disposition and Development Agreement.

SECTION 8. The Executive Director and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes.

SECTION 9. The Properties are exempt from the California Environmental Quality Act ("CEQA") (Pub. Res. Code § 21000 *et seq.*) pursuant to CEQA Guidelines Section 15061(b)(3), (Common Sense Exemption) which indicates that CEQA only applies to projects that have a "significant effect on the environment" as defined by in Public Resources Code Section 21068 and CEQA Guidelines Section 15382.

SECTION 10. If any section, subsection, clause, or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this title; it being hereby expressly declared that this title, and each section, subsection, sentence, clause, and phrase hereof, would have been prepared, proposed, adopted, approved, and ratified irrespective of the fact that any single section subsection, sentence, clause, or phrases be declared invalid or unconstitutional.

SECTION 11. The Successor Agency Secretary shall certify the passage and adoption of this Resolution and cause the same to be published or posed in the manner required by law.

SECTION 12. This Resolution shall take effect immediately upon its adoption by the Successor Agency and the Successor Agency Secretary shall attest to and certify the vote adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED on this 15th day of April, 2025, by the following votes:AYES:

NOES:

ABSENT:

ABSTAIN:

SUCCESSOR AGENCY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Chair

ATTEST:

Fernando Muñoz, Agency Secretary

APPROVED AS TO FORM:

Rick R. Olivarez, Successor Agency Counsel

LEGAL DESCRIPTION

Real property in the City of Santa Fe Springs, County of Los Angeles, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 24338, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 270, PAGES 58-59](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, PROVIDED, HOWEVER THAT THE GRANTORS OR THEIR SUCCESSORS IN INTEREST SHALL NOT HAVE ANY RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF ABOVE A DEPTH OF 500 FEET THEREFROM, FOR THE PURPOSE OF PROSPECTING OR MINING OR REMOVING SAID SUBSTANCES, BUT MAY DO SO BY SLANT DRILLING FROM LOCATION ON ADJACENT LANDS AT DEPTHS BELOW 500 FEET FROM THE SURFACE IN SUCH MANNER AS NOT TO DISTURB THE SURFACE OR IMPROVEMENTS THEREON, AS RESERVED BY BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, IN DEED RECORDED APRIL 17, 1937 AS INSTRUMENT NO. [4800-F](#) OF TORRENS REGISTRATION AND ALSO RESERVED BY YOUNG LOFTUS CONSTRUCTION CO., A CORPORATION, IN DEED RECORDED ON AUGUST 01, 1955 AS INSTRUMENT NO. 1206 IN [BOOK 48513, PAGE 7](#), OF OFFICIAL RECORDS.

APN: 8082-002-914 (Affects Portion of Land) and APN 8082-002-915 (Affects Portion of Land)

DISPOSITION (PURCHASE) AND DEVELOPMENT AGREEMENT

BETWEEN THE

**COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS**

AND

SCHORK FAMILY PARTNERSHIP (El Monte RV, Inc.)

This Agreement is entered into on May 11, 1995, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, a body politic ("Commission") and SCHORK FAMILY PARTNERSHIP, ("SCHORK"). For purposes of clarification within this Agreement, any reference to "City" shall mean the government of the City of Santa Fe Springs.

1. Purpose of Agreement

The purpose of this Agreement is to implement the Redevelopment Plan for the Consolidated Redevelopment Project by facilitating the development of a commercial facility on property located at 10860 Firestone Boulevard, described in Exhibit A attached hereto ("the Real Property").

2. Disposition of Site

- A. Commission shall lease to SCHORK and SCHORK shall lease from the Commission the Real Property (Parcel 1; 130' x 337.08', 43820 SF and Parcel 2; 30' x 82', 2,460 SF) for \$1/year up to a maximum of five (5) years (the "Lease Period").
- B. During said Lease Period, SCHORK shall accrue a credit toward the Purchase Price of the property (the "Purchase Credit") on an accrual basis. Said Purchase Credit shall accrue at a rate equal to the amount of sales tax received by the City of Santa Fe Springs from the operations conducted on the Real Property and adjacent property. The combined properties shall be known as the "El Monte RV Center Property".
- C. If, during or by the end of the Lease Period, City has received \$440,000 in sales tax from the operation of El Monte RV Center Property, then the Commission shall transfer the Real Property to SCHORK. If, by the end of the Lease Period, City has not received said \$440,000, SCHORK shall purchase the Real Property from the Commission by paying the Commission the difference between \$440,000 and the amount of sales tax which the City has received.

- D. Transfer of the Real Property shall be through an escrow with Fortune Escrow, 211 Foothill Boulevard, Glendora, CA. 91741 ("Escrow Holder"), or a mutually acceptable Escrow Holder. Commission and SCHORK shall each pay one-half of the Standard Escrow fees.
- E. Conveyance shall be by Grant Deed, free of encumbrances, except those accepted by SCHORK.
- F. Ninety (90) days prior to the end of the Lease Period or upon full credit of the Purchase Price, an escrow to transfer the Real Property shall be opened ("Escrow"). Escrow Holder shall proceed to order a preliminary title report and a survey of the Real Property from Chicago Title Company (the "Title Company") or a mutually acceptable Title Company.
- G. Commission shall proceed to create the parcel to be conveyed to SCHORK, upon approval of this Agreement.
- H. Closing of the escrow transferring the Real Property shall occur within ninety (90) days from the opening of the escrow ("Closing Date").
- I. Title insurance (Form C.L.T.A. Coverage) shall be paid by Commission. If SCHORK desires an A.L.T.A. Extended Coverage title insurance the additional cost for said survey and insurance shall be paid by SCHORK.
- J. Items of expense, including taxes, if any, pertaining to the Real Property shall be prorated to the date of closing. Taxes shall be prorated based on the latest available tax statements. Any credits or additional taxes imposed after closing shall be applied to SCHORK's account outside of Escrow. For purposes of this agreement closing shall be the date that the deed is recorded by the County Recorder's Office. Commission shall pay real estate transfer taxes and the cost of recording the deed. Assessment, including but not limited to public improvements, and all monetary liens, whether private or governmental, shall be extinguished at Commission's expense by Escrow at closing, except real estate taxes not yet payable which shall be prorated as aforesaid. All prorations shall be based on a 30-day month.
- K. Upon the fulfillment of the requirements within this Agreement to the satisfaction of the Commission and SCHORK, SCHORK shall take possession of the Real Property.
- L. During the Lease Period, SCHORK shall hold the City and Commission harmless of any actions by agents, successors or delegatee. In addition, SCHORK shall provide liability insurance covering Commission, City, their officers, employees and agents in a form and amounts mutually acceptable to the City Attorney, Commission Attorney and SCHORK.

3. Condition of Title: Title Insurance.

- A) As soon as possible after the opening of the Escrow, Commission, through Escrow Holder, shall provide SCHORK with a current standard Preliminary Title Report (the "Title Report") issued by Title Company showing the state of title of the Real Property, together with copies of all documents mentioned therein.
- B) SCHORK's title to the Real Property shall be insured by a C.L.T.A. Standard Coverage joint Protection Policy of Title Insurance ("Title Policy"), together with such endorsements as SCHORK may reasonably require insured by the Title Company on the date of the Close of Escrow with the liability in the amount \$440,000.00 of the purchase price and showing fee simple title to the Real Property vested in SCHORK, subject only to:
 - (i) Non-Delinquent County, City and Special District Real Property taxes and assessments;
 - (ii) The standard printed exceptions and exclusions set forth in the Title Policy;
 - (iii) Such covenants, conditions, restrictions, reservations, rights-of-way, easements, encumbrances, and other matters of record as have been approved by SCHORK or waived by SCHORK in accordance with this Agreement; and
 - (iv) Encumbrances made or created by SCHORK.

4. Escrow Instructions

- A) Not later than five (5) business days after the opening of Escrow, the parties shall deliver a fully executed copy of this Agreement or counterparts hereof executed by the parties hereto to Escrow Holder. Escrow Holder shall immediately notify the parties of its receipt of the fully executed Agreement or counterparts hereof.
- B) This Agreement, together with the standard form General Provisions of Escrow Holder, shall constitute the Escrow Instructions. If any requirements relating to the duties or obligations of Escrow Holder hereunder are not acceptable to Escrow Holder, or if Escrow Holder requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as SCHORK and Commission shall mutually approve, and which do not substantially alter this Agreement or its intent. SCHORK and Commission agree to perform, observe, and fulfill the requirements of this Agreement notwithstanding said deletions, substitutions, or additions.

- C) The Escrow shall close upon the satisfaction of all the conditions contained herein but in no event later than ninety (90) days from opening Escrow, ("Closing Date").
- D) The cost of the Escrow shall be allocated as follows:
 - (i) Commission and SCHORK each pay one-half of the Escrow fees;
 - (ii) Commission shall pay the fees for recording the Grant Deed;
 - (iii) Commission shall pay the documentary transfer tax on the Grant Deed, for the cost of a C.L.T.A. policy of title insurance as described in Section 3, and for the cost of preparing the Grant Deed; and
 - (iv) In the event that the Escrow fails to close for any reason whatsoever, the costs incurred through the Escrow, including the cost of the preliminary title report hereof, shall be borne by the party who is unprepared to proceed at the Closing Date in accordance with this Agreement.
- E) Escrow Holder shall prorate as of the close of Escrow real property taxes and special assessments, said prorations to be based on a 30 day month and a 360 day year. Escrow Holder shall pay and charge Commission for any unpaid and/or delinquent taxes and any penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the property.
- F) Escrow Holder is hereby authorized and instructed to use said instruments and documents to close the Escrow when Escrow Holder has obtained from Commission and SCHORK the funds and any instruments required by this Agreement to deposit into the Escrow prior to the Escrow closing.

This Agreement shall also constitute Escrow instructions.

5. Rights, Obligations and Responsibilities of SCHORK.

- A. SCHORK shall develop the El Monte RV Center Property in compliance with the Schedule of Performance, attached hereto as Exhibit B, and the Scope of Development, attached hereto as Exhibit C. SCHORK acknowledges that the proposed uses of the El Monte RV Center Property, as described in Exhibit C, as approved by the City and the Commission.

- B. Upon the execution of this Agreement, SCHORK shall have the right to enter the Real Property to place signs thereon and to make tests, measurements and examinations. SCHORK shall indemnify and hold Commission, its officers, employees and agents harmless from and against any and all liabilities, claims, demands, damages or costs of any kind whatsoever (including attorneys' fees) arising from or in connection with such entry and/or the tests and studies, excepting any responsibility for remediation or disposal revealed by such tests and studies.
- C. Prior to closing, SCHORK shall allow Commission access to the Real Property if entry is necessary for Commission to perform any of its responsibilities per this Agreement.
- D. SCHORK shall diligently pursue the creation of any necessary development or improvement plans for the site.
- E. SCHORK and Commission shall each pay one-half the cost for off-site improvements pertaining to the Real Property, specifically for frontage sidewalks, frontage landscaping and irrigation up to a maximum Commission share of \$25,000. Any costs over and above the shared amount shall be the responsibility of SCHORK.
- F. SCHORK, owner of El Monte RV, Inc ("Dealership") which will sell, lease and maintain recreational vehicles on El Monte RV Center Property, agrees to continuously operate such a facility or a similar use for a period of twelve (12) years (the Twelve Year Commitment"). Said Twelve Year Commitment shall begin upon the first day of business operations by the Dealership on the El Monte RV Center Property.
- G. SCHORK shall be entitled to use the existing Vehicle Center Sign in a manner to be determined in a separate agreement to be entered into between the owners of property in the Santa Fe Springs Vehicle Center. SCHORK acknowledges that SCHORK shall not have any rights to use the sign because of where it is located, but instead will have such rights solely as a result of the agreement to be entered into between the owners of property in the Santa Fe Springs Vehicle Center. Said rights shall not be less than those currently enjoyed by SCHORK through the acquisition of the Tokai and Constantine properties.
- H. During the Lease Period, SCHORK shall pay any property or use taxes which arise as a result of SCHORK's occupancy of the Real Property.

6. Rights, Obligations and Responsibilities of Commission.

- A. Commission shall deliver the Real Property to SCHORK with clear and marketable title subject only to such exceptions as are approved by SCHORK.
- B. Commission shall deliver the Real Property to SCHORK in a clean condition, as described in Provision 7 hereinbelow.
- C. Commission shall supply SCHORK copies of all pertinent studies and reports which have been prepared for the Real Property, including all soil and engineering studies and reports. Said studies and reports shall be provided within fifteen (15) days after execution of this Agreement.
- D. Commission shall pay any cost associated with the creation of the parcel to be conveyed to SCHORK.
- E. Commission shall from the date of sales operations by Dealership keep an accurate accounting of the sales tax generated to the City of Santa Fe Springs for purposes of this Agreement and shall promptly provide said information to SCHORK.
- F. Commission shall pay to SCHORK an amount equal to one-half (1/2) the sales tax revenue generated to the City for one fiscal year (July 1 through June 30), within the first five (5) year period of business operations on the El Monte RV Center Property (the "50% Sales Tax Amount"). SCHORK shall notify the Commission within the July to January period of the fiscal year in which SCHORK elects to receive such payment.

7. Environmental Remediation of The Real Property

- A. Commission shall provide the Real Property to SCHORK in accordance with all governmental regulations and standards as set forth for soil remediation and in a condition to enable SCHORK to construct the improvements described in Exhibit C.
- B. Commission shall provide SCHORK with all studies, reports and certification on all soil remediation work conducted on the Real Property. Such studies, reports and certification shall be provided within fifteen (15) days after execution of this Agreement.

- C. SCHORK shall have a forty-five (45) day review period ("Property Review Period") from the time Commission provides said studies, reports and certifications on the soil remediation work conducted on the Real Property. The Property Review Period shall not exceed sixty (60) days from the execution of this Agreement. SCHORK shall have from the execution of this Agreement until the end of the Property Review Period to conduct any environmental and/or site characteristic studies necessary for it's review of the property. SCHORK shall be responsible for any and all costs associated with such testing or studies.
- D. SCHORK shall notify Commission before the end of the Property Review Period of any property conditions not acceptable to SCHORK.
- E. Commission shall cure or cause to cure those property conditions identified as not acceptable to SCHORK prior to the commencement of the Lease Period. A schedule of the action to cure said conditions shall be mutually agreed to by the Commission and SCHORK.
- F. SCHORK shall defend, indemnify and hold harmless Commission, its officers, employees and agents regarding government or third party claims and awards against Commission for any environmental contamination or hazardous materials on the Real Property to the extent that such exceed lawful concentration limits and were generated by SCHORK or by any employee, agent, subsidiary, division, franchisee or dealer of SCHORK, or were generated by others after the commencement of the Lease Period and during the time SCHORK occupies or owns the Real Property. Commission shall defend, indemnify and hold harmless SCHORK regarding government or third party claims and awards against SCHORK for any environmental contamination or hazardous materials on the Real Property to the extent that such exceed lawful concentrations limits and were generated prior to commencement of the Lease Period or were generated by City or Commission or any employee or agent of either.

