



CITY OF LAGUNA HILLS

CITY COUNCIL/PLANNING AGENCY/PIC

REGULAR MEETING AGENDA

Tuesday, February 12, 2019 – 7:00 PM
(Closed Session at 6:00 PM when scheduled)

Dore J. Gilbert, M.D., Mayor

Janine Heft, Mayor Pro Tempore
Don Sedgwick, Council Member

Erica Pezold, Council Member
Dave Wheeler, Council Member

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 92653

Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council/Planning Agency. Completion of the form is voluntary. All persons may attend the meeting regardless of whether this form is completed.

Members of the public wishing to address the City Council can do so during the Public Comments portion of the Agenda with a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER SEDGWICK

ROLL CALL OF CITY COUNCIL MEMBERS

1. PRESENTATIONS AND PROCLAMATIONS**1.1 Recognition of Outgoing Traffic Commissioners Mark Jones, Greg Staar and Dave Wheeler**

Recommendation: That Mayor Gilbert present Certificates of Recognition to Mark Jones, Greg Staar, and Dave Wheeler recognizing their service to the City.

1.2 Recognition of Outgoing Parks and Recreation Commissioner Chris Mackey

Recommendation: That Mayor Gilbert present a Certificate of Recognition to Chris Mackey recognizing her service to the City.

1.3 Oaths of Office and Certificates of Appointment for Parks and Recreation Commissioners and Traffic Commissioners

Recommendation: That Mayor Gilbert administer the Oaths of Office and present Certificates of Appointment to Parks and Recreation Commissioners Daniel Cooper, Maya Douglas, and Julie Nassif and Traffic Commissioners Chris Beiber, Anna Lisa Lukes, and Chris Mackey.

1.4 Certificate of Recognition, Julia Moon, Laguna Hills High School Student Liaison and Theodore Schweizer, Laguna Hills High School Student Liaison Alternate for the Fall 2018 Semester

Recommendation: That Mayor Gilbert present Certificates of Recognition to Julia Moon and Theodore Schweizer recognizing their service as the Laguna Hills High School Student Liaison and Student Liaison Alternate.

1.5 Appointment of Laguna Hills High School Student Liaison Lucas Fellow and Alternate Kira Presley for the Spring 2019 Semester

Recommendation: That Mayor Gilbert present Certificates of Appointment to Laguna Hills High School Student Liaison Lucas Fellows and Student Liaison Alternate Kira Presley.

1.6 Laguna Hills High School Student Liaison

Recommendation: That the City Council receive an oral report from Laguna Hills High School Student Liaison Lucas Fellows.

1.7 Laguna Hills 3/5 Marine Support Committee

Recommendation: That the City Council receive an update from Chair Karen Robbins on the 3/5 Dark Horse Committee.

1.8 Orange County Human Relations Council Annual Report

Recommendation: That the City Council receive an oral presentation from Kenneth Inouye, Board of Directors Vice President with the Orange County Human Relations Council.

2. PUBLIC COMMENTS

This is the time to address the City Council on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

3. CONSENT CALENDAR

All matters listed under "CONSENT CALENDAR" are considered to be routine and will be enacted by one motion approving the recommendation listed on the Agenda. There will be no separate discussion unless Members of the City Council or Staff request specific items be removed from the Consent Calendar.

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for January 22, 2019, Regular Meeting

Recommendation: That the City Council approve the Minutes for the January 22, 2019, Regular Meeting.

3.3 Warrant Register for the February 12, 2019, Regular Meeting

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from January 11, 2019, to January 31, 2019, in the amount of \$1,829,707.72.

3.4 Civic Center Second Quarter Financial Report for Fiscal Year 2018/2019

Recommendation: That the City Council receive and file the report.

3.5 Proposed Office Lease for Suite 210 with NY&A, LLC., for 24031 El Toro Road, Suite 210, Laguna Hills, California

Recommendation: That the City Council approve an office lease with NY&A, LLC., for Suite 210 for 24031 El Toro Road, Suite 210, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.6 Progress Payment No. 1, Final, for Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G

Recommendation: That the City Council approve Progress Payment No. 1, Final, in the Net Amount of \$118,750, to G2 Construction, Inc., for Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G, and authorize the filing of the Notice of Completion and subsequent Release of Retention in 35 days, if no liens have been filed.

3.7 Agreement with the South Coast Air Quality Management District to Participate in the Mobile Source Air Pollution Reduction Review Committee Local Government Partnership Program

Recommendation: That the City Council approve an Agreement between the City of Laguna Hills and the South Coast Air Quality Management District to participate in the Mobile Source Air Pollution Reduction Review Committee Local Government Partnership Program and authorize the City Manager to execute the Agreement.

3.8 Agreement with the County of Orange District Attorney's Office for Prosecution Services

Recommendation: That the City Council approve the Agreement with the County of Orange for Prosecution Services and Authorize the Mayor to execute the Agreement.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY**4.1. ROLL CALL OF PLANNING AGENCY MEMBERS****4.2. PUBLIC COMMENTS**

This is the time to address the Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Planning Agency. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

4.3. APPROVAL OF MINUTES FOR JANUARY 22, 2019, REGULAR MEETING**4.3.1 Approval of Minutes for January 22, 2019, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the January 22, 2019, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS**4.5. PLANNING AGENCY PUBLIC HEARINGS****PLANNING AGENCY ADJOURNMENT****PUBLIC IMPROVEMENT CORPORATION****CONVENE PUBLIC IMPROVEMENT CORPORATION****ROLL CALL OF PUBLIC IMPROVEMENT CORPORATION****PUBLIC COMMENTS**

This is the time to address the Board of Directors on any matter not listed on this Agenda that is within the subject matter jurisdiction of the Board of Directors. Public Comments are limited to three minutes per person, an overall time limit of ten minutes for any one subject, and a total time limit of thirty minutes.

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS**Election of Public Improvement Corporation Officers**

Recommendation: That the Board of Directors adopt a Resolution entitled: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2019."

APPROVAL OF MINUTES FOR FEBRUARY 13, 2018, ANNUAL MEETING**Approval of Minutes for February 13, 2018, Annual Meeting**

Recommendation: That the Board of Directors approve the minutes of the February 13, 2018, Annual Meeting.

PUBLIC IMPROVEMENT CORPORATION ADJOURNMENT**RECONVENE CITY COUNCIL MEETING****5. CITY COUNCIL PUBLIC HEARINGS****6. ADMINISTRATIVE REPORTS****6.1. City Manager****6.2. Deputy City Manager/City Clerk****6.2.1 City Council "Other Agencies" Appointed Representatives**

Recommendation: That the City Council take the following actions:

(1) Review the City of Laguna Hills City Council "Other Agencies" Appointed Representatives List, provide directions to staff regarding any necessary changes for appointments to the list, and by motion, approve the City Council "Other Agencies" Appointed Representatives List, as revised by the City Council; and

(2) If any changes are desired to the Representative to the Orange County Fire Authority's Board of Directors, adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California designating and appointing its Representative to the Orange County Fire Authority's Board of Directors; " and

(3) Approve and direct the City Clerk to prepare and post an updated FPPC Disclosure Form 806 to reflect all paid appointments to "Other Agencies" boards, committees, and/or commissions in accordance with state law.

6.3. Deputy City Manager/Community Services Director**6.3.1 2019 Laguna Hills Memorial Day Half Marathon, 10K, and 5K Event, and Aliso Viejo Community Association (AVCA) License to Enter and Indemnity Agreement to Access AVCA's Private Street During the Race Event**

Recommendation: That the City Council: 1) Receive and file the pre-event planning report; and 2) Approve the AVCA License to Enter and Indemnity Agreement and authorize the City Manager to execute the Agreement.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS**8. CITY COUNCIL MEMBER COMMENTS****ADJOURNMENT**

The next Regular Meeting of the City Council/Planning Agency currently scheduled for February 26, 2019, will be cancelled. The next regularly scheduled City Council/Planning Agency meeting will be held March 12, 2019, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by February 7, 2019, at 5:00 pm.



City Clerk

February 7, 2019**Date**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency and the Laguna Hills Public Improvement Corporation.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Recognition of Outgoing Traffic Commissioners Mark Jones, Greg Staar and Dave Wheeler

RECOMMENDATION: That Mayor Gilbert present Certificates of Recognition to Mark Jones, Greg Staar, and Dave Wheeler recognizing their service to the City.

SUMMARY:

Mark Jones, Traffic Commissioner and Greg Staar, Traffic Commissioner have completed their terms of office. Dave Wheeler, Traffic Commissioner has been elected as a City Council Member after completing a partial term of office. Commissioners Jones and Staar began serving on the Traffic Commission on February 10, 2015 while Commissioner Wheeler began serving on February 28, 2017. It is in order to recognize Mark Jones, Greg Staar and Dave Wheeler for their service to the City of Laguna Hills on the Traffic Commission.

ATTACHMENTS:

- Certificates of Recognition



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

MARK JONES
 City of Laguna Hills
 Traffic Commissioner

February 10, 2015, through January 31, 2019

WHEREAS, the City of Laguna Hills Traffic Commission was established on February 25, 1992, to act as an advisory commission to the City Council on all traffic matters relating to receiving complaints relating to traffic matters, surveying, reviewing, and making recommendations relative to traffic conditions, the administration and enforcement of traffic regulations, improved parking plans, and safety programs, campaigns, and activities to educate the public in traffic safety; and

WHEREAS, Mark Jones was appointed to serve on the Traffic Commission and took the Oath of Office on February 10, 2015; and

WHEREAS, Mark Jones has served on the Traffic Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Mark Jones for his service to the City as Traffic Commissioner.

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

GREG STAAR
 City of Laguna Hills
 Traffic Commissioner

February 10, 2015, through January 31, 2019

WHEREAS, the City of Laguna Hills Traffic Commission was established on February 25, 1992, to act as an advisory commission to the City Council on all traffic matters relating to receiving complaints relating to traffic matters, surveying, reviewing, and making recommendations relative to traffic conditions, the administration and enforcement of traffic regulations, improved parking plans, and safety programs, campaigns, and activities to educate the public in traffic safety; and

WHEREAS, Greg Staar was appointed to serve on the Traffic Commission and took the Oath of Office on February 10, 2015; and

WHEREAS, Greg Staar has served on the Traffic Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Greg Staar for his service to the City as Traffic Commissioner.

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

DAVE WHEELER
City of Laguna Hills
Traffic Commissioner

February 28, 2017, through January 31, 2019

WHEREAS, the City of Laguna Hills Traffic Commission was established on February 25, 1992, to act as an advisory commission to the City Council on all traffic matters relating to receiving complaints relating to traffic matters, surveying, reviewing, and making recommendations relative to traffic conditions, the administration and enforcement of traffic regulations, improved parking plans, and safety programs, campaigns, and activities to educate the public in traffic safety; and

WHEREAS, Dave Wheeler was appointed to serve on the Traffic Commission and took the Oath of Office on February 28, 2017; and

WHEREAS, Dave Wheeler has served on the Traffic Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Dave Wheeler for his service to the City as Traffic Commissioner.

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Recognition of Outgoing Parks and Recreation Commissioner Chris Mackey

RECOMMENDATION: That Mayor Gilbert present a Certificate of Recognition to Chris Mackey recognizing her service to the City.

SUMMARY:

Chris Mackey, Parks and Recreation Commissioner, has completed her term of office. Commissioner Mackey began serving on the Parks and Recreation Commission on March 26, 2013. Commissioner Mackey will be appointed to the Traffic Commission this evening and will attend her first meeting as a Traffic Commissioner on March 20, 2019. It is in order to recognize Chris Mackey for her service to the City of Laguna Hills on the Parks and Recreation Commission.

ATTACHMENTS:

- Certificate of Recognition



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

CHRIS MACKEY
 City of Laguna Hills
 Parks and Recreation Commissioner

March 26, 2013, through January 31, 2019

WHEREAS, the City of Laguna Hills Parks and Recreation Commission was established on April 14, 1992, to act as an advisory commission to the City Council on all matters pertaining to parks and public recreation by formulating policy recommendations on recreation services for approval by the City Council, conferring with the Director on problems of administration, development of recreation areas, facilities, programs, and improved recreation services, make recommendations regarding desirable contractual relations between the City and public schools and other agencies for use of buildings, play grounds and other recreational facilities; and

WHEREAS, Chris Mackey was appointed to serve on the Parks and Recreation Commission and took the Oath of Office on March 26, 2013; and

WHEREAS, Chris Mackey has served on the Parks and Recreation Commission with dedication and distinction, setting a fine example for those who will serve in the future.

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Chris Mackey for her service to the City as Parks and Recreation Commissioner.

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Oaths of Office and Certificates of Appointment for Parks and Recreation Commissioners and Traffic Commissioners

RECOMMENDATION: That Mayor Gilbert administer the Oaths of Office and present Certificates of Appointment to Parks and Recreation Commissioners Daniel Cooper, Maya Douglas, and Julie Nassif and Traffic Commissioners Chris Beiber, Anna Lisa Lukes, and Chris Mackey.

SUMMARY:

The City Council held interviews for three, four-year term openings on the Parks and Recreation Commission, and two four-year term openings on the Traffic Commission, as well as one partial, two-year unscheduled vacancy. The City Council interviewed 7 applicants for the Parks and Recreation and Traffic Commissions and made the following appointments:

Parks and Recreation Commission

Daniel Cooper

Maya Douglas

Julie Nassif

Traffic Commission

Chris Bieber

Anna Lisa Lukes

Chris Mackey

Oaths of Office and Appointment of Commissioners

February 12, 2019

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The terms for these Commissioners will run through January 31, 2023, with the exception of Commissioner Mackey who has been appointed to fill the unscheduled vacancy, with a term completion date of January 31, 2021.

ATTACHMENTS:

- Certificates of Appointment



CITY OF LAGUNA HILLS CERTIFICATE OF APPOINTMENT

be it known that

DANIEL COOPER

*on this date took the Oath of Office
and began serving as a*

**PARKS AND RECREATION
COMMISSIONER**

for the City of Laguna Hills

Dated this 6th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS CERTIFICATE OF APPOINTMENT

be it known that

MAYA DOUGLAS

*on this date took the Oath of Office
and began serving as a*

**PARKS AND RECREATION
COMMISSIONER**

for the City of Laguna Hills

Dated this 6th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS CERTIFICATE OF APPOINTMENT

be it known that

JULIE NASSIF

*on this date took the Oath of Office
and began serving as a*

**PARKS AND RECREATION
COMMISSIONER**

for the City of Laguna Hills

Dated this 6th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

CHRIS BEIBER

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER

for the City of Laguna Hills

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS CERTIFICATE OF APPOINTMENT

be it known that

ANNA LISA LUKES

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER

for the City of Laguna Hills

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS CERTIFICATE OF APPOINTMENT

be it known that

CHRIS MACKEY

*on this date took the Oath of Office
and began serving as a*

TRAFFIC COMMISSIONER
for the City of Laguna Hills

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR

Attachment: Certificates of Appointment (1787 : Oaths of Office and Appointment of Commissioners)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Certificate of Recognition, Julia Moon, Laguna Hills High School Student Liaison and Theodore Schweizer, Laguna Hills High School Student Liaison Alternate for the Fall 2018 Semester

RECOMMENDATION: That Mayor Gilbert present Certificates of Recognition to Julia Moon and Theodore Schweizer recognizing their service as the Laguna Hills High School Student Liaison and Student Liaison Alternate.

SUMMARY:

The City of Laguna Hills and the Laguna Hills High School PTSA established a Student Liaison Program in 1993. Julia Moon has served as the Student Liaison and Theodore Schweizer has served as the Student Liaison Alternate for the Fall 2018 semester. Moon and Schweizer have served as the Student Liaison and Student Liaison Alternate with distinction, and it is in order to recognize their service.

ATTACHMENTS:

- Certificates of Recognition



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

JULIA MOON
Laguna Hills High School
Student Liaison

September 11, 2018, through February 12, 2019

WHEREAS, the City of Laguna Hills and Laguna Hills High School established a Student Liaison Program to create a direct link between the School and the City Council; and

WHEREAS, Julia Moon was appointed to serve as the Student Liaison to the City Council and took the Oath of Office on September 11, 2018; and

WHEREAS, Julia Moon has served as the Student Liaison with dedication and distinction, setting a fine example for those students who will serve in the future.

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Julia Moon for her service to the City as Student Liaison to the City Council.

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF RECOGNITION

THEODORE SCHWEIZER
Laguna Hills High School
Student Liaison Alternate

September 11, 2018, through February 12, 2019

WHEREAS, *the City of Laguna Hills and Laguna Hills High School established a Student Liaison Program to create a direct link between the School and the City Council; and*

WHEREAS, *Theodore Schweizer was appointed to serve as the Student Liaison Alternate to the City Council and took the Oath of Office on September 11, 2018; and*

WHEREAS, *Theodore Schweizer has served as the Student Liaison Alternate with dedication and distinction, setting a fine example for those students who will serve in the future.*

NOW, THEREFORE, *I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Theodore Schweizer for his service to the City as Student Liaison Alternate to the City Council.*

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Appointment of Laguna Hills High School Student Liaison Lucas Fellow
and Alternate Kira Presley for the Spring 2019 Semester

RECOMMENDATION: That Mayor Gilbert present Certificates of Appointment to Laguna Hills High School Student Liaison Lucas Fellows and Student Liaison Alternate Kira Presley.

SUMMARY:

The City of Laguna Hills and Laguna Hills High School established a Student Liaison Program to create a direct link between the High School and the City Council. Lucas Fellows and Kira Presley were selected to serve as the Spring 2019 Student Liaison and Alternate. The Deputy City Manager/City Clerk met with Lucas Fellows and Kira Presley prior to this meeting to administer the Oath of Office.

ATTACHMENTS:

- Certificates of Appointment



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

LUCAS FELLOWS

*on February 12, 2019, took the
Oath of Office
and on this date began serving as the*

STUDENT LIAISON

for the City of Laguna Hills

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



CITY OF LAGUNA HILLS

CERTIFICATE OF APPOINTMENT

be it known that

KIRA PRESLEY

*on February 12, 2019, took the
Oath of Office
and on this date began serving as the*

STUDENT LIAISON ALTERNATE

for the City of Laguna Hills

Dated this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Orange County Human Relations Council Annual Report

RECOMMENDATION: That the City Council receive an oral presentation from Kenneth Inouye, Board of Directors Vice President with the Orange County Human Relations Council.

SUMMARY:

Kenneth Inouye, Vice President, Orange County Human Relations Council Board of Directors, will be present at the meeting to make a brief presentation and provide the Orange County Human Relations Council's Annual Report. In the presentation, Mr. Inouye will report on data collected by the Orange County Human Relations Council specific to activities in the City of Laguna Hills including hate crimes and incidents.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for January 22, 2019, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the January 22, 2019, Regular Meeting.

ATTACHMENTS:

- 190122 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY**

**REGULAR MEETING
MINUTES
Tuesday, January 22, 2019**

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

The meeting was called to order at 6:04 p.m. by Mayor Gilbert.

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Dore J. Gilbert, M.D.	Mayor	Present	
Janine Heft	Mayor Pro Tempore	Present	
Erica Pezold	Council Member	Present	
Don Sedgwick	Council Member	Present	
Dave Wheeler	Council Member	Present	

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will convene into Closed Session, in the City Council Conference Room, City Hall, Laguna Hills Civic Center, to consider the following matter(s):

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Public Employee Title: City Manager - Performance Evaluation

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

There were no Public Comments on Closed Session Items.

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

The City Council will convene into Closed Session to consider the matter(s) listed above.

RECONVENE TO CITY COUNCIL CHAMBERS

RECESS

GENERAL BUSINESS - CONVENING AT 7:00 PM**CALL TO ORDER**

The meeting was called to order at 6:59 p.m. by Mayor Gilbert.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER PEZOLD**ROLL CALL OF CITY COUNCIL MEMBERS**

Attendee Name	Title	Status	Arrived
Dore J. Gilbert, M.D.	Mayor	Present	
Janine Heft	Mayor Pro Tempore	Present	
Erica Pezold	Council Member	Present	
Don Sedgwick	Council Member	Present	
Dave Wheeler	Council Member	Present	

CLOSED SESSION REPORT**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957(b)(1)

Public Employee Title: City Manager - Performance Evaluation

City Attorney Simonian stated that the City Council convened into Closed Session this evening pursuant to the authorities listed on the Agenda. No reportable action was taken as a result of tonight's Closed Session meeting.

1. PRESENTATIONS AND PROCLAMATIONS**1.1 Laguna Hills High School Student Liaison**

Recommendation: That the City Council receive an oral report from Laguna Hills High School Student Liaison Alternate Theo Schweizer.

2. PUBLIC COMMENTS

Acecy Buensuceso, a resident of Laguna Hills, voiced her concerns over the timeline of a lease for Laguna Hills Civic Center Suite 250.

Sandi Montez, Property Manager at Essex Realty, provided the Council with information regarding the lease for Laguna Hills Civic Center Suite 250.

City Manager White provided information regarding the lease for Laguna Hills Civic Center Suite 250.

Robert McDonald, a resident of San Clemente, voiced his concerns regarding the Five Lagunas site and provided the City Council with pictures related to vehicle damage related to the site.

Ryan Reza Farsai provided the City Council with documentation and information regarding Homeowner Associations.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Mayor Pro Tempore
SECONDER:	Don Sedgwick, Council Member
AYES:	Dore J. Gilbert, M.D., Mayor; Janine Heft, Mayor Pro Tempore; Erica Pezold, Council Member; Don Sedgwick, Council Member; Dave Wheeler, Council Member

3.1 Waive Reading in Full of all Ordinances and Resolutions on the Agenda

Recommendation: That the City Council waive reading in full of all ordinances and resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3.2 Approval of Minutes for January 8, 2019, Regular Meeting

Recommendation: That the City Council approve the Minutes for the January 8, 2019, Regular Meeting.

3.3 Warrant Register for the January 22, 2019, Regular Meeting

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from December 28, 2018, to January 10, 2019, in the amount of \$851,808.59.

3.4 Second Reading & Adoption of Proposed Ordinance Amending Title 12 (Streets and Sidewalks), Chapter 12-32 (Camping in Public Areas), Section 12-32.040 (Violation - Penalty) of the Laguna Hills Municipal Code

Recommendation: That the City Council adopt Ordinance No. 2019-1: “An Ordinance of the City of Laguna Hills, California, Amending Title 12 (Streets and Sidewalks), Chapter 12-32 (Camping in Public Areas), Section 12-32.040 (Violation – Penalty) of the Laguna Hills Municipal Code.”

3.5 Proposed Office Lease for Suite 203 with Premier Group International for 24031 El Toro Road, Suite 203, Laguna Hills, California

Recommendation: That the City Council approve an office lease with Premier Group International for Suite 203 for 24031 El Toro Road, Suite 203, Laguna Hills, California, and authorize the City Manager to execute the Lease.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Gilbert recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:21 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Dore J. Gilbert, M.D.	Chair	Present	
Janine Heft	Vice Chair	Present	
Erica Pezold	Agency Member	Present	
Don Sedgwick	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency Public Comments.

4.3. APPROVAL OF MINUTES FOR JANUARY 8, 2019, REGULAR MEETING

4.3.1 Approval of Minutes for January 8, 2019, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the January 8, 2019, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Agency Member
SECONDER:	Janine Heft, Vice Chair
AYES:	Dore J. Gilbert, M.D., Chair; Janine Heft, Vice Chair; Erica Pezold, Agency Member; Don Sedgwick, Agency Member; Dave Wheeler, Agency Member

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency Administrative Reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Gilbert reconvened the City Council Meeting at 7:22 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1. City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

8. INTERVIEWS OF APPLICANTS FOR PURPOSES OF APPOINTING TRAFFIC COMMISSIONERS AND PARKS AND RECREATION COMMISSIONERS

The City Council conducted interviews of applicants for the purposes of appointing members of the Traffic Commission and Parks and Recreation Commission in the Community Development Conference Room.

8.1 PUBLIC COMMENTS

There were no Public Comments on Commission Interviews.

ADJOURN TO COMMUNITY DEVELOPMENT CONFERENCE ROOM

8.2 COMMISSION INTERVIEWS

8.2.1 Commission Interviews

Recommendation: That the City Council interview applicants for the Traffic Commission and Parks and Recreation Commission and appoint one person to a partial term and two people to full terms on the Traffic Commission and three people to full terms on the Parks and Recreation Commission.

The City Council conducted interviews of a total of 7 applicants for the Traffic Commission and the Parks and Recreation Commission.

By motion, the City Council appointed Daniel Cooper, Maya Douglas, and Julie Nassif to the Parks and Recreations Commission.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Council Member
SECONDER:	Erica Pezold, Council Member
AYES:	Dore J. Gilbert, M.D., Mayor; Janine Heft, Mayor Pro Tempore; Erica Pezold, Council Member; Don Sedgwick, Council Member; Dave Wheeler, Council Member

By motion, the City Council appointed Anna Lisa Lukes and Chris Bieber to full terms on the Traffic Commission and Chris Mackey to the partial, two-year term on the Traffic Commission, with Angie Montesinos designated as an alternate should the above-stated applicants decline to accept their appointment.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Council Member
SECONDER:	Dore J. Gilbert, M.D., Mayor
AYES:	Dore J. Gilbert, M.D., Mayor; Janine Heft, Mayor Pro Tempore; Erica Pezold, Council Member; Don Sedgwick, Council Member; Dave Wheeler, Council Member

RECONVENE TO CITY COUNCIL CHAMBERS

Mayor Gilbert reconvened the City Council Meeting at 9:17 p.m. All Council Members were present.