8. Assignment

The qualifications and identity of SCHORK are of particular concern to the Commission. Prior to issuance of a Certificate of Occupancy for SCHORK's Dealership, SCHORK may assign all or any part of the ownership of the Real Property or SCHORK's responsibility pursuant to this Agreement but only with the prior written approval of the Commission, which approval shall not be unreasonably withheld.

9. Sales Tax Obligation

- A) SCHORK shall be obligated to generate to the City of Santa Fe Springs an amount of sales tax (the "Sales Tax Obligation") that will equal twice the following: (a) the current value of the Real Property (which the parties to this Agreement agree is \$440,000) and b) the 50% Sales Tax Amount. Should SCHORK terminate business operations on the El Monte RV Center Property without having generated sales tax equivalent to the Sales Tax Obligation, SCHORK will pay to Commission an amount equal to the difference between the Sales Tax Obligation and the amount of sales tax actually received by City from Dealership on the El Monte RV Center Property. Should Dealership conduct operations on the El Monte RV Center Property continuously for a period of twelve (12) years, then SCHORK shall have no further obligation pursuant to this section, whether or not SCHORK has satisfied the Sales Tax Obligation. If the Sales Tax Obligation and the 50% Sales Tax Amount is achieved at any time prior to the twelve (12) year commitment then SCHORK shall have no further obligation pursuant to this section. Dealership conduct operations on the El Monte RV Center Property continuously for a period of twelve (12) years, then SCHORK shall have no further obligation pursuant to this section. SCHORK's obligation pursuant to this section shall be secured by a personal guarantee from Kenneth A. Schork.

10. Uses of the Real Property

SCHORK covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Real Property or any part thereof that from the close of escrow and thereafter, SCHORK, its successors and assigns, shall use the Real Property in conformance with the Redevelopment Plan for the Consolidated Redevelopment Project.

11. Obligation to Refrain from Discrimination

SCHORK covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Real Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, national origin, sex, ancestry, age or marital status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Real Property nor shall SCHORK itself or any person claiming under or through it establish or permit any such practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Real Property.

12. Form of Nondiscrimination and Nonsegregation Clause

SCHORK shall refrain from restricting the rental, sale, or lease of the Real Property on the basis of race, color, creed, religion, sex, marital status, national origin, or ancestry of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- A. In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Grantee, or any person claiming under or through him or her, establish or permits any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
- B. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, or occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."
- C. In contracts: "There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises, nor shall the transferee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the premises."

13. Effect and Duration of Covenants

The covenants contained in Provisions 10, 11, and 12 herein shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Commission, its successors and assigns, and any successor-in-interest to the Real Property or any part thereof. The covenant contained in Provision 10 shall remain in effect for the duration of the Redevelopment Plan for the Consolidated Redevelopment Project, and the covenants contained in Provisions 11 and 12 shall remain in effect in perpetuity.

14. Institution of Legal Actions

In addition to any other rights or remedies and should mediation fail to resolve the matter, either party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in an appropriate Municipal Court in that County, or in the U. S. District court in the Central District of California.

15. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

16. Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between Commission and SCHORK shall be given by personal service or by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Commission and SCHORK, as set forth below. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Provision.

To Commission:

Community Development Commission
of the City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, California 90670

Attention: Robert G. Orpin
Executive Director

To SCHORK:

Schork Family Partnership
% El Monte RV Center, Inc.
12061 E. Valley Boulevard
El Monte, CA. 91723

Attention: Kenneth A. Schork

17. Conflict of Interest

- A. No member, official, or employee of Commission shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interest or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.
- B. SCHORK warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Provision, shall not include persons to whom fees were paid for professional services if rendered to attorneys, accountants, engineers, architects, and the like when such fees are considered necessary by SCHORK.

18. Non-Liability of Commission or City Officials and Employees

No member, official, or employee of the Commission or the City shall be personally liable to SCHORK, or any successor-in-interest, in the event of any default or breach by Commission or City or for any amount which may become due to SCHORK or successor or on any obligations under the Terms of this Agreement.

19. Excused Default: Enforced Delays; Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, weather-caused delays, inability to secure necessary labor, materials, or tools, delays of any contractors, subcontractors, or suppliers, acts of other parties, acts or failure to act of any public or governmental Commission or entity (excluding Commission and City) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause if notice by the party claiming such extension is sent to the other party within 30 days of the commencement of the cause. Times of performance under this Agreement may also be extended through mutual agreement in writing by Commission and SCHORK.

20. Remedies in the Event of Default or Breach

- A. Either party claiming a default or breach by the other must give written notice of such claim, and may not institute legal action until thirty (30) days after giving such notices, during which period the default or breach may be cured.
- B. Either party may avail itself of any applicable legal remedy in order to recover for breach or default, which remedies shall be cumulative, and which remedies may be in addition to any specific remedies set forth herein.
- C. In addition to any other remedies, should SCHORK be in default by failing to complete all construction in accordance with Exhibits B and C, with permissible excuse as set forth above, then Commission may elect to return title and possession to the Real Property. Should Commission so elect, return for title and possession of the Real Property, Commission shall pay to SCHORK the purchase price set forth in Provision 2.A herein, plus the greater amount of the cost of the improvements to the Real Property made by SCHORK or the fair market value of such improvements.

21. Entire Agreement, Waivers and Amendments

- A. This document and the Exhibit(s) hereto contain the entire agreement of the parties. There are no understandings except as provided herein. Any oral promise or inducement is void. No amendment can be made except in writing executed by the parties hereto, and Escrow so notified.
- B. All waivers of the Provisions of the Agreement must be in writing and signed by appropriate authorities of the Commission and SCHORK, and Escrow so notified.

IN WITNESS WHEREOF, Commission and SCHORK have signed this Agreement as of the dates set below their signatures.

COMMUNITY DEVELOPMENT.
COMMISSION OF THE CITY OF
SANTA FE SPRINGS

SCHORK FAMILY
PARTNERSHIP

By: Betty Wilson
Chairperson

By: Kenneth A. Schork
Kenneth A. Schork

Date: _____

Date: _____

ATTEST:

[Signature]
Commission Secretary

APPROVED AS TO FORM:

[Signature]
Commission Attorney

APPROVED AS TO FORM:

[Signature]
Attorney for SCHORK

EXHIBIT "A"

LEGAL DESCRIPTION

TO BE PROVIDED FROM TITLE REPORT

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

<u>Event</u>	<u>Schedule</u>
Execution of DDA Agreement	Starting Date.
Commission initiates creation of parcel	Upon approval of Agreement
Execution of Lease Agreement	Not later than thirty (30) days after execution of Agreement
Occupancy of Real Property	Upon completion of meeting lease terms (payment, insurance, etc.)
Occupancy and Opening for Business on the El Monte RV Center Property.	Not later than October 1, 1995 Nov 1 95 (KS) BW
Notification by Commission regarding Purchase Credit	Quarterly
Opening of Escrow	Ninety (90) days prior to the end of the Lease Period or upon full credit of purchase price
Commission delivers studies and reports (soil, engineering) on Real Property per Section 6.	Within fifteen (15) days after execution of this Agreement.
Property Review Period.	Forty-five (45) days from receipt of studies and reports.
Close of Escrow	No latter than ninety (90) days after opening escrow.

EXHIBIT "C"

SCOPE OF DEVELOPMENT

SCHORK agrees to utilize the Real Property in conformance with the City Codes applicable within the City of Santa Fe Springs in conjunction with development and operation of SCHORK's Dealership on the el Monte RV Center Property. Such utilization will include the sale, lease, rental, maintenance and servicing of recreational vehicles, and may include the construction of building(s) for office and operational use. The real property will be developed per the City's Zoning Ordinance requirements, Community Development Standards and SCHORK's utilization.

RESOLUTION NO. SA-2023-002

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE CITY OF SANTA FE SPRINGS CONFIRMING THE CONTINUED EXISTING OF THE DISPOSITION AND DEVELOPMENT AGREEMENT DATED MAY 11, 1995, WITH THE SCHORK FAMILY PARTNERSHIP AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT DEED CONVEYING THE SUCCESSOR AGENCY PROPERTIES LOCATED AT APN: 8082-002-915 AND 8082-002-914 TO THE SCHORK FAMILY PARTNERSHIP

WHEREAS, on or about May 11, 1995, the Santa Fe Springs Community Redevelopment Commission/Redevelopment Agency ("RDA") and the Schork Family Partnership ("Schork") (also known as El Monte RV) entered into that certain Disposition and Development Agreement ("DDA") for the property located on Firestone Boulevard and specifically identified as Assessor Parcel Numbers 8082-002-914 and -915 ("Properties"); and

WHEREAS, a copy of the DDA is attached to this Resolution as Exhibit "A" and incorporated herein by reference; and

WHEREAS, pursuant to the DDA, the RDA was to transfer the Properties to Schork upon the completion of specified conditions; and

WHEREAS, those conditions have been met, however, the Properties were never transferred as required; and

WHEREAS, pursuant to ABx 1 26, and as subsequently amended by AB 1484, SB 341, and SB 107 ("Dissolution Act"), the RDA was dissolved as of February 1, 2012, and the City of Santa Fe Springs elected to serve as Successor Agency to the former RDA; and

WHEREAS, pursuant to the Dissolution Act, the RDA prepared a Long Range Property Management Plan ("LRPMP") which was approved by the State of California Department of Finance (the "DOF"); and

WHEREAS, the LRPMP included the Properties for either Government Use or Disposition but inadvertently did not include that they were subject to the DDA; and

WHEREAS, the Successor Agency hereby declares that the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995; and

WHEREAS, the Successor Agency hereby intends to honor the terms of the DDA and transfer the Properties to Schork as required under the DDA.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE CITY OF SANTA FE SPRINGS HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Successor Agency hereby confirms the continued existence of that certain Disposition and Development Agreement dated May 11, 1995, between the Santa Fe Springs Community Redevelopment Commission/Redevelopment Agency and the Schork Family Partnership. The DDA authorizes the transfer of title to the Properties (APNs 8082-002-914 and -915) to Schork.

SECTION 2. The Successor Agency hereby approves the transfer of the Properties via a Grant Deed to Schork. Upon approval by the Oversight Board, the appropriate Successor Agency and City officials are authorized and directed to execute and process deeds and any other necessary documents in order to effectuate such title transfers.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Successor Agency hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 4. The Successor Agency's Clerk shall certify to the adoption of this Resolution.

SECTION 5. The Successor Agency officials and staff are hereby authorized and directed to transmit this Resolution and take all other necessary and appropriate actions as required by law in order to effectuate its purposes including delivery to the Los Angeles County 4th Supervisorial District Consolidated Oversight Board for approvals.

PASSED, APPROVED AND ADOPTED by the Successor Agency at a duly noticed meeting held on 5th of December, 2023 by the following vote:

AYES: Board Members Martin, Zamora, Vice Chair Rounds, and Chair Sarno

NOES: None

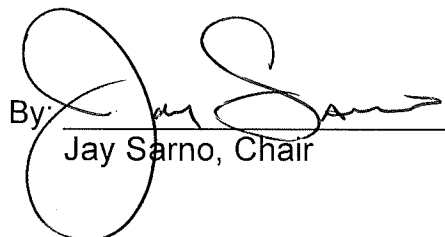
ABSENT: Board Member Rodriguez

ABSTAIN: None

ATTEST:



Fernando N. Muñoz, Board Clerk

By: 
Jay Sarno, Chair

RESOLUTION NO. OB - 2024 - 002

A RESOLUTION OF THE LOS ANGELES COUNTY FOURTH SUPERVISORIAL DISTRICT CONSOLIDATED OVERSIGHT BOARD APPROVING CONFIRMING THE CONTINUED EXISTENCE OF THE DISPOSITION AND DEVELOPMENT AGREEMENT DATED MAY 11, 1995, BETWEEN THE FORMER SANTA FE SPRINGS COMMUNITY REDEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY AND THE SCHORK FAMILY PARTNERSHIP AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT DEED CONVEYING THE SUCCESSOR AGENCY PROPERTIES LOCATED AT APN: 8082-002-914 AND 8082-002-915 TO THE SCHORK FAMILY PARTNERSHIP

WHEREAS, on or about May 11, 1995, the Santa Fe Springs Community Redevelopment Commission/Redevelopment Agency ("RDA") and the Schork Family Partnership ("Schork") (also known as El Monte RV) entered into that certain Disposition and Development Agreement ("DDA") for the property located on Firestone Boulevard and specifically identified as Assessor Parcel Numbers 8082-002-914 and -915 ("Properties"); and

WHEREAS, a copy of the DDA is attached to this Resolution as Exhibit "A" and incorporated herein by reference; and

WHEREAS, pursuant to the DDA, the RDA was to transfer the Properties to Schork upon the completion of specified conditions; and

WHEREAS, those conditions have been met, however, the Properties were never transferred as required; and

WHEREAS, pursuant to ABx 1 26, and as subsequently amended by AB 1484, SB 341, and SB 107 ("Dissolution Act"), the RDA was dissolved as of February 1, 2012, and the City of Santa Fe Springs elected to serve as Successor Agency to the former RDA; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency prepared a Long Range Property Management Plan ("LRPMP") which was approved by the State of California Department of Finance (the "DOF"); and

WHEREAS, the LRPMP included the Properties for either Government Use or Disposition but inadvertently did not include that they were subject to the DDA; and

WHEREAS, on December 5, 2023, the Successor Agency adopted Resolution No. SA-2023-01 declaring that the DDA was still in existence and enforceable under the same terms and conditions as existed in 1995 and authorized the transfer of title of the Properties to Schork via a grant deed; and

WHEREAS, the Oversight Board hereby confirms that the DDA is still in existence and enforceable under the same terms and conditions as existed in 1995; and

WHEREAS, the Oversight Board hereby honors the terms of the DDA and approves the transfer of the Properties to Schork, and/or its successors and assigns, as required under the DDA; and

NOW, THEREFORE, THE LOS ANGELES COUNTY FOURTH DISTRICT CONSOLIDATED OVERSIGHT BOARD, DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and incorporated herein, in their entirety, by this reference.