9. CITY COUNCIL MEMBER COMMENTS**Council Member Pezold**

Council Member Pezold voiced her appreciation for City Attorney Simonian and the work that he does to support the City Council and the City. Council Member Pezold acknowledged GameCraft Brewing, a new business in Laguna Hills on Avenida de la Carlota.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Gilbert declared the meeting adjourned at 9:18 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Dore J. Gilbert, M.D., Mayor

Approved at meeting of February 12, 2019



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Warrant Register for the February 12, 2019, Regular Meeting

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from January 11, 2019, to January 31, 2019, in the amount of \$1,829,707.72.

SUMMARY:

The City issues accounts payable disbursements on a regular basis and presents it to City Council for ratification at its next regularly scheduled City Council Meeting. The attached Warrant Register containing checks and electronic funds transfers for the period from January 11, 2019, to January 31, 2019, is being presented for ratification by the City Council. Payments have been reviewed and approved by the appropriate departmental staff. The Director of Finance certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

ATTACHMENTS:

- Warrant Register - February 12, 2019



City of Laguna Hills, CA

Warrant Register - February 12, 2019

By Check Numl

Date Range: 01/11/2019 - 01/31/20

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
8815639	W-2300	WHITE, DONALD	01/14/2019	187.50
8815640	A-0370	ACCOUNTEMPS	01/17/2019	629.00
8815641	C-1022	CDW GOVERNMENT, INC.	01/17/2019	587.23
8815642	C-0023	COX COMMUNICATION	01/17/2019	1,896.44
8815643	D-0461	DATA TICKET, INC.	01/17/2019	691.77
8815644	Z-CS-0086	DE LA TORRES, BENJAMIN	01/17/2019	340.00
8815645	D-0423	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	01/17/2019	336.80
8815646	D-0552	DUNBAR ARMORED, INC.	01/17/2019	155.18
8815647	N-1491	NEXUSTEK IRVINE, LLC	01/17/2019	1,020.00
8815648	O-1546	OFFICE SOLUTIONS	01/17/2019	112.06
8815649	O-1575	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER PARTNERSHIP	01/17/2019	1,221.30
8815650	C-1003	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	01/17/2019	1,861.00
8815651	Z-CS-0157	PEREZ, PATRICIA	01/17/2019	500.00
8815652	S-1902	SAN DIEGO GAS & ELECTRIC	01/17/2019	300.64
8815653	S-1949	SMART & FINAL	01/17/2019	176.57
8815654	S-1904	SOUTHERN CALIFORNIA EDISON	01/17/2019	12,808.42
8815655	T-2656	TYLER TECHNOLOGIES, INC.	01/17/2019	8,181.25
8815656	R-1801	WOODRUFF, SPRADLIN & SMART	01/17/2019	33,560.24
8815657	H-0958	HEFT, JANINE	01/22/2019	225.00
8815658	S-2276	SEDGWICK, DON	01/22/2019	225.00
8815659	W-2300	WHITE, DONALD	01/22/2019	225.00
8815660	Z-CS-0081	ACACIA KNOLLS HOMEOWNERS ASSOC.	01/24/2019	250.00
8815661	A-0370	ACCOUNTEMPS	01/24/2019	747.40
8815662	A-0359	ANDERSON PENNA PARTNERS, INC.	01/24/2019	10,497.50
8815663	A-0360	ARC DOCUMENT SOLUTIONS, LLC	01/24/2019	87.62
8815664	A-0365	AT&T - CALNET 3	01/24/2019	106.15
8815665	Z-CS-0092	AYSO REGION 1422	01/24/2019	255.00
8815666	B-0430	BASICS OF SKATEBOARDING	01/24/2019	319.20
8815667	C-1022	CDW GOVERNMENT, INC.	01/24/2019	1,730.50
8815668	C-1144	CHARLES ABBOTT ASSOCIATES, INC	01/24/2019	30,827.54
8815669	C-1096	CODE PUBLISHING COMPANY, INC.	01/24/2019	469.50
8815670	C-1139	COMPLETE OFFICE OF CALIFORNIA	01/24/2019	437.66
8815671	C-1176	COMPUTER SERVICE CO.	01/24/2019	5,853.87
8815672	E-0593	EISENBERG, DALE	01/24/2019	714.00
8815673	C-1190	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	01/24/2019	1,272.00
8815674	G-0844	GREEN MART, INC.	01/24/2019	926.65
8815675	H-0959	HABASH, JOHN	01/24/2019	39.20
8815676	I-0942	IRVINE RANCH WATER DISTRICT	01/24/2019	91.71
8815677	J-1057	JAMEY CLARK, INC.	01/24/2019	1,105.00
8815678	G-0709	JOE A. GONSALVES & SON	01/24/2019	2,900.00
8815679	Z-CS-0152	MOULTON RANCH III HOMEOWNERS ASSOC.	01/24/2019	250.00
8815680	N-1474	NIEVES LANDSCAPE, INC.	01/24/2019	300.00
8815681	O-1546	OFFICE SOLUTIONS	01/24/2019	301.71
8815682	Z-CS-0087	PACIFIC MARINE MAMMEL CENTER	01/24/2019	500.00
8815683	P-1833	PEZOLD, ERICA	01/24/2019	1,359.16
8815684	R-1830	RALPHS GROCERY COMPANY	01/24/2019	263.06
8815685	Z-CS-0158	REACH COMMUNITY CHURCH	01/24/2019	250.00
8815686	R-1813	RPW SERVICES, INC.	01/24/2019	1,560.00
8815687	R-1967	RUSSELL, RICHARD WYATT	01/24/2019	2,236.80
8815688	S-1902	SAN DIEGO GAS & ELECTRIC	01/24/2019	25,430.32
8815689	S-2250	SPARKLETTS	01/24/2019	103.96
8815690	S-2059	STAPLETON, VIVIAN	01/24/2019	126.00
8815691	T-2707	TIPTON, ERIC	01/24/2019	292.50

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)

Warrant Register - February 12, 2019

Date Range: 01/11/2019 - 01/31/2019

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8815692	T-2042	TRAUMA INTERVENTION PROGRAMS	01/24/2019	910.32
8815693	T-2706	TREVINO, ROCIO	01/24/2019	72.80
8815694	V-2249	US BANK VOYAGER FLEET SYSTEM	01/24/2019	758.95
8815695	W-2446	WHEELER, DAVID	01/24/2019	92.20
8815696	A-0370	ACCONTEMPS	01/31/2019	747.40
8815697	A-0138	ALL CITY MANAGEMENT, INC.	01/31/2019	2,320.80
8815698	A-0304	AU-YEUNG, MELISSA	01/31/2019	1,017.38
8815699	A-0371	AVENU MUNISERVICES	01/31/2019	2,250.00
8815700	Z-CS-0159	BELLA VISTA @ MOULTON RANCH	01/31/2019	250.00
8815701	C-0412	C&D ELECTRIC, INC.	01/31/2019	929.70
8815702	C-1177	CANON FINANCIAL SERVICES, INC.	01/31/2019	500.75
8815703	C-1075	CITY OF LAGUNA WOODS	01/31/2019	292.00
8815704	C-1139	COMPLETE OFFICE OF CALIFORNIA	01/31/2019	667.64
8815705	C-0023	COX COMMUNICATION	01/31/2019	549.73
8815706	C-0358	CSMFO	01/31/2019	110.00
8815707	Z-CS-0007	DIEHM, LARRY	01/31/2019	250.00
8815708	E-0601	ECOGREEN SOLUTIONS, INC.	01/31/2019	2,271.75
8815709	E-0553	ELKINS, CHRISTINA	01/31/2019	1,783.60
8815710	E-0587	EMC DESIGN	01/31/2019	3,515.00
8815711	H-0829	HARTZOG & CRABILL, INC.	01/31/2019	2,023.30
8815712	I-0960	IRV SEAVER MOTORCYCLES	01/31/2019	290.58
8815713	J-1057	JAMEY CLARK, INC.	01/31/2019	1,298.45
8815714	M-1302	MOULTON NIGUEL WATER DISTRICT	01/31/2019	2,871.38
8815715	N-1474	NIEVES LANDSCAPE, INC.	01/31/2019	245.00
8815716	Z-CD-0032	PAR ELECTRICAL CONTRACTORS	01/31/2019	1,620.00
8815717	S-2289	SANDS, CINDY	01/31/2019	1,030.38
8815718	S-1904	SOUTHERN CALIFORNIA EDISON	01/31/2019	2,686.23
8815719	S-2201	SUNSET PROPERTY SERVICES JONSET CORPORATION	01/31/2019	23,401.71
8815720	T-2681	TOTALFUNDS BY HASLER MAILROOM FINANCE, INC.	01/31/2019	1,000.00
8815721	U-2121	U.S. POSTAL SERVICE	01/31/2019	2,500.00
8815722	W-2300	WHITE, DONALD	01/31/2019	89.88

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)

Warrant Register - February 12, 2019

Date Range: 01/11/2019 - 01/31/2019

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Bank Draft				
DFT0000639	B-0310	THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	01/11/2019	1,601,786.60
DFT0000640	B-0276	BANK OF AMERICA VISA CARD	01/15/2019	1,808.16
DFT0000641	B-0276	BANK OF AMERICA VISA CARD	01/30/2019	271.27
DFT0000642	B-0276	BANK OF AMERICA VISA CARD	01/30/2019	5,182.95
DFT0000643	B-0276	BANK OF AMERICA VISA CARD	01/30/2019	1,733.43
DFT0000644	B-0276	BANK OF AMERICA VISA CARD	01/15/2019	1,039.13
DFT0000645	B-0276	BANK OF AMERICA VISA CARD	01/15/2019	2,694.84

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	120	84	0.00	215,191.34
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	7	7	0.00	1,614,516.38
EFT's	0	0	0.00	0.00
	127	91	0.00	1,829,707.72

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)



City of Laguna Hills, CA

Warrant Register - Payables Detail Report

By Fund

Payment Dates 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
01/11/2019	THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	010819	COP Debt Service Payment	100-000-790650	1,601,786.60
01/14/2019	WHITE, DONALD	011419	Travel Advance, LOCC, Jan '19	100-155-612000	187.50
01/15/2019	BANK OF AMERICA VISA CARD	1220118 POLSVCS	Departmental Expenditure, Dec '18	100-420-610000	-150.00
01/15/2019	BANK OF AMERICA VISA CARD	1220118 POLSVCS	Departmental Expenditure, Dec '18	100-420-622000	2,810.94
01/15/2019	BANK OF AMERICA VISA CARD	1220118 POLSVCS	Departmental Expenditure, Dec '18	100-420-695000	33.90
01/15/2019	BANK OF AMERICA VISA CARD	122018 GENGOV1	Departmental Expenditure, Dec '18	100-155-612000	711.00
01/15/2019	BANK OF AMERICA VISA CARD	122018 GENGOV1	Departmental Expenditure, Dec '18	100-155-622000	806.95
01/15/2019	BANK OF AMERICA VISA CARD	122018 GENGOV1	Departmental Expenditure, Dec '18	100-155-626000	42.01
01/15/2019	BANK OF AMERICA VISA CARD	122018 GENGOV1	Departmental Expenditure, Dec '18	100-155-646100	77.18
01/15/2019	BANK OF AMERICA VISA CARD	122018 GENGOV1	Departmental Expenditure, Dec '18	100-155-695000	171.02
01/15/2019	BANK OF AMERICA VISA CARD	122018 PUBSVCS	Departmental Expenditure, Dec '18	100-355-610000	440.00
01/15/2019	BANK OF AMERICA VISA CARD	122018 PUBSVCS	Departmental Expenditure, Dec '18	100-355-611000	102.31
01/15/2019	BANK OF AMERICA VISA CARD	122018 PUBSVCS	Departmental Expenditure, Dec '18	100-355-622000	291.64
01/15/2019	BANK OF AMERICA VISA CARD	122018 PUBSVCS	Departmental Expenditure, Dec '18	100-355-646100	170.00
01/15/2019	BANK OF AMERICA VISA CARD	122018 PUBSVCS	Departmental Expenditure, Dec '18	100-355-720701	35.18
01/17/2019	COX COMMUNICATION	010519	T-1 Line, City Hall, Jan '19	100-195-630000	956.04
01/17/2019	DE LA TORRES, BENJAMIN	010719	Refund, Fac Dep, R # 1030808.002	100-000-222000	500.00
01/17/2019	DE LA TORRES, BENJAMIN	010719	Refund, Fac Dep, R # 1030808.002	100-000-451100	-160.00
01/17/2019	SOUTHERN CALIFORNIA EDISON	010819	Street Lights, Traffic Control, Dec '18	100-355-631000	215.77
01/17/2019	SOUTHERN CALIFORNIA EDISON	010819	Street Lights, Traffic Control, Dec '18	100-355-631400	8,636.73
01/17/2019	SOUTHERN CALIFORNIA EDISON	010819	Street Lights, Traffic Control, Dec '18	100-355-631900	3,881.48
01/17/2019	SAN DIEGO GAS & ELECTRIC	010919	Street Lights, Traffic Control, Dec '18	100-355-631000	126.69
01/17/2019	SAN DIEGO GAS & ELECTRIC	010919	Street Lights, Traffic Control, Dec '18	100-355-631400	173.95
01/17/2019	SOUTHERN CALIFORNIA EDISON	011219	Street Lights, Traffic Control, Jan '19	100-355-631000	25.49
01/17/2019	SOUTHERN CALIFORNIA EDISON	011219	Street Lights, Traffic Control, Jan '19	100-355-631400	48.95
01/17/2019	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	011519-Q3	Remittance, Disability Access Fees, Jul - Sep '18	100-000-221012	1,852.00
01/17/2019	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	011519-Q4	Remittance, Disability Access Fees, Oct - Dec '18	100-000-221012	1,516.00
01/17/2019	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	011619	Parking Fee Surcharge, Dec '18	100-420-720823	1,861.00

Warrant Register - Payables Detail Report

Payment Dates: 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/17/2019	TYLER TECHNOLOGIES, INC	025-246804	Professional Services, Energov Management, Nov '18	100-195-700090	8,181.25
01/17/2019	PEREZ, PATRICIA	111318	Refund, Fac Dep, R # 1031144.002	100-000-222000	500.00
01/17/2019	COX COMMUNICATION	121718	T-1 Line, Community Center, Nov '18 & Dec '18	100-195-630000	803.08
01/17/2019	COX COMMUNICATION	122018	WiFi, City Hall, Jan '19	100-195-630000	137.32
01/17/2019	WOODRUFF, SPRADLIN & SMART	123118	Professional Services Legal, Dec '18	100-000-223003	137.50
01/17/2019	WOODRUFF, SPRADLIN & SMART	123118	Professional Services Legal, Dec '18	100-000-224001	1,023.00
01/17/2019	WOODRUFF, SPRADLIN & SMART	123118	Professional Services Legal, Dec '18	100-155-700010	18,248.12
01/17/2019	WOODRUFF, SPRADLIN & SMART	123118	Professional Services Legal, Dec '18	100-155-700011	3,477.50
01/17/2019	NEXUSTEK IRVINE, LLC	36290	Professional Services, Software Support, Jan '19	100-195-720050	1,020.00
01/17/2019	SMART & FINAL	3831400058694	Program Supplies, Gen Gov, Dec '18	100-155-622000	17.99
01/17/2019	SMART & FINAL	3831400058694	Program Supplies, Gen Gov, Dec '18	100-155-695000	89.80
01/17/2019	SMART & FINAL	3831400058694	Program Supplies, Gen Gov, Dec '18	100-195-622000	2.79
01/17/2019	SMART & FINAL	3831400082018	Program Supplies, Community Services, Dec '18	100-310-695500	65.99
01/17/2019	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER PARTNERSHIP	418855	Legal Advertising, Dec '18	100-155-624001	1,221.30
01/17/2019	DUNBAR ARMORED, INC.	4334141	Courier Fee, Armored Transport, Jan '19	100-155-625000	155.18
01/17/2019	ACCOUNTEMP	52554206	Professional Services, Gen Gov, 12/31/18-1/4/19	100-155-720000	629.00
01/17/2019	DATA TICKET, INC.	96282	Process Fee, Parking Citations, Dec '18	100-420-720823	691.77
01/17/2019	OFFICE SOLUTIONS	I-01506655	Office & Operating Supplies, Jan '19	100-195-620000	34.39
01/17/2019	OFFICE SOLUTIONS	I-01506655	Office & Operating Supplies, Jan '19	100-355-622000	77.67
01/17/2019	CDW GOVERNMENT, INC.	QMS7091	Computer Hardware, Community Development, Dec '18	100-195-940000	587.23
01/22/2019	SEDGWICK, DON	012219	Travel Advance, ACC-OC Advocacy Trip	100-155-612000	225.00
01/22/2019	WHITE, DONALD	012219	Travel Advance, ACC-OC Advocacy Trip	100-155-612000	225.00
01/22/2019	HEFT, JANINE	012219	Travel Advance, ACC-OC Advocacy Trip	100-155-612000	225.00
01/24/2019	EISENBERG, DALE	012119	Contract Instructor Services, Aikido	100-310-721500	714.00
01/24/2019	IRVINE RANCH WATER DISTRICT	010719	Water Usage, Public Services, Dec '18	100-355-635000	91.71
01/24/2019	SAN DIEGO GAS & ELECTRIC	011419	Street Lights, Traffic Control, Com Ctr, Dec '18	100-310-631100	4,904.46
01/24/2019	SAN DIEGO GAS & ELECTRIC	011419	Street Lights, Traffic Control, Com Ctr, Dec '18	100-355-631000	5,141.93
01/24/2019	SAN DIEGO GAS & ELECTRIC	011419	Street Lights, Traffic Control, Com Ctr, Dec '18	100-355-631400	12,019.95
01/24/2019	SAN DIEGO GAS & ELECTRIC	011419	Street Lights, Traffic Control, Com Ctr, Dec '18	100-355-631900	3,363.98
01/24/2019	RUSSELL, RICHARD WYATT	012119	Contract Instructor Services, Tennis	100-310-721500	2,236.80
01/24/2019	HABASH, JOHN	012119	Contract Instructor Services, Dance	100-310-721500	39.20
01/24/2019	BASICS OF SKATEBOARDING	012119	Contract Instructor Services, Skateboard Instr	100-310-721500	319.20

Warrant Register - Payables Detail Report

Payment Dates: 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/24/2019	STAPLETON, VIVIAN	012119	Contract Instructor Services, Early Childhood	100-310-721500	126.00
01/24/2019	TREVINO, ROCIO	012119	Contract Instructor Services, Zumba	100-310-721500	72.80
01/24/2019	WHEELER, DAVID	012219	Travel Reimbursement, LOCC, Jan '19	100-155-612000	92.20
01/24/2019	PEZOLD, ERICA	012219	Travel Reimbursement, LOCC, Jan '19	100-155-612000	509.16
01/24/2019	PEZOLD, ERICA	012319	Electronic Device Reimbursement	100-195-940000	850.00
01/24/2019	TIPTON, ERIC	1001	Professional Services, IT, Jan '19	100-195-647000	292.50
01/24/2019	ARC DOCUMENT SOLUTIONS, LLC	10017364	Printing Services, Engineering, Jan '19	100-355-623000	87.62
01/24/2019	RALPHS GROCERY COMPANY	119214	Program Supplies, Dec '18	100-310-622500	12.56
01/24/2019	SPARKLETTTS	12194330 010919	Operating Supplies, Community Center, Jan '19	100-310-622005	103.96
01/24/2019	AT&T - CALNET 3	12433604	Traffic Signal, Public Services, Dec '18	100-355-630000	20.73
01/24/2019	AT&T - CALNET 3	12439128	Alarm, Com Ctr & City Hall Lines, Jan '19	100-195-630000	5.24
01/24/2019	AT&T - CALNET 3	12439128	Alarm, Com Ctr & City Hall Lines, Jan '19	100-310-630100	80.18
01/24/2019	RPW SERVICES, INC.	13434	Rodent Control, Public Services, Dec '18	100-355-720700	1,560.00
01/24/2019	JOE A. GONSALVES & SON	157167	Legislative Services, Feb '19	100-155-700000	2,900.00
01/24/2019	TRAUMA INTERVENTION PROGRAMS	1715	Community Program, TIP, Jan - Mar '19	100-420-720821	910.32
01/24/2019	RALPHS GROCERY COMPANY	196688	Program & Operating Supplies, Comm Svcs, Nov '18	100-310-622005	31.42
01/24/2019	RALPHS GROCERY COMPANY	196688	Program & Operating Supplies, Comm Svcs, Nov '18	100-310-695502	33.94
01/24/2019	COMPLETE OFFICE OF CALIFORNIA	2255275-0	Computer Supplies, Jan '19	100-195-621000	107.74
01/24/2019	COMPLETE OFFICE OF CALIFORNIA	2255276-0	Office & Operating Supplies, Jan '19	100-310-620500	10.28
01/24/2019	COMPLETE OFFICE OF CALIFORNIA	2255276-0	Office & Operating Supplies, Jan '19	100-310-622005	64.28
01/24/2019	COMPLETE OFFICE OF CALIFORNIA	2256030-0	Computer Supplies, Jan '19	100-195-621000	255.36
01/24/2019	COMPUTER SERVICE CO.	2553 - 2584	Traffic Signal Maintenance, Dec '18	100-355-720420	5,853.87
01/24/2019	RALPHS GROCERY COMPANY	317417	Program Supplies, Dec '18	100-310-695502	100.10
01/24/2019	GREEN MART, INC.	32970	Operating Supplies, Public Services, Jan '19	100-355-622000	926.65
01/24/2019	RALPHS GROCERY COMPANY	390991	Program Supplies, Dec '18	100-310-622500	5.38
01/24/2019	RALPHS GROCERY COMPANY	438510	Program & Operating Supplies, Comm Svcs, Nov '18	100-310-622005	52.43
01/24/2019	RALPHS GROCERY COMPANY	438510	Program & Operating Supplies, Comm Svcs, Nov '18	100-310-622500	27.23
01/24/2019	ACCONTEMPS	52619192	Professional Services, Gen Gov, 1/7 - 1/11	100-155-720000	747.40
01/24/2019	CHARLES ABBOTT ASSOCIATES, INC.	59105	Road Maintenance, Dec '18	100-355-720400	30,827.54
01/24/2019	CODE PUBLISHING COMPANY, INC.	62301	Municipal Code Update, Dec '18	100-155-700000	469.50
01/24/2019	NIEVES LANDSCAPE, INC.	64627	Miscellaneous Landscape, Public Services, Jan '19	100-355-720700	300.00
01/24/2019	ANDERSON PENNA PARTNERS, INC.	6992	Inspection Services, Dec '18	100-355-700255	10,497.50
01/24/2019	JAMEY CLARK, INC.	70828	Graffiti Patrol, Public Services, Dec '18	100-355-720500	977.50
01/24/2019	JAMEY CLARK, INC.	70829	Park Repair, Public Services, Jan '19	100-355-720701	127.50

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)

Warrant Register - Payables Detail Report

Payment Dates: 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869321901852 GENGOV1	Vehicle Fuel, Dec '18	100-155-613100	196.28
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869321901852 GENGOV1	Vehicle Fuel, Dec '18	100-155-646100	9.00
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869321919852 COMDEV	Vehicle Fuel, Dec '18	100-225-613100	53.11
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869321927852 COMSVCS	Vehicle Fuel, Dec '18	100-310-613100	122.09
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869322032852 POLSVCS	Vehicle Fuel, Dec '18	100-420-613100	94.58
01/24/2019	US BANK VOYAGER FLEET SYSTEM	869322040852 PUBSVCS	Vehicle Fuel, Dec '18	100-355-613100	283.89
01/24/2019	ACACIA KNOLLS HOMEOWNERS ASSOC.	FRD-0151	Refund, Fac Dep, R # 1029833.002	100-000-222000	250.00
01/24/2019	AYSO REGION 1422	FRD-0153	Refund, Fac Dep, R # 1030299.002	100-000-222000	500.00
01/24/2019	AYSO REGION 1422	FRD-0153	Refund, Fac Dep, R # 1030299.002	100-000-451100	-245.00
01/24/2019	MOULTON RANCH III HOMEOWNERS ASSOC.	FRD-0154	Refund, Fac Dep, R # 1028946.002	100-000-222000	250.00
01/24/2019	PACIFIC MARINE MAMMEL CENTER	FRD-0155	Refund, Fac Dep, R # 1032163.002	100-000-222000	500.00
01/24/2019	REACH COMMUNITY CHURCH	FRD-0156	Refund, Fac Dep, R # 1031796.002	100-000-222000	250.00
01/24/2019	OFFICE SOLUTIONS	I-01502894	Office Supplies, Jan '19	100-195-620000	10.78
01/24/2019	OFFICE SOLUTIONS	I-01508605	Office Supplies, Jan '19	100-195-620000	38.79
01/24/2019	OFFICE SOLUTIONS	I-01509377	Office Supplies, Jan '19	100-195-620000	126.76
01/24/2019	OFFICE SOLUTIONS	I-01509385	Office Supplies, Jan '19	100-195-620000	125.38
01/24/2019	CDW GOVERNMENT, INC.	QQL4488	Computer Software, Gen Gov, Dec '18	100-195-720050	1,730.50
01/24/2019	FINGERPRINT ID (AFIS) LAW ENF.SH 52274 - COUNTY OF ORANGE		Fingerprint ID System Charges, Jan '19	100-420-720835	1,272.00
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-000-120000	648.00
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-155-622000	89.26
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-225-610000	508.00
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-225-622000	91.73
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-225-626000	312.08
01/30/2019	BANK OF AMERICA VISA CARD	122018 COMDEV	Departmental Expenditure, Dec '18	100-225-646100	84.36
01/30/2019	BANK OF AMERICA VISA CARD	122018 GENGOV2	Departmental Expenditure, Dec '18	100-155-620000	271.27
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-610000	100.00
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-622500	114.21
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-622501	148.70
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-646100	223.35
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-646500	12.26
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-695500	662.67
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-695502	339.16
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-695505	116.00
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-695507	258.60

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Warrant Register - Payables Detail Report

Payment Dates: 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/30/2019	BANK OF AMERICA VISA CARD	122118 COMSVCS	Departmental Expenditure, Dec '18	100-310-910500	3,208.00
01/31/2019	TOTALFUNDS BY HASLER MAILROOM FINANCE, INC.	010319	Postage Replenishment, Jan '19	100-195-625000	1,000.00
01/31/2019	MOULTON NIGUEL WATER DISTRICT	011619	Water Usage, Public Services & Com Ctr, Jan '19	100-310-635100	479.11
01/31/2019	MOULTON NIGUEL WATER DISTRICT	011619	Water Usage, Public Services & Com Ctr, Jan '19	100-355-635000	2,392.27
01/31/2019	SOUTHERN CALIFORNIA EDISON	011719	Street Lights, Traffic Control, Jan '19	100-355-631000	310.73
01/31/2019	SOUTHERN CALIFORNIA EDISON	011719	Street Lights, Traffic Control, Jan '19	100-355-631400	1,929.15
01/31/2019	SOUTHERN CALIFORNIA EDISON	011719	Street Lights, Traffic Control, Jan '19	100-355-631900	446.35
01/31/2019	COX COMMUNICATION	011819	T-1 Line, Community Center, Jan '19	100-195-630000	370.11
01/31/2019	COX COMMUNICATION	011919	WiFi, City Hall, Feb '19	100-195-630000	179.62
01/31/2019	ELKINS, CHRISTINA	012319	Contract Instructor Services, Dance	100-310-721500	1,783.60
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-155-611000	90.50
01/31/2019	AU-YEUNG, MELISSA	012819	Travel Reimbursement, LOCC, Jan '19	100-155-612000	1,017.38
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-155-622000	486.64
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-155-695000	70.85
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-195-620000	98.19
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-195-622000	122.20
01/31/2019	CITY OF LAGUNA WOODS	012819	Program Expense, 1/2 Marathon	100-310-695507	292.00
01/31/2019	SANDS, CINDY	012819	Petty Cash Replenishment, Dec '18 - Jan '19	100-355-611000	162.00
01/31/2019	CSMFO	012919	Membership Due, 2019	100-155-610000	110.00
01/31/2019	U.S. POSTAL SERVICE	012919	Postage, City Views, Spring 2019	100-195-625000	2,500.00
01/31/2019	WHITE, DONALD	013019	Travel Reimbursement, Washington DC, ACC-OC	100-155-612000	89.88
01/31/2019	SUNSET PROPERTY SERVICES JONSET CORPORATION	115999	Street Sweeping Services, Nov '18	100-355-720410	11,664.50
01/31/2019	SUNSET PROPERTY SERVICES JONSET CORPORATION	116057	Street Sweeping Services, Dec '18	100-355-720410	11,737.21
01/31/2019	HARTZOG & CRABILL, INC.	18-0819	Traffic Signal Mgmt Services, Dec '18	100-355-700100	2,023.30
01/31/2019	CANON FINANCIAL SERVICES, INC.	19660088	Lease - Copier, City Hall, Jan '19	100-195-641200	220.89
01/31/2019	CANON FINANCIAL SERVICES, INC.	19660089	Lease - Copier, Community Services, Jan '19	100-195-641200	279.86
01/31/2019	IRV SEAVER MOTORCYCLES	20190177	Motorcycle Maintenance, Police Svcs, Jan '19	100-420-646100	290.58
01/31/2019	COMPLETE OFFICE OF CALIFORNIA	2259144-0	Office & Operating Supplies, Jan '19	100-310-620500	109.07
01/31/2019	COMPLETE OFFICE OF CALIFORNIA	2259144-0	Office & Operating Supplies, Jan '19	100-310-622005	68.35
01/31/2019	COMPLETE OFFICE OF CALIFORNIA	2260574-0	Computer Supplies, Jan '19	100-195-621000	490.22
01/31/2019	ACCOUNTEMP	52659186	Professional Services, Gen Gov, 1/14 - 1/18	100-155-720000	747.40
01/31/2019	ALL CITY MANAGEMENT, INC.	58944	Crossing Guard Services, 12/30/18-1/12/19	100-420-720822	2,320.80
01/31/2019	NIEVES LANDSCAPE, INC.	64642	Miscellaneous Landscape, Public Services, Dec '18	100-355-720700	105.00

Warrant Register - Payables Detail Report

Payment Dates: 01/11/2019 - 01/31/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
01/31/2019	NIEVES LANDSCAPE, INC.	64643	Miscellaneous Landscape, Jan '19	100-355-720700	140.00
01/31/2019	JAMEY CLARK, INC.	70837	Graffiti Removal, Public Services, Jan '19	100-355-720500	91.00
01/31/2019	JAMEY CLARK, INC.	70841	Park Repair, Public Services, Jan '19	100-355-720701	106.25
01/31/2019	JAMEY CLARK, INC.	70847	Park Repair, Public Services, Jan '19	100-355-720701	148.75
01/31/2019	JAMEY CLARK, INC.	70852	Park Repair, Public Services, Jan '19	100-355-720701	130.10
01/31/2019	JAMEY CLARK, INC.	70853	Graffiti Removal, Public Services, Jan '19	100-355-720500	180.00
01/31/2019	JAMEY CLARK, INC.	70865	Park Repair, Public Services, Jan '19	100-355-720701	148.75
01/31/2019	JAMEY CLARK, INC.	70871	Graffiti Removal, Public Services, Jan '19	100-355-720500	157.75
01/31/2019	JAMEY CLARK, INC.	70876	Graffiti Removal, Public Services, Jan '19	100-355-720500	85.00
01/31/2019	JAMEY CLARK, INC.	70886	Park Repair, Public Services, Jan '19	100-355-720701	250.85
01/31/2019	ECOGREEN SOLUTIONS, INC.	800189	Lighting Repairs, Public Services, Jan '19	100-355-720701	2,271.75
01/31/2019	C&D ELECTRIC, INC.	84790LH	Park Repairs, Public Services, Jan '19	100-355-720701	467.70
01/31/2019	C&D ELECTRIC, INC.	84796LH	Park Repairs, Public Services, Jan '19	100-355-720701	336.00
01/31/2019	C&D ELECTRIC, INC.	84802	Park Repairs, Public Services, Jan '19	100-355-720701	126.00
01/31/2019	PAR ELECTRICAL CONTRACTORS	CD-242-ENC-6-16-3558	Reissue Refund Check, Enc-6-16-3558, CR# 53783	100-000-201005	1,620.00
01/31/2019	EMC DESIGN	E201589	City Views, Spring Issue	100-155-695000	3,515.00
01/31/2019	BELLA VISTA @ MOULTON RANCH	FRD-0152	Refund, Fac Dep, R # 1031186.002	100-000-222000	250.00
01/31/2019	DIEHM, LARRY	FRD-0157	Refund, Fac Dep, R # 1031481.002	100-000-222000	250.00
01/31/2019	AVENU MUNISERVICES	INV06-004430	Professional Services, CAFR	100-155-626000	2,250.00
Fund 100 - GENERAL FUND Total:					1,822,064.80
Fund: 312 - CASp					
01/17/2019	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	011519-Q3	Remittance, Disability Access Fees, Jul - Sep '18	312-000-442000	-1,666.80
01/17/2019	DIVISION OF THE STATE ARCHITECT STATE OF CALIFORNIA	011519-Q4	Remittance, Disability Access Fees, Oct - Dec '18	312-000-442000	-1,364.40
Fund 312 - CASp Total:					-3,031.20
Fund: 451 - LIABILITY SELF-INSURANCE					
01/17/2019	WOODRUFF, SPRADLIN & SMART	123118	Professional Services Legal, Dec '18	451-155-700011	10,674.12
Fund 451 - LIABILITY SELF-INSURANCE Total:					10,674.12
Fund: 650 - Debt Service Fund					
01/11/2019	THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	010819	COP Debt Service Payment	650-000-104100	1,601,786.60
01/11/2019	THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	010819	COP Debt Service Payment	650-000-490100	-1,601,786.60
Fund 650 - Debt Service Fund Total:					0.00
Grand Total:					1,829,707.72

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)

Report Summa

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	1,822,064.80	1,822,064.80
312 - CASp	-3,031.20	-3,031.20
451 - LIABILITY SELF-INSURANCE	10,674.12	10,674.12
650 - Debt Service Fund	0.00	0.00
Grand Total:	1,829,707.72	1,829,707.72

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-120000	Accounts Receivable	648.00	648.00
100-000-201005	Unclaimed Checks	1,620.00	1,620.00
100-000-221012	SB1186 ADA	3,368.00	3,368.00
100-000-222000	Refundable Deposits	3,250.00	3,250.00
100-000-223003	Plan App Deposit-	137.50	137.50
100-000-224001	Deposit for Developer	1,023.00	1,023.00
100-000-451100	Recreation Fees-	-405.00	-405.00
100-000-790650	Transfers to Debt Service	1,601,786.60	1,601,786.60
100-155-610000	Memberships and Dues	110.00	110.00
100-155-611000	Training and Education	90.50	90.50
100-155-612000	Travel, Conferences &	3,282.12	3,282.12
100-155-613100	Vehicle-Fuel	196.28	196.28
100-155-620000	Office Supplies	271.27	271.27
100-155-622000	Operating Supplies	1,400.84	1,400.84
100-155-624001	Advertising - Legal	1,221.30	1,221.30
100-155-625000	Postage & Delivery	155.18	155.18
100-155-626000	Subscriptions & Books	2,292.01	2,292.01
100-155-646100	Maint & Repairs - Vehicles	86.18	86.18
100-155-695000	CommunityAsstnc/PublicR	3,846.67	3,846.67
100-155-700000	Professional Services	3,369.50	3,369.50
100-155-700010	Legal Services-General	18,248.12	18,248.12
100-155-700011	Legal Services-Litigation	3,477.50	3,477.50
100-155-720000	Contract Services	2,123.80	2,123.80
100-195-620000	Office Supplies	434.29	434.29
100-195-621000	Computer Supplies	853.32	853.32
100-195-622000	Operating Supplies	124.99	124.99
100-195-625000	Postage & Delivery	3,500.00	3,500.00
100-195-630000	Telephone &	2,451.41	2,451.41
100-195-641200	Rent/Lease - Copier	500.75	500.75
100-195-647000	Maint & Repair - Comp	292.50	292.50
100-195-700090	Computer Consulting	8,181.25	8,181.25
100-195-720050	Contract Serv-Software	2,750.50	2,750.50
100-195-940000	Computer Hardware &	1,437.23	1,437.23
100-225-610000	Memberships and Dues	508.00	508.00
100-225-613100	Vehicle-Fuel	53.11	53.11
100-225-622000	Operating Supplies	91.73	91.73
100-225-626000	Subscriptions & Books	312.08	312.08
100-225-646100	Maint & Repairs - Vehicles	84.36	84.36
100-310-610000	Memberships and Dues	100.00	100.00
100-310-613100	Vehicle-Fuel	122.09	122.09
100-310-620500	Office Supplies - Comm Ctr	119.35	119.35
100-310-622005	Operating Supplies Comm	320.44	320.44
100-310-622500	Supplies-Program Services	159.38	159.38
100-310-622501	Supplies-Youth Leagues	148.70	148.70
100-310-630100	Phone & Communication	80.18	80.18
100-310-631100	Utilities - Electric Comm	4,904.46	4,904.46
100-310-635100	Utilities - Water Comm Ctr	479.11	479.11
100-310-646100	Maint & Repairs - Vehicles	223.35	223.35
100-310-646500	Maint&Repair-	12.26	12.26

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-310-695500	Special Events-Program	728.66	728.66
100-310-695502	Special Needs Program	473.20	473.20
100-310-695505	Cultural Excursions	116.00	116.00
100-310-695507	Marathon 5k	550.60	550.60
100-310-721500	Contract Services-Program	5,291.60	5,291.60
100-310-910500	Equip & Mach-CommCtr	3,208.00	3,208.00
100-355-610000	Memberships and Dues	440.00	440.00
100-355-611000	Training and Education	264.31	264.31
100-355-613100	Vehicle-Fuel	283.89	283.89
100-355-622000	Operating Supplies	1,295.96	1,295.96
100-355-623000	Printing	87.62	87.62
100-355-630000	Telephone &	20.73	20.73
100-355-631000	Utilities - Electric	5,820.61	5,820.61
100-355-631400	Electric-Street	22,808.73	22,808.73
100-355-631900	UtilitiesElectricOnBillFinan	7,691.81	7,691.81
100-355-635000	Utilities - Water	2,483.98	2,483.98
100-355-646100	Maint & Repairs - Vehicles	170.00	170.00
100-355-700100	City Engineer	2,023.30	2,023.30
100-355-700255	Improvement Inspection	10,497.50	10,497.50
100-355-720400	Street Maintenance	30,827.54	30,827.54
100-355-720410	Street Sweeping	23,401.71	23,401.71
100-355-720420	Traffic Signal Maintenance	5,853.87	5,853.87
100-355-720500	Graffiti Removal	1,491.25	1,491.25
100-355-720700	Landscape Maintenance	2,105.00	2,105.00
100-355-720701	Parks Contract Repair	4,148.83	4,148.83
100-420-610000	Memberships and Dues	-150.00	-150.00
100-420-613100	Vehicle-Fuel	94.58	94.58
100-420-622000	Operating Supplies	2,810.94	2,810.94
100-420-646100	Maint & Repairs - Vehicles	290.58	290.58
100-420-695000	CommunityAsstnc/PublicR	33.90	33.90
100-420-720821	Trauma Intervention	910.32	910.32
100-420-720822	Crossing Guard Services	2,320.80	2,320.80
100-420-720823	Parking Citation Processing	2,552.77	2,552.77
100-420-720835	Fingerprint Identification	1,272.00	1,272.00
312-000-442000	Building Related Permits	-3,031.20	-3,031.20
451-155-700011	Legal Services-Litigation	10,674.12	10,674.12
650-000-104100	Restricted Cash	1,601,786.60	1,601,786.60
650-000-490100	Transfer In - General Fund	-1,601,786.60	-1,601,786.60
Grand Total:		1,829,707.72	1,829,707.72

Project Account Summary

Project Account Key	Expense Amount	Payment Amount
None	1,829,707.72	1,829,707.72
Grand Total:	1,829,707.72	1,829,707.72

Attachment: Warrant Register - February 12, 2019 (1790 : Approval of Warrant Register for February 12, 2019)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Civic Center Second Quarter Financial Report for Fiscal Year 2018/2019

RECOMMENDATION: That the City Council receive and file the report.

SUMMARY:

This Civic Center Second Quarter Financial Report for Fiscal Year 2018/2019 is intended to provide the City Council with an overview of the Civic Center leasing operation finances as of December 31, 2018.

The abridged Balance Sheet and Income Statement summary for the Laguna Hills Civic Center leasing operation is in Tables 1 & 2. As of December 31, 2018, the balance sheet shows equity of \$7,926,040.

Table 1: Abridged Balance Sheet
As of December 31, 2018

ASSETS	
Total Current Assets	\$ 332,501
Total Fixed Assets	\$ 7,647,525
TOTAL ASSETS	\$ 7,980,026
LIABILITY & EQUITY	
Total Current Liabilities	\$ 53,986
Total Equity	\$ 7,926,040
TOTAL LIABILITIES & EQUITY	\$ 7,980,026

Table 2: Income Statement Summary
For the Period Ended December 31, 2018

	Actuals	Budgeted	Variance
Total Income	\$ 322,295	\$ 309,291	\$ 13,004
Total Expenses	\$ 267,690	\$ 303,958	\$ (36,269)
NET INCOME/(LOSS)	<u>\$ 54,605</u>	<u>\$ 5,332</u>	

As shown in Table 2, Essex Realty, the management company for the property, reported a net income of \$54,605 for the six months of leasing activity from July 1, 2018, to December 31, 2018. After adding back contra rent revenue associated with the City's occupied spaces, the effective net income for the quarter is \$329,587.

A detailed Balance Sheet, Income Statement, and Check Register for the three months of the quarter have been provided as attachments to this report.

ATTACHMENTS:

- Balance Sheet as of December 31, 2018
- Income Statement for the Period Ending December 31, 2018
- Check Register for October, November, and December 2018

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

Dec 2018

ASSETS

CURRENT ASSETS

Cash - Operating	161,065.28
Cash - MMA	125,624.42

TOTAL CASH AND CASH EQUIVALENTS	286,689.70
--	-------------------

Accounts Receivable	5,354.92
Prepaid Insurance	40,456.09

NET ACCOUNTS RECEIVABLE	45,811.01
--------------------------------	------------------

TOTAL CURRENT ASSETS	332,500.71
-----------------------------	-------------------

FIXED ASSETS

Land	2,855,425.10
Building	3,344,613.52
Capital Improvements	9,975,099.29
Tenant Improvements	1,343,094.05
Lease Commissions	299,149.24
Accumulated Depreciation	(10,169,856.30)

TOTAL FIXED ASSETS	7,647,524.90
---------------------------	---------------------

TOTAL ASSETS	7,980,025.61
---------------------	---------------------

LIABILITIES & EQUITY

CURRENT LIABILITY

Accounts Payable	8,632.09
Accrued Expenses	3,826.00
Security Deposits	41,527.93

TOTAL CURRENT LIABILITY	53,986.02
--------------------------------	------------------

LONG TERM LIABILITY

TOTAL LONG TERM LIABILITIES	0.00
------------------------------------	-------------

EQUITY

Current Yr Earnings	54,604.85
Distribution	(700,000.00)
Capital	6,064,688.39
Paid by Owner	8,940,638.49
Funds from Owner	1,686,863.71
Retained Earnings	(8,120,755.85)

TOTAL EQUITY	7,926,039.59
---------------------	---------------------

Attachment: Balance Sheet as of December 31, 2018 (1793 : Civic Center Second Quarter Financial Report for FY 18/19)

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

Dec 2018

TOTAL LIABILITIES & EQUITY

7,980,025.61

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	6 Months
Thru:	Dec 2018	Dec 2018
INCOME		
RENTAL INCOME		
Rent	110,413.95	595,655.58
Contra Revenue	(45,830.40)	(274,982.40)
CAM Revenue	5,746.55	34,872.96
Contra CAM	(5,584.68)	(33,508.08)
TOTAL RENTAL INCOME	64,745.42	322,038.06
RECOVERY INCOME		
TOTAL RECOVERY INCOME	0.00	0.00
OTHER INCOME		
NSF Revenue	0.00	225.00
TOTAL OTHER INCOME	0.00	225.00
TOTAL INCOME	64,745.42	322,263.06

EXPENSES

DIRECT OPERATING EXPENSES

Security-Fire Alarms	217.00	1,995.00
Cleaning Contract-Janitor	3,293.56	19,798.96
Add'l Cleaning-DayPorter	3,279.20	19,675.20
Cleaning Supplies	856.63	3,070.04
Window Cleaning	2,876.00	2,876.00
Mgmt Fee-Agent	4,094.70	22,943.07
HVAC Contract Services	1,008.00	6,062.24
HVAC Repair/Maint	4,339.34	11,436.99
Elevator Contract Service	541.70	3,128.40
Elevator Repair/Maint	0.00	225.00
Waterproofing & Roofing	10,095.00	10,095.00
Fire, Life, Safety	0.00	210.16
Plumbing Repairs/Supplies	525.00	675.00
Electrical Repair/Maint	0.00	2,433.41
Doors & Locks	119.20	139.85
Floor & Carpet Rpr/Maint	0.00	1,615.00
Pest Control	77.00	450.00
Misc Repair/Maint	2,225.00	4,450.00
Electricity-General	4,075.01	54,147.81
Gas	48.07	226.52
Water & Sewer	2,461.25	8,316.49
Property Telephone	482.52	2,935.27
Pkg Lot-Lighting	1,550.00	3,175.00
Pkg Lot-Sweeping	221.00	1,326.00
Landscaping Contract	2,400.00	14,400.00
Landscaping-Interior	447.26	2,292.38
Fountain Maintenance	275.00	1,025.00

Attachment: Income Statement for the Period Ending December 31, 2018 (1793 : Civic Center Second Quarter Financial Report for FY 18/19)

Database: ESSEXREALTY
 ENTITY: 742

Income Statement
Income Statement
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 2
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Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	6 Months
Thru:	Dec 2018	Dec 2018
Insurance	5,649.97	33,899.83
Insurance - Earthquake	1,092.71	9,142.01
Real Estate Taxes	4,181.82	5,594.94
TOTAL DIRECT OPERATING EXPENSES	56,431.94	247,760.57
NET OPERATING INCOME	8,313.48	74,502.49
OTHER INCOME & EXPENSES		
Advertising & Promotion	1,575.00	1,790.05
Legal Fees	595.00	2,407.50
Admin & Professional Exp.	2,015.70	2,490.87
Environmental Expense	0.00	186.00
Tenant Space Refurb	421.93	610.93
Repairs & Maint- Indirect	2,552.33	12,443.77
Interest Income	(5.16)	(31.48)
TOTAL OTHER INCOME & EXPENSES	7,154.80	19,897.64
NET INCOME/(LOSS)	1,158.68	54,604.85

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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10/18 Through 10/18

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105098	10/1/2018	10/18	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000011922846	9/15/2018	10/22/2018	483.13	0.00	483.13
@	9391060982	08/15/18-09/14/18 BAN 9391060982							
						<i>Check Total:</i>	483.13	0.00	483.13
105099	10/1/2018	10/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-091318	9/13/2018	10/3/2018	697.86	0.00	697.86
@	169922449540	08/13/18-09/13/18 Mtr 08956098							
						<i>Check Total:</i>	697.86	0.00	697.86
105100	10/1/2018	10/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-091318	9/13/2018	10/3/2018	61.36	0.00	61.36
@	169922449542	08/13/18-09/13/18 Mtr 00036069							
						<i>Check Total:</i>	61.36	0.00	61.36
105101	10/1/2018	10/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-091318	9/13/2018	10/3/2018	433.74	0.00	433.74
@	169922449548	08/13/18-09/13/18 Mtr 08188857							
						<i>Check Total:</i>	433.74	0.00	433.74
105102	10/1/2018	10/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-092118	9/21/2018	10/10/2018	3,992.30	0.00	3,992.30
@	2270506934	08/21/18-09/20/18 Mtr 259000-050224							
						<i>Check Total:</i>	3,992.30	0.00	3,992.30
105103	10/1/2018	10/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-092518	9/25/2018	10/15/2018	6,332.09	0.00	6,332.09
@	2265197749	08/22/18-09/21/18 Mtr 259000-050223							
						<i>Check Total:</i>	6,332.09	0.00	6,332.09
105104	10/1/2018	10/18	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1303733-IN	9/25/2018	9/25/2018	3,293.28	0.00	3,293.28
@	111	09/18 Janitorial Svc							
						<i>Check Total:</i>	3,293.28	0.00	3,293.28

Attachment: Check Register for October, November, and December 2018 (1793 : Civic Center Second

Database: ESSEXREALTY
 ENTITY: 742

Check Register
 Essex Realty SaaS DB
 CITY OF LAGUNA HILLS

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10/18 Through 10/18

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105105	10/1/2018	10/18	AIRCO1	AIR CONTROL SYSTEMS INC					
742		5410-0000	HVAC Contract Services	INV-04854	9/26/2018	10/26/2018	2,758.00	0.00	2,758.00
@	A12407	07/18-09/18 HVAC PM Svc							
						<i>Check Total:</i>	2,758.00	0.00	2,758.00
105106	10/1/2018	10/18	LIVIN1	DONALD GILBERT dba					
742		5562-0000	Landscaping-Interior	T81569	9/20/2018	10/20/2018	329.00	0.00	329.00
@	10/18 Int Plant Svc								
742		5562-0000	Landscaping-Interior	T81569	9/20/2018	10/20/2018	23.65	0.00	23.65
@	Bromeliad Flwr Instl								
						<i>Check Total:</i>	352.65	0.00	352.65
105107	10/1/2018	10/18	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1351079-A	9/12/2018	10/7/2018	100.00	0.00	100.00
@	348817	10/18 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect	1351079-A	9/12/2018	10/7/2018	327.33	0.00	327.33
@	348817	10/18 Sys Maint							
						<i>Check Total:</i>	427.33	0.00	427.33
105108	10/10/2018	10/18	AIRCO1	AIR CONTROL SYSTEMS INC					
742		5415-0000	HVAC Repair/Maint	INV-05030	8/31/2018	9/30/2018	525.50	0.00	525.50
@	A12407	1st FL C/A Clear Drain Pan							
						<i>Check Total:</i>	525.50	0.00	525.50
105109	10/10/2018	10/18	HATTOX	HATTOX DESIGN GROUP LLC					
742		7320-0000	Admin & Professional Exp.	1809100	9/27/2018	10/27/2018	225.00	0.00	225.00
@	160 Drawings Copies								
						<i>Check Total:</i>	225.00	0.00	225.00
105110	10/10/2018	10/18	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	503076	10/1/2018	10/1/2018	3,279.20	0.00	3,279.20
@	33013	10/18 Dayporter Svc							
						<i>Check Total:</i>	3,279.20	0.00	3,279.20
105111	10/10/2018	10/18	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract	64044	10/1/2018	10/31/2018	2,400.00	0.00	2,400.00