SECTION 2. The Oversight Board hereby confirms the continued existence of the DDA, which is attached as Exhibit A and fully incorporated by this reference and hereby approves of and authorizes the transfer of the Properties to Schork, and/or its successors and assigns, pursuant to the DDA.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Successor Agency hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 4. The Oversight Board hereby directs the Successor Agency to transmit this Resolution to the Department of Finance pursuant to Health & Safety Code section 34179(h)(1).

SECTION 5. This Resolution shall be effective five (5) business days after proper notification hereof is given to the Department of Finance unless the Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department of Finance.

APPROVED AND ADOPTED this 18th day of July 2024 by the4 following vote:

AYES: S. Koffroth; M. Munoz; E.H.J. Wilson, J. Wilson

NOES: None

ABSTAIN: None

ABSENT: R. Bowers and Y. Takahashi

**LOS ANGELES COUNTY FOURTH DISTRICT
CONSOLIDATED OVERSIGHT BOARD**



Jayme Wilson, Chair

(SEAL) ATTEST:



Martha Arana,
Oversight Board Secretary



Gavin Newsom ■ Governor

915 L Street ■ Sacramento CA ■ 95814-3706 ■ www.dof.ca.gov

Transmitted via email

August 22, 2024

Lana Dich, Director of Finance and Administrative Services
City of Santa Fe Springs
11710 East Telegraph Road
Santa Fe Springs, CA 90670

Oversight Board Action Determination

The City of Santa Fe Springs Successor Agency (Agency) notified the California Department of Finance (Finance) of its June 18, 2024 Oversight Board (OB) Resolution No. OB 2024-002 on July 22, 2024.

Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on November 24, 2015. Health and Safety Code (HSC) section 34191.5 (f) states actions to implement the disposition of property pursuant to an approved LRPMP shall not require a review by Finance. As such, Finance is taking no action on this OB Resolution. It should be noted that, pursuant to HSC section 34191.3, an approved LRPMP shall govern the disposition of property and any OB action taken related to an approved LRPMP should be consistent therewith.

This determination makes no approval of any item as an enforceable obligation. To the extent this OB action results in a request to approve an item on a Recognized Obligation Payment Schedule, Finance reserves the right to review such request in its entirety, and such item may not be approved.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Elizabeth Rubio, Finance Manager, City of Santa Fe Springs
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County
Martha Arana, Countywide Oversight Board Representative

LEGAL DESCRIPTION

Real property in the City of Santa Fe Springs, County of Los Angeles, State of California, described as follows:

PARCEL 1 OF PARCEL MAP NO. 24338, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 270, PAGES 58-59](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM SAID LAND, PROVIDED, HOWEVER THAT THE GRANTORS OR THEIR SUCCESSORS IN INTEREST SHALL NOT HAVE ANY RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF ABOVE A DEPTH OF 500 FEET THEREFROM, FOR THE PURPOSE OF PROSPECTING OR MINING OR REMOVING SAID SUBSTANCES, BUT MAY DO SO BY SLANT DRILLING FROM LOCATION ON ADJACENT LANDS AT DEPTHS BELOW 500 FEET FROM THE SURFACE IN SUCH MANNER AS NOT TO DISTURB THE SURFACE OR IMPROVEMENTS THEREON, AS RESERVED BY BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, IN DEED RECORDED APRIL 17, 1937 AS INSTRUMENT NO. [4800-F](#) OF TORRENS REGISTRATION AND ALSO RESERVED BY YOUNG LOFTUS CONSTRUCTION CO., A CORPORATION, IN DEED RECORDED ON AUGUST 01, 1955 AS INSTRUMENT NO. 1206 IN [BOOK 48513, PAGE 7](#), OF OFFICIAL RECORDS.

APN: 8082-002-914 (Affects Portion of Land) and APN 8082-002-915 (Affects Portion of Land)

DISPOSITION (PURCHASE) AND DEVELOPMENT AGREEMENT

BETWEEN THE

**COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF SANTA FE SPRINGS**

AND

SCHORK FAMILY PARTNERSHIP (El Monte RV, Inc.)

This Agreement is entered into on May 11, 1995, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTA FE SPRINGS, a body politic ("Commission") and SCHORK FAMILY PARTNERSHIP, ("SCHORK"). For purposes of clarification within this Agreement, any reference to "City" shall mean the government of the City of Santa Fe Springs.

1. Purpose of Agreement

The purpose of this Agreement is to implement the Redevelopment Plan for the Consolidated Redevelopment Project by facilitating the development of a commercial facility on property located at 10860 Firestone Boulevard, described in Exhibit A attached hereto ("the Real Property").

2. Disposition of Site

- A. Commission shall lease to SCHORK and SCHORK shall lease from the Commission the Real Property (Parcel 1; 130' x 337.08', 43820 SF and Parcel 2; 30' x 82', 2,460 SF) for \$1/year up to a maximum of five (5) years (the "Lease Period").
- B. During said Lease Period, SCHORK shall accrue a credit toward the Purchase Price of the property (the "Purchase Credit") on an accrual basis. Said Purchase Credit shall accrue at a rate equal to the amount of sales tax received by the City of Santa Fe Springs from the operations conducted on the Real Property and adjacent property. The combined properties shall be known as the "El Monte RV Center Property".
- C. If, during or by the end of the Lease Period, City has received \$440,000 in sales tax from the operation of El Monte RV Center Property, then the Commission shall transfer the Real Property to SCHORK. If, by the end of the Lease Period, City has not received said \$440,000, SCHORK shall purchase the Real Property from the Commission by paying the Commission the difference between \$440,000 and the amount of sales tax which the City has received.

- D. Transfer of the Real Property shall be through an escrow with Fortune Escrow, 211 Foothill Boulevard, Glendora, CA. 91741 ("Escrow Holder"), or a mutually acceptable Escrow Holder. Commission and SCHORK shall each pay one-half of the Standard Escrow fees.
- E. Conveyance shall be by Grant Deed, free of encumbrances, except those accepted by SCHORK.
- F. Ninety (90) days prior to the end of the Lease Period or upon full credit of the Purchase Price, an escrow to transfer the Real Property shall be opened ("Escrow"). Escrow Holder shall proceed to order a preliminary title report and a survey of the Real Property from Chicago Title Company (the "Title Company") or a mutually acceptable Title Company.
- G. Commission shall proceed to create the parcel to be conveyed to SCHORK, upon approval of this Agreement.
- H. Closing of the escrow transferring the Real Property shall occur within ninety (90) days from the opening of the escrow ("Closing Date").
- I. Title insurance (Form C.L.T.A. Coverage) shall be paid by Commission. If SCHORK desires an A.L.T.A. Extended Coverage title insurance the additional cost for said survey and insurance shall be paid by SCHORK.
- J. Items of expense, including taxes, if any, pertaining to the Real Property shall be prorated to the date of closing. Taxes shall be prorated based on the latest available tax statements. Any credits or additional taxes imposed after closing shall be applied to SCHORK's account outside of Escrow. For purposes of this agreement closing shall be the date that the deed is recorded by the County Recorder's Office. Commission shall pay real estate transfer taxes and the cost of recording the deed. Assessment, including but not limited to public improvements, and all monetary liens, whether private or governmental, shall be extinguished at Commission's expense by Escrow at closing, except real estate taxes not yet payable which shall be prorated as aforesaid. All prorations shall be based on a 30-day month.
- K. Upon the fulfillment of the requirements within this Agreement to the satisfaction of the Commission and SCHORK, SCHORK shall take possession of the Real Property.
- L. During the Lease Period, SCHORK shall hold the City and Commission harmless of any actions by agents, successors or delegatee. In addition, SCHORK shall provide liability insurance covering Commission, City, their officers, employees and agents in a form and amounts mutually acceptable to the City Attorney, Commission Attorney and SCHORK.

3. Condition of Title: Title Insurance.

- A) As soon as possible after the opening of the Escrow, Commission, through Escrow Holder, shall provide SCHORK with a current standard Preliminary Title Report (the "Title Report") issued by Title Company showing the state of title of the Real Property, together with copies of all documents mentioned therein.
- B) SCHORK's title to the Real Property shall be insured by a C.L.T.A. Standard Coverage joint Protection Policy of Title Insurance ("Title Policy"), together with such endorsements as SCHORK may reasonably require insured by the Title Company on the date of the Close of Escrow with the liability in the amount \$440,000.00 of the purchase price and showing fee simple title to the Real Property vested in SCHORK, subject only to:
 - (i) Non-Delinquent County, City and Special District Real Property taxes and assessments;
 - (ii) The standard printed exceptions and exclusions set forth in the Title Policy;
 - (iii) Such covenants, conditions, restrictions, reservations, rights-of-way, easements, encumbrances, and other matters of record as have been approved by SCHORK or waived by SCHORK in accordance with this Agreement; and
 - (iv) Encumbrances made or created by SCHORK.

4. Escrow Instructions

- A) Not later than five (5) business days after the opening of Escrow, the parties shall deliver a fully executed copy of this Agreement or counterparts hereof executed by the parties hereto to Escrow Holder. Escrow Holder shall immediately notify the parties of its receipt of the fully executed Agreement or counterparts hereof.
- B) This Agreement, together with the standard form General Provisions of Escrow Holder, shall constitute the Escrow Instructions. If any requirements relating to the duties or obligations of Escrow Holder hereunder are not acceptable to Escrow Holder, or if Escrow Holder requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as SCHORK and Commission shall mutually approve, and which do not substantially alter this Agreement or its intent. SCHORK and Commission agree to perform, observe, and fulfill the requirements of this Agreement notwithstanding said deletions, substitutions, or additions.

- C) The Escrow shall close upon the satisfaction of all the conditions contained herein but in no event later than ninety (90) days from opening Escrow, ("Closing Date").
- D) The cost of the Escrow shall be allocated as follows:
 - (i) Commission and SCHORK each pay one-half of the Escrow fees;
 - (ii) Commission shall pay the fees for recording the Grant Deed;
 - (iii) Commission shall pay the documentary transfer tax on the Grant Deed, for the cost of a C.L.T.A. policy of title insurance as described in Section 3, and for the cost of preparing the Grant Deed; and
 - (iv) In the event that the Escrow fails to close for any reason whatsoever, the costs incurred through the Escrow, including the cost of the preliminary title report hereof, shall be borne by the party who is unprepared to proceed at the Closing Date in accordance with this Agreement.
- E) Escrow Holder shall prorate as of the close of Escrow real property taxes and special assessments, said prorations to be based on a 30 day month and a 360 day year. Escrow Holder shall pay and charge Commission for any unpaid and/or delinquent taxes and any penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the property.
- F) Escrow Holder is hereby authorized and instructed to use said instruments and documents to close the Escrow when Escrow Holder has obtained from Commission and SCHORK the funds and any instruments required by this Agreement to deposit into the Escrow prior to the Escrow closing.

This Agreement shall also constitute Escrow instructions.

5. Rights, Obligations and Responsibilities of SCHORK.

- A. SCHORK shall develop the El Monte RV Center Property in compliance with the Schedule of Performance, attached hereto as Exhibit B, and the Scope of Development, attached hereto as Exhibit C. SCHORK acknowledges that the proposed uses of the El Monte RV Center Property, as described in Exhibit C, as approved by the City and the Commission.

- B. Upon the execution of this Agreement, SCHORK shall have the right to enter the Real Property to place signs thereon and to make tests, measurements and examinations. SCHORK shall indemnify and hold Commission, its officers, employees and agents harmless from and against any and all liabilities, claims, demands, damages or costs of any kind whatsoever (including attorneys' fees) arising from or in connection with such entry and/or the tests and studies, excepting any responsibility for remediation or disposal revealed by such tests and studies.
- C. Prior to closing, SCHORK shall allow Commission access to the Real Property if entry is necessary for Commission to perform any of its responsibilities per this Agreement.
- D. SCHORK shall diligently pursue the creation of any necessary development or improvement plans for the site.
- E. SCHORK and Commission shall each pay one-half the cost for off-site improvements pertaining to the Real Property, specifically for frontage sidewalks, frontage landscaping and irrigation up to a maximum Commission share of \$25,000. Any costs over and above the shared amount shall be the responsibility of SCHORK.
- F. SCHORK, owner of El Monte RV, Inc ("Dealership") which will sell, lease and maintain recreational vehicles on El Monte RV Center Property, agrees to continuously operate such a facility or a similar use for a period of twelve (12) years (the Twelve Year Commitment"). Said Twelve Year Commitment shall begin upon the first day of business operations by the Dealership on the El Monte RV Center Property.
- G. SCHORK shall be entitled to use the existing Vehicle Center Sign in a manner to be determined in a separate agreement to be entered into between the owners of property in the Santa Fe Springs Vehicle Center. SCHORK acknowledges that SCHORK shall not have any rights to use the sign because of where it is located, but instead will have such rights solely as a result of the agreement to be entered into between the owners of property in the Santa Fe Springs Vehicle Center. Said rights shall not be less than those currently enjoyed by SCHORK through the acquisition of the Tokai and Constantine properties.
- H. During the Lease Period, SCHORK shall pay any property or use taxes which arise as a result of SCHORK's occupancy of the Real Property.

6. Rights, Obligations and Responsibilities of Commission.

- A. Commission shall deliver the Real Property to SCHORK with clear and marketable title subject only to such exceptions as are approved by SCHORK.
- B. Commission shall deliver the Real Property to SCHORK in a clean condition, as described in Provision 7 hereinbelow.
- C. Commission shall supply SCHORK copies of all pertinent studies and reports which have been prepared for the Real Property, including all soil and engineering studies and reports. Said studies and reports shall be provided within fifteen (15) days after execution of this Agreement.
- D. Commission shall pay any cost associated with the creation of the parcel to be conveyed to SCHORK.
- E. Commission shall from the date of sales operations by Dealership keep an accurate accounting of the sales tax generated to the City of Santa Fe Springs for purposes of this Agreement and shall promptly provide said information to SCHORK.
- F. Commission shall pay to SCHORK an amount equal to one-half (1/2) the sales tax revenue generated to the City for one fiscal year (July 1 through June 30), within the first five (5) year period of business operations on the El Monte RV Center Property (the "50% Sales Tax Amount"). SCHORK shall notify the Commission within the July to January period of the fiscal year in which SCHORK elects to receive such payment.

7. Environmental Remediation of The Real Property

- A. Commission shall provide the Real Property to SCHORK in accordance with all governmental regulations and standards as set forth for soil remediation and in a condition to enable SCHORK to construct the improvements described in Exhibit C.
- B. Commission shall provide SCHORK with all studies, reports and certification on all soil remediation work conducted on the Real Property. Such studies, reports and certification shall be provided within fifteen (15) days after execution of this Agreement.