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Check Register
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 CITY OF LAGUNA HILLS

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10/18 Through 10/18

Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number	Vendor ID Account Name Description	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
<i>Check Total:</i>								150.00	0.00	150.00
105118 742 @	10/15/2018 RR Instll LEDs	10/18 5465-0000	LIGHT4 Electrical Repair/Maint	LIGHTING TECHNOLOGY SERVICES INC	1262674	10/4/2018	11/3/2018	961.18	0.00	961.18
<i>Check Total:</i>								961.18	0.00	961.18
105119 742 @	10/15/2018 10/18 Sweeping Svc	10/18 5525-0000	TSCMCO Pkg Lot-Sweeping	TSCM CORPORATION	1088099	10/1/2018	10/31/2018	221.00	0.00	221.00
<i>Check Total:</i>								221.00	0.00	221.00
105120 742 @	10/22/2018 742	10/18 7305-0000	ESSEX Advertising & Promotion Tenant Holiday Appreciation	ESSEX REALTY MANAGEMENT INC	742-102018	10/20/2018	10/20/2018	215.05	0.00	215.05
<i>Check Total:</i>								215.05	0.00	215.05
105121 742 @	10/23/2018 111	10/18 5160-0000	ABLEBU Cleaning Supplies 09/18 Supplies	CROWN BLDG MAINTENANCE CO INC dba	M1307609-IN	9/30/2018	9/30/2018	873.91	0.00	873.91
<i>Check Total:</i>								873.91	0.00	873.91
105122 742 @	10/23/2018 7 Poinsettia Flwrs	10/18 5562-0000	LIVIN1 Landscaping-Interior	DONALD GILBERT dba	T81738	10/10/2018	11/9/2018	105.52	0.00	105.52
<i>Check Total:</i>								105.52	0.00	105.52
105123 742 @	10/23/2018 3018	10/18 5490-0000	SKYLIN Pest Control 10/18 Pest/Rodent Control	CTJAMJT CORPORATION dba	107857	10/17/2018	11/16/2018	75.00	0.00	75.00
<i>Check Total:</i>								75.00	0.00	75.00
<i>CITY OF LAGUNA HILLS Total:</i>								33,170.42	0.00	33,170.42

Attachment: Check Register for October, November, and December 2018 (1793 : Civic Center Second

Database: ESSEXREALTY
 ENTITY: 742

Check Register
 Essex Realty SaaS DB
 CITY OF LAGUNA HILLS

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10/18 Through 10/18

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Invoice	Discount	Check	
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount	
Dept	Reference	Description							
						<i>Grand Total:</i>	33,170.42	0.00	33,170.42

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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11/18 Through 11/18

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105124	10/29/2018	11/18	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000012061486	10/15/2018	11/14/2018	493.28	0.00	493.28
@	9391060982	09/15/18-10/14/18 BAN 9391060982							
						<i>Check Total:</i>	493.28	0.00	493.28
105125	10/29/2018	11/18	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-101018	10/10/2018	10/10/2018	95.54	0.00	95.54
@	0017601048511901	10/05/18-11/04/18 DSL for EMS							
						<i>Check Total:</i>	95.54	0.00	95.54
105126	11/2/2018	11/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-101018	10/10/2018	10/31/2018	629.66	0.00	629.66
@	169922449540	09/13/18-10/10/18 Mtr 08956098							
						<i>Check Total:</i>	629.66	0.00	629.66
105127	11/2/2018	11/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-101018	10/10/2018	10/31/2018	61.36	0.00	61.36
@	169922449542	09/13/18-10/10/18 Mtr 00036069							
						<i>Check Total:</i>	61.36	0.00	61.36
105128	11/2/2018	11/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-101018	10/10/2018	10/31/2018	390.35	0.00	390.35
@	169922449548	09/13/18-10/10/18 Mtr 08188857							
						<i>Check Total:</i>	390.35	0.00	390.35
105129	11/2/2018	11/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-102018	10/20/2018	11/8/2018	2,907.41	0.00	2,907.41
@	2270506934	09/20/18-10/19/18 Mtr 259000-050224							
						<i>Check Total:</i>	2,907.41	0.00	2,907.41
105130	11/2/2018	11/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-102418	10/24/2018	11/13/2018	4,623.38	0.00	4,623.38
@	2265197749	09/21/18-10/22/18 Mtr 259000-050223							
						<i>Check Total:</i>	4,623.38	0.00	4,623.38

Attachment: Check Register for October, November, and December 2018 (1793 : Civic Center Second

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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11/18 Through 11/18

Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
105131 742 @	11/13/2018 11/18 Mgmt Fee	11/18 5305-0000	ESSEX Mgmt Fee-Agent	ESSEX REALTY MANAGEMENT INC	742 110118	11/1/2018	11/1/2018	3,690.00	0.00	3,690.00
<i>Check Total:</i>								3,690.00	0.00	3,690.00
105132 742 @	11/13/2018 14430971474	11/18 5500-0000	THE GAS Gas	THE GAS COMPANY	71474-110218	11/2/2018	11/27/2018	34.38	0.00	34.38
<i>Check Total:</i>								34.38	0.00	34.38
105133 742 @	11/13/2018 111	11/18 5130-0000	ABLEBU Cleaning Contract-Janitor	CROWN BLDG MAINTENANCE CO INC dba	M1309701-IN	10/24/2018	10/24/2018	3,293.28	0.00	3,293.28
<i>Check Total:</i>								3,293.28	0.00	3,293.28
105134 742 @ 742 @ 742 @	11/13/2018 A12407 A12407 A12407	11/18 5415-0000 5415-0000 5415-0000	HVAC Repair/Maint 203 Rpr AC Control Board HVAC Repair/Maint 100 Temp Leak Rpr HVAC Repair/Maint 301 Rpr Damaged Wiring	AIRCO1 AIR CONTROL SYSTEMS INC	INV-05320 INV-06284 INV-06457	8/31/2018 9/30/2018 10/23/2018	9/30/2018 10/30/2018 11/22/2018	912.00 938.04 900.28	0.00 0.00 0.00	912.00 938.04 900.28
<i>Check Total:</i>								2,750.32	0.00	2,750.32
105135 742 @	11/13/2018 Fountain Cptrol Rm	11/18 5475-0000	CONTRO Doors & Locks	CONTROLLED KEY SYSTEMS INC	WO-0001235	10/23/2018	11/22/2018	20.65	0.00	20.65
<i>Check Total:</i>								20.65	0.00	20.65
105136 742 @	11/13/2018 Elevator Permit	11/18 5440-0000	DEPAR4 Elevator Repair/Maint	DEPARTMENT OF INDUSTRIAL RELATIONS	E 1593024 SN	10/12/2018	11/11/2018	225.00	0.00	225.00
<i>Check Total:</i>								225.00	0.00	225.00
105137 742	11/13/2018	11/18 5448-0000	FIRESA Fire, Life, Safety	THE BRETHREN INC dba	1056436	10/30/2018	11/29/2018	210.16	0.00	210.16

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Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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11/18 Through 11/18

Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name	Vendor Name	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
742	@	Legal Fees for Carno	Law							
		7310-0000	Legal Fees		119057	11/1/2018	12/1/2018	385.00	0.00	385.00
	@	Legal Fees for Rick	Fenelli							
<i>Check Total:</i>								455.00	0.00	455.00
105144	11/13/2018	11/18	SOUT39	JEFF ALEXANDER dba						
742		5565-0000	Fountain Maintenance		371-20	11/1/2018	12/1/2018	150.00	0.00	150.00
	@	11/18 Fountain Svc								
<i>Check Total:</i>								150.00	0.00	150.00
105145	11/13/2018	11/18	SSDSYS	SECURITY SIGNAL DEVICES INC dba						
742		5121-0000	Security-Fire Alarms		1357560-A	10/11/2018	11/5/2018	100.00	0.00	100.00
	@	348817	11/18 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect		1357560-A	10/11/2018	11/5/2018	327.33	0.00	327.33
	@	348817	11/18 Sys Maint							
<i>Check Total:</i>								427.33	0.00	427.33
105146	11/13/2018	11/18	TSCMCO	TSCM CORPORATION						
742		5525-0000	Pkg Lot-Sweeping		1118095	11/1/2018	12/1/2018	221.00	0.00	221.00
	@	11/18 Sweeping Svc								
<i>Check Total:</i>								221.00	0.00	221.00
105147	11/20/2018	11/18	COXCOM	COX COMMUNICATIONS						
742		5410-0000	HVAC Contract Services		11901-110518	11/5/2018	11/26/2018	95.00	0.00	95.00
	@	0017601048511901	11/05/18-12/04/18 DSL for EMS							
<i>Check Total:</i>								95.00	0.00	95.00
105148	11/20/2018	11/18	HERITA	HERITAGE WINDOW COVERINGS INC						
742		7330-0000	Tenant Space Refurb		020129	11/12/2018	11/12/2018	189.00	0.00	189.00
	@	ESSEX8	City Offc Instl Blinds							
<i>Check Total:</i>								189.00	0.00	189.00
<i>CITY OF LAGUNA HILLS Total:</i>								30,928.95	0.00	30,928.95
<i>Grand Total:</i>								30,928.95	0.00	30,928.95

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105149	12/4/2018	12/18	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000012187880	11/15/2018	12/24/2018	492.61	0.00	492.61
@	9391060982	10/15/18-11/14/18 BAN 9391060982							
						<i>Check Total:</i>	<i>492.61</i>	<i>0.00</i>	<i>492.61</i>
105150	12/4/2018	12/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-111318	11/13/2018	12/3/2018	1,175.26	0.00	1,175.26
@	169922449540	10/10/18-11/13/18 Mtr 08956098							
						<i>Check Total:</i>	<i>1,175.26</i>	<i>0.00</i>	<i>1,175.26</i>
105151	12/4/2018	12/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-111318	11/13/2018	12/3/2018	67.44	0.00	67.44
@	169922449542	10/10/18-11/13/18 Mtr 00036069							
						<i>Check Total:</i>	<i>67.44</i>	<i>0.00</i>	<i>67.44</i>
105152	12/4/2018	12/18	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-111318	11/13/2018	12/3/2018	444.55	0.00	444.55
@	169922449548	10/10/18-11/13/18 Mtr 08188857							
						<i>Check Total:</i>	<i>444.55</i>	<i>0.00</i>	<i>444.55</i>
105153	12/4/2018	12/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-112018	11/20/2018	12/10/2018	2,524.04	0.00	2,524.04
@	2270506934	10/19/18-11/19/18 Mtr 259000-050224							
						<i>Check Total:</i>	<i>2,524.04</i>	<i>0.00</i>	<i>2,524.04</i>
105154	12/4/2018	12/18	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-112418	11/24/2018	12/13/2018	3,877.10	0.00	3,877.10
@	2265197749	10/22/18-11/20/18 Mtr 259000-050223							
						<i>Check Total:</i>	<i>3,877.10</i>	<i>0.00</i>	<i>3,877.10</i>
105155	12/14/2018	12/18	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-120518	12/5/2018	12/26/2018	95.00	0.00	95.00
@	0017601048511901	12/05/18-01/04/19 DSL for EMS							
						<i>Check Total:</i>	<i>95.00</i>	<i>0.00</i>	<i>95.00</i>

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
105156	12/14/2018	12/18	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742 113018	11/30/2018	11/30/2018	293.70	0.00	293.70
@	11/18 Mgmt Fee Rec								
742		5305-0000	Mgmt Fee-Agent	742 120118	12/1/2018	12/1/2018	3,690.00	0.00	3,690.00
@	12/18 Mgmt Fee								
						<i>Check Total:</i>	3,983.70	0.00	3,983.70
105157	12/14/2018	12/18	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-120518	12/5/2018	12/27/2018	43.07	0.00	43.07
@	14430971474	10/31/18-12/03/18 Mtr 13001720							
						<i>Check Total:</i>	43.07	0.00	43.07
105158	12/14/2018	12/18	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1314934-IN	11/20/2018	11/20/2018	3,293.28	0.00	3,293.28
@	111	11/18 Janitorial Svc							
742		5160-0000	Cleaning Supplies	M1314314-IN	10/31/2018	10/31/2018	856.63	0.00	856.63
@	111	10/18 Supplies							
						<i>Check Total:</i>	4,149.91	0.00	4,149.91
105159	12/14/2018	12/18	AIRCO1	AIR CONTROL SYSTEMS INC					
742		5410-0000	HVAC Contract Services	INV-07291	11/30/2018	12/30/2018	2,758.00	0.00	2,758.00
@	A12407	10/18-12/18 HVAC PM Svc							
742		5415-0000	HVAC Repair/Maint	INV-07664	11/22/2018	12/22/2018	287.50	0.00	287.50
@	A12407	100 Assess Svr Rm; Not Cooling							
742		5415-0000	HVAC Repair/Maint	INV-07673	11/22/2018	12/22/2018	3,277.03	0.00	3,277.03
@	A12407	100 Svr Rm Rplc Compressor							
						<i>Check Total:</i>	6,322.53	0.00	6,322.53
105160	12/14/2018	12/18	AMTEC2	PACIFIC COAST ELEVATOR INC dba					
742		5435-0000	Elevator Contract Service	DVB06326C18	11/20/2018	11/20/2018	1,571.70	0.00	1,571.70
@	320358	12/18-02/19 Elevator Svc							
						<i>Check Total:</i>	1,571.70	0.00	1,571.70
105161	12/14/2018	12/18	ARCD0C	ARC DOCUMENT SOLUTIONS LLC					
742		7320-0000	Admin & Professional Exp.	9822795	8/15/2018	9/14/2018	258.20	0.00	258.20
@	160 Print & Deliver	Plans							

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
<i>Check Total:</i>							258.20	0.00	258.20
105162	12/14/2018	12/18	CHRIS9	BAPPTRE dba SHINE ILLUMINATION AND					
742		5510-0000	Pkg Lot-Lighting	INV-000292	9/11/2018	10/11/2018	1,550.00	0.00	1,550.00
@	Palm Tree Lighting	Balance Pmt							
<i>Check Total:</i>							1,550.00	0.00	1,550.00
105163	12/14/2018	12/18	CONTRO	CONTROLLED KEY SYSTEMS INC					
742		5475-0000	Doors & Locks	WO-0002045	12/7/2018	1/6/2019	119.20	0.00	119.20
@	150 Rpr Door Knob								
<i>Check Total:</i>							119.20	0.00	119.20
105164	12/14/2018	12/18	GALEFO	GALE FORCE PROPERTY MAINTENANCE INC					
742		5445-0000	Waterproofing & Roofing	23295	11/26/2018	12/26/2018	1,495.00	0.00	1,495.00
@	Annual Gutter & Roof	Svc							
<i>Check Total:</i>							1,495.00	0.00	1,495.00
105165	12/14/2018	12/18	JAGLAS	ARTHUR D YORBA dba					
742		7330-0000	Tenant Space Refurb	24521	11/19/2018	12/19/2018	271.93	0.00	271.93
@	100 Install Blinds								
<i>Check Total:</i>							271.93	0.00	271.93
105166	12/14/2018	12/18	LIVIN1	DONALD GILBERT dba					
742		5562-0000	Landscaping-Interior	T81828	11/20/2018	12/20/2018	329.00	0.00	329.00
@	12/18 Int Plant Svc								
742		5562-0000	Landscaping-Interior	T81913	12/7/2018	1/6/2019	118.26	0.00	118.26
@	5 Bromeliad Flwr								
<i>Check Total:</i>							447.26	0.00	447.26
105167	12/14/2018	12/18	MARKBE	MARK BEAMISH WATERPROOFING INC.					
742		5445-0000	Waterproofing & Roofing	1833279-01	10/25/2018	11/24/2018	8,600.00	0.00	8,600.00
@	Waterproofing Wndws/	Roof Line							
<i>Check Total:</i>							8,600.00	0.00	8,600.00
105168	12/14/2018	12/18	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC					

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Check # Entity Dept	Check Date P.O. Number Reference	Check Pd Account Number Description	Vendor ID Account Name Description	Vendor Name Account Name Description	Invoice Number	Invoice Date	Due Date	Invoice Amount	Discount Amount	Check Amount
742 @	33013	5150-0000	Add'l Cleaning-DayPorter 12/18 Dayporter Svc		511068	12/1/2018	12/1/2018	3,279.20	0.00	3,279.20
<i>Check Total:</i>								3,279.20	0.00	3,279.20
105169 742 @	12/14/2018 12/18 12/18 Landscape Svc	12/18 5560-0000	NIEVES Landscaping Contract	NIEVES LANDSCAPE INC	64381	12/1/2018	12/31/2018	2,400.00	0.00	2,400.00
<i>Check Total:</i>								2,400.00	0.00	2,400.00
105170 742 @	12/14/2018 Legal Fees Fenelli/ Carno	12/18 7310-0000	RICHA5 Legal Fees	RICHARD L. SEIDE APC	119775	12/3/2018	1/2/2019	70.00	0.00	70.00
742 @	Legal Fees Fenelli/ Carno	7310-0000	Legal Fees		119776	12/3/2018	1/2/2019	525.00	0.00	525.00
<i>Check Total:</i>								595.00	0.00	595.00
105171 742 @	12/14/2018 3018	12/18 5490-0000	SKYLIN Pest Control	CTJAMJT CORPORATION dba	110559	11/12/2018	12/12/2018	75.00	0.00	75.00
742 @	3018	5490-0000	11/18 Pest/Rodent Control		113081	12/3/2018	1/2/2019	75.00	0.00	75.00
<i>Check Total:</i>								150.00	0.00	150.00
105172 742 @	12/14/2018 12/18 12/18 Fountain Svc	12/18 5565-0000	SOUT39 Fountain Maintenance	JEFF ALEXANDER dba	371-21	12/1/2018	12/31/2018	150.00	0.00	150.00
742 @	Cartidge Filter	5565-0000	Fountain Maintenance		371-21	12/1/2018	12/31/2018	125.00	0.00	125.00
<i>Check Total:</i>								275.00	0.00	275.00
105173 742 @	12/14/2018 City Ofc Rplc	12/18 5460-0000	SOUT41 Plumbing Repairs/Supplies	SOUTH COUNTY PLUMBING INC	13989	10/23/2018	11/22/2018	375.00	0.00	375.00
742 @	City Ofc Rpr	5460-0000	Plumbing Repairs/Supplies		14203	11/16/2018	12/16/2018	150.00	0.00	150.00

Attachment: Check Register for October, November, and December 2018 (1793 : Civic Center Second

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
<i>Check Total:</i>							525.00	0.00	525.00
105174	12/14/2018	12/18	SPLEN1	SPLENDID EVENTS INC					
742		7305-0000	Advertising & Promotion	584	12/4/2018	1/3/2019	1,575.00	0.00	1,575.00
@	Holiday Decor	Install Rmvl							
<i>Check Total:</i>							1,575.00	0.00	1,575.00
105175	12/14/2018	12/18	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1361956-A	11/9/2018	12/4/2018	100.00	0.00	100.00
@	348817	12/18 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect	1361956-A	11/9/2018	12/4/2018	327.33	0.00	327.33
@	348817	12/18 Sys Maint							
<i>Check Total:</i>							427.33	0.00	427.33
105176	12/14/2018	12/18	STODD1	STODDARDS RESTORATION SERVICES INC					
742		7333-0000	Repairs & Maint- Indirect	120247	11/20/2018	12/20/2018	2,225.00	0.00	2,225.00
@	11/18 Qrtly Wood	Maint City Space							
742		5491-0000	Misc Repair/Maint	120248	11/20/2018	12/20/2018	2,225.00	0.00	2,225.00
@	11/18 Qrtly Wood	Maint Comm Areas							
<i>Check Total:</i>							4,450.00	0.00	4,450.00
105177	12/14/2018	12/18	TSCMCO	TSCM CORPORATION					
742		5525-0000	Pkg Lot-Sweeping	1218095	12/1/2018	12/31/2018	221.00	0.00	221.00
@	12/18 Sweeping Svc								
<i>Check Total:</i>							221.00	0.00	221.00
105178	12/21/2018	12/18	002749	LAW OFFICE OF RICK FENELLI					
742		2100-0000	Security Deposits	008401_00001	12/20/2018	12/20/2018	5,082.52	0.00	5,082.52
@	Security Refund								
742		2100-0000	Security Deposits	008401_00001	12/20/2018	12/20/2018	2,451.88	0.00	2,451.88
@	Security Refund								
742		2100-0000	Security Deposits	008401_00001	12/20/2018	12/20/2018	3.00	0.00	3.00
@	Security Refund								
<i>Check Total:</i>							7,537.40	0.00	7,537.40
105179	12/21/2018	12/18	ESSEX	ESSEX REALTY MANAGEMENT INC					

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
742		5305-0000	Mgmt Fee-Agent	742 120118A	12/1/2018	12/1/2018	111.00	0.00	111.00
@	12/18 Mgmt Fee	Increase							
742		7320-0000	Admin & Professional Exp.	742 120118A	12/1/2018	12/1/2018	75.00	0.00	75.00
@	NSF Fee Lease	ID 017553							
742		7320-0000	Admin & Professional Exp.	742 120118A	12/1/2018	12/1/2018	75.00	0.00	75.00
@	NSF Fee Lease	ID 016176							
<i>Check Total:</i>							261.00	0.00	261.00
105180	12/21/2018	12/18	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1320568-IN	12/17/2018	12/17/2018	3,293.28	0.00	3,293.28
@	111	12/18 Janitorial Svc							
<i>Check Total:</i>							3,293.28	0.00	3,293.28
105181	12/21/2018	12/18	HSGINC	HSG PROFESSIONAL WINDOW CLEANERS					
742		5180-0000	Window Cleaning	43464	11/30/2018	11/30/2018	1,804.00	0.00	1,804.00
@	Semi-Annual Ext	Window Washing							
742		5180-0000	Window Cleaning	43499	11/30/2018	11/30/2018	1,072.00	0.00	1,072.00
@	Annual Int Window	Washing							
<i>Check Total:</i>							2,876.00	0.00	2,876.00
105182	12/21/2018	12/18	ROSSCO	GRANT ROSS dba					
742		7330-0000	Tenant Space Refurb	4492	12/18/2018	1/17/2019	150.00	0.00	150.00
@	ste 100 replace	ceiling tiles							
<i>Check Total:</i>							150.00	0.00	150.00
<i>CITY OF LAGUNA HILLS Total:</i>							65,503.71	0.00	65,503.71
<i>Grand Total:</i>							65,503.71	0.00	65,503.71

Attachment: Check Register for October, November, and December 2018 (1793 : Civic Center Second



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Proposed Office Lease for Suite 210 with NY&A, LLC., for 24031 El Toro Road, Suite 210, Laguna Hills, California

RECOMMENDATION: That the City Council approve an office lease with NY&A, LLC., for Suite 210 for 24031 El Toro Road, Suite 210, Laguna Hills, California, and authorize the City Manager to execute the Lease.

SUMMARY:

Staff has negotiated a five-year lease with NY&A, LLC., a limited liability California corporation, for 24031 El Toro Road, Suite 210. NY&A, LLC., operates a general office for a financial advisement company. The following is a summary of the key lease terms and financial analysis:

Commencement Date:	July 1, 2019
Term:	Five (5) years
Rentable Square Feet:	1,987
Upfront Capital:	\$44,502
Rate:	Year 1 - \$2.20/ sq. ft.
	Year 2 - \$2.29/ sq. ft.
	Year 3 - \$2.38/ sq. ft.
	Year 4 - \$2.47/ sq. ft.
	Year 5 - \$2.57/ sq. ft.

Proposed Civic Center Lease with NY&A, LLC., for Suite 210
February 12, 2019
Page 2

Total Rent Payments: \$284,123

Net Present Value: \$123,435 (12% Discount Rate)

The final lease has been included as an attachment and staff is recommending approval.

FISCAL IMPACT:

The lease has a positive net present value and requires upfront capital of \$44,502.

ATTACHMENTS:

- Lease



STANDARD MULTI-TENANT OFFICE LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only February 12, 2019, is made by and between The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California ("Lessor") and NY&A, LLC a California limited liability company ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain Portion of the Project (as defined below), commonly known as (street address, suite, city, state): 24031 El Toro Road, Suite 210 Laguna Hills, CA 92653 ("Premises"). The Premises are located in the County of Orange, and consist of approximately 1,987 rentable square feet and approximately 1,660 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 51,946 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** 4/1,000sf unreserved and N/A reserved vehicle parking spaces at a monthly cost of N/A per unreserved space and N/A per reserved space. (See Paragraph 2.6)

1.3 **Term:** 5 years and 0 months ("Original Term") commencing July 1, 2019 ("Commencement Date") and ending June 30, 2024 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing May 1, 2019 ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$4,371.40 per month ("Base Rent"), payable on the First day of each month commencing July 1, 2019. (See also Paragraph 4 below)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 4 of the Lease (see Addendum Paragraph 1)

1.6 **Lessee's Share of Operating Expense Increase:** 3.83 percent (3.83 %) ("Lessee's Share"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

- (a) **Base Rent:** \$4,371.40 for the period July 1-31, 2019.
- (b) **Security Deposit:** \$5,106.59 ("Security Deposit"). (See also Paragraph 5)
- (c) **Parking:** N/A for the period N/A.
- (d) **Other:** N/A for N/A.
- (e) **Total Due Upon Execution of this Lease:** \$9,477.99.

1.8 **Agreed Use:** General Office, Financial Advising. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2019. Lessor is the "Insuring Party". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

- ☒ Essex Realty Management represents Lessor exclusively ("Lessor's Broker");
- ☐ N/A represents Lessee exclusively ("Lessee's Broker"); or
- ☐ N/A represents both Lessor and Lessee ("Dual Agency").

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement ~~.(or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.~~

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Nicholas Yrizarry, personally in his individual capacity. ("Guarantor"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** 7:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 2:00 p.m. on Saturdays (except Building Holidays). "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and N/A.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

- ☐ Janitorial services
- ☐ Electricity
- ☐ Other (specify): _____

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- ☒ an Addendum consisting of Paragraphs 1 through 7;
- ☒ a plot plan depicting the Premises; **Exhibit "A"**

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- ☒ a current set of the Rules and Regulations; **Exhibit "B"**
☒ a Work Letter; **/Requirements for improvements or alterations by Lessee (Exhibit "D")**
☐ a janitorial schedule;
☒ other (specify): Exhibit "C" Waiver and Release. Exhibit "E" Personal Guaranty .

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 Condition. Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the

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parking is payable one month in advance prior to the first day of each calendar month.

2.7 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay In Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (**Paragraph 8.5**). **Paragraph 8 of the Lease (See Addendum Paragraph 3).** Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Operating Expense Increase. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.9.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking

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areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, ~~Lessee~~ Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use. (See Addendum Paragraph 2)

~~6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals,~~

~~birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.~~

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1e) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder."

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed \$2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor. **In addition to and without limiting the other requirements of this Paragraph 7.3, all utilities, installations, and alterations made by Lessee shall also be subject to the provisions of Exhibit "D" attached to this Lease.**

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have

been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity. (See Addendum Paragraph 3)

8.1 Insurance Premiums. The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a "Waiver of Subrogation" endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(c) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

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8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in **Paragraph 8 of this Lease (See Addendum Paragraph 3)-Paragraph 8.3(a)**, irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, **except as provided in Paragraph 8.6.**

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definitions. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Services Provided by Lessor. Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

11.2 Services Exclusive to Lessee. Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2(vi), if a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 Hours of Service. Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 Excess Usage by Lessee. Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 Interruptions. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in

cooperation with governmental request or directions.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

- (a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.
- (b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.
- (c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.
- (d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.
- (e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.
- (f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.
- (g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

- (a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.
- (b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.
- (c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.
- (d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.
- (e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)
- (f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.
- (g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

- (a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.
- (b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.
- (c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.
- (d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.
- (e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

- (a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the

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coverage of the property insurance described in Paragraph 8.3 8 (See Addendum Paragraph 3) is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor. (See Addendum Paragraph 4)

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

~~15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.~~

~~15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.~~

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to

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provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation,

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the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on a monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

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33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE. **Attached hereto Exhibit "E"**

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. Reservations.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this

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Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☐ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

50. Tenant Improvement Allowance. Lessor shall provide Lessee with a tenant improvement allowance of up to \$31,540.00 (\$19.00X1660=\$31,540). Allowance to be used for paint, flooring, new ceiling tiles, and other mutually agreeable improvements to the premises.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: 24031 El Toro Road, Suite 100

On: _____

By LESSOR:

The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California

By: _____

Name Printed: Donald J. White

Title: City Manager

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

BROKER

Essex Realty Management, Inc.

Attn: Sandi Montez

Title: Property Manager

Address: 18012 Sky Park Circle, Suite 100, Irvine CA 92614

Phone: 949-218-3801

Fax: _____

Email: smontez@essexrealty.com

Federal ID No.: _____

Broker/Agent BRE License #: 00965485

Executed at: 361 Forest Avenue, Suite 201 Laguna Beach, CA 92651

On: _____

By LESSEE:

NY&A, LLC a California limited liability company

By: _____

Name Printed: Nicholas Yrizarry

Title: President

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: Nicholas Yrizarry

Title: Chief Financial Officer

Phone: _____

Fax: _____

Email: _____

Address: _____

Federal ID No.: _____

BROKER

Attn: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Federal ID No.: _____

Broker/Agent BRE License #: _____

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

AIR CRE. 500 North Brand Blvd, Suite 900, Glendale, CA 91203, Tel 213-687-8777, Email contracts@aircre.com

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OFG-21.10, Revised 11-01-2017

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE (this “Addendum”) shall constitute part of that certain STANDARD MULTI-TENANT OFFICE LEASE – GROSS (“Lease”), dated as of February 12, 2019, between The City of Laguna Hills (“Lessor”), and NY&A, LLC, a California limited liability company (“Lessee”). The terms of this Addendum shall be incorporated into the Lease for all purposes. In the event of any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall control.

1. Base Rent Increase. Paragraph 4.4. is hereby added to the Lease to read as follows:

4.4.1 The monthly Base Rent payable as set forth Paragraph 1.5 and as set forth in Paragraph 1.7 (a) of the Lease shall be adjusted annually on the Commencement Date of the Lease, and on such other dates stated, to the amounts set forth below:

07/01/2019-06/30/2020	\$4,371.40 (\$2.20psf)
07/01/2020-06/30/2021	\$4,550.23 (\$2.29psf)
07/01/2021-06/30/2022	\$4,729.06 (\$2.38psf)
07/01/2022-06/30/2023	\$4,907.89 (\$2.47psf)
07/01/2023-06/30/2024	\$5,106.59 (\$2.57psf)

2. Use. Paragraph 6.1 of the Lease is hereby deleted in its entirety and replaced by the following:

“6.1. Use. The Premises shall be used only for the Agreed Use and for no other use. Lessee’s use of the Premises shall be in compliance with and subject to all Applicable Requirements relating to or affecting the Project, the Premises or the Building or the use or operation thereof, whether now existing or hereafter enacted, including, without limitation, the Americans with Disabilities Act of 1990, 42 USC 12111 et seq. (the “ADA”) as the same may be amended from time to time, any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Lessee, the Premises, the Building, or the Project (“Environmental Laws”), any transportation or traffic management plan in satisfaction of any requirement imposed on the Project by a governmental agency with jurisdiction over the Project, and any CC&Rs or any supplement thereto recorded in any official or public records with respect to the Project or any portion thereof (collectively, “Applicable Laws”). Lessee shall be responsible for obtaining any permit, business license, or other permits or licenses required by any governmental agency permitting Lessee’s use or occupancy of the Premises. Lessee shall not commit waste, overload the floors or structure of the Building, subject the Premises, the Building, the Common Area or the Project to any use which would damage the same or increase the risk of loss or violate any insurance coverage, permit any unreasonable odors, smoke, dust, gas, substances, noise or vibrations to emanate from the Premises, take any action which would constitute a nuisance or would disturb, obstruct or endanger any other tenants, take any action which would abrogate any warranties, or use or allow the Premises to be used for any unlawful purpose. Lessor shall not be responsible for non-compliance by any other tenant or occupant of the Project with, or Lessor’s failure to enforce, any of the rules or regulations or CC&Rs or any other terms or provisions of such tenant’s or occupant’s lease. Lessee shall promptly comply with the reasonable requirements of any board of fire insurance underwriters or other similar body now or hereafter constituted. Lessee shall not do any act which shall in any way encumber the title of Lessor in and to the Premises, the Building or the Project.

3. Insurance; Indemnity. Paragraph 8.1 through 8.6 of the Lease are hereby deleted in their entirety and replaced by the following:

“8.1 Lessor’s Insurance. Lessor shall maintain insurance through individual or blanket policies insuring the Building against fire and extended coverage (including, if Lessor elects, “all risk” coverage, earthquake/volcanic action, flood and/or surface water insurance) for the full replacement cost of the Building, with deductibles and the form and endorsements of such coverage as selected by Lessor, together with rental abatement insurance against loss of Rent in an amount equal to the amount of Rent for a period of at least twelve (12) months commencing on the date of loss. Lessor may also carry such other insurance as Lessor may deem prudent or advisable, including, without limitation, liability insurance in such amounts and on such terms as Lessor shall determine. Lessee shall pay to Lessor, as a portion of the Operating Expenses, the costs of the insurance coverages described herein, including, without limitation, Lessor’s cost of any self-insurance deductible or retention.

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

8.2 Lessee's Compliance with Insurance Requirements. Lessee shall obtain, maintain, and keep in full force and effect during the term of this Lease, at its sole cost and expense, and in a form and content satisfactory to Lessor, all insurance required under this Paragraph 8 against claims for injuries to persons or damages to property which may arise from or in connection with Lessee's operation and use of the Premises and the activities of the Lessee, its guests, agents, representatives, employees, or subcontractors. Lessee shall not take possession of the Premises unless and until it has provided evidence satisfactory to Lessor that it has secured all insurance required by this Paragraph 8.

8.3 Types of Insurance Required of Lessee. Without limiting the indemnity provisions set forth in this Lease, Lessee shall obtain and maintain in full force and effect during the term of this Lease, including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of Commercial General Liability insurance written on an occurrence basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits of at least Two Million Dollars (\$2,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this Premises/location, or the general aggregate limit shall be twice the required occurrence limit. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for: (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Lease.

(b) Automobile Liability Insurance. A policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least One Million Dollars (\$1,000,000) combined limit for each occurrence covering bodily injury and property damage. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles.

(c) Workers' Compensation and Employer's Liability Insurance. A policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Lessee agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against Lessor, its officials, officers, employees, agents and volunteers. Lessee shall obtain and maintain, in full force and effect throughout the term of this Lease, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

(d) Property Insurance. A policy of Property Insurance against all risk of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(e) Equipment Breakdown/ Boiler & Machinery Insurance. A policy of Equipment Breakdown / Boiler & Machinery Insurance with limits of not less than actual replacement costs for all property and improvements, encompassing explosion and breakdown. Lessee shall obtain and deliver to Lessor, along with copies of all policies of insurance required herein, a joint loss endorsement for the Property Insurance and Equipment Breakdown /Boiler & Machinery Insurance policies. Lessor is to be included as an additional insured on the Equipment Breakdown /Boiler & Machinery Insurance coverage.

(f) Business Interruption. Loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all peril commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

8.4 General.

(a) Acceptability of Insurers. Insurance required by this Paragraph 8 shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide), except that Lessor will accept workers' compensation insurance from the State Compensation Fund. In the event Lessor determines that Lessee's use of the Premises creates an increased or decreased risk of loss to Lessor, Lessee agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from Lessor. Lessee shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

(b) Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to Lessor

for written approval. Required insurance policies shall contain the following provisions, or Lessee shall provide endorsements on forms approved by Lessor to add the following provisions to the insurance policies:

(i) Additional Insured. Lessee's policy or policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be endorsed to include Lessor, its officials, officers, employees, agents and volunteers, Lessor's lender, and any property management company of Lessor for the Premises. The additional insured endorsement shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Lessee, or (4) contain any other exclusions contrary to this Lease; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

(ii) Notice. Each insurance policy required by this Paragraph 8, except for workers' compensation and employer's liability insurance, shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to Lessor. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Lessee's failure to pay the insurance premium, the notice provided to Lessor shall be by ten (10) days prior written notice.

(iii) Primary and Non-Contributing Insurance. All policies of insurance maintained by Lessee pursuant to this Paragraph 8, except for workers' compensation and employer's liability insurance, shall be primary and any other insurance, deductible, or self-insurance maintained by Lessor, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

(iv) Waiver of Subrogation. All policies of insurance maintained by Lessee pursuant to this Paragraph 8 shall contain or be endorsed to waive subrogation against Lessor, its officials, officers, employees, agents and volunteers, or shall specifically allow Lessee to waive its right to recovery prior to a loss. Lessee hereby agrees to waive its own right of recovery against Lessor, its officials, officers, employees, agents and volunteers.

(c) Evidence of Coverage. Concurrently with the execution of this Lease, Lessee shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this Paragraph 8. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to Lessor for written approval. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with Lessor. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Lessee shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with Lessor evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Lessee shall promptly furnish, at Lessor's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents Lessor requires to verify coverage.

(d) Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Lease are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing contained herein shall be construed as limiting in any way the indemnification provision contained in this Lease, or the extent to which Lessee may be held responsible for payments of damages to persons or property.

(e) Enforcement of Agreement (Non-Estoppel). Lessee acknowledges and agrees that actual or alleged failure on the part of the Lessor to inform Lessee of any non-compliance with any of the insurance requirements set forth herein imposes no additional obligation on the Lessor nor does it waive any rights hereunder.

(f) Notification of Incidents. Lessee shall notify Lessor within twenty-four (24) hours after the occurrence of any accidents or incidents in the Premises, the Building, Common Areas or the Project which could give rise to a claim under any of the insurance policies required under this Paragraph 8.

8.5 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Lessee pursuant to this Paragraph 8:

(a) Lessee shall provide immediate written notice to Lessor if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the

insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

(b) All insurance coverage and limits provided by Lessee and available or applicable to this Lease are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Lease or any other agreement relating to Lessor or its operations shall limit the application of such insurance coverage.

(c) None of the insurance coverages required herein will be in compliance with the requirements of this Paragraph 8 if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to Lessor and approved in writing.

(d) Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay Lessee's occupancy of the Premises. It is Lessee's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

(e) Lessee agrees to ensure that its subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Lessee, provide the same minimum insurance coverage required of Lessee. Lessee agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Paragraph 8. Lessee agrees that upon request, all agreements with subconsultants, subcontractors and others engaged in the Project will be submitted to Lessor for review."

4. Breach by Lessor; Performance by Lessee on Behalf of Lessor. Paragraph 13.6(b) of the Lease is hereby deleted in its entirety and replaced with the following:

"13.6(b). Lessee's Remedies. Lessee and all successors and assigns covenant and agree that, in the event of any actual or alleged default by Lessor, Lessee's sole and exclusive remedy shall be either to seek either specific performance or monetary damages, provided that Lessor shall not be liable for loss of business profits or consequential damages, and provided further, that any recourse for monetary damages by Lessee against Lessor shall be limited solely and exclusively to an amount which is equal to the amounts paid by Lessee to Lessor under the Lease (and Lessee hereby expressly waives and releases personal liability of Lessor in excess of such amount on behalf of itself and all persons claiming by through, or under the lease) Further, in no event shall the obligations of Lessor under the Lease constitute the personal obligations of Lessor or its elected or appointed officers and officials, employees, agents, and volunteers, and Lessee shall have no right to seek recourse against Lessor's elected or appointed officers and officials, employees, agents, and volunteers, or any of their personal assets for the satisfaction of any liability of Lessor with respect to the Lease. Lessee expressly waives all remedies except those specifically set forth in the Lease, including, without limitation, any right of offset or abatement except as specifically set forth in the Lease, any right to terminate the Lease under Civil Code Sections 1932(2), 1933(4) and 1941 or any other successor statute, or any statutory, legal or equitable self-help remedy including, without limitation, Civil Code Section 1942 or any other current or future law. Nothing contained in the Lease shall entitle Lessee to terminate the Lease as a result of Lessor's default nor excuse Lessee from paying Rent or Additional Rent due hereunder."

5. Estoppel Certificates. All references in the Lease to "Estoppel Certificate", including, but not limited to the definition in Paragraph 16(a), shall refer to Lessor's standard form certificate.

6. Recordation. Lessee shall not have any right to cause the Lease or any short form or memorandum thereof to be recorded.

7. Council Chambers. Lessee shall be permitted to use the council chambers meeting room, all dates of use must be approved by the City of Laguna Hills. Rental rates for the use are \$75.00 per hour with a two hour minimum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of the Lease.

Signatures on the following page

“Lessor”

THE CITY OF LAGUNA HILLS

By: Donald J. White

By: _____
Its: City Manager

By: Melissa Au-Yeung

By: _____
Its: City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

“Lessee”

NY&A, LLC a California limited liability company,

By: _____
Nicholas Yrizarry

Its: President

“Lessee”

NY&A, LLC a California limited liability company,

By: _____
Nicholas Yrizarry

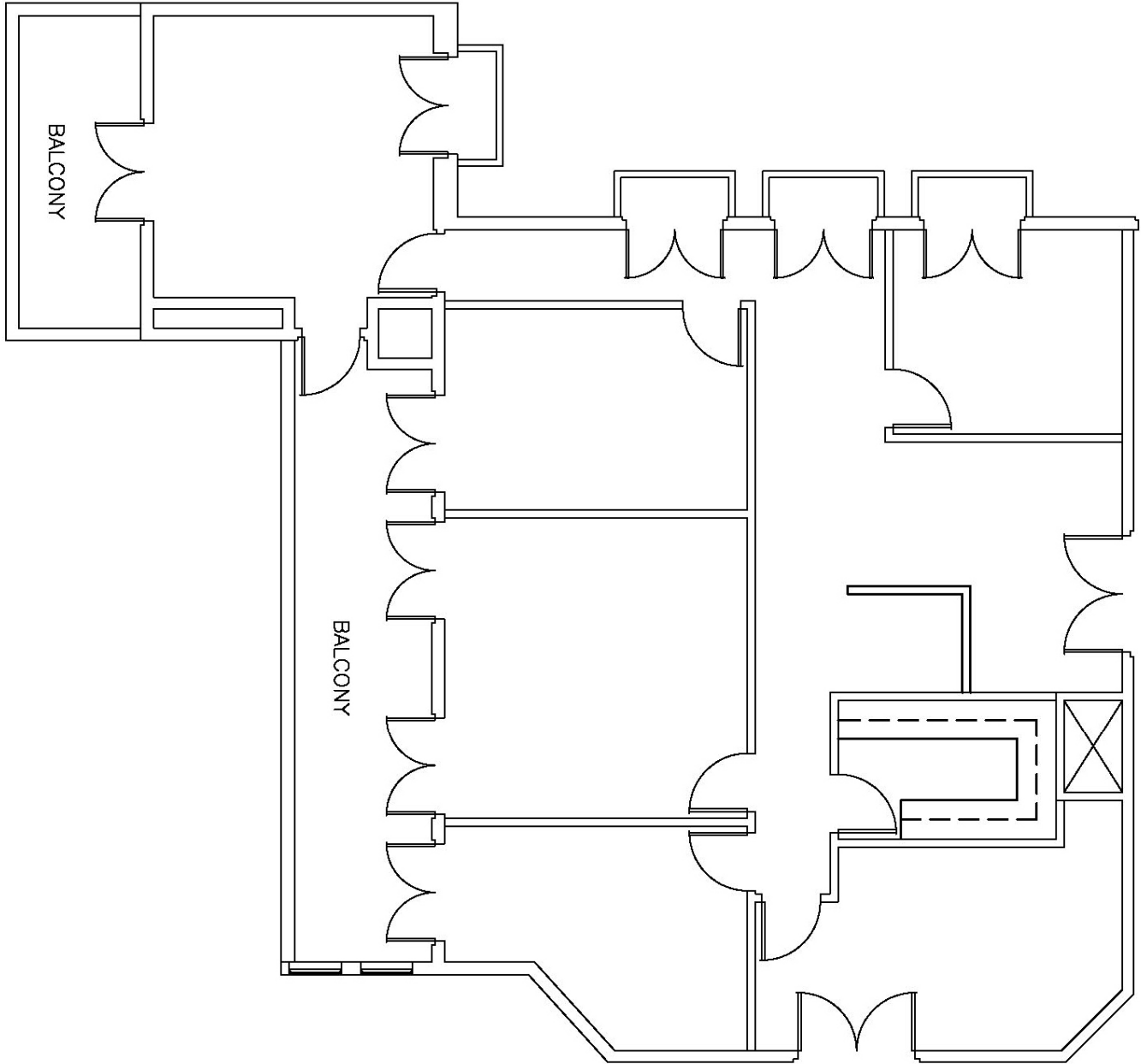
Its: Chief Financial Officer

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

LAGUNA HILLS CIVIC CENTER

3.5.a

EXHIBIT "A"



24031-210 El Toro Road
Laguna Hills, CA 92653

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

For Leasing Information:

Sandi Montez
smontez@essexrealty.com

(949) 218-3801

Managed by:

ESSEX | Management
Investment
Development

EXHIBIT B

RULES AND REGULATIONS

ATTACHED TO AND MADE A PART OF STANDARD OFFICE LEASE

The following Rules and Regulations shall be in effect at the Office Building Project. Lessor reserves the right to adopt reasonable modifications and additions hereto. In the case of any conflict between these Rules and Regulations and the Lease, the Lease shall be controlling.

1. Except with the prior written consent of Lessor, no Lessee shall conduct any retail sales or any manufacturing of any kind in or from the Premises, or any business other than that specifically provided for in the Lease.

2. Lessor reserves the right to prohibit personal goods and services vendors from access to the Office Building Project except upon such reasonable terms and conditions, including but not limited to the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Office Building Project, the preservation of good order thereon, and the relief of any financial or other burden on Lessor occasioned by the presence of such vendors or the sale by them of personal goods or services to the Lessee or its employees. If reasonably necessary for the accomplishment of these purposes, Lessor may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Office Building Project. The term “personal goods or services vendors” means persons who periodically enter the Office Building Project of which the Premises are a part for the purpose of selling goods or services to a Lessee, other than goods or services, which are used by a lessee only for the purpose of conducting its business on the Premises. “Personal goods or services” include, but are not limited to, drinking water and other beverages, food, barbering services, and shoe shining services. This Section 2 shall not apply to Lessee’s vendors and suppliers in connection with Lessee’s operation of its business.

3. The sidewalks, halls, passages, elevators and stairways shall not be obstructed by any Lessee or used by it for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Lessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Lessor shall be prejudicial to the safety, character, reputation and interests of the Office Building Project and its lessees, provided that nothing herein contained shall be construed to prevent such access to persons with whom Lessee normally deals only for the purpose of conducting its business on the Premises (such as clients, customers, office suppliers and equipment vendors, and the like) unless such persons are engaged in illegal activities. No Lessee and no employees of any Lessee shall go upon the roof of the Building without the written consent of Lessor. This Section 3 shall not apply to Lessee’s vendor’s suppliers in connection with Lessee’s operation of its business.

4. The sashes, sash doors, windows, glass lights, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilet rooms, water and wash closets and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage, resulting from the violation of this rule shall be borne by the Lessee who, or whose clerks, agents, employees, or visitors, shall have caused it.

5. No sign, advertisement or notice visible from the exterior of the Premises or Building shall be inscribed, painted or affixed by Lessee on any part of the Office Building Project or the Premises without the prior written consent of Lessor. If Lessor shall have given such consent at any time, whether before or after the execution of this Lease, such consent shall in no way operate as a waiver or release of any of the provisions hereof or of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by Lessor and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Lessor with respect to each and every such sign, advertisement or notice, as the case may be, so consented to by Lessor. Lessor shall have the right to remove any non-approved sign, advertisement or notice, without notice to and at the expense of Lessee, and Lessor shall not be liable in damages for such removal.

6. In order to maintain the outward professional appearance of the Office Building Project all window coverings to be installed at the Premises shall be subject to Lessor's prior approval. If Lessor, by a notice in writing to Lessee, shall object to any curtain, blind, shade or screen attached to or hung in, or used in connection with, any window door of the Premises, such use of such curtain, blind, shade or screen shall be forthwith discontinued by Lessee. No awnings shall be permitted on any part of the Premises.

7. Lessee shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Lessor.

8. Lessee shall not do or permit anything to be done in the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire insurance on the Office Building Project, or on the property kept therein, or obstruct or interfere with the rights of other Lessees, or in any way injure or annoy them, or conflict with the regulations of the Fire Department or the fire laws, or with any insurance policy upon the Office Building Project, or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority.

9. No Lessee shall sweep or throw or permit to be swept or thrown from the

Premises any dirt or other substance into any of the corridors or halls or elevators, or out of the doors or windows or stairways of the Building. Lessee shall not use, keep or permit to be used any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Lessor or other occupants of the Office Building Project by reason of noise, odors, fire hazards and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be kept in or about the Office Building Project.

10. Lessee and its employees, agents and invitees shall not smoke any tobacco products or any other smoking materials whatsoever in the Premises, Building, common areas or any other area of the Project except in such areas, if any, as shall be designated by Lessor for smoking, in Lessor's sole and absolute discretion.

11. No cooking shall be done or permitted by Lessee on the Premises, except for the use of a microwave oven for food or Underwriter's Laboratory approved equipment for brewing coffee, tea, and similar beverages shall be permitted, provided that such use is in compliance with law. Offices in the Office Building Project shall not be used for the storage of merchandise or for sleeping or lodging.

12. Lessee, upon the termination of its tenancy, shall deliver to Lessor all the keys of offices, rooms and toilet rooms which shall have been furnished Lessee or which Lessee shall have had made, and in the event of loss of any keys so furnished, shall pay Lessor therefore.