- C. SCHORK shall have a forty-five (45) day review period ("Property Review Period") from the time Commission provides said studies, reports and certifications on the soil remediation work conducted on the Real Property. The Property Review Period shall not exceed sixty (60) days from the execution of this Agreement. SCHORK shall have from the execution of this Agreement until the end of the Property Review Period to conduct any environmental and/or site characteristic studies necessary for it's review of the property. SCHORK shall be responsible for any and all costs associated with such testing or studies.
- D. SCHORK shall notify Commission before the end of the Property Review Period of any property conditions not acceptable to SCHORK.
- E. Commission shall cure or cause to cure those property conditions identified as not acceptable to SCHORK prior to the commencement of the Lease Period. A schedule of the action to cure said conditions shall be mutually agreed to by the Commission and SCHORK.
- F. SCHORK shall defend, indemnify and hold harmless Commission, its officers, employees and agents regarding government or third party claims and awards against Commission for any environmental contamination or hazardous materials on the Real Property to the extent that such exceed lawful concentration limits and were generated by SCHORK or by any employee, agent, subsidiary, division, franchisee or dealer of SCHORK, or were generated by others after the commencement of the Lease Period and during the time SCHORK occupies or owns the Real Property. Commission shall defend, indemnify and hold harmless SCHORK regarding government or third party claims and awards against SCHORK for any environmental contamination or hazardous materials on the Real Property to the extent that such exceed lawful concentrations limits and were generated prior to commencement of the Lease Period or were generated by City or Commission or any employee or agent of either.

8. Assignment

The qualifications and identity of SCHORK are of particular concern to the Commission. Prior to issuance of a Certificate of Occupancy for SCHORK's Dealership, SCHORK may assign all or any part of the ownership of the Real Property or SCHORK's responsibility pursuant to this Agreement but only with the prior written approval of the Commission, which approval shall not be unreasonably withheld.

9. Sales Tax Obligation

- A) SCHORK shall be obligated to generate to the City of Santa Fe Springs an amount of sales tax (the "Sales Tax Obligation") that will equal twice the following: (a) the current value of the Real Property (which the parties to this Agreement agree is \$440,000) and b) the 50% Sales Tax Amount. Should SCHORK terminate business operations on the El Monte RV Center Property without having generated sales tax equivalent to the Sales Tax Obligation, SCHORK will pay to Commission an amount equal to the difference between the Sales Tax Obligation and the amount of sales tax actually received by City from Dealership on the El Monte RV Center Property. Should Dealership conduct operations on the El Monte RV Center Property continuously for a period of twelve (12) years, then SCHORK shall have no further obligation pursuant to this section, whether or not SCHORK has satisfied the Sales Tax Obligation. If the Sales Tax Obligation and the 50% Sales Tax Amount is achieved at any time prior to the twelve (12) year commitment then SCHORK shall have no further obligation pursuant to this section. Dealership conduct operations on the El Monte RV Center Property continuously for a period of twelve (12) years, then SCHORK shall have no further obligation pursuant to this section. SCHORK's obligation pursuant to this section shall be secured by a personal guarantee from Kenneth A. Schork.

10. Uses of the Real Property

SCHORK covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Real Property or any part thereof that from the close of escrow and thereafter, SCHORK, its successors and assigns, shall use the Real Property in conformance with the Redevelopment Plan for the Consolidated Redevelopment Project.

11. Obligation to Refrain from Discrimination

SCHORK covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Real Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, national origin, sex, ancestry, age or marital status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Real Property nor shall SCHORK itself or any person claiming under or through it establish or permit any such practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Real Property.

12. Form of Nondiscrimination and Nonsegregation Clause

SCHORK shall refrain from restricting the rental, sale, or lease of the Real Property on the basis of race, color, creed, religion, sex, marital status, national origin, or ancestry of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- A. In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Grantee, or any person claiming under or through him or her, establish or permits any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."
- B. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, or occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."
- C. In contracts: "There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises, nor shall the transferee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the premises."

13. Effect and Duration of Covenants

The covenants contained in Provisions 10, 11, and 12 herein shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Commission, its successors and assigns, and any successor-in-interest to the Real Property or any part thereof. The covenant contained in Provision 10 shall remain in effect for the duration of the Redevelopment Plan for the Consolidated Redevelopment Project, and the covenants contained in Provisions 11 and 12 shall remain in effect in perpetuity.

14. Institution of Legal Actions

In addition to any other rights or remedies and should mediation fail to resolve the matter, either party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in an appropriate Municipal Court in that County, or in the U. S. District court in the Central District of California.

15. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

16. Notices, Demands and Communications Between the Parties

Formal notices, demands and communications between Commission and SCHORK shall be given by personal service or by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Commission and SCHORK, as set forth below. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Provision.

To Commission:

Community Development Commission
of the City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, California 90670

Attention: Robert G. Orpin
Executive Director

To SCHORK:

Schork Family Partnership
% El Monte RV Center, Inc.
12061 E. Valley Boulevard
El Monte, CA. 91723

Attention: Kenneth A. Schork

17. Conflict of Interest

- A. No member, official, or employee of Commission shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interest or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.
- B. SCHORK warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Provision, shall not include persons to whom fees were paid for professional services if rendered to attorneys, accountants, engineers, architects, and the like when such fees are considered necessary by SCHORK.

18. Non-Liability of Commission or City Officials and Employees

No member, official, or employee of the Commission or the City shall be personally liable to SCHORK, or any successor-in-interest, in the event of any default or breach by Commission or City or for any amount which may become due to SCHORK or successor or on any obligations under the Terms of this Agreement.

19. Excused Default: Enforced Delays; Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, weather-caused delays, inability to secure necessary labor, materials, or tools, delays of any contractors, subcontractors, or suppliers, acts of other parties, acts or failure to act of any public or governmental Commission or entity (excluding Commission and City) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause if notice by the party claiming such extension is sent to the other party within 30 days of the commencement of the cause. Times of performance under this Agreement may also be extended through mutual agreement in writing by Commission and SCHORK.

20. Remedies in the Event of Default or Breach

- A. Either party claiming a default or breach by the other must give written notice of such claim, and may not institute legal action until thirty (30) days after giving such notices, during which period the default or breach may be cured.
- B. Either party may avail itself of any applicable legal remedy in order to recover for breach or default, which remedies shall be cumulative, and which remedies may be in addition to any specific remedies set forth herein.
- C. In addition to any other remedies, should SCHORK be in default by failing to complete all construction in accordance with Exhibits B and C, with permissible excuse as set forth above, then Commission may elect to return title and possession to the Real Property. Should Commission so elect, return for title and possession of the Real Property, Commission shall pay SCHORK the purchase price set forth in Provision 2.A herein, plus the greater amount of the cost of the improvements to the Real Property made by SCHORK or the fair market value of such improvements.

21. Entire Agreement, Waivers and Amendments

- A. This document and the Exhibit(s) hereto contain the entire agreement of the parties. There are no understandings except as provided herein. Any oral promise or inducement is void. No amendment can be made except in writing executed by the parties hereto, and Escrow so notified.
- B. All waivers of the Provisions of the Agreement must be in writing and signed by appropriate authorities of the Commission and SCHORK, and Escrow so notified.

IN WITNESS WHEREOF, Commission and SCHORK have signed this Agreement as of the dates set below their signatures.

COMMUNITY DEVELOPMENT.
COMMISSION OF THE CITY OF
SANTA FE SPRINGS

SCHORK FAMILY
PARTNERSHIP

By: Betty Wilson
Chairperson

By: Kenneth A. Schork
Kenneth A. Schork

Date: _____

Date: _____

ATTEST:

[Signature]
Commission Secretary

APPROVED AS TO FORM:

[Signature]
Commission Attorney

APPROVED AS TO FORM:

[Signature]
Attorney for SCHORK

EXHIBIT "A"

LEGAL DESCRIPTION

TO BE PROVIDED FROM TITLE REPORT

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

<u>Event</u>	<u>Schedule</u>
Execution of DDA Agreement	Starting Date.
Commission initiates creation of parcel	Upon approval of Agreement
Execution of Lease Agreement	Not later than thirty (30) days after execution of Agreement
Occupancy of Real Property	Upon completion of meeting lease terms (payment, insurance, etc.)
Occupancy and Opening for Business on the El Monte RV Center Property.	Not later than October 1, 1995 Nov 1 95 (KS) BW
Notification by Commission regarding Purchase Credit	Quarterly
Opening of Escrow	Ninety (90) days prior to the end of the Lease Period or upon full credit of purchase price
Commission delivers studies and reports (soil, engineering) on Real Property per Section 6.	Within fifteen (15) days after execution of this Agreement.
Property Review Period.	Forty-five (45) days from receipt of studies and reports.
Close of Escrow	No latter than ninety (90) days after opening escrow.

EXHIBIT "C"

SCOPE OF DEVELOPMENT

SCHORK agrees to utilize the Real Property in conformance with the City Codes applicable within the City of Santa Fe Springs in conjunction with development and operation of SCHORK's Dealership on the el Monte RV Center Property. Such utilization will include the sale, lease, rental, maintenance and servicing of recreational vehicles, and may include the construction of building(s) for office and operational use. The real property will be developed per the City's Zoning Ordinance requirements, Community Development Standards and SCHORK's utilization.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannan Street, Suite 400, Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



March 17, 2025

Paloma McEvoy, Esq., Partner
Olivarez Madruga Law Organization, LLP
500 South Grand Avenue, Floor 12
Los Angeles, CA 90071

SENT VIA EMAIL TO: pmcevoy@omlowlaw.com

Dear Paloma McEvoy:

**RE: HCD's Review of the City of Santa Fe Spring's Purchase and Sale
Agreement for Property Located at 10860 Firestone Boulevard.**

Thank you for contacting the California Department of Housing and Community Development (HCD) on behalf of the City of Santa Fe Springs (City), regarding the property located at 10860 Firestone Boulevard, Assessor's Parcel Numbers 8082-002-914 and 8082-002-915 (Property). HCD reviewed the Disposition and Development Agreement (DDA) and other supporting documentation (Documents). As explained below, HCD finds that the Property qualifies for the "grandfathering exemption" under Government Code section 54234, subdivision (a)(1), so long as the disposition of the Property is completed by December 31, 2027.

Analysis

According to Government Code section 54234, subdivision (a)(1), surplus land is subject to the SLA as it existed on December 31, 2019, provided the disposition of the surplus land meets the following requirements:

- (i). The local agency entered into an exclusive negotiating agreement or legally binding agreement to dispose of the Property as of September 30, 2019.
- (ii). The disposition of the Property to the party that had entered into the ENA or legally binding agreement, or its successor or assigns, is completed by December 31, 2027.

The Santa Fe Springs Community Redevelopment Commission/Redevelopment Agency (RDA) and the Schork Family Partnership entered into a DDA related to the Property on May 11, 1995. Pursuant to the DDA, the RDA was to transfer title to the Schork Family Partnership upon the completion of specified conditions. According to the RDA's Successor Agency, the City, these conditions have been met. The City now proposes to authorize the transfer of title to the Schork Family Partnership via grant deed.

Conclusion and Next Steps

After reviewing the Documents, HCD finds that, because the RDA entered into an DDA prior to September 30, 2019, the Property qualifies for the “grandfathering exemption” under Government Code section 54234, subdivision (a)(1). Therefore, the disposition of the Property is subject to the SLA as it existed on December 31, 2019, provided the disposition of the property to the Schork Family Partnership is completed by December 31, 2027. HCD requests that the City provide documentation demonstrating that the transfer of title was executed accordingly.

If you have questions or need additional technical assistance, please contact Lisa Krause, Senior Housing Policy Specialist, at lisa.krause@hcd.ca.gov

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn". The signature is written in a cursive, flowing style.

Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, City Clerk

SUBJECT: MINUTES OF THE MARCH 18, 2025 CITY COUNCIL MEETINGS

DATE: April 15, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Approve the minutes as submitted.

FISCAL IMPACT

N/A

BACKGROUND

Staff has prepared minutes for the following meeting:

- Council Meeting of March 18, 2025

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

N/A

ATTACHMENT(S):

A. March 18, 2025 Meeting Minutes

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐



APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

March 18, 2025

CALL TO ORDER

Mayor Rounds called the meeting to order at 5:15 p.m.

ROLL CALL

Members present: Councilmembers/Directors: Mora, Martin, Rodriguez, Mayor Pro Tem/Vice Chair Zamora, and Mayor/Chair Rounds.

Members absent: None.

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

None

1. CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code Section 54956.8)

Property: Assessor Parcel No. 8001-003-934

Agency negotiator: René Bobadilla, City Manager, and Cuong Nguyen, Director of Community Development

Negotiating parties: Jamboree Housing Corporation

Under negotiation: Price and Terms

2. CLOSED SESSION

CONFERENCE WITH LEGAL – ANTICIPATED LITIGATION: One Matter

(Pursuant to Government Code Section 54956.9(d)(2) and 54956.9(e)(1))

Mayor Rounds recessed the meeting at 5:16 p.m.

Mayor Rounds reconvened the meeting at 6:09 p.m.

CLOSED SESSION REPORT

City Attorney Olivarez provided a closed session report: Direction was given to staff and no reportable action was taken.

INVOCATION

Councilmember Martin led the invocation.

PLEDGE OF ALLEGIANCE

The Youth Leadership Committee led the pledge of allegiance.

INTRODUCTIONS

None.

PRESENTATIONS

3. WHITTIER POLICE DEPARTMENT CRIME STATISTICS REPORT

CHANGES TO AGENDA

No changes.

PUBLIC COMMENTS

The following people spoke during Public Comments: 1) Jeremy Goldstein and 2) Lee Squire.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

Director of Community Services, Maricela Balderas spoke about the “Chalk it Out” contest on March 22, 2025.

PUBLIC HEARING

4. ORDINANCE NO. 1155 – AMEND SECTION 155.519 (INTERSTATE 605 CORRIDOR ELECTRONIC BILLBOARD SIGN PROGRAM) WITHIN TITLE 15 (LAND USE), CHAPTER 155 (ZONING), OF THE SANTA FE SPRINGS MUNICIPAL CODE AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing; and
- 2) Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing; and
- 3) Find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3); and
- 4) Introduce by title only and waive further reading of Ordinance No. 1155: An Ordinance of the City of Santa Fe Springs Municipal Code relating to electronic billboards in manufacturing zones of the Interstate 605 Corridor; and
- 5) Take such additional, related, action that may be desirable.

Mayor Rounds opened the public hearing at 7:07 p.m.

There was no one wishing to speak on Item No. 4.

Mayor Rounds closed the public hearing at 7:07 p.m.