13. On Saturdays after 6:00pm., Sundays and legal holidays, and on other days between the hours of 9:00 p.m. and 7:00 a.m., access to the Office Building Project or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the building watchman, if any, in charge and has a pass or is properly identified. Lessor shall in no case be liable for damages for the admission to or exclusion from the Office Building Project of any person whom Lessor has the right to exclude under Rule 3 above. In case of invasion, mob, riot, public excitement, or other commotion, Lessor reserves the right but shall not be obligated to prevent access to the Office Building Project during the continuance of the same by closing the doors or otherwise, for the safety of the tenants and protection of property in the Office Building Project.

14. Lessee shall see that the windows and doors of the Premises are closed and securely locked before leaving the building and Lessee shall exercise extraordinary care and caution that all water faucets or water apparatus are entirely shut off before Lessee or Lessee's employees leave the Building, and that all electricity, gas or air shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Lessee shall make good all injuries sustained by other Lessees or occupants of the Building or Lessor.

15. Lessee shall not alter any lock or install a new or additional lock or any bolt

on any door of the Premises without prior written consent of Lessor. If Lessor shall give its consent, Lessee shall in each case furnish Lessor with a key for any such lock.

16. Lessee shall not install equipment such as, but not limited to, electronic tabulating or computer equipment requiring electrical or air conditioning service in excess of those to be provided by Lessor under the Lease and any such equipment shall be placed in the Premises in settings approved by Lessor to adsorb or prevent any vibration, noise or annoyance.

17. No bicycle, or shopping cart, or other vehicle or any animal shall be brought into the Premises or the halls, corridors, elevators or any part of the Building by Lessee.

18. Lessor shall have the right to prohibit the use of the name of the Office Building Project or any other publicity by Lessee which in Landlord's opinion tends to impair the reputation of the Office Building Project, or their desirability for other Lessees, and upon written notice from Lessor, Lessee will refrain from or discontinue such publicity.

19. Lessee shall not erect any aerial or antenna on the roof or exterior walls of the Premises, the Building, or the Office Building Project.

20. Lessee shall not overload the floor of the Premises. In addition, Lessee shall not mark, drive nails, screw or drill into partitions, ceilings or floor of the Premises or deface the Premises.

21. No furniture, freight or equipment of any kind shall be brought into the Building or the Building's elevator without the consent of Lessor and all moving of the same into or out of the Building shall be done at such time and in such manner, as Lessor shall designate. Lessor shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Office Building Project. Safes or other heavy objects shall, if considered necessary by Lessor, stand on wood strips of such thickness as is necessary to properly distribute the weight. However, Lessor's consent to placement of Lessee's safes, heavy equipment or furniture shall not constitute a representation or warranty by Lessor that the safe, heavy equipment or furniture complies, with regard to distribution of weight and/or vibration, with the provisions of the Rule 21 nor relieve Lessee from responsibility for the consequences of noncompliance. Lessor will not be responsible for loss of or damage to any safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Lessee. There shall not be used in any space, or in the public halls of the Building, either by any Lessee or others, any hand trucks except those equipped with rubber tires and side guards.

22. Except with the written consent of Lessor, no person or persons other than those approved by Lessor shall be permitted to enter the Building for their purpose of cleaning the same. Lessee shall not cause any unnecessary labor by reason of Lessee's carelessness or indifference in the preservation of good order and cleanliness. Lessor shall in no way be responsible to any Lessee for any loss of property on the Premises, however occurring, or for any damage done to the effects of any lessee by the janitor or any other employee or any other person. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Janitor service may not be furnished on nights when rooms are occupied after 9:00p.m.

23. Lessor will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Lessor. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Lessor.

24. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by Lessor.

25. Lessor reserves the right to exclude or expel from the Office Building Project any person who in the judgment of Lessor, is intoxicated or under the influence of liquor or illegal, non-prescription drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Office Building Project.

26. The requirements of Lessee will be attended to only upon application to Lessor. Contractors, vendors and employees of Lessor shall not perform any work or do anything outside of their regular duties unless under special instructions from the Lessor or Lessor's agent.

27. No vending machine shall be installed, maintained or operated upon the Premises without the written consent of the Lessor.

28. Lessor shall have the right, exercisable without notice and without liability to Lessee, to change the name and the street address of the Building and/or Office Building Project of which the Premises are a part.

29. Lessee agrees that it shall comply with all fire and security regulations that may be issued from time-to-time by Lessor and Lessee also shall provide Lessor with the name of a designated responsible employee to represent Lessee in all matters pertaining to such fire or security regulations.

30. Lessor reserves the right by written notice to Lessee, to rescind, alter or

waive any rule or regulation at any time prescribed for the Office Building Project when, in Lessor's judgment, it is necessary, desirable or proper for the best interest of the Office Building Project and its lessees.

31. Lessees shall not disturb, solicit, or canvas any occupant of the Office Building Project and shall cooperate to prevent same.

32. Lessor shall furnish heating and air conditioning during the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday except for holidays. In the event Lessee requires heating and air conditioning during off hours, Sundays or Holidays, Lessor shall on notice provide such services at the then prevailing rate for such extra services.

33. Lessee shall cooperate with Lessor in obtaining maximum effectiveness of the cooling system by closing blinds when the sun's rays fall directly on windows of the premises. Lessee shall not obstruct, alter, or in any way impair the efficient operation of Lessor's heating, ventilating and air-conditioning system. Lessee shall not tamper with or change the setting of any thermostats or control valves.

34. Parking

- (a) The parking lot shall be accessible twenty-four (24) hours per day, subject to parking card or other reasonable Identification or security restriction as may be reasonably established by Lessor from time-to-time. Lessee agrees to cooperate with Lessor in completing regular maintenance of the parking lot.
- (b) Automobiles must be parked entirely within the stall lines.
- (c) All directional signs and arrows must be observed and the speed limit shall be 5 miles per hour.
- (d) Parking is prohibited in areas not striped for parking.
- (e) Lessor may refuse to permit any person who violates the within rules to park in the parking lot, and any violation of the rules shall subject the automobile to removal from the parking lot at the parker's expense.
- (f) Every parker is required to park and lock his or her own automobile. All responsibility for any loss or damage to automobile or any personal property therein is assumed by the parker.

- (g) The parking lot is for the sole purpose of parking one automobile per space. Washing, waxing, cleaning or servicing of any vehicles by the parker or his agents is prohibited.
- (h) Storage of vehicles in the parking facilities is prohibited. Lessee and Lessee's employees and visitors shall not leave vehicles in the parking lot overnight.
- (I) Lessor reserves the right to restrict customer, Lessee and Lessee's employees parking to a limited designated area or areas.

35. Lessee agrees to comply and acquaint its employees with such reasonable rules and regulations in the use of such Common areas as Lessor may adopt from time to time for the orderly and proper operation of said Common Areas.

Lessor reserves the right to make such other and further rules and regulations as in its judgment may be for the safety, care and cleanliness of the Office Building Project and for the preservation of good order therein. Lessee agrees to abide by these Rules and Regulations herein above stated and any additional rules and regulations, which are adopted hereafter.

Date: _____

Date: _____

Lessor's Initials: _____

Lessee's Initials: _____

EXHIBIT "C"**Waiver and Release.**

It is the express and understood intent, purpose, desire, and agreement of the parties in the event of termination for cause or expiration of the Lease term, that Lessee, on behalf of itself, its officers, heirs, agents, shareholders, employees, subcontractors, executors, successors and assigns, shall and does hereby release and discharge Lessor, and its respective elected and appointed officials, officers, directors, employees, attorneys, accountants, consultants, other professionals, and agents, from and against the following: any claims, penalties, actions or causes of action, obligations, and demands of any kind including but not limited to, any claims arising under the California Eminent Domain Law (Title 7 (commencing with Section 1230.010) of Part 3 of the California Code of Civil Procedure), the Relocation Statutes and Regulations set forth in Chapter 16 (commencing with Section 7260) of Division 7 of the California Government Code and Subchapter 1 (commencing with Section 6000) Division 3 of Title 25 of the California Code of regulations, and claims for a "taking" or inverse condemnation arising under the United States or California Constitutions or under any federal, state, or local law, statute, ordinance, regulation, rule, official policy, court order, or common law (collectively, the "Released Claims").

The parties further acknowledge that the Released Claims include any claims for loss of business goodwill pursuant to Code of Civil Procedure §1263.510 et seq., for precondemnation damages and severance damages.

Date: _____

Date: _____

Lessor's Initials: _____ Lessee's Initials: _____

EXHIBIT "D"

REQUIREMENTS FOR IMPROVEMENTS OR ALTERATIONS BY LESSEE

If Lessor shall permit Lessee to construct any interior improvements (subsequent to the initial Improvements which shall be constructed by Lessor) in the Premises or to have any work performed in the Premises at any time prior to or during the Lease term by a contractor retained by Lessee ("Lessee's Work"), then Lessee shall comply with the requirements set forth herein. If Lessee's Work has been properly authorized, Lessee will receive written approval and consent for alterations to the Premises. All alterations to the Premises, excepting movable furniture and trade fixtures, shall, at Lessor's option, become a part of the realty and belong to Lessor.

1. **SUBMITTAL OF PLANS.** Prior to commencing any work in the Premises, Lessee shall submit to Lessor for approval its proposed plans for the work. Without limiting the foregoing, Lessee shall provide:

- (a) A separate scale drawing denoting all proposed construction and/or demolition, if necessary.
- (b) A separate drawing for each trade proposing structural, electrical, mechanical, civil or landscaping modifications.
- (c) Specify all dimensions and complete references to all work to be performed in the affected areas.
- (d) If adding extra electrical or mechanical equipment, provide complete operating and maintenance specifications for each item.

2. **CHECKLIST.** With respect to each project, Lessor will provide Lessee with a checklist listing the items required to be furnished to Lessor in connection with the proposed work. Lessee shall furnish to Lessor prior to, during, or upon completion of Lessee's Work, as applicable, each of the items specified in the checklist attached hereto as Attachment 1.

3. **CONTRACTORS PROVIDING INTERIOR IMPROVEMENT SERVICES.**

(a) The contractor employed by Lessee and any subcontractors shall be (i) duly licensed in the state in which the Premises are located, and (ii) subject to Lessor's prior written approval, which approval shall not be unreasonably withheld. If more than one trade is employed on a single job, state law requires the services of a general contractor in addition to contractors for specialty work being performed.

(b) Each contractor shall provide proof of licensing as a general or specialty contractor in accordance with state law. Additionally, each contractor shall furnish proof of licensing in the city or municipality in which the construction related activity is to take place.

(c) Lessee shall use Lessor's subcontractor for mechanical, roofing and roofing consultant if available at competitive rates. So long as lessee subcontractors comply with Attachment 1, lessee is allowed to use subcontractors of its choosing for the minimal alterations required for the suite.

(d) Lessee and Lessee's contractors shall comply with all Applicable Laws pertaining to the performance of Lessee's Work and the completed improvements and all applicable safety regulations established by Lessor or the general contractor.

(e) Prior to commencement of any work in the Premises, Lessee and Lessee's contractors (and any subcontractors) shall obtain and provide Lessor with certificates evidencing Workers'

Compensation, public liability and property damage insurance in amounts and forms and with companies satisfactory to Lessor. Each general contractor (and any subcontractor) employed on the Premises shall provide Lessor with a current certificate of insurance in effect for that contractor with a thirty day notice of cancellation or revocation clause. Insurance requirements are as follows:

- (i) Comprehensive General Liability with a \$1,000,000 Combined Single Limit covering the liability of Lessor and contractor for bodily injury and property damage arising as a result of the construction of the improvements and the services performed thereunder. Lessor and any Management Company shall be named as an additional insured.
- (ii) Comprehensive Automobile Liability with a \$1,000,000 Combined Single Limit covering Lessor and vehicles used by contractor (and any subcontractor) in connection with the construction of the improvements.
- (iii) Workers' Compensation and Employer's Liability as required by law, for employees of the contractor (and any subcontractors) performing work on the Premises.

(f) The following requirements shall be incorporated as "Special Conditions" into the contract between Lessee and its contractors and a copy of the contract shall be furnished to Lessor prior to the commencement of Lessee's Work:

- (i) Prior to start of Lessee's Work, Lessee's contractor shall provide Lessor with a construction schedule in "bar graph" form indicating the completion dates of all phases of Lessee's Work.
- (ii) Lessee's contractor shall be responsible for the repair, replacement or clean-up of any damage done by it to other contractors' work which specifically includes accessways to the Premises which may be concurrently used by others.
- (iii) Lessee's contractor shall accept the Premises prior to starting any trenching operations. Any rework of sub-base or compaction required after the contractor's initial acceptance of the Premises shall be done by Lessee's contractor, which shall include the removal from the Project of any excess dirt or debris.
- (iv) Lessee's contractor shall contain its storage of materials and its operations within the Premises and such other space as it may be assigned by Lessor or Lessor's contractor. Should Lessee's contractor be assigned space outside the Premises, it shall move to such other space as Lessor or Lessor's contractor shall direct from time to time to avoid interference or delays with other work.
- (v) Lessee's contractor shall clean up the construction area and surrounding exterior areas daily. All trash, demolition materials and surplus construction materials shall be stored within the Premises and promptly removed from the Premises and the Project and disposed of in an approved sanitation site.
- (vi) Lessee's contractor shall provide temporary utilities, portable toilet facilities, and potable drinking water as required for its work within the Premises and shall pay to Lessor's contractor the cost of any temporary

utilities and facilities provided by Lessor's contractor at Lessee's contractor's request.

- (vii) Lessee's contractor shall notify Lessor or Lessor's project manager of any planned work to be done on weekends or other than normal job hours.
- (viii) Lessee's contractor or subcontractors shall not post signs on any part of the Project or on the Premises.

4. COSTS.

(a) Lessee shall promptly pay any and all costs and expenses in connection with or arising out of the performance of Lessee's Work (including the costs of permits thereof) and shall furnish to Lessor evidence of such payment upon request.

(b) Except in the case of carpet replacement or repainting, Lessee shall pay Lessor an amount equal to five percent (5%) of the total hard costs of construction and installation of Lessee's Work as compensation to Lessor for review of plans, use of facilities and other miscellaneous costs of Lessor incurred as a result of such work.

5. CONTRACTOR'S BONDS. At Lessor's sole discretion, Lessor may require Lessee to obtain performance and completion bonds to insure Interior Work

6. MECHANIC'S LIENS.

(a) Lessee shall not suffer or permit to be enforced against the Premises or any part of the Project any mechanic's, materialman's, contractor's or subcontractor's lien arising out of any work of improvement, however it may arise.

(b) Lessee shall notify Lessor at least ten (10) days prior to the commencement of construction of any Lessee's Work and Lessor shall have the right to post and record a notice of no responsibility in conformity with applicable law. Within ten (10) days following completion of Lessee's Work, Lessee shall file a Notice of Completion and deliver to Lessor an unconditional release and waiver of lien executed by each contractor, subcontractor and materialman involved in Lessee's Work.

(c) In the event any lien is filed against the Project or any portion thereof or against Lessee's leasehold interest therein as a result of Lessee's work, Lessee shall obtain the release and/or discharge of said lien, within ten (10) days after the filing thereof. In the event Lessee fails to do so, Lessor may obtain the release and/or discharge of said lien and Lessee shall indemnify Lessor for the costs thereof, including reasonable attorney's fees, together with interest at the Applicable Interest Rate from the date of demand. Nothing herein shall prohibit Lessee from contesting the validity of any such asserted claim, provided Lessee has furnished to Lessor a lien release bond freeing the Premises from the effect of the lien claim.

7. INDEMNITY. Lessee shall indemnify, defend (with counsel satisfactory to Lessor) and hold Lessor harmless from and against any and all suits, claims, actions, loss, cost or expense (including claims for workers' compensation, attorney's fees and costs) based on personal injury or property damage, or otherwise (including, without limitation, contract and breach of warranty claims) arising from the performance of Lessee's Work. Lessee shall repair or replace (or, at Lessor's election, reimburse Lessor for the cost of repairing or replacing) any portion of the Building or item of Lessor's equipment or any of Lessor's real or personal property damaged, lost or destroyed in the performance of Lessee's Work.

8. BUILDING STANDARDS. All work shall conform to Lessor's established building standards and specifications. Lessee is required to make these standards part of the construction

documents.

9. ROOF PENETRATIONS. If improvements penetrate the roof membrane, the penetrations will be sealed per Lessor/IRC roofing specifications and inspected by IRC to maintain roof warranty. The cost of inspection and all corrective work shall be borne by Lessee. Lessee shall use Lessor's original roofing contractor.

10. BUILDING MODIFICATIONS. Work will only be approved within the confines of a given space. Lessee will not be allowed to modify building exterior or mechanical and electrical service as provided to the building in common with other tenants.

11. ELECTRICAL WORK. All electrical work shall be approved from the unit space electrical panel only. Additional service requirements shall be secured only by direction of Lessor. Lessee shall use Lessor's original electrical contractor if available at competitive rates.

12. SCHEDULE OF WORK. Lessee shall be required to provide a schedule of all work to be performed, subject to Lessor approval. All costs to produce such schedule shall be borne solely by Lessee.

13. CLEAN UP AND DISPOSAL OF CONSTRUCTION DEBRIS. Building trash containers are provided for office generated trash only and are not to be used for disposal of construction-related materials and debris. Unapproved usage will result in a penalty assessment to the Lessee equal to the cost of an extra pick-up service as provided under the current rate schedule of regular trash removal service.

14. INSPECTION BY LANDLORD. Lessor reserves the following rights: (i) the right of inspection prior to, during and at completion of all construction and/or demolition, (ii) the right to post and record a notice of nonresponsibility in conformity with California law, and (iii) the right to order, if reasonable, a total stop to all improvements underway for non-compliance with any of the requirements hereof.

15. GENERAL PROVISIONS.

(a) If Lessor has agreed to provide an allowance toward the cost of tenant improvements (other than the initial Lessee Improvement Allowance), Lessor shall retain from such funds an amount determined by Lessor until Lessee has fully complied with the requirements hereof.

(b) All materials, work, installations and decorations of any nature whatsoever brought on or installed in the Premises before the commencement of the Term or throughout the Term shall be at Lessee's risk, and neither Lessor nor any party acting on Lessor's behalf shall be responsible for any damage thereto or loss or destruction thereof due to any reason or cause whatsoever.

(c) Nothing contained herein shall make or constitute Lessee as the agent of Lessor.

Attachment 1**ITEMS TO BE FURNISHED TO LESSOR FOR EACH WORK OF IMPROVEMENT**

1. Plan of Alterations for Lessor Approval.
2. Contractor(s), Address, Telephone Number, Contact Person.
3. Copy of Contractor's State and City Business License.
4. Copy of Building Permit.
5. Copy of Final Inspection and Signed Building Permit Cards.
6. Copy of Certificate of Insurance Naming The City of Laguna Hills and Essex Realty Management as Additional Insured. Insurance to include Comprehensive General Liability, Comprehensive Auto, Workers' Compensation, Employer's Liability and original Endorsement.
7. Signed Unconditional Lien Waiver in favor of Development Corporation.
8. Schedule of Work.
9. Copy of Completion and Payment Bond.
10. Architect's License and Expiration.
11. Copy of Permit Plans.
12. Copy of As-Builts.
13. Copy of Recorded Notice of Completion.
14. Certificate of Occupancy.
15. Evidence of Insurance for All-Risk/Builder's Risk Insurance to the Amount of Improvements.



GUARANTY OF LEASE

WHEREAS, The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California, hereinafter "Lessor", and NY&A, LLC a California limited liability company, hereinafter "Lessee", are about to execute a document entitled "Lease" dated 2/12/2019 concerning the premises commonly known as (street address, city, state, zip) 24031 El Toro Road, Suite 203 Laguna Hills, CA 92654 wherein Lessor will lease the premises to Lessee, and

WHEREAS, Nicholas Yrizarry hereinafter "Guarantors" have a financial interest in Lessee, and

WHEREAS, Lessor would not execute the Lease if Guarantors did not execute and deliver to Lessor this Guaranty of Lease.

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guarantee the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

It is specifically agreed by Lessor and Guarantors that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, or by a course of conduct, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without the consent of or notice to Guarantors and that this Guaranty shall guarantee the performance of said Lease as so modified.

This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under said Lease.

No notice of default by Lessee under the Lease need be given by Lessor to Guarantors, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which Lessor may proceed immediately against Lessee and/or against Guarantors following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

Lessor shall have the right to proceed against Guarantors following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantors.

Guarantors hereby waive (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other Guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy Lessor may have before proceeding against Guarantors, (g) any right of subrogation that Guarantors may have against Lessee.

Guarantors do hereby subordinate all existing or future indebtedness of Lessee to Guarantors to the obligations owed to Lessor under the Lease and this Guaranty.

If a Guarantor is married, such Guarantor expressly agrees that recourse may be had against his or her separate property for all of the obligations hereunder.

The obligations of Lessee under the Lease to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantors to provide estoppel statements and financial statements to Lessor. The failure of the Guarantors to provide the same to Lessor shall constitute a default under the Lease.

The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Lessor's interest shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

Any recovery by Lessor from any other guarantor or insurer shall first be credited to the portion of Lessee's indebtedness to Lessor which exceeds the maximum liability of Guarantors under this Guaranty.

No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in the county in which the leased premises are located and the Guarantors consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State in which the leased premises are located and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of such State.

In the event any action be brought by said Lessor against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorneys' fees reasonably incurred.

If any Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity.

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Packet Pg. 108

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

If this Form has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made BY AIR CRE, the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Form or the transaction relating thereto.

GUARANTORS

Nicholas Yrizarry

Executed At: 24031 El Toro Road, Laguna Hills, CA

On: 1/22/2019

By: _____

Name Printed: Nicholas Yrizarry

Title: _____

Address: _____

By: _____

Name Printed: Donald J. White

Title: City Manager

Address: _____

AIR CRE. 500 North Brand Blvd, Suite 900, Glendale, CA 91203, Tel 213-687-8777, Email contracts@aircre.com

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Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salesperson and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation. Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

☐ Buyer	☐ Seller	☒ Lessor	☐ Lessee	<u>The City of Laguna Hills</u>	Date: <u>2/12/19</u>
☐ Buyer	☐ Seller	☐ Lessor	☒ Lessee	<u>NY&A, LLC</u>	Date: <u>2/12/19</u>

Agent: Essex Realty Management Inc. DRE Lic. #: 00965485
Real Estate Broker (Firm)

By: Sandi Montez DRE Lic. #: 01293010 Date: 2/12/19
(Salesperson or Broker-Associate)

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Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

THIS FORM HAS BEEN PREPARED BY AIR CRE. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF THIS FORM FOR ANY SPECIFIC TRANSACTION. PLEASE SEEK LEGAL COUNSEL AS TO THE APPROPRIATENESS OF THIS FORM.

Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP
CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. **(b)** "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. **(c)** "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. **(d)** "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. **(e)** "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. **(f)** "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. **(g)** "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. **(h)** "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. **(i)** "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. **(j)** "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. **(k)** "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. **(l)** "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. **(m)** "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. **(n)** "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: **(a)** The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. **(b)** The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. **(b)** As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

(c) CONFIRMATION: The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)

Seller's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Seller's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

Buyer's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)

Buyer's Agent DO NOT COMPLETE, SAMPLE ONLY License Number _____

Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289, 2017-18 California Legislative session)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically

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Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. **(b)** A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. **(c)** "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. **(d)** This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. **(b)** A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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Attachment: Lease (1791 : Proposed Civic Center Lease with NY&A, LLC., for Suite 210)

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City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Assistant City Manager/Director of Public Services

ISSUE: Progress Payment No. 1, Final, for Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G

RECOMMENDATION: That the City Council approve Progress Payment No. 1, Final, in the Net Amount of \$118,750, to G2 Construction, Inc., for Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G, and authorize the filing of the Notice of Completion and subsequent Release of Retention in 35 days, if no liens have been filed.

SUMMARY:

Work on the Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G, began on November 27, 2018, and has been completed by G2 Construction, Inc. Work performed included custom fabrication and installation of catch basin debris gates. It is proposed to approve the first and final progress payment and record a Notice of Completion to allow for the release of the retention in 35 days, if no liens are filed.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final performance of the work. The contractor for this project, G2 Construction, Inc., has submitted the first and final progress payment for the subject project as follows:

Progress Payment No. 1, Final, for Catch Basin Debris Gate Project, CIP No. 412G

February 12, 2019

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ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
1	Fabrication & Installation of Catch Basin Debris Gates (79 Locations)		Lump Sum		\$125,000.00

TOTAL TO DATE	\$125,000.00	
LESS PRIOR BILLING	\$0.00	
TOTAL THIS PERIOD	\$125,000.00	\$125,000.00
LESS 5% RETENTION		\$(6,250.00)
DUE		\$118,750.00

FISCAL IMPACT:

The progress payment is within the Capital Improvement Program Budget for the Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G, and is primarily funded through a grant issued by the Orange County Transportation Authority per Measure M-2 funding.

ATTACHMENTS:

- Notice of Completion G2 CIP 412G

Recording Requested by and
When Recorded Mail to:

Melissa Au-Yeung, City Clerk
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

No Fee Exempt per GC§27383

By: _____

NOTICE OF COMPLETION

Notice is hereby given that the following public improvements have been completed and accepted by the City Council of the City of Laguna Hills on February 12, 2019.

Description of Improvements

Water Quality Improvement Catch Basin Debris Gate Project, CIP No. 412G, including custom fabrication and installation of catch basin debris gates.

General Location

Various locations (71) throughout the City of Laguna Hills, CA 92653

Owner of Property Address

City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Contractor

G2 Construction, Inc.
1352 E. Borchard Avenue
Santa Ana, CA 92705

This Notice of Completion is executed under authority of a directive from the City Council of the City of Laguna Hills.

I, Kenneth H. Rosenfield, P.E., declare under penalty of perjury that I am the City Engineer of the City of Laguna Hills, that I am familiar with the facts stated in the foregoing Notice of Completion executed for and on its behalf, and that I have read the foregoing Notice of Completion and know the contents thereof to be true.

Dated: February 12, 2019

Kenneth H. Rosenfield, P.E., Assistant City Manager/Director of Public Works
City of Laguna Hills



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Agreement with the South Coast Air Quality Management District to Participate in the Mobile Source Air Pollution Reduction Review Committee Local Government Partnership Program

RECOMMENDATION: That the City Council approve an Agreement between the City of Laguna Hills and the South Coast Air Quality Management District to participate in the Mobile Source Air Pollution Reduction Review Committee Local Government Partnership Program and authorize the City Manager to execute the Agreement.

SUMMARY:

At its February 13, 2018, City Council Meeting, the City Council authorized staff to prepare and submit an application to participate in the Mobile Source Air Pollution Reduction Review Committee ("MSRC") Local Government Partnership Program ("Grant Program") for the purchase and installation of electric vehicle charging stations at the Civic Center. Subsequently, staff submitted a proposal for the Grant Program and was notified in January 2019 that the City was awarded \$32,250 in grant funds, subject to the terms of the Agreement (**Attachment 1**). Staff recommends that the City Council approve the Agreement and authorize the City Manager to execute the Agreement.

BACKGROUND:

The Grant Program sets aside a pro-rata share of Mobile Source Air Pollution Reduction Review Committee ("MSRC") funding, also known as AB 2766 discretionary funding, on a dollar for dollar match basis for each city and county within the jurisdiction of the South Coast Air Quality Management District ("SCAQMD") for eligible projects that accelerate

Agreement with SCAQMD for the MSCR Local Government Partnership Program
February 12, 2019
Page 2

the transition to zero and near-zero emissions vehicles along with supporting infrastructure. The funding is allocated on a reserved basis (not a competitive basis) for cities and counties that participate in the AB 2766 Subvention Fund program. Since the City is an AB 2766 Subvention Fund participant, the City has a reserved funding amount of up to \$50,000 or a 75% match, whichever is less, of MSRC grant funds to use on eligible projects as part of the Grant Program.

At its February 13, 2018, City Council Meeting, the City Council authorized staff to prepare and submit an application to participate in the MSRC Grant Program for the purchase and installation of electric vehicle charging stations at the Civic Center and Community Center & Sports Complex. Subsequently, the City submitted its initial proposal on July 19, 2018 (**Attachment 2**), which included the purchase and installation of six (6) electric vehicle charging stations at the Community Center & Sports Complex and two (2) electric vehicle charging stations at the Civic Center, including necessary electrical infrastructure upgrades at both locations. On December 5, 2018, the City submitted a revised scope of work to the MSRC (**Attachment 3**) to include only the installation of two (2) electric vehicle charging stations providing a total of four (4) charging ports, including related electrical infrastructure upgrades at the Civic Center. This revision was made since the City may undergo expansion and renovations to the parking lots at the Community Center & Sports Complex in the future.

On January 7, 2019, the City received correspondence from the MSRC indicating that it was selected for the Grant Program, subject to the terms of the Agreement with the SCAQMD. The Agreement with the SCAQMD awards the City \$32,250 of grant funds on a reimbursable basis for the Civic Center project. The City has a maximum of five (5) years to complete the project and is required to operate the electric vehicle charging stations for a period of at least three (3) years. Any project costs that exceed the grant award will be subsidized by the City's AB 2766 Subvention Fund account. Historically, the AB 2766 Subvention Fund receives an annual allocation from the State's Motor Vehicle Registration Program of approximately \$39,000 and the current balance of the fund is \$189,428.60.

Staff recommends that the City Council approve the Agreement and authorize the City Manager to execute the Agreement.

Agreement with SCAQMD for the MSCR Local Government Partnership Program
February 12, 2019
Page 3

FISCAL IMPACT:

It is anticipated that the entire purchase and installation costs of the electric vehicle charging stations at the Civic Center would be funded through a combination of MSRC grant funds and AB 2766 Subvention funds. No General Fund commitment is required.

ATTACHMENTS:

- Agreement
- Initial Proposal
- Revised Proposal



AB 2766/MSRC LOCAL GOVERNMENT PARTNERSHIP PROGRAM CONTRACT

1. PARTIES

The parties to this contract ("Contract") are the South Coast Air Quality Management District (referred to here as "SCAQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and the City of Laguna Hills, California (referred to here as "CONTRACTOR") whose address is 24035 El Toro Road, Laguna Hills, California 92653.

2. RECITALS

- A. SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California (State). SCAQMD is authorized under State Health & Safety Code Section 44225 (AB 2766) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act.
- B. Under AB 2766, SCAQMD's Governing Board has authorized the imposition of the statutorily set motor vehicle fee. By taking such action, the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to SCAQMD.
- C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by SCAQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
- D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by SCAQMD's Governing Board, SCAQMD authorized this Contract with CONTRACTOR for equipment or services described in Attachment 1 - Statement of Work, expressly incorporated herein by this reference and made a part hereof of this Contract.
- E. CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR's Local Government Partnership Program Proposal dated July 19, 2018.
- F. CONTRACTOR is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
- G. All parties to this Contract have had the opportunity to have this Contract reviewed by their attorney.

3. DMV FEES

CONTRACTOR acknowledges that SCAQMD cannot guarantee that the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that payment under this Contract is contingent upon SCAQMD receiving sufficient funds from the DMV, and that SCAQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees.

4. AUDIT AND RECORDS RETENTION

- A. CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by SCAQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from motor vehicles pursuant to the Clean Air Act of 1988.
- B. CONTRACTOR agrees to maintain records related to this Contract during the Contract term and continue to retain these records for a period of two years beyond the Contract term, except that in no

case shall CONTRACTOR be required to retain more than the most recent five years' records. SCAQMD shall coordinate such audit through CONTRACTOR'S audit staff.

- C. If an amount is found to be inappropriately expended, SCAQMD may withhold funding, or seek reimbursement, from CONTRACTOR in the amount equal to the amount that was inappropriately expended. Such withholding shall not be construed as SCAQMD's sole remedy and shall not relieve CONTRACTOR of its obligation to perform under the terms of this Contract.

5. TERM

The term of this Contract is for fifty (50) months from the date of execution by both parties, unless terminated earlier as provided for in the TERMINATION clause of this Contract, the EARLY TERMINATION clause, or the term is extended by amendment of this Contract in writing. No work shall commence prior to the Contract start date, except at CONTRACTOR's cost and risk, and no charges are authorized until this Contract is fully executed, subject to the provisions stated in the PRE-CONTRACT COSTS clause of this Contract.

6. SUCCESSORS-IN-INTEREST

This Contract, and the obligations arising under the Contract, shall be binding on and inure to the benefit of CONTRACTOR and their executors, administrators, successors, and assigns.

7. REPORTING

CONTRACTOR shall submit reports to SCAQMD as outlined in Attachment 1 - Statement of Work. SCAQMD reserves the right to review, comment, and request changes to any report produced as a result of this Contract.

8. TERMINATION

- A. In the event any party fails to comply with any term or condition of this Contract, or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 - Statement of Work, this failure shall constitute a breach of this Contract. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this contract. Notification shall be provided in the manner set forth in the NOTICES clause of this Contract. The non-breaching party reserves all rights under law and equity to enforce this Contract and recover damages.
- B. SCAQMD reserves the right to terminate this Contract, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, CONTRACTOR shall, except as and to the extent or directed otherwise by SCAQMD, discontinue any Work being performed under this Contract and cancel any of CONTRACTOR's orders for materials, facilities, and supplies in connection with such Work, and shall use its best efforts to procure termination of existing subcontracts upon terms satisfactory to SCAQMD. Thereafter, CONTRACTOR shall perform only such services as may be necessary to preserve and protect any Work already in progress and to dispose of any property as requested by SCAQMD.
- C. CONTRACTOR shall be paid in accordance with this Contract for all Work performed before the effective date of termination under section B of the TERMINATION clause of this Contract. Before expiration of the thirty (30) days' written notice, CONTRACTOR shall promptly deliver to SCAQMD all copies of documents and other information and data prepared or developed by CONTRACTOR under this Contract with the exception of a record copy of such materials, which may be retained by CONTRACTOR.

9. EARLY TERMINATION

This Contract may be terminated early due to the following circumstances: The infrastructure identified in Attachment 1, Statement of Work, becomes inoperable, and is either not technically able to be repaired, or is too costly to repair, and such failure is not caused by CONTRACTOR's negligence, misuse, or malfeasance.

10. STOP WORK

SCAQMD may, at any time, by written notice to CONTRACTOR, require CONTRACTOR to stop all or any part of the Statement of Work tasks in this Contract. A stop work order may be issued for reasons including, but not limited to, the project exceeding the budget, out of scope work, delay in project schedule, or misrepresentations. Upon receipt of the stop work order, CONTRACTOR shall immediately take all necessary steps to comply with the order. CONTRACTOR shall resume the work only upon receipt of written instructions from SCAQMD cancelling the stop work order. CONTRACTOR agrees and understands that CONTRACTOR will not be paid for performing work while the stop work order is in effect, unless SCAQMD agrees to do so in its written cancellation of the stop work order.

11. INSURANCE

CONTRACTOR represents that it is permissibly self-insured and will maintain such self-insurance in accordance with applicable provisions of California law throughout the term of this Contract. CONTRACTOR shall provide evidence of sufficient coverage during the term of this Contract and any extensions thereof that meet or exceed the minimum requirements set forth by the SCAQMD below. The certificate of self-insurance shall be mailed to: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, Attention: Cynthia Ravenstein, MSRC Contracts Administrator. **The SCAQMD Contract Number must be included on the face of the certificate.** If CONTRACTOR fails to maintain the required insurance coverage, SCAQMD reserves the right to terminate the Contract or purchase such additional insurance and bill CONTRACTOR or deduct the cost thereof from any payments owed to CONTRACTOR. Minimum insurance coverages are as follows:

- A. Worker's compensation insurance in accordance with either California or other state's applicable statutory requirements.
- B. General Liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in general aggregate.
- C. Automobile Liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage.

12. INDEMNIFICATION

CONTRACTOR agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action, judgments, attorney's fees, or any other expenses arising from or related to any third party claim against SCAQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of CONTRACTOR, its employees, subcontractors, agents or representatives in the performance of this Contract. This Indemnification Clause shall survive the expiration or termination (for any reason) of the Contract and shall remain in full force and effect.

13. DISCLAIMER OF WARRANTY

The purchase or lease of funded vehicles/equipment is the CONTRACTOR's decision. The SCAQMD does not make any express or implied warranty of merchantability, fitness for a particular purpose or otherwise, quality or usefulness of the technology or product. Without limiting the foregoing, the SCAQMD will not be financially responsible, or otherwise liable, for the installation or performance of the vehicle/equipment.

14. PAYMENT

- A. SCAQMD shall reimburse CONTRACTOR up to a total amount of Thirty Two Thousand Two Hundred Fifty Dollars (\$32,250) in accordance with Attachment 2 - Payment Schedule expressly incorporated herein by this reference and made a part hereof of the Contract.
- B. A withhold amount or percentage (if any) shall be identified in the Payment Schedule, and such amount shall be withheld from each invoice. Upon satisfactory completion of project and final acceptance of work and the final report, CONTRACTOR's invoice for the withheld amount shall be released. Proof of project completion shall include a Final Report detailing the project goals and accomplishments, data collected during project performance, if any, documentation of significant results, and emissions reduction input data needed for calculation of emissions reductions.
- C. Any funds not expended upon early Contract termination or Contract completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by SCAQMD to CONTRACTOR within thirty (30) days after approval by SCAQMD of an itemized invoice prepared and furnished by CONTRACTOR.
- D. An invoice submitted to SCAQMD for payment must be prepared in duplicate, on company letterhead, and list SCAQMD's contract number, period covered by invoice, and CONTRACTOR's social security number or Employer Identification Number and submitted to:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Cynthia Ravenstein, MSRC Contracts Administrator

1. Charges for equipment, material, and supply costs, travel expenses, subcontractors, and other charges, as applicable, must be itemized by CONTRACTOR. Reimbursement for equipment, material, supplies, subcontractors, and other charges, as applicable, shall be made at actual cost. Supporting documentation must be provided for all individual charges (with the exception of direct labor charges provided by CONTRACTOR).
2. SCAQMD shall pay CONTRACTOR for travel-related expenses only if such travel is expressly set forth in Attachment 2 - Payment Schedule of this Contract or pre-authorized by SCAQMD in writing.
3. CONTRACTOR's failure to provide receipts shall be grounds for SCAQMD's non-reimbursement of such charges. CONTRACTOR may reduce payments on invoices by those charges for which receipts were not provided.
4. CONTRACTOR must submit final invoice no later than ninety (90) days after the termination date of this Contract or invoice may not be paid.

15. COMPLIANCE WITH APPLICABLE LAWS

CONTRACTOR agrees to comply with all federal, state, and local laws, ordinances, codes and regulations and orders of public authorities in the performance of this Contract. CONTRACTOR must also ensure that the vehicles and/or equipment to be purchased, leased or installed in the performance of this Contract are in compliance with all applicable federal, state, and local air quality rules and regulations, and that it will

maintain compliance for the full Contract term. CONTRACTOR shall ensure that the provisions of this clause are included in all subcontracts.

16. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)

- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
- B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from funding sources other than AB2766. These MSERCs, which are issued by SCAQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
- C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. SCAQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.

17. NOTICES

All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by email, U.S. Mail, express, certified, return receipt requested, or a nationally recognized overnight courier service. In the case of email communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. Email communications shall be deemed to have been received on the date of such transmission, provided such date was a business day (Tuesday-Friday) and delivered prior to 5:30pm Pacific Standard Time. Otherwise, receipt of email communications shall be deemed to have occurred on the following business day. In the case of U.S. Mail notice, notice shall be deemed to be received when delivered or five (5) business days after deposit in the U. S. Mail. In the case of a nationally recognized overnight courier service, notice shall be deemed received when delivered (written receipt of delivery).

SCAQMD:

South Coast Air Quality Management District

21865 Copley Drive

Diamond Bar, CA 91765-4178

Attn: Cynthia Ravenstein, MSRC Contracts Administrator, email: cravenstein@aqmd.gov

CONTRACTOR:

City of Laguna Hills

24035 El Toro Road

Laguna Hills, CA 92653

Attn: James Haston, email: JHaston@LagunaHillsCA.gov

18. INDEPENDENT CONTRACTOR

CONTRACTOR is an independent contractor. CONTRACTOR, its officers, employees, agents, representatives, or subcontractors shall in no sense be considered employees or agents of SCAQMD, nor shall CONTRACTOR, its officers, employees, agents, representatives, or subcontractors be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by SCAQMD to its employees. SCAQMD will not supervise, direct, or have control over, or be responsible for, CONTRACTOR's or subcontractor's means, methods, techniques, work sequences or procedures, or for the safety precautions and programs incident thereto, or for any failure by them to comply with any local, state, or federal laws, or rules or regulations, including state minimum wage laws and OSHA requirements.

19. SUBCONTRACTOR APPROVAL

If CONTRACTOR intends to subcontract all or a portion of the work under this Contract, then CONTRACTOR must first obtain written approval from SCAQMD's Executive Officer or designee prior to subcontracting any work. Such prior approval applies only to subcontractors not already included in Attachment 1, Statement of Work. Any material changes to the subcontract(s) that affect the scope of work, deliverable schedule, and/or payment/cost schedule shall also require the prior written approval of the Executive Officer or designee. No subcontract charges will be reimbursed unless the required approvals have been obtained from SCAQMD.

20. OWNERSHIP

Title and full ownership rights to any equipment purchased under this Contract shall at all times remain with CONTRACTOR.

21. SECURITY INTEREST

CONTRACTOR hereby grants SCAQMD a security interest in any and all equipment purchased, in whole or in part, with funding provided by SCAQMD pursuant to this Contract. CONTRACTOR acknowledges and agrees that SCAQMD shall have all lien rights as a secured creditor on any and all equipment purchased in whole or in part by the CONTRACTOR, under this Contract or any amendments thereto. The SCAQMD shall have lien rights in effect until the CONTRACTOR satisfies all terms under the Contract, including but not limited to, the use and reporting requirements. **Accordingly, CONTRACTOR further agrees that SCAQMD is authorized to file a UCC filing statement or similar security instrument to secure its interests in the equipment that is the subject of the Contract.** In the event CONTRACTOR files for bankruptcy protection, CONTRACTOR shall notify SCAQMD within 10 business days of such filing.

22. NON-DISCRIMINATION

In the performance of this Contract, CONTRACTOR shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, sex, sexual orientation, age, mental status, medical condition, physical or mental disability, denial of family and medical care leave, denial of pregnancy disability leave, or reasonable accommodations. CONTRACTOR shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order.

23. CITIZENSHIP AND ALIEN STATUS

- A. CONTRACTOR warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). CONTRACTOR shall obtain from all covered employees performing services hereunder all verification and other documentation of employees' eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. CONTRACTOR shall have a continuing obligation to verify and document the continuing employment authorization and authorized alien status of employees performing services under this Contract to insure continued compliance with all federal statutes and regulations. Notwithstanding the above, CONTRACTOR, in the performance of this Contract, shall not discriminate against any person in violation of 8 USC Section 1324b.
- B. CONTRACTOR shall retain such documentation for all covered employees for the period described by law. CONTRACTOR shall indemnify, defend, and hold harmless SCAQMD, its officers and employees from employer sanctions and other liability which may be assessed against CONTRACTOR or SCAQMD, or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Contract.

24. ASSIGNMENT AND TRANSFER OF EQUIPMENT

- A. The rights and responsibilities granted hereby may not be assigned, sold, licensed, or otherwise transferred by CONTRACTOR without the prior written consent of SCAQMD, and any attempt by CONTRACTOR to do so shall be void upon inception.
- B. CONTRACTOR agrees to obtain SCAQMD's written consent to any assignment, sale, license or transfer of Equipment, if any, prior to completing the transaction. CONTRACTOR shall inform the proposed assignee, buyer, licensee or transferee (collectively referred to here as "Buyer") of the terms of this Contract. CONTRACTOR is responsible for establishing contact between SCAQMD and the Buyer and shall assist SCAQMD in facilitating the transfer of this Contract's terms and conditions to the Buyer. **CONTRACTOR will not be relieved of the legal obligation to fulfill the terms and conditions of this Contract until and unless the Buyer has assumed responsibility of this Contract's terms and conditions through an executed contract with SCAQMD.**

25. NON-EFFECT OF WAIVER

The failure of CONTRACTOR or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

26. TAX IMPLICATIONS FROM RECEIPT OF MSRC FUNDS

CONTRACTOR is advised to consult a tax attorney regarding potential tax implications from receipt of MSRC funds.

27. ATTORNEYS' FEES

In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.

28. FORCE MAJEURE

A party shall not be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority,

acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the party's reasonable control.

29. SEVERABILITY

In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.

30. HEADINGS

Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

31. DUPLICATE EXECUTION

This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.

32. GOVERNING LAW

This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Contract shall be Los Angeles County, California.

33. PRE-CONTRACT COSTS

Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that this Contract is not executed, neither the MSRC nor the SCAQMD shall be liable for any amounts expended in anticipation of a fully executed Contract. If this Contract is fully executed, pre-contract cost expenditures authorized by the Contract will be reimbursed in accordance with the Payment Schedule and payment provision of the Contract.

34. CHANGE TERMS

Changes to any part of this Contract must be requested in writing by CONTRACTOR and approved by MSRC in accordance with MSRC policies and procedures. CONTRACTOR must make requests a minimum of 90 days prior to desired effective date of change. All modifications to this Contract shall be in writing and signed by the authorized representatives of the parties. Fueling station location changes shall not be approved under any circumstances.

35. PREVAILING WAGES

CONTRACTOR is alerted to the prevailing wage requirements of California Labor Code section 1770 et seq., and the compliance monitoring and enforcement of such requirements by the Department of Industrial Relations ("DIR"). CONTRACTOR and all of CONTRACTOR's subcontractors must comply with the California Public Works Contractor Registration Program and, where applicable, must be registered with the DIR to participate in public works projects. CONTRACTOR shall be responsible for determining the applicability of the provisions of California Labor Code and complying with the same, including, without limitation, obtaining from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work, making the same available to any interested party upon request, paying any applicable prevailing rates, posting copies thereof at the job site and flowing all applicable prevailing wage rate requirements to its subcontractors. Proof of compliance with these requirements must be provided to SCAQMD upon request. CONTRACTOR shall indemnify,

defend and hold harmless the South Coast Air Quality Management District against any and all claims, demands, damages, defense costs or liabilities based on failure to adhere to the above referenced statutes.

36. ENTIRE CONTRACT

This Contract represents the entire agreement between CONTRACTOR and SCAQMD. There are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the authorized representative of the party against whom enforcement of such waiver, alteration, or modification is sought.

37. AUTHORITY

The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)



IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY OF LAGUNA HILLS

By: _____
Dr. William A. Burke, Chairman, Governing Board

By: _____
Name: _____
Title: _____

Date: _____

Date: _____

ATTEST:
Denise Garzaro, Clerk of the Board

By: _____

APPROVED AS TO FORM:
Bayron T. Gilchrist, General Counsel

By: Megan Long

//MSRC Master Boilerplate
Revised April 24, 2018

**Attachment 1
Statement of Work
City of Laguna Hills
Contract Number ML18099**

1. Project

The City of Laguna Hills (hereinafter referred to as "CONTRACTOR") is to install a total of two public access "Level II" type EV charging stations, providing a total of four charging ports, at their Civic Center which is located at 24035 El Toro Road, Laguna Hills, California. These stations shall be accessible to the public 24 hours per day, 7 days per week. Installations must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. This location is understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes. CONTRACTOR shall be reimbursed according to Attachment 2 – Payment Schedule.

2. Operation Requirements and Reimbursement for Noncompliance: Level II EV Charging Stations

CONTRACTOR is obligated to comply with the Operational Availability requirements set forth as follows:

- A. CONTRACTOR commits to ensuring Level II charging stations remain operational in the original location for a period of no less than three (3) years from the date the station begins operations in either its initial or expanded capacity. Should CONTRACTOR desire to deviate from this obligation, for reasons other than those stated in the EARLY TERMINATION clause of this Contract, CONTRACTOR shall reimburse SCAQMD for a prorated share of the funds provided for fueling/charging facilities as indicated in the table below:

3 year Operational Availability Obligation Termination Occurs	Percentage of MSRC Funds to be Reimbursed
Within Year 1	100%
Between Years 1-2	66%
Between Years 2-3	33%
After Year 3	0%

- B. The appropriate reimbursable amount shall be paid to SCAQMD within sixty (60) days from the date the station ceases operation. CONTRACTOR shall not be responsible for any reimbursement to SCAQMD if the obligation is terminated as a result of one or more reasons set forth in the EARLY TERMINATION clause of this Contract.
- C. The obligations of this section shall survive the expiration of the Contract and continue in full force and effect until the applicable operational availability period set forth above has been satisfied.

3. Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the MSRC's co-funding of the EV charging stations. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items

**Attachment 1
Statement of Work
City of Laguna Hills
Contract Number ML18099**

at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by SCAQMD staff, unless SCAQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

4. Reports

Quarterly Reports: Until EV charging stations commence operation, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: tasks completed, issues or problems encountered, resolutions implemented, and progress to date. Progress reports that do not comply will be returned to the CONTRACTOR as inadequate.

Final Report: A Final Report shall be submitted by the CONTRACTOR in the format provided by SCAQMD staff. The Final Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions about this project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, and the impact of the project on future electric vehicle projects.

5. Project Schedule

CONTRACTOR shall comply with the increments of progress identified in the following chart. The completion month for each task is based on the date of Contract execution.

Task	Completion
Release bid for EV station equipment and installation	Month 8
Submit Public Outreach Plan	Month 10
Complete EV station installations and enter into service	Month 11
Implement Public Outreach Plan	Month 13
Quarterly reports	Quarterly beginning with Month 4, until all installations are complete
Final Report	Month 14

**Attachment 2
Payment Schedule
City of Laguna Hills
Contract Number ML18099**

Cost Breakdown

Purchase Category	Maximum AB2766 Discretionary Funds payable under this Contract	CONTRACTOR AB2766 Subvention Funds Applied	Other Funds Applied to Match	Total Cost
EV Charging Stations	\$32,250	\$10,750	\$0	<u>\$43,000</u>

Station network service and maintenance costs may form part of CONTRACTOR's cost share, but shall not be eligible for reimbursement under this Contract.