It was moved by Councilmember Rodriguez, seconded by Councilmember Martin, to find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), and introduce by title only and waive further reading of Ordinance No. 1155: An Ordinance of the City of Santa Fe Springs Municipal Code relating to electronic billboards in manufacturing zones of the Interstate 605 Corridor, and take such additional, related, action that may be desirable, by the following vote:

Ayes: Mora, Martin, Rodriguez, Zamora, Rounds
Noes: None
Absent: None
Recuse: None

REGULAR BUSINESS

5. FISCAL YEAR (FY) 2023-24 YEAR-END REVIEW AND PRESENTATION OF THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Receive and file the City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) ending June 30, 2024, and related communications.

City Manager, René Bobadilla introduced Director of Finance, Lana Dich to provide a brief presentation. Director Dich spoke about the auditing process from CliftonLarsonAllen LLP and the associated timeline of work. She talked about the general fund revenue investments and expenses, and the year-end reserve. Lastly, she reviewed the water fund summary and announced the meetings of the upcoming budget workshops.

It was moved by Councilmember Martin, seconded by Councilmember Mora, to receive and file the City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) ending June 30, 2024, and related communications, by the following vote:

Ayes: Mora, Martin, Rodriguez, Zamora, Rounds
Noes: None
Absent: None
Recuse: None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

PUBLIC FINANCING AUTHORITY

6. MINUTES OF THE FEBRUARY 18, 2025 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Approve the minutes as submitted.

7. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Receive and file the report.

WATER UTILITY AUTHORITY

8. MINUTES OF THE FEBRUARY 18, 2025 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Approve the minutes as submitted.

9. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Receive and file the report.

HOUSING SUCCESSOR

10. MINUTES OF THE FEBRUARY 18, 2025 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

- 1) Approve the minutes as submitted.

SUCCESSOR AGENCY

11. MINUTES OF THE FEBRUARY 18, 2025 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Approve the minutes as submitted.

CITY COUNCIL

12. MINUTES OF THE FEBRUARY 18, 2025 CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the minutes as submitted.

13. SECOND READING OF ORDINANCE NO. 1158 – AMENDING TITLE III (ADMINISTRATION) TO ADD NEW CHAPTER 41 (ELECTRONIC RECORDS AND SIGNATURES) TO THE SANTA FE SPRINGS MUNICIPAL CODE AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Ordinance No. 1158:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, AMENDING TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE (“SFSMC”) BY ADDING A NEW CHAPTER 41 (ELECTRONIC RECORDS AND SIGNATURES) TO ESTABLISH A POLICY FOR THE USE OF ELECTRONIC RECORDS AND ELECTRONIC OR DIGITAL SIGNATURES

2) Take such additional, related action that may be desirable.

14. AUTHORIZATION TO AWARD COMPREHENSIVE ZONING CODE UPDATE SERVICES (RFP 25-8) TO LISA WISE CONSULTING (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Authorize the award of RFP 25-8 to Lisa Wise Consulting for the Comprehensive Zoning Code Update; and

2) Approve the Professional Service Agreement between the City of Santa Fe Springs and Lisa Wise Consulting; and

3) Take such additional, related action that may be desirable.

15. 2024 HOUSING ELEMENT ANNUAL PROGRESS REPORT (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Find that the preparation, review, and submission of the 2024 Housing Element Annual Progress Report is not subject to the California Environmental Quality Act (CEQA), as the actions are not a project as defined by Section 15378(b)(2) of the Public Resources Code; and

2) Receive and file the 2024 Housing Element Annual Progress Report; and

- 3) Authorize staff to submit the 2024 Housing Element Annual Progress Report to the California Department of Housing and Community Development (HCD) and to the Governor's Office of Planning and Research (OPR).

16. CALIFORNIA STATE LIBRARY GRANT AWARD FOR LUNCH AT THE LIBRARY PROGRAM (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve and authorize the Director of Community Services to execute the agreement for *California State Library Grant Award for the Lunch At The Library Program at the Santa Fe Springs City Library*; and
- 2) Approve the recognition of \$8,800 in grant funds awarded by the California State Library and authorize the deposit of these funds into the Library & Cultural Services Administration's State Grants/Subventions revenue account (No. 10105699-442000); and
- 3) Approve an increase in expense authority by \$8,800 in the Library & Cultural Services Activity (No. 10105699) as outlined in the Fiscal Impact section to allow for the expenditure of the grant funds; and
- 4) Take such additional, related, action that may be desirable.

17. AUTHORIZE THE TWO-YEAR LEASE OF 11 ADDITIONAL FLOCK SAFETY FIXED AUTOMATED LICENSE PLATE READER (ALPR) CAMERAS (POLICE SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the Director of Police Services to enter into a two-year lease agreement with Flock Group Inc. for 11 additional fixed Automated License Plate Reader (ALPR) cameras in an amount not-to-exceed \$67,650 over two years; and
- 2) Approve the use of existing funds within the FY24/25 adopted budget, Contract Patrol-Miscellaneous Equipment Replacement account 10102215-523030 to fund year-one expenses of the two-year lease; and
- 3) Take such additional, related, action that may be desirable.

18. CATCH BASIN INSERT INSTALLATION PROJECT – AWARD OF CONTRACT TO G2 CONSTRUCTION, INC. (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Award a cooperative purchase contract to G2 Construction, Inc. of Santa Ana, CA in the amount of \$1,471,830 for the installation of trash and debris capture devices in

approximately 700 storm drain catch basins located in the City of Santa Fe Springs in accordance with Santa Fe Springs Municipal Code §34.18; and

- 2) Authorize the City Manager to execute the agreement with G2 Construction, Inc.; and
- 3) Appropriate \$1,471,830 of Measure W funds earmarked for trash and debris capture device installation; and
- 4) Take such additional, related, action that may be desirable.

19. ON-CALL PROFESSIONAL ENGINEERING SERVICES – AUTHORIZATION TO ADVERTISE REQUEST FOR PROPOSALS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the City Engineer to Advertise a Request for Proposals to Provide On-Call Professional Engineering Services; and
- 2) Approve Amendment No. 1 to the On-Call Professional Engineering Services Contract Agreements with Southstar Engineering and Consulting, Inc.; JMDiaz, Inc.; NV5, Inc.; and RMA International Landscape Architecture providing a 1-year term extension and revising the expiration date to April 6, 2026; and
- 3) Authorize the City Manager to execute the amendment with each of the consultant firms; and
- 4) Take such additional, related, action that may be desirable.

20. ADOPTION TO JOINT POWER AUTHORITY (JPA) AGREEMENT MEETING DATE AND REPLACING SUCCESSOR AGENCY WITH HOUSING AUTHORITY IN JPA (FINANCE)

RECOMMENDATION: It is recommended that the City Council and the Governing Board of the Housing Authority:

- 1) Adopt Resolutions Nos. 9953 & 9955 approving the Amendment to the City of Santa Fe Springs Joint Exercise Powers Agreement.

RECOMMENDATION: It is recommended that the Board of Directors of the Santa Fe Springs Public Financing Authority:

- 2) Adopt Resolution No. 9954 to amend bylaws regarding regular meeting schedule.

21. AUTHORIZE THE PURCHASE OF FIVE (5) POLICE VEHICLES (FINANCE/POLICE SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize issuing a purchase order to Sunrise Ford to purchase two (2) Ford F-150 police responder vehicles in the amount of \$162,908; and
- 2) Authorize issuing a purchase order to National Auto Fleet Group to purchase two (2) Ford F-150s and one (1) Ford Ranger in the amount of \$162,679; and
- 3) Authorize the City Manager to establish an agreement/purchase order in an amount that shall not exceed \$105,000 to acquire the items and services necessary to upfit the vehicles for field use; and
- 4) Authorize a contingency in the amount of \$43,059 for any expenditures related to the purchase; and
- 5) Authorize a budget transfer from the Equipment Acquisition and Replacement Fund and Police Services – Contract Patrol in the total amount of \$473,646 for the items above and services; and
- 6) Take such additional, related action that may be desirable.

It was moved by Mayor Pro Tem Zamora, seconded by Councilmember Rodriguez, to approve the consent calendar, by the following vote:

Ayes: Mora, Martin, Rodriguez, Zamora, Rounds
Noes: None
Absent: None
Recuse: None

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

None.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Councilmember Mora attended the WELL Conference in Garden Grove. He talked about the First Friday events and wished everyone a great evening.

Councilmember Martin talked about the Read Across America event and also talked about the Low Cost Pet Adoption Clinic in April for seniors. She commended Lee Squire on his presentation.

Councilmember Rodriguez talked about the EnFuego partnership and also talked about the “Pop-up and Play” event at Heritage Park. She highlighted transportation services staff and looked forward to Chalk it Out this upcoming weekend.

Mayor Pro Tem Zamora thanked Lee Squire for his presentation. He talked about Read Across America and thanked all of the ball field staff in preparation of opening day.

Mayor Rounds thanked residents for attending and looked forward to all of the upcoming events. He thanked Lee Squire for his presentation, and talked about attending a trip to San Francisco in order to request a bond for Measure SFS funding.

ADJOURNMENT

Mayor Rounds adjourned the meeting in memory of Fred Corona at 7:37 p.m.

William K. Rounds
Mayor

ATTEST:

Fernando N. Muñoz
City Clerk

Date



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Cuong Nguyen, Director of Community Development

SUBJECT: PROFESSIONAL SERVICES AGREEMENTS WITH HUGHES MARINO, INC. FOR REAL ESTATE CONSULTANT SERVICES

DATE: April 15, 2025

RECOMMENDATIONS:

It is recommended that the City Council:

- 1) Approve the Professional Services Agreements between the City of Santa Fe Springs and Hughes Marino, Inc.; and
- 2) Authorize the City Manager to execute and act as the City Representative for two Professional Services Agreements for broker services with Hughes Marino, Inc., one for lease transactions and another for sales transactions; and
- 3) Determine that the action is categorically exempt pursuant to the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 *et seq.*); and
- 4) Take such additional, related action that may be desirable.

FISCAL IMPACT

The City Council is requested to approve a Professional Services Agreement (PSA) with Hughes Marino, Inc. for real estate consultant services. As outlined in the PSA, the fiscal impact includes a commission of 2% of the total price of the real property transaction, payable to the broker once escrow closes. The total cost is unknown at this time, as it is contingent upon the final price of the property/transaction.

Appropriations for real estate consultant services will be included in the proposed FY 2026-27 budget to cover any costs associated with this PSA.

BACKGROUND

This agreement authorizes the consultant to assist the City in locating and negotiating purchase terms for both real property sales and leases in Santa Fe Springs. The consultant will provide market evaluations, financial analysis, and negotiate purchase terms for these transactions, but will not have the authority to legally obligate the City.

In compliance with California Assembly Bill 2992 (AB 2992), which governs buyer-broker agreements, AB 2992 specifically applies to real property sales agreements, and one of the key provisions of the law is the limitation on the duration of the agreements to 90 days unless, the parties renew the agreement in writing. This restriction is intended to ensure that buyers are not locked into long-term agreements for real estate sales, which provides flexibility and transparency. There are no such requirements for broker agreements for lease services.

Because of these limitations, the City is presenting two distinct agreements: one for lease transactions and another for sales transactions. This structure ensures that the City remains compliant with AB 2992's provisions related to the sale of real property, particularly the 90-day limitation, while also providing the necessary flexibility to manage both sales and lease agreements effectively. By having separate agreements, the City can ensure that each type of transaction—sales and leases—is handled appropriately within the legal framework set by AB 2992.

ANALYSIS

The proposed PSA with Hughes Marino, Inc. will provide the City with expert support in negotiating terms and conducting evaluations for both real property sales and leases in Santa Fe Springs. Hughes Marino, Inc. will assist with market assessments, financial analyses, and purchase negotiations, with costs incurred only after a successful transaction is completed.

The scope of work under the agreement for the purchase of real properties includes:

- Performing market evaluations and surveys
- Negotiating purchase terms for the sale of real properties
- Conducting financial analysis and comparisons
- Review the purchase and sale agreement

The scope of work under the agreement for the negotiation, renegotiation of leases includes:

- Conducting a programming/needs assessment

Professional Services Agreements – Hughes Marino, Inc.

Page 3 of 3

- Performing market evaluations and surveys
- Negotiating and structuring business terms
- Conducting financial analysis and comparisons
- Reviewing lease agreements

Staff are confident that Hughes Marino, Inc. will provide valuable expertise in negotiating favorable terms for real property transactions, helping the City secure strategic acquisitions and leases. This will support the City's objectives of enhancing its real estate portfolio, ensuring fiscal responsibility, and maintaining flexibility in future development opportunities.

ENVIRONMENTAL

Pursuant to the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 *et seq.*), the actions are categorically exempt from CEQA pursuant to CEQA Guidelines (Cal. Code Regs., tit. 14 § 15000 *et seq.*) Section 15061(b)(3) because it is reasonably foreseeable that the execution of agreements for real estate transactions, without any proposed development, would not have a direct or indirect impact on the environment. The action does not result in the approval of any project, entitlement or development of a property. Any proposed subsequent development proposed at any real property that comes under the City's ownership would be subject to environmental review.

DISCUSSION

N/A

SUMMARY/NEXT STEPS

Upon City Council's approval of the two Professional Services Agreements with Hughes Marino, Inc., City staff will work to execute the agreement and schedule an initial meeting with the constant to outline the scope of services, project timelines, and key deliverables. Staff will also coordinate with Hughes Marino, Inc. to initiate the process of identifying and evaluating potential properties for acquisition or lease. Regular updates will be provided to the City Manager's Office to ensure the successful completion of each transaction and alignment with the City's real estate goals.

ATTACHMENT(S):

- A. Hughes Marino Inc. Professional Services Agreement (Sales)
- B. Hughes Marino Inc. Professional Services Agreement (Leases)

2025
PROFESSIONAL SERVICES AGREEMENT
(Engagement: Real Estate Consultant Services)
(Parties: Hughes Marino, Inc. and City of Santa Fe Springs)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, "Agreement") is made and entered into this _____ day of April 2025 (hereinafter, the "Effective Date") by and between the CITY OF SANTA FE SPRINGS, a municipal corporation (hereinafter, "CITY") and Hughes Marino, Inc. (hereinafter, "CONSULTANT"). For the purposes of this Agreement, CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably, as appropriate.

RECITALS

WHEREAS, CITY requires real estate broker services for the purpose of purchasing real estate properties; and

WHEREAS, CITY staff has determined that CONSULTANT possesses the experience, skills and training necessary to competently provide such services to CITY; and

WHEREAS, Ordinance No. 1133, which amended Chapter 34 of Title III of the Code of Santa Fe Springs, established approval authority for all purchase orders, contracts, contract amendments, and change orders, except for emergencies and public works construction projects; and

WHEREAS, Ordinance No. 1133 authorizes the City Manager with authority to approve contracts, amendments, and change orders in an amount not to exceed \$50,000, provided that proper procurement procedures have been followed; and

WHEREAS, the execution of this Agreement was approved by the Santa Fe Springs City Council at its Regular Meeting of April 15, 2025, under Agenda Item No. XX.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I.
ENGAGEMENT TERMS

- 1.1 TERM: This Agreement shall have a term of ninety (90) days, (hereinafter, the "Term"), commencing from the Effective Date. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause as provided under Article V (Termination), below. CITY hereby authorizes the City Representative to enter into a separate written agreement, executed by both Parties, to renew this Agreement for up to a 90-day period, provided that all terms, conditions, and provisions remain unchanged. The City Representative may renew the Agreement up to five (5) consecutive times. If any terms, conditions, or provisions are amended, the City

Representative shall present the modifications to the City Council for approval prior to renewing the Agreement.

1.2 SCOPE OF SERVICES:

- A. Subject to the terms and conditions of this Agreement, CONSULTANT agrees to **locate and facilitate the purchase of real property in Santa Fe Springs, California**. CONSULTANT shall have no authority to obligate CITY in any way ("Purchase Services").
- B. CONSULTANT shall complete the Purchase Services by:
 - 1) Performing market evaluations and surveys
 - 2) Negotiating purchase terms for the sale of real properties
 - 3) Conducting financial analysis and comparisons
 - 4) Review the purchase and sale agreement

1.3 PROSECUTION OF SERVICES:

- A. CONSULTANT shall perform the Purchase Services contemplated under this Agreement on an on-call, as-needed basis. Nothing in this Agreement shall be construed to entitle CONSULTANT to the receipt of any sums under this Agreement, except to the extent CITY requests the performance of any Purchase Services in the manner described below and such Purchase Services is in fact performed and completed by CONSULTANT and accepted by CITY. CITY requests for the performance of specific services or tasks contemplated under this Agreement shall be made in the form of a written work order(s) issued by the City Representative (each such written request hereinafter referred to as a "Work Order"). Each Work Order shall include the following information:
 - 1. A detailed description of the specific services or tasks requested;
 - 2. The location of where the particular services or tasks are to be performed, if applicable;
 - 3. A timeline for completing the requested services or tasks;
 - 4. Any other information CITY deems necessary and relevant to the requested services or tasks; and
 - 5. The signature of the City Representative, confirming that the services or tasks have been authorized by the City Representative.
- B. CONSULTANT shall not perform any of the Purchase Services contemplated under this Agreement without a written Work Order request from the City Representative, containing the information set forth in Section 1.3(A), above;
- C. CONSULTANT shall perform all assigned Purchase Services continuously and with due diligence so as to complete all assigned Purchase Services by the completion date indicated in each Work Order. CONSULTANT shall

cooperate with CITY and in no manner interfere with the work of CITY, its employees or other consultants, contractors, or agents;

- D. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT, or its subconsultants, to have related services or tasks completed in a timely manner;
- E. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees; and
- F. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law that may be required for Purchase Services performed under this Agreement.

- 1.4 COMPENSATION: For Purchase Services, once CITY successfully closes escrow for the purchase of real property, CONSULTANT shall receive a commission equal to two percent (2%) of the total purchase price ("Commission"). CONSULTANT shall be entitled to this compensation even if a sale of real property closes escrow after the termination or expiration of this Agreement.

CONSULTANT shall present Seller with an initial offer that requires Seller to pay CONSULTANT in accordance with the terms of this Agreement. If during the negotiation process, Seller counteroffers or refuses to pay for any or all of CONSULTANT'S Commission as a term for the sale of real property, CITY shall, in its sole and absolute discretion, accept, reject or otherwise direct CONSULTANT to negotiate the responsibility for CONSULTANT'S Commission for the purchase of the real property. The payment of CONSULTANT'S Commission shall be in accordance with Section 1.5(A) of this Agreement.

- 1.5 PAYMENT OF COMPENSATION:

- A. Commission Payment. Payment of CONSULTANT'S Commission for the sale of any real property shall be paid through the close of escrow, whether the CITY or Seller is responsible for all or a portion of the payment in accordance with the escrow instructions included in the applicable purchase agreement.
- B. Authorized Expenses. The CITY is not responsible for out-of-pocket expenses incurred by CONSULTANT unless previously approved by the CITY in writing ("Authorized Expenses"). If Authorized Expenses are incurred, once CITY successfully closes escrow for the purchase of real property, CONSULTANT shall submit to CITY an invoice indicating the services performed and tasks completed within fifteen (15) days of escrow closing. Within thirty (30) calendar days of the escrow closing date, CITY will notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar days of receipt of each invoice, CITY will pay all undisputed amounts listed on the invoice. CITY will not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

- 1.6 ACCOUNTING RECORDS: CONSULTANT will maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY will have the right to access and reasonably examine only the records addressed by this Agreement, without charge, during CONSULTANT's normal business hours. CITY will further have the right to audit the records addressed by this Agreement, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 1.7 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Purchase Services agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT will deliver to CITY immediately and without delay, all materials, records, and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT will only be compensated for the reasonable value of the Purchase Services performed up to the time of cessation or abandonment, less a deduction for any damages, costs, or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

II.

PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVE: The CITY hereby designates City Manager, René Bobadilla, or his designee (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT will not accept directions or orders from any person other than the City Representative.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Alex Musetti to act as its representative for the performance of this Agreement (hereinafter, "Consultant Representative"). Consultant Representative will have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. Consultant Representative will supervise and direct the performance of the Purchase Services, using his best skill and attention, and will be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all Purchase Services under this Agreement.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS:
- A. CONSULTANT agrees to work closely with CITY staff in the performance of the Purchase Services and this Agreement and will be available to CITY staff and the CITY Representative at all reasonable times. All work prepared by CONSULTANT will be subject to inspection and approval by City Representative or his or her designees.

- B. CITY shall at all times cooperate with CONSULTANT in a manner that provides CONSULTANT with timely and necessary responses to all questions, inquiries, documents, and approvals requested by CONSULTANT of CITY so that CONSULTANT can diligently and continuously perform the Purchase Services and tasks outlined in the Work Order and by the completion date outlined in the Work Order.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges, and agrees to the following:

- A. CONSULTANT will perform all Purchase Services skillfully, consistent with and adhering to its professional standard of care, that is, the degree of care and skill ordinarily exercised by members of the same profession currently practicing at the same time and in the same or similar locality;
- B. CONSULTANT shall at all times employ such facilities, labor, and material as will be sufficient in the opinion of the CITY to perform the Purchase Services within the time limits established, and as provided herein. It is understood and agreed that said facilities, labor, and material shall be furnished and said Purchase Services performed and completed as required by the Agreement, and subject to the approval of the CITY's authorized representative.
- C. CONSULTANT will perform all Purchase Services in a manner reasonably satisfactory to the CITY;
- D. CONSULTANT will comply with all applicable federal, state, and local laws and regulations, including the conflict of interest provisions of Government Code §1090 and the Political Reform Act (Government Code §§ 81000 *et seq.*) CONSULTANT shall be liable for all violations of such laws and regulations in connection with CONSULTANT's performance of the Services. If CONSULTANT performs any work knowing it to be contrary to such laws, rules and regulations, CONSULTANT shall be solely responsible for all costs arising therefrom;
- E. CONSULTANT understands the nature and scope of the Purchase Services to be performed under this Agreement as well as any and all schedules of performance;
- F. All of CONSULTANT's employees and agents who may perform services under this Agreement will possess sufficient skill, knowledge, training, and experience to perform those services and tasks assigned to them by CONSULTANT; and
- G. All of CONSULTANT's employees and agents (including, but not limited to, subcontractors and subconsultants) who may perform services under this Agreement will possess all licenses, permits, certificates, qualifications, and approvals of whatever nature that are legally required to perform the tasks

and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications, and approvals will be maintained throughout the term of this Agreement and made available to CITY upon request for copying and inspection.

- H. The Parties acknowledge and agree that CONSULTANT will perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services requested by CITY that are necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions will be commenced within one (1) business day upon their discovery by either Party and shall be completed within the period of time authorized by the City Representative in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf will not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand, and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge, and experience necessary to perform the Purchase Services under the standard of care as articulated under section 2.4(A).

- 2.5 ASSIGNMENT: The skills, training, knowledge, and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it will not assign or transfer, either directly or indirectly or by operation of law, this Agreement, or the performance of any of CONSULTANT's duties or obligations under this Agreement, without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer will be ineffective, null and void and will constitute a material breach of this Agreement.
- 2.6 SUBSTITUTION OF KEY PERSONNEL: CONSULTANT has represented to CITY that certain key personnel will perform and coordinate the Purchase Services under this Agreement. Should one or more of such personnel become unavailable, CONSULTANT may substitute other personnel of at least equal competence upon written approval of CITY. In the event that CITY and CONSULTANT cannot agree as to the substitution of key personnel, CITY shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Purchase Services in a manner acceptable to the CITY, or who are determined by the CITY to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the CONSULTANT at the request

of the CITY. The key personnel for performance of this Agreement are as follows: Alex Musetti.

- 2.7 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Purchase Services will be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods, and details of performing the Purchase Services subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not violate the terms of this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Purchase Services under this Agreement on behalf of CONSULTANT are not employees of CITY and will at all times be under CONSULTANT's exclusive direction and control. CONSULTANT will pay all wages, salaries and other amounts due such personnel and will assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT will be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like. Notwithstanding any other CITY, state, or federal policy, rule, regulation, law, or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors performing the Purchase Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contributions and/or employee contributions for PERS benefits.
- 2.8 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the City Representative to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Purchase Services in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant will be promptly removed by CONSULTANT and will not be reassigned to perform any of the Services.
- 2.9 COMPLIANCE WITH LAWS: CONSULTANT will keep itself informed of and in compliance with all applicable federal, state, or local laws to the extent such laws control or otherwise govern the performance of the Services. CONSULTANT's compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements and applicable regulations of the U.S. Department of Housing and Urbanization.

- 2.10 NON-DISCRIMINATION: CONSULTANT represents that it is an equal opportunity employer, and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.
- 2.11 INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand, and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and will at all times remain, wholly independent contractors and are not officials, officers, employees, departments, or subdivisions of CITY. CONSULTANT will be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT will have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE

- 3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Before performing any Purchase Services contemplated under this Agreement, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT will procure and maintain the following insurance coverage, at its own expense:
- A. Commercial General Liability Insurance: CONSULTANT will procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage will have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
 - B. Automobile Liability Insurance: For any owned, non-owned, or hired vehicles used in connection with the performance of this Agreement, CONSULTANT will procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance will have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
 - C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which will indemnify, insure and

provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Purchase Services contemplated in this Agreement.

- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT will procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage will have minimum limits of no less than Two Million Dollars (\$2,000,000.00) per claim.

- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance will contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement will be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance will be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representative is authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT will be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers will be in excess of CONSULTANT's insurance and will not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement will not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY, its officials, officers, employees, agents, and volunteers.
- 3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands, and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is a material consideration of this Agreement. Accordingly, CONSULTANT warrants, represents, and agrees that it will furnish CITY with certificates of insurance and endorsements evidencing the coverage required under this Article on ACORD-25 or forms satisfactory to CITY in its sole

and absolute discretion. **The certificates of insurance and endorsements for each insurance policy will be signed by a person authorized by that insurer to bind coverage on its behalf and will be on forms provided by the CITY if requested.** Before performing any Services, CONSULTANT shall provide CITY with all certificates of insurance and endorsements referenced herein. Upon CITY's written request, CONSULTANT will also provide CITY with copies of all required insurance policies and endorsements.

- 3.7 FAILURE TO MAINTAIN COVERAGE: In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, CITY has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by CITY will be promptly reimbursed by CONTRACTOR or CITY will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CITY may cancel this Agreement effective upon notice.
- 3.8 SPECIAL RISKS OR CIRCUMSTANCES: CITY reserves the right to modify these requirements during the term of this Agreement, including types of insurance and applicable limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. CITY shall provide CONSULTANT ninety (90) days advance written notification of such modification. Any amendment to the insurance requirements of this Article shall be memorialized and approved in the form of a written amendment to this Agreement, signed by the Parties. If such modification results in a substantial additional cost to the CONSULTANT, the Parties may renegotiate CONSULTANT'S compensation or come to some other agreement to address the additional cost. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void or invalid.

IV.

INDEMNIFICATION AND LIMITATION OF LIABILITY

- 4.1 CITY's elected and appointed officials, officers, employees, agents, and volunteers (hereinafter, the "City Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the City Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein. CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CITY, its officials, officers, employees, agents, or volunteers.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees,

expert fees and all other costs, and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.

- 4.3 CITY shall have the right to offset against the amount of any compensation due to CONSULTANT under this Agreement, any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to either pay CITY promptly for any costs associated with CONSULTANT's obligations to indemnify the CITY Indemnitees under this Article or related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 CONSULTANT'S officers, contractors, employees, agents, and directors (hereinafter, the "Consultant Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement, except such loss, injury, damage, claim, lawsuit, expenses, attorneys' fees, litigation cost arising from the sole negligence or willful misconduct of a Consultant Indemnatee. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the Consultant Indemnitees with the fullest protection possible under the law. CITY acknowledges that CONSULTANT would not enter into this Agreement in the absence of CITY's commitment to indemnify, defend and protect CONSULTANT as set forth herein.
- 4.5 To the fullest extent permitted by law, CITY shall indemnify, hold harmless and defend the Consultant Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs, and fees of litigation) directly attributed to CITY's failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the negligence or willful misconduct of the CONSULTANT.
- 4.6 The obligations of CONSULTANT and CITY under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT and CITY expressly waive its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers and CONSULTANT and CONSULTANT'S officers, contractors, employees, agents, and directors.
- 4.7 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth herein this Article from each and every contractor, subcontractor, agent or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees,

agents, and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's contractors, subcontractors, agents or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

- 4.8 CITY does not and shall not waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense.
- 4.9 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend, and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V. TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may immediately terminate this Agreement at any time for convenience and without cause by giving prior written notice to CONSULTANT of CITY's intent to terminate this Agreement which notice shall specify the effective date of such termination. Upon such termination for convenience, CONSULTANT will be compensated for those services and tasks which have been earned or performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in section 6.2 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Services. CONSULTANT will be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, will operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

- 5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

- A. In the event either Party fails to perform any duty, obligation, service, or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service, or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") will occur. For all Events of Default, the Party alleging an Event of Default will give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which will specify: (i) the nature of the Event of Default; (ii) the action required to cure

the Event of Default; (iii) a date by which the Event of Default will be cured, which will not be less than the applicable cure period set forth under Sections 5.2B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default will constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

- B. CONSULTANT will cure the following Events of Defaults within the following time periods:
- i. Within ten (10) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation, or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 10-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 10-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.i. that exceeds seven (7) calendar days from the end of the initial 10-day cure period; or
 - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.
- C. In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT will include, but will not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time according to customary business practices; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership,

reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; and/or (v) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- D. CITY will cure any Event of Default asserted by CONSULTANT within thirty (30) calendar days of CONSULTANT's issuance of a Default Notice unless the Event of Default cannot reasonably be cured within the 30-day cure period. Prior to the expiration of the 30-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 30-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.5, above, will be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- E. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT will be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY will operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement unless such breach is the cause of CITY's suspension as provided herein.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder will be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
 - i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
 - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
 - iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT will be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy will be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any Event of Default or breach under this Agreement will constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty, or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto will not operate to terminate any Article, Section or provision contained herein which provides that it will survive the termination or normal expiration of this Agreement.

VI. MISCELLANEOUS PROVISIONS

6.1 NON-EXCLUSIVITY: This is a non-exclusive Agreement. Both CITY and CONSULTANT acknowledge that CITY may engage other parties or individuals to provide Purchase Services. CONSULTANT acknowledges that CITY may contract with others for Purchase Services, and CITY acknowledges that CONSULTANT retains the right to offer Purchase Services to other clients, provided that such engagements do not conflict with the obligations under this Agreement.

6.2 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data will be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, designs, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT will require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY will be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or

subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

- 6.3 **CONFIDENTIALITY:** All data, documents, discussion, or other information developed or received by CONSULTANT under this Agreement or provided for performance of this Agreement are deemed confidential and will not be disclosed by CONSULTANT without prior written consent by CITY. CITY will grant such consent of disclosure as legally required. Upon request, all CITY data will be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT will not use CITY's name or insignia, photographs, or any publicity pertaining to the Purchase Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.4 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., §§3801 *et seq.* and the California False Claims Act, Government Code §§12650 *et seq.*
- 6.5 **NOTICES:** All notices permitted or required under this Agreement will be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:

Hughes Marino, Inc.
1450 Front Street,
San Diego, CA 92101
Attn: Alex Musetti
Phone: (619) 238-2111

CITY:

City of Santa Fe Springs
11710 E Telegraph Road
Santa Fe Springs, CA 90670
Attn: Rene Bobadilla, City Manager
Phone: (562) 868-0511, ext. 7510

WITH A COPY TO:

Hughes Marino, Inc.
1450 Front Street
San Diego, CA 92101
Attn: Legal

WITH A COPY TO:

Olivarez Madruga Law
Organization, LLP
500 S Grand Avenue, 12th Floor
Los Angeles, CA 90071
Attn: Paloma McEvoy, Esq.

Such notices will be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.6 **COOPERATION; FURTHER ACTS:** The Parties will fully cooperate with one another and will take any additional acts or sign any additional documents as are reasonably necessary, appropriate, or convenient to achieve the purposes of this Agreement.

- 6.7 SUBCONTRACTING: CONSULTANT will not subcontract any of the Purchase Services contemplated under this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, will contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.8 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other independent contractors in connection with the various projects worked upon by CONSULTANT.
- 6.9 CONFLICTS OF INTEREST:
- A. CONSULTANT warrants, represents, and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid, nor has it agreed to pay, any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY will have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of CITY, during the term of his or her service with CITY, will have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
 - B. CONSULTANT may serve other clients, but none whose activities within the corporate limits of CITY or whose business, regardless of location, would place CONSULTANT in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code §81000 *et seq.*
 - C. CONSULTANT shall not employ any official or employee of the CITY during the Term of this Agreement or any extension term. No officer or employee of CITY shall have any financial interest in this Agreement that would violate Government Code §§1090 *et seq.* CONSULTANT warrants and represents that no owner, principal, partner, officer, or employee of CONSULTANT is or has been an official, officer, employee, agent, or appointee of the CITY within the twelve-month period of time immediately preceding the Effective Date. If an owner, principal, partner, officer, employee, agent, or appointee of CONSULTANT was an official, officer, employee, agent, or appointee of the CITY within the twelve-month period immediately preceding the Effective Date, CONSULTANT warrants that any such individuals did not participate in any manner in the forming of this Agreement. CONTRACTOR understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and CONSULTANT will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and CONSULTANT will be required to reimburse the CITY for any sums paid to CONSULTANT. CONSULTANT understands that, in addition to the foregoing, it may be subject to criminal prosecution for a

violation of Government Code §1090.

- 6.10 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.11 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, will be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, will be in the Central District of California located in the City of Los Angeles, California.
- 6.12 ATTORNEYS' FEES: If either Party commences an action against the other Party, legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation will be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.13 SUCCESSORS AND ASSIGNS: This Agreement will be binding on the successors and assigns of the Parties.
- 6.14 NO THIRD-PARTY BENEFIT: There are no intended third-party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.15 CONSTRUCTION OF AGREEMENT: This Agreement will not be construed in favor of, or against, either Party but will be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.16 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions will continue in full force and effect.
- 6.17 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement will be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void and invalid.
- 6.18 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 6.19 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement will control.

- 6.20 ENTIRE AGREEMENT: This Agreement, including all attached exhibits, constitutes the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, which may have been entered into between CITY and CONSULTANT prior to the execution of this Agreement. Any statements, representations, or other agreements, whether oral or written, made by either Party that is not embodied herein will not be valid or binding on the Parties. No amendment, modification or supplement to this Agreement will be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.
- 6.21 FORCE MAJEURE: The completion deadline for any Purchase Services assigned to CONSULTANT may be extended in the event of any delays due to unforeseeable causes beyond the control of CONSULTANT and without the fault or negligence of CONSULTANT, including but not limited to severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY. CONSULTANT shall within three (3) calendar days of the commencement of such delay notify the City Representative in writing of the causes of the delay. The CITY Representative shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the CITY Representative such delay is justified. The City Representative's determination shall be final and conclusive upon the parties to this Agreement. In no event shall CONSULTANT be entitled to recover damages against the CITY for any delay in the performance of this Agreement, however caused, CONSULTANT's sole remedy being extension of the Agreement pursuant to this Section.
- 6.22 COUNTERPARTS: This Agreement will be executed in three (3) original counterparts each of which will be of equal force and effect. No handwritten or typewritten amendment, modification, or supplement to any one counterpart will be valid or binding unless made to all three counterparts in conformity with Section 6.17, above. One fully executed original counterpart will be delivered to CONSULTANT and the remaining two original counterparts will be retained by CITY.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF SANTA FE SPRINGS:

HUGHES MARINO, INC.

By: _____
René Bobadilla, City Manager

By: _____
Tucker Hughes

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Rick Olivarez, City Attorney

Date: _____

2025
PROFESSIONAL SERVICES AGREEMENT
(Engagement: Real Estate Consultant Services)
(Parties: Hughes Marino, Inc. and City of Santa Fe Springs)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, "Agreement") is made and entered into this _____ day of April 2025 (hereinafter, the "Effective Date") by and between the CITY OF SANTA FE SPRINGS, a municipal corporation (hereinafter, "CITY") and Hughes Marino, Inc. (hereinafter, "CONSULTANT"). For the purposes of this Agreement, CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably, as appropriate.

RECITALS

WHEREAS, CITY requires real estate broker services for the purpose of negotiating commercial leases or the termination of such leases; and

WHEREAS, CITY staff has determined that CONSULTANT possesses the experience, skills and training necessary to competently provide such services to CITY; and

WHEREAS, Ordinance No. 1133, which amended Chapter 34 of Title III of the Code of Santa Fe Springs, established approval authority for all purchase orders, contracts, contract amendments, and change orders, except for emergencies and public works construction projects; and

WHEREAS, Ordinance No. 1133 authorizes the City Manager with authority to approve contracts, amendments, and change orders in an amount not to exceed \$50,000, provided that proper procurement procedures have been followed; and

WHEREAS, the execution of this Agreement was approved by the Santa Fe Springs City Council at its Regular Meeting of April 15, 2025, under Agenda Item No. XX.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I.
ENGAGEMENT TERMS

- 1.1 TERM: This Agreement shall have a term of one (1) year, (hereinafter, the "Term"), commencing from the Effective Date. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause as provided under Article V (Termination), below. The Term may be extended for up to a one (1) one-year period at the option of the CITY, provided that CITY provides CONSULTANT with written notice of CITY's intent to exercise CITY's option to extend the term of the Agreement no less than thirty (30) days prior to the expiration of the Term or any prior extension term. In

the event CITY exercises its option to extend this Agreement, all terms, conditions, and provisions of this Agreement shall remain in effect and govern the duties, responsibilities, and liabilities of the parties hereto.

1.2 SCOPE OF SERVICES:

A. Subject to the terms and conditions of this Agreement, CONSULTANT agrees to **locate and negotiate, on behalf of CITY, a lease of property and/or the termination of existing leases located in Santa Fe Springs, California.** CONSULTANT shall have no authority to obligate CITY in any way (the "Lease Services").

B. CONSULTANT shall complete the Lease Services by:

- 1) Conducting a programming/needs assessment
- 2) Performing market evaluations and surveys
- 3) Negotiating and structuring business terms
- 4) Conducting financial analysis and comparisons
- 5) Reviewing lease agreements

1.3 PROSECUTION OF SERVICES:

A. CONSULTANT shall perform the Lease Services contemplated under this Agreement on an on-call, as-needed basis. Nothing in this Agreement shall be construed to entitle CONSULTANT to the receipt of any sums under this Agreement, except to the extent CITY requests the performance of any Lease Services in the manner described below and such Lease Services is in fact performed and completed by CONSULTANT and accepted by CITY. CITY requests for the performance of specific services or tasks contemplated under this Agreement shall be made in the form of a written work order(s) issued by the City Representative (each such written request hereinafter referred to as a "Work Order"). Each Work Order shall include the following information:

1. A detailed description of the specific services or tasks requested;
2. The location of where the particular services or tasks are to be performed, if applicable;
3. A timeline for completing the requested services or tasks;
4. Any other information CITY deems necessary and relevant to the requested services or tasks; and
5. The signature of the City Representative, confirming that the services or tasks have been authorized by the City Representative.

B. CONSULTANT shall not perform any of the Lease Services contemplated under this Agreement without a written Work Order request from the City Representative, containing the information set forth in Section 1.3(A), above;

- C. CONSULTANT shall perform all assigned Lease Services continuously and with due diligence so as to complete all assigned Lease Services by the completion date indicated in each Work Order. CONSULTANT shall cooperate with CITY and in no manner interfere with the work of CITY, its employees or other consultants, contractors, or agents;
- D. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT, or its subconsultants, to have related services or tasks completed in a timely manner;
- E. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees; and
- F. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law that may be required for Lease Services performed under this Agreement.

- 1.4 COMPENSATION: For Lease Services, including the renegotiation or renewal of an existing lease with a current landlord or the successful termination of an existing lease, CONSULTANT shall receive a commission from the landlord equal to two percent (2%) of the base rent payable over the lease term, and in the case of a lease termination, CONSULTANT shall receive two percent (2%) of the total remaining rent forgiven on the existing lease as of the termination's effective date ("Commission").

CONSULTANT shall present the current landlord or lessee of an existing lease with an initial offer that requires the landlord or lessee to pay CONSULTANT in accordance with the terms of this Agreement. If during the negotiation process, the landlord or lessee counteroffers or refuses to pay for any or all of CONSULTANT'S Commission as a term for the renegotiation or renewal of an existing lease, CITY shall, in its sole and absolute discretion, accept, reject or otherwise direct CONSULTANT to negotiate the responsibility for CONSULTANT'S Commission. The payment of CONSULTANT'S Commission shall be in accordance with Section 1.5(A) of this Agreement.

1.5 PAYMENT OF COMPENSATION:

- A. Commission Payment. Following the execution of a renegotiation or renewal of an existing lease with a current landlord, or the successful termination of an existing lease and execution of an enforceable agreement by all parties, CONSULTANT shall submit to CITY an invoice indicating the services performed, tasks completed, and total Commission due, within fifteen (15) days of execution of a renegotiated lease agreement, lease renewal, or lease termination. Within thirty (30) calendar days of execution of a lease or termination of an existing lease, CITY will notify CONSULTANT in writing of any disputed Commission included in the invoice. Within forty-five (45) calendar days of receipt of each invoice, CITY will pay all undisputed Commission listed on the invoice. CITY will not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

B. Authorized Expenses. The CITY is not responsible for out-of-pocket expenses incurred by CONSULTANT unless previously approved by the CITY in writing ("Authorized Expenses"). If Authorized Expenses are incurred, CONSULTANT shall include the Authorized Expenses in the invoice submitted to CITY in accordance with Section 1.5 (A).

- 1.6 ACCOUNTING RECORDS: CONSULTANT will maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY will have the right to access and reasonably examine only the records addressed by this Agreement, without charge, during CONSULTANT's normal business hours. CITY will further have the right to audit the records addressed by this Agreement, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 1.7 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Lease Services agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT will deliver to CITY immediately and without delay, all materials, records, and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT will only be compensated for the reasonable value of the Lease Services performed up to the time of cessation or abandonment, less a deduction for any damages, costs, or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

II.

PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVE: The CITY hereby designates City Manager, René Bobadilla, or his designee (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT will not accept directions or orders from any person other than the City Representative.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Alex Musetti to act as its representative for the performance of this Agreement (hereinafter, "Consultant Representative"). Consultant Representative will have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. Consultant Representative will supervise and direct the performance of the Lease Services, using his best skill and attention, and will be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all Lease Services under this Agreement.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS:

- A. CONSULTANT agrees to work closely with CITY staff in the performance of the Lease Services and this Agreement and will be available to CITY staff and the CITY Representative at all reasonable times. All work prepared by CONSULTANT will be subject to inspection and approval by City Representative.
- B. CITY shall at all times cooperate with CONSULTANT in a manner that provides CONSULTANT with timely and necessary responses to all questions, inquiries, documents, and approvals requested by CONSULTANT of CITY so that CONSULTANT can diligently and continuously perform the Purchase Services and tasks outlined in the Work Order and by the completion date outlined in the Work Order.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges, and agrees to the following:

- A. CONSULTANT will perform all Lease Services skillfully, consistent with and adhering to its professional standard of care, that is, the degree of care and skill ordinarily exercised by members of the same profession currently practicing at the same time and in the same or similar locality;
- B. CONSULTANT shall at all times employ such facilities, labor, and material as will be sufficient in the opinion of the CITY to perform the Lease Services within the time limits established, and as provided herein. It is understood and agreed that said facilities, labor, and material shall be furnished and said Lease Services performed and completed as required by the Agreement, and subject to the approval of the CITY's authorized representative.
- C. CONSULTANT will perform all Lease Services in a manner reasonably satisfactory to the CITY;
- D. CONSULTANT will comply with all applicable federal, state, and local laws and regulations, including the conflict of interest provisions of Government Code §1090 and the Political Reform Act (Government Code §§ 81000 *et seq.*) CONSULTANT shall be liable for all violations of such laws and regulations in connection with CONSULTANT's performance of the Services. If CONSULTANT performs any work knowing it to be contrary to such laws, rules and regulations, CONSULTANT shall be solely responsible for all costs arising therefrom;
- E. CONSULTANT understands the nature and scope of the Lease Services to be performed under this Agreement as well as any and all schedules of performance;
- F. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training, and experience to perform those services and tasks assigned to them by CONSULTANT; and

- G. All of CONSULTANT's employees and agents (including, but not limited to, subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications, and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications, and approvals will be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.
- H. The Parties acknowledge and agree that CONSULTANT will perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services requested by CITY that are necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions will be commenced within one (1) business day upon their discovery by either Party and shall be completed within the period of time authorized by the City Representative in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf will not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand, and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge, and experience necessary to perform the Lease Services under the standard of care as articulated under section 2.4(A).

2.5 ASSIGNMENT: The skills, training, knowledge, and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it will not assign or transfer, either directly or indirectly or by operation of law, this Agreement, or the performance of any of CONSULTANT's duties or obligations under this Agreement, without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer will be ineffective, null and void and will constitute a material breach of this Agreement.

2.6 SUBSTITUTION OF KEY PERSONNEL: CONSULTANT has represented to CITY that certain key personnel will perform and coordinate the Lease Services under this Agreement. Should one or more of such personnel become unavailable, CONSULTANT may substitute other personnel of at least equal competence upon written approval of CITY. In the event that CITY and CONSULTANT cannot agree as to the substitution of key personnel, CITY shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Lease Services in a manner acceptable to the CITY, or who are determined by the CITY to be uncooperative, incompetent, a threat to the adequate

or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the CONSULTANT at the request of the CITY. The key personnel for performance of this Agreement are as follows: Alex Musetti.

- 2.7 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Lease Services will be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods, and details of performing the Lease Services subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not violate the terms of this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Lease Services under this Agreement on behalf of CONSULTANT are not employees of CITY and will at all times be under CONSULTANT's exclusive direction and control. CONSULTANT will pay all wages, salaries and other amounts due such personnel and will assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT will be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like. Notwithstanding any other CITY, state, or federal policy, rule, regulation, law, or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors performing the Lease Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contributions and/or employee contributions for PERS benefits.
- 2.8 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the City Representative to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Lease Services in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant will be promptly removed by CONSULTANT and will not be reassigned to perform any of the Services.
- 2.9 COMPLIANCE WITH LAWS: CONSULTANT will keep itself informed of and in compliance with all applicable federal, state, or local laws to the extent such laws control or otherwise govern the performance of the Services. CONSULTANT's compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements and applicable regulations of the U.S. Department of Housing and Urbanization.

- 2.10 NON-DISCRIMINATION: CONSULTANT represents that it is an equal opportunity employer, and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.
- 2.11 INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand, and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and will at all times remain, wholly independent contractors and are not officials, officers, employees, departments, or subdivisions of CITY. CONSULTANT will be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT will have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE

- 3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Before performing any Lease Services contemplated under this Agreement, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT will procure and maintain the following insurance coverage, at its own expense:
- A. Commercial General Liability Insurance: CONSULTANT will procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage will have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
 - B. Automobile Liability Insurance: For any owned, non-owned, or hired vehicles used in connection with the performance of this Agreement, CONSULTANT will procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance will have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
 - C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with

the laws of the State of California and which will indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Lease Services contemplated in this Agreement.

- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT will procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage will have minimum limits of no less than Two Million Dollars (\$2,000,000.00) per claim.
- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance will contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement will be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance will be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representative is authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT will be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers will be in excess of CONSULTANT's insurance and will not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement will not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY, its officials, officers, employees, agents, and volunteers.
- 3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands, and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is a material consideration of this Agreement. Accordingly, CONSULTANT warrants, represents, and agrees that it will furnish CITY with certificates of insurance and endorsements evidencing the coverage required under this Article on ACORD-25 or forms satisfactory to CITY in its sole

and absolute discretion. **The certificates of insurance and endorsements for each insurance policy will be signed by a person authorized by that insurer to bind coverage on its behalf and will be on forms provided by the CITY if requested.** Before performing any Services, CONSULTANT shall provide CITY with all certificates of insurance and endorsements referenced herein. Upon CITY's written request, CONSULTANT will also provide CITY with copies of all required insurance policies and endorsements.

- 3.7 FAILURE TO MAINTAIN COVERAGE: In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, CITY has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by CITY will be promptly reimbursed by CONTRACTOR or CITY will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CITY may cancel this Agreement effective upon notice.
- 3.8 SPECIAL RISKS OR CIRCUMSTANCES: City reserves the right to modify these requirements during the term of this Agreement, including types of insurance and applicable limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. CITY shall provide CONSULTANT ninety (90) days advance written notification of such modification. Any amendment to the insurance requirements of this Article shall be memorialized and approved in the form of a written amendment to this Agreement, signed by the Parties. If such modification results in a substantial additional cost to the CONSULTANT, the Parties may renegotiate CONSULTANT'S compensation or come to some other agreement to address the additional cost. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void or invalid.

IV.

INDEMNIFICATION AND LIMITATION OF LIABILITY

- 4.1 CITY'S elected and appointed officials, officers, employees, agents, and volunteers (hereinafter, the "City Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the City Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein. CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CITY, its officials, officers, employees, agents, or volunteers.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees,

expert fees and all other costs, and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.

- 4.3 CITY shall have the right to offset against the amount of any compensation due to CONSULTANT under this Agreement, any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to either pay CITY promptly for any costs associated with CONSULTANT's obligations to indemnify the CITY Indemnitees under this Article or related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 CONSULTANT'S officers, contractors, employees, agents, and directors (hereinafter, the "Consultant Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement, except such loss, injury, damage, claim, lawsuit, expenses, attorneys' fees, litigation cost arising from the sole negligence or willful misconduct of a Consultant Indemnatee. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the Consultant Indemnitees with the fullest protection possible under the law. CITY acknowledges that CONSULTANT would not enter into this Agreement in the absence of CITY's commitment to indemnify, defend and protect CONSULTANT as set forth herein.
- 4.5 To the fullest extent permitted by law, CITY shall indemnify, hold harmless and defend the Consultant Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs, and fees of litigation) directly attributed to CITY's failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the negligence or willful misconduct of the CONSULTANT.
- 4.6 The obligations of CONSULTANT and CITY under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT and CITY expressly waive its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers and CONSULTANT and CONSULTANT'S officers, contractors, employees, agents, and directors .
- 4.7 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth herein this Article from each and every contractor, subcontractor, agent or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees,

agents, and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's contractors, subcontractors, agents or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

- 4.8 CITY does not and shall not waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense.
- 4.9 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend, and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V. TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may immediately terminate this Agreement at any time for convenience and without cause by giving prior written notice to CONSULTANT of CITY's intent to terminate this Agreement which notice shall specify the effective date of such termination. Upon such termination for convenience, CONSULTANT will be compensated for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in section 6.2 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Services. CONSULTANT will be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, will operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

- A. In the event either Party fails to perform any duty, obligation, service, or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service, or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") will occur. For all Events of Default, the Party alleging an Event of Default will give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which will specify: (i) the nature of the Event of Default; (ii) the action required to cure

the Event of Default; (iii) a date by which the Event of Default will be cured, which will not be less than the applicable cure period set forth under Sections 5.2B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default will constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

- B. CONSULTANT will cure the following Events of Defaults within the following time periods:
- i. Within ten (10) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation, or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 10-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 10-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.i. that exceeds seven (7) calendar days from the end of the initial 10-day cure period; or
 - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.
- C. In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT will include, but will not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time according to the customary business practices; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership,

reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; and/or (v) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- D. CITY will cure any Event of Default asserted by CONSULTANT within thirty (30) calendar days of CONSULTANT's issuance of a Default Notice unless the Event of Default cannot reasonably be cured within the 30-day cure period. Prior to the expiration of the 30-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 30-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.5, above, will be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- E. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT will be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY will operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement unless such breach is the cause of CITY's suspension as provided herein.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder will be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
 - i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
 - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
 - iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT will be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy will be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any Event of Default or breach under this Agreement will constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty, or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto will not operate to terminate any Article, Section or provision contained herein which provides that it will survive the termination or normal expiration of this Agreement.

VI. MISCELLANEOUS PROVISIONS

6.1 NON-EXCLUSIVITY: This is a non-exclusive Agreement. Both CITY and CONSULTANT acknowledge that CITY may engage other parties or individuals to provide Lease Services. CONSULTANT acknowledges that CITY may contract with others for Lease Services, and CITY acknowledges that CONSULTANT retains the right to offer Lease Services to other clients, provided that such engagements do not conflict with the obligations under this Agreement.

6.2 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data will be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, designs, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT will require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY will be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or

subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

- 6.3 **CONFIDENTIALITY:** All data, documents, discussion, or other information developed or received by CONSULTANT under this Agreement or provided for performance of this Agreement are deemed confidential and will not be disclosed by CONSULTANT without prior written consent by CITY. CITY will grant such consent of disclosure as legally required. Upon request, all CITY data will be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT will not use CITY's name or insignia, photographs, or any publicity pertaining to the Lease Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.4 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., §§3801 *et seq.* and the California False Claims Act, Government Code §§12650 *et seq.*
- 6.5 **NOTICES:** All notices permitted or required under this Agreement will be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:

Hughes Marino, Inc.
1450 Front Street,
San Diego, CA 92101
Attn: Alex Musetti
Phone: (619) 238-2111

CITY:

City of Santa Fe Springs
11710 E Telegraph Road
Santa Fe Springs, CA 90670
Attn: Rene Bobadilla, City Manager
Phone: (562) 868-0511, ext. 7510

WITH A COPY TO:

Hughes Marino, Inc.
1450 Front Street
San Diego, CA 92101
Attn: Legal

WITH A COPY TO:

Olivarez Madruga Law
Organization, LLP
500 S Grand Avenue, 12th Floor
Los Angeles, CA 90071
Attn: Paloma McEvoy, Esq.

Such notices will be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.6 **COOPERATION; FURTHER ACTS:** The Parties will fully cooperate with one another and will take any additional acts or sign any additional documents as are reasonably necessary, appropriate, or convenient to achieve the purposes of this Agreement.

- 6.7 SUBCONTRACTING: CONSULTANT will not subcontract any of the Lease Services contemplated under this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, will contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.8 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other independent contractors in connection with the various projects worked upon by CONSULTANT.
- 6.9 CONFLICTS OF INTEREST:
- A. CONSULTANT warrants, represents, and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid, nor has it agreed to pay, any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY will have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of CITY, during the term of his or her service with CITY, will have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
 - B. CONSULTANT may serve other clients, but none whose activities within the corporate limits of CITY or whose business, regardless of location, would place CONSULTANT in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code §81000 *et seq.*
 - C. CONSULTANT shall not employ any official or employee of the CITY during the Term of this Agreement or any extension term. No officer or employee of CITY shall have any financial interest in this Agreement that would violate Government Code §§1090 *et seq.* CONSULTANT warrants and represents that no owner, principal, partner, officer, or employee of CONSULTANT is or has been an official, officer, employee, agent, or appointee of the CITY within the twelve-month period of time immediately preceding the Effective Date. If an owner, principal, partner, officer, employee, agent, or appointee of CONSULTANT was an official, officer, employee, agent, or appointee of the CITY within the twelve-month period immediately preceding the Effective Date, CONSULTANT warrants that any such individuals did not participate in any manner in the forming of this Agreement. CONTRACTOR understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and CONSULTANT will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and CONSULTANT will be required to reimburse the CITY for any sums paid to CONSULTANT. CONSULTANT understands

that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code §1090.

- 6.10 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.11 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, will be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, will be in the Central District of California located in the City of Los Angeles, California.
- 6.12 ATTORNEYS' FEES: If either Party commences an action against the other Party, legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation will be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.13 SUCCESSORS AND ASSIGNS: This Agreement will be binding on the successors and assigns of the Parties.
- 6.14 NO THIRD-PARTY BENEFIT: There are no intended third-party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.15 CONSTRUCTION OF AGREEMENT: This Agreement will not be construed in favor of, or against, either Party but will be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.16 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions will continue in full force and effect.
- 6.17 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement will be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void and invalid.
- 6.18 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 6.19 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement will control.

- 6.20 ENTIRE AGREEMENT: This Agreement, including all attached exhibits, constitutes the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, which may have been entered into between CITY and CONSULTANT prior to the execution of this Agreement. Any statements, representations, or other agreements, whether oral or written, made by either Party that is not embodied herein will not be valid or binding on the Parties. No amendment, modification or supplement to this Agreement will be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.
- 6.21 FORCE MAJEURE: The completion deadline for any Lease Services assigned to CONSULTANT may be extended in the event of any delays due to unforeseeable causes beyond the control of CONSULTANT and without the fault or negligence of CONSULTANT, including but not limited to severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY. CONSULTANT shall within three (3) calendar days of the commencement of such delay notify the City Representative in writing of the causes of the delay. The CITY Representative shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the CITY Representative such delay is justified. The City Representative's determination shall be final and conclusive upon the parties to this Agreement. In no event shall CONSULTANT be entitled to recover damages against the CITY for any delay in the performance of this Agreement, however caused, CONSULTANT's sole remedy being extension of the Agreement pursuant to this Section.
- 6.22 COUNTERPARTS: This Agreement will be executed in three (3) original counterparts each of which will be of equal force and effect. No handwritten or typewritten amendment, modification, or supplement to any one counterpart will be valid or binding unless made to all three counterparts in conformity with Section 6.17, above. One fully executed original counterpart will be delivered to CONSULTANT and the remaining two original counterparts will be retained by CITY.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF SANTA FE SPRINGS:

HUGHES MARINO, INC.

By: _____
René Bobadilla, City Manager

By: _____
Tucker Hughes

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Rick Olivarez, City Attorney

Date: _____