No funds shall be paid out to CONTRACTOR pursuant to this Contract, until the project described in Attachment 1 is completed and proof of completion is provided to SCAQMD. If the project described in Attachment 1 is not completed and satisfactory proof of completion is not provided to SCAQMD, no monies shall be due and payable to CONTRACTOR. Proof of completion shall include:

- Representative photos of completed stations;
- A report signed by a responsible official certifying that the station has been completed as described in Attachment 1; and
- Receipts for equipment and/or invoice(s) from subcontractor(s) performing the installations, if any.

If, at the completion of the Project, the expenditures are less than the Total Cost amount above, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis, so that the amount reimbursed to CONTRACTOR shall not exceed thrice the actual amount of AB 2766 Subvention and other funds applied.

Additional AB 2766 Discretionary Match Funds will not be available to fund project cost overruns. Any project cost overruns must be funded from other than AB 2766 Discretionary Funds.



CITY OF LAGUNA HILLS

Administration and Finance

July 19, 2018

Cynthia Ravenstein
Contracts Administrator
Mobile Source Air Pollution Reduction Review Committee
21865 Copley Drive
Diamond Bar, California 91765

RE: PROPOSAL FOR MSRC CLEAN TRANSPORTATION FUNDING FOR THE 2017 LOCAL GOVERNMENT PARTNERSHIP PROGRAM

Dear Cynthia Ravenstein:

The City of Laguna Hills is pleased to submit the enclosed proposal for Mobile Source Air Pollution Reduction Review Committee ("MSRC") clean transportation funding for the 2017 Local Government Partnership Program.

In accordance with the requirements detailed in the MSRC Program Opportunity Notice and Invitation to Negotiate ("PON"), the City of Laguna Hills will utilize any amount of funding received from the MSRC for the eligible project category described in **Section II.B** of the PON as Electric Vehicle Charging Infrastructure (EVSE) Installation.

Should you have any questions or require additional information pertaining to the enclosed proposal, please contact James Haston, Senior Management Analyst at (949) 707-2617 or jhaston@lagunahillsca.gov.

Sincerely,



Donald J. White
City Manager

July 19, 2018

Cynthia Ravenstein
Contracts Administrator
Mobile Source Air Pollution Reduction Review Committee
21865 Copley Drive
Diamond Bar, California 91765

RE: PROPOSAL FOR MSRC CLEAN TRANSPORTATION FUNDING FOR THE 2017 LOCAL GOVERNMENT PARTNERSHIP PROGRAM

Dear Cynthia Ravenstein:

The City of Laguna Hills is pleased to submit the enclosed proposal for Mobile Source Air Pollution Reduction Review Committee ("MSRC") clean transportation funding for the 2017 Local Government Partnership Program.

In accordance with the requirements detailed in the MSRC Program Opportunity Notice and Invitation to Negotiate ("PON"), the City of Laguna Hills will utilize any amount of funding received from the MSRC for the eligible project category described in **Section II.B** of the PON as *Electric Vehicle Charging Infrastructure (EVSE) Installation*.

Should you have any questions or require additional information pertaining to the enclosed proposal, please contact James Haston, Senior Management Analyst at (949) 707-2617 or jhaston@lagunahillsca.gov.

Sincerely,

Donald J. White
City Manager

Attachment: Initial Proposal (1792 : Agreement with SCAQMD for the MSRC Local Government Partnership Program)

**MSRC CLEAN TRANSPORTATION FUNDING
LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

DUE: AUGUST 2, 2018

**CITY OF LAGUNA HILLS
PROPOSAL FOR
2017 LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

SUMBITTED: JULY 19, 2018

Attachment: Initial Proposal (1792 : Agreement with SCAQMD for the MSCR Local Government Partnership Program)

I. MSRC PowerPoint Presentation

At the February 13, 2018, City Council meeting, City staff provided the City Council with the Mobile Source Air Pollution Reduction Review Committee (“MSRC”) PowerPoint Presentation along with information pertaining to the proposed project to be included in the City’s proposal to the MSRC.

II. Project Approval – Minute Action Documentation

At the February 13, 2018, City Council meeting, the City Council:

1. Received and filed the MSRC-provided PowerPoint Presentation;
2. Authorized the proposed project; and
3. Allocated the necessary matching funds from the City’s AB 2766 Subvention Fund.

Minute Action documentation is included in this proposal as **Attachment A**.

III. Project Implementation Plan

The City of Laguna Hills proposes one (1) project for the 2017 Local Government Partnership Program based on the eligible project category described in the MSRC Program Opportunity Notice and Invitation to Negotiate as Electric Vehicle Charging Infrastructure (EVSE) Installation. Under this eligible project category, the City of Laguna Hills proposes to purchase and install publicly accessible EVSE at two separate locations: 1) at the City’s Civic Center; and 2) at the City’s Community Center and Sports Complex. The City of Laguna Hills understands that this Project Implementation Plan will be the primary source material for the development of a sole-source contract Statement of Work.

The scope of work for the EVSE project will include: (i) development and release of a Request for Proposals for Siting and Design of Electric Vehicle Charging Infrastructure; (ii) purchase and installation of publicly available electric vehicle charging infrastructure at the Laguna Hills Civic Center; and (iii) purchase and installation of publicly available electric vehicle charging infrastructure at the Laguna Hills Community Center & Sports Complex. In addition, appropriate signage, wayfinding, and accessibility improvements will be included in the scope of work to facilitate ease of access and use of the electric vehicle charging stations.

IV. Proposed Budget

Site Location	Access	Proposed EVSE Installation	Total Purchase Price for EV Chargers ¹	Electrical Upgrade/Installation Cost
Civic Center	Public	2 Level 2 Dual Port EV Chargers	\$23,000	\$20,000
Community Center & Sports Complex	Public	2 Level 2 Dual Port EV Chargers	\$23,000	\$57,000
		2 DC Fast Single Port EV Chargers	\$72,000	
Total				\$195,000
NET COST WITH MSRC FUNDING (75% or 50,000)				\$145,000

¹Includes 5-year costs for network/cloud services and maintenance for EV charging stations.

V. Implementation Schedule

The City's proposed implementation schedule is as follows:

- | | |
|--|-------------------|
| 1. Receive City Council authorization for proposed project | February 13, 2018 |
| 2. Submit proposal to MSRC | July 19, 2018 |
| 3. Receive approval from MSRC for Project | August 2018 |
| 4. Release RFP for Siting and Design of EVSE | October 2018 |
| 5. Release Bid for EVSE | January 2019 |
| 6. Award of contract/purchase order for EVSE | March 2019 |
| 7. Purchase and installation of EVSE | April 2019 |

ATTACHMENT A

CITY OF LAGUNA HILLS MINUTE ACTION DOCUMENTATION

Attachment: Initial Proposal (1792 : Agreement with SCAQMD for the MSCR Local Government Partnership Program)



CITY OF LAGUNA HILLS ACTION OF THE CITY COUNCIL

A regular meeting of the City Council of the City of Laguna Hills, California, was held on Tuesday, February 13, 2018. The following named members were present:

Roll Call

Present:

Mel Carruth, Mayor
Dore J. Gilbert, M.D., Mayor Pro Tempore
Janine Heft, Council Member
Barbara D. Kogerman, Council Member

Absent:

Don Sedgwick, Council Member

6. ADMINISTRATIVE REPORTS

6.1 City Manager

6.1.1 Approval to Participate in the Mobile Source Air Pollution Reduction Review Committee (MSRC) Local Government Partnership Program

Management Analyst Haston summarized the information provided in the Staff Report.

Recommendation: That the City Council: (1) Receive and file the Mobile Source Air Pollution Reduction Review Committee PowerPoint Presentation; (2) Authorize the submittal of a City application for Electric Vehicle Charging Infrastructure (EVSE) installation at the Civic Center and Community Center & Sports Complex; and (3) Allocate matching funds from the City's AB 2766 Subvention Fund account.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Mel Carruth, Mayor
AYES:	Mel Carruth, Mayor; Dore J. Gilbert, M.D., Mayor Pro Tempore; Janine Heft, Council Member; Barbara D. Kogerman, Council Member
ABSENT:	Don Sedgwick, Council Member

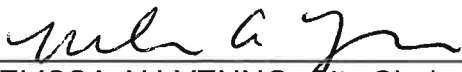
Action of the City Council
February 13, 2018
Item No. 6.1.1
MSRC Local Government Partnership Program
Page Two

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA HILLS)

I, MELISSA AU-YEUNG, City Clerk and ex-officio Clerk of the City Council of the City of Laguna Hills, California, do hereby certify the foregoing to be the official action taken by the City Council at the above meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of July 2018.

(SEAL)



MELISSA AU-YEUNG, City Clerk and
ex-officio Clerk of the City Council
Laguna Hills, California

Attachment: Initial Proposal (1792 : Agreement with SCAQMD for the MSRC Local Government Partnership Program)



CITY OF LAGUNA HILLS

City Manager

December 5, 2018

Cynthia Ravenstein
Contracts Administrator
Mobile Source Air Pollution Reduction Review Committee
Diamond Bar, CA 91765

RE: Request for Revision to the City of Laguna Hills Proposal for the Local Government Partnership Program

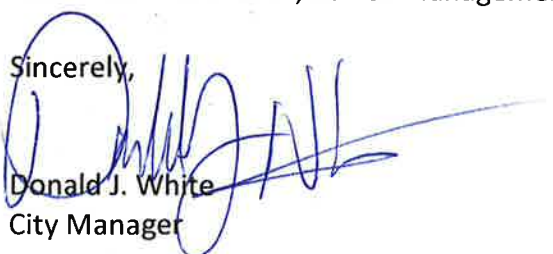
Dear Cynthia:

The City of Laguna Hills is requesting a revision to its proposal for the Local Government Partnership Program submitted on July 19, 2018. Specifically, the City is requesting to revise Section IV. Budget Proposal as described below.

Site Location	Access	Proposed EVSE Installation	Total Purchase Price for EV Chargers	Electrical Upgrade/Installation Cost
Civic Center	Public	(2) Level 2 Dual Port EV Chargers	\$23,000	\$20,000
Total				\$43,000
NET COST WITH MSRC FUNDING (75% or 50,000)				\$10,750

Within the next few years, the City's Community Center & Sports Complex may undergo expansion and renovation to major portions of the existing parking lots. Consequently, it is no longer feasible to plan for the installation of EVSE at that specific location at this time. Should you have any questions or require additional information pertaining to this project, please contact James Haston, Senior Management Analyst, at (949) 707-2617.

Sincerely,


Donald J. White
City Manager

Enclosure: Estimate for EVSE Installation Cost at the Civic Center



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Agreement with the County of Orange District Attorney's Office for Prosecution Services

RECOMMENDATION: That the City Council approve the Agreement with the County of Orange for Prosecution Services and Authorize the Mayor to execute the Agreement.

SUMMARY:

The City of Laguna Hills has contracted with the County of Orange, District Attorney's Office for prosecuting municipal code violators. Most of the violations are prosecuted by the City Attorney's Office; however, the District Attorney is a viable alternative for some specific cases.

BACKGROUND:

The Agreement will allow the Orange County District Attorney's Office to prosecute violators of local Ordinances on behalf of the City. According to the Agreement, the County will provide all resources necessary to enforce the City's Ordinances and will retain the final authority regarding performance and services standards. The specific charges for referral, additional prosecution, and special costs are outlined in the Agreement.

OCD A Agreement for Prosecution Services
February 12, 2019
Page 2

FISCAL IMPACT:

Expenditures for prosecution efforts will either be charged to legal services or code enforcement. Sufficient funds have been budgeted in both of these accounts.

ATTACHMENTS:

- Agreement

AGREEMENT FOR PROSECUTION SERVICES

THIS AGREEMENT FOR PROSECUTION SERVICES ("AGREEMENT") , made and entered into by and between the COUNTY OF ORANGE, CALIFORNIA, a political subdivision of the State of California and a body politic and corporate (hereinafter designated as "COUNTY"), and the City of Laguna Hills, a municipal corporation, located in the County of Orange (hereinafter designated as "CITY").

In consideration of the terms herein COUNTY and CITY agree as follows:

1. COUNTY, through its District Attorney (DA), shall render to CITY such services as may be required to prosecute criminal violations of CITY's ordinances by persons 18 years of age or older in courts.
2. COUNTY shall provide all staffing and supervision necessary to prosecute criminal violations of CITY ordinances as contemplated by this AGREEMENT.
3. The final authority for rendition of services, standards of performance, and other matters incident to the performance of prosecution services and the control of COUNTY personnel shall remain in COUNTY. The DA shall have the exclusive authority to file a criminal complaint and conduct the prosecution of any criminal violations of CITY ordinances.
4. CITY, its officers, agents, and employees are not liable for the direct payment of any salaries, wages, or other compensation to any COUNTY personnel performing services under this Agreement. CITY, its officer, agents, and employees are not liable for compensation or indemnity to any COUNTY employee for any injury or sickness arising out of his or her employment.
5. COUNTY, its officers, agents, and employees are not liable for the acts or omissions of CITY, its officers, agents, or employees.
6. CITY and COUNTY shall hold each other harmless from liability for acts or omissions under this Agreement of the officers, agents, and employees of the other.
7. (a) Referrals for Complaints. CITY may refer suspected violations of its criminal ordinances by persons 18 years or older to the DA for a determination as to whether a criminal complaint should be filed.

CITY shall pay COUNTY the sum of \$258.15 for each referral, without regard to the issuance of a complaint. For the purposes of this AGREEMENT a "referral" means an occurrence constituting an alleged violation of one or more CITY ordinances by one person. CITY shall provide investigation materials, reports, copies of its ordinances, and additional records or information as requested by the DA. In cases where prosecution is authorized by the DA, the DA will draft and prepare the complaint. When "not guilty" pleas are entered on such complaints, the DA will prosecute such cases through trial without further charge, except as provided in Paragraph 7(c) herein. CITY shall pay COUNTY \$158.15 per hour of attorney time and \$100.00 per hour of clerical support's time for services performed under this paragraph for prosecutions in excess of one day.

(b) Additional Trial Prosecution. Trials on CITY citations and trials on CITY complaints not issued pursuant to Paragraph 7(a) above will not be tried by the DA without the consent of the Assistant DA in charge of the branch service the judicial district in which CITY is located. The DA may determine that CITY ordinances of exclusively local concern should be prosecuted by the CITY attorney. Except as provide in Paragraph 7(c), CITY shall pay COUNTY \$258.15 for each DA prosecution of a CITY citation or a CITY complaint not issued pursuant to Paragraph 7(a). For the purposes of this paragraph, "DA prosecution" means the DA's appearance in Court after witnesses are subpoenaed on the first setting for a defendant's trial. Where CITY asks the DA to request dismissal before subpoenas have been issued and the DA agrees to that request, no charge will be made. As prosecutor, the DA has the right to control the disposition of all complaints, trials, and appeals herein described in accordance with the duties of his office. CITY will provide investigation materials, reports, citations, copies of its ordinances, and additional records or information necessary for trial as requested by the DA. CITY shall pay COUNTY \$158.15 per hour of attorney time and \$100.00 per hour of clerical support's time for services performed under this paragraph for prosecutions in excess of one day.

(c) Appeals. CITY may request the DA to file, answer, and litigate appeals of convictions of violations of CITY's ordinances. CITY shall pay COUNTY \$158.15 per hour of attorney time and \$100.00 per hour of clerical support's time for services performed under this paragraph.

(d) The rates for services specified in this AGREEMENT shall be reviewed annually by COUNTY's Auditor-Controller and, if it is determined that a change in the rate is necessary to reflect change in costs to COUNTY, COUNTY shall notify CITY of such change prior to June 30, and the change shall become effective the following July 1.

8. Within ten days following the end of each calendar quarter, COUNTY shall render to CITY a statement of the cost of services performed under this AGREEMENT, and CITY shall pay COUNTY the amount charged within 20 days after receipt of such statement. Such statement shall consist of the number of referrals for complaints, additional trial prosecutions, and itemized appeals. If such payment is not received by COUNTY within 30 days after rendition of billing, COUNTY may satisfy such indebtedness from any funds of CITY on deposit with COUNTY without giving further notice to CITY of COUNTY's intention to do so.

9. Upon execution of this AGREEMENT, CITY shall provide two copies of its municipal ordinances to the DA. CITY shall further provide the DA with complete details on any additions, deletions, or corrections to the municipal ordinances that may occur during the term of this AGREEMENT.

10. This AGREEMENT shall continue in full force and effect for a five-year period, commencing March 1, 2019, and terminating on February 28, 2024, provided that either party may terminate the AGREEMENT upon 30 days' written notice. CITY shall pay all compensation for services rendered under this AGREEMENT irrespective of the termination or expiration of this AGREEMENT. Termination of this AGREEMENT shall not affect the duties of the parties already initiated that extend beyond the termination of this AGREEMENT.

IN WITNESS WHEREOF, COUNTY has caused this AGREEMENT to be executed by the Chairman of its Board of Supervisors and Attested by the Clerk of said Board, and CITY has caused this AGREEMENT to be executed by its Mayor and attested by the CITY Clerk on the dates set opposite their respective signatures.

Dated: _____, 2018

"COUNTY"

COUNTY OF ORANGE, a political subdivision of the State of California

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF BOARD

By _____
Chairman of the Board of Supervisors

Robin Stieler
Clerk of the Board of Supervisors
of Orange County, California

"CITY"

APPROVED AS TO FORM
LEON J. PAGE, COUNTY COUNSEL

A municipal corporation

By: _____
Dated: _____, 2018

By: _____
Mayor

Dated: _____, 2018

ATTEST:

By: _____
City Clerk

Dated: _____, 2018

Attachment: Agreement (1784 : OCDA Agreement for Prosecution Services)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Chair and Agency Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for January 22, 2019, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the January 22, 2019, Regular Meeting.

ATTACHMENTS:

- 190122 PA Minutes

Recommendation: That the City Council adopt Ordinance No. 2019-1: “An Ordinance of the City of Laguna Hills, California, Amending Title 12 (Streets and Sidewalks), Chapter 12-32 (Camping in Public Areas), Section 12-32.040 (Violation – Penalty) of the Laguna Hills Municipal Code.”

3.5 Proposed Office Lease for Suite 203 with Premier Group International for 24031 El Toro Road, Suite 203, Laguna Hills, California

Recommendation: That the City Council approve an office lease with Premier Group International for Suite 203 for 24031 El Toro Road, Suite 203, Laguna Hills, California, and authorize the City Manager to execute the Lease.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Gilbert recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:21 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Dore J. Gilbert, M.D.	Chair	Present	
Janine Heft	Vice Chair	Present	
Erica Pezold	Agency Member	Present	
Don Sedgwick	Agency Member	Present	
Dave Wheeler	Agency Member	Present	

4.2. PUBLIC COMMENTS

There were no Planning Agency Public Comments.

4.3. APPROVAL OF MINUTES FOR JANUARY 8, 2019, REGULAR MEETING

4.3.1 Approval of Minutes for January 8, 2019, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the January 8, 2019, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Don Sedgwick, Agency Member
SECONDER:	Janine Heft, Vice Chair
AYES:	Dore J. Gilbert, M.D., Chair; Janine Heft, Vice Chair; Erica Pezold, Agency Member; Don Sedgwick, Agency Member; Dave Wheeler, Agency Member

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency Administrative Reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Gilbert reconvened the City Council Meeting at 7:22 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1. City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

There were no matters agendized and presented by City Council Members.

8. INTERVIEWS OF APPLICANTS FOR PURPOSES OF APPOINTING TRAFFIC COMMISSIONERS AND PARKS AND RECREATION COMMISSIONERS

The City Council conducted interviews of applicants for the purposes of appointing members of the Traffic Commission and Parks and Recreation Commission in the Community Development Conference Room.

8.1 PUBLIC COMMENTS



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: President and Directors
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Election of Public Improvement Corporation Officers

RECOMMENDATION: That the Board of Directors adopt a Resolution entitled: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2019."

SUMMARY:

The Laguna Hills Public Improvement Corporation (PIC) is required to hold an annual meeting. The City Council sits as the Board of Directors. At this meeting, the Board will elect officers for 2019, and approve the minutes of the previous meeting of February 13, 2018. Vice President White will call the meeting to order. After the roll call he will entertain a motion to adopt the Resolution electing the Officers for 2019. President Gilbert will then take the gavel and chair the remainder of the PIC meeting.

BACKGROUND:

In September 1998, the City Council, acting as the Board of Directors for the Laguna Hills PIC, took several actions including the adoption of bylaws, election of officers, and adoption of a Resolution appointing the time and place of meetings. The PIC is a non-profit, public benefit corporation whose primary purpose is to assist the City in issuing Certificates of Participation. In 2010, the PIC was involved in the City's refinancing project and the subsequent lease payments (debt service) related thereto.

Pursuant to the bylaws, the Annual Meeting is to be held the second Tuesday of February each year, and the Board of Directors is to elect officers at the Annual

Election of Public Improvement Corporation Officers

February 12, 2019

Page 2

Meeting. A Resolution has been prepared that will elect the Mayor as President, the City Manager as Vice President, the Finance Director as Treasurer, and the Deputy City Manager/City Clerk as Secretary.

ATTACHMENTS:

- PIC Resolution

RESOLUTION NO. 2019-1

A RESOLUTION OF THE LAGUNA HILLS PUBLIC
IMPROVEMENT CORPORATION, LAGUNA HILLS,
CALIFORNIA, ELECTING OFFICERS FOR 2019

RESOLVED, by the Board of Directors of the Laguna Hills Public Improvement Corporation, that the following persons are elected to the offices set forth opposite their names below, as officers of the Corporation, to serve until the election and qualification of their successors, as provided in Article IV, Section 2 of the Bylaws of the Corporation.

Name	Office
Dore J. Gilbert, M.D.	President
Donald J. White	Vice President
Janice Reyes	Treasurer
Melissa Au-Yeung	Secretary

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, Secretary of the Laguna Hills Public Improvement Corporation, DO HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution duly passed and adopted by the Board of Directors of the Laguna Hills Public Improvement Corporation, at a meeting thereof held on the 12th day of February 2019, by the following vote of the Directors thereof:

AYES:

NOES:

ABSENT:

ABSTAIN:

MELISSA AU-YEUNG, SECRETARY

Attachment: PIC Resolution (1776 : Election of Public Improvement Corporation Officers)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: President and Directors
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Approval of Minutes for February 13, 2018, Annual Meeting

RECOMMENDATION: That the Board of Directors approve the minutes of the February 13, 2018, Annual Meeting.

ATTACHMENTS:

- 180213 PIC Minutes

**CITY OF LAGUNA HILLS
PUBLIC IMPROVEMENT CORPORATION**

**ANNUAL MEETING
MINUTES
Tuesday, February 13, 2018**

CALL TO ORDER

The Regular Meeting of the Public Improvement Corporation of the City of Laguna Hills, California, was called to order by Treasurer White at 7:50 p.m. in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills, California.

BOARD ROLL CALL

Attendee Name	Title	Status	Arrived
Don Sedgwick	President	Absent	
Bruce E. Channing	Vice President	Absent	
Mel Carruth	Director	Present	
Dore J. Gilbert, M.D.	Director	Present	
Janine Heft	Director	Present	
Barbara D. Kogerman	Director	Present	
Donald J. White	Treasurer	Present	
Melissa Au-Yeung	Secretary	Present	

PUBLIC COMMENTS

There were no Public Comments.

ELECTION OF PUBLIC IMPROVEMENT CORPORATION OFFICERS

Recommendation: That the Board of Directors adopt Resolution No. 2018-1 entitled: "A Resolution of the Laguna Hills Public Improvement Corporation, Laguna Hills, California, Electing Officers for 2018."

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Director
SECONDER:	Dore J. Gilbert, M.D., Director
AYES:	Mel Carruth, Director; Dore J. Gilbert, M.D., Director; Janine Heft, Director; Barbara D. Kogerman, Director
ABSENT:	Don Sedgwick, President

APPROVAL OF MINUTES FOR FEBRUARY 13, 2018, ANNUAL MEETING

Recommendation: That the Board of Directors approved the Minutes of the February 13, 2018, Annual Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Director
SECONDER:	Barbara D. Kogerman, Director
AYES:	Mel Carruth, President; Dore J. Gilbert, M.D., Director; Janine Heft, Director; Barbara D. Kogerman, Director
ABSENT:	Don Sedgwick, Director

PUBLIC IMPROVEMENT CORPORATION ADJOURNMENT

There being no further business before the Public Improvement Corporation at this session, President Carruth declared the meeting adjourned at 7:52 p.m.

Melissa Au-Yeung, Secretary

Approved at meeting of February 12, 2019.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: City Council "Other Agencies" Appointed Representatives

RECOMMENDATION: That the City Council take the following actions:

(1) Review the City of Laguna Hills City Council "Other Agencies" Appointed Representatives List, provide directions to staff regarding any necessary changes for appointments to the list, and by motion, approve the City Council "Other Agencies" Appointed Representatives List, as revised by the City Council; and

(2) If any changes are desired to the Representative to the Orange County Fire Authority's Board of Directors, adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California designating and appointing its Representative to the Orange County Fire Authority's Board of Directors; " and

(3) Approve and direct the City Clerk to prepare and post an updated FPPC Disclosure Form 806 to reflect all paid appointments to "Other Agencies" boards, committees, and/or commissions in accordance with state law.

SUMMARY:

As a regular practice, following the City Council's reorganization in December, the City Council reviews the "Other Agencies" list of Commissions, Boards, and Committees, to which it appoints individuals to represent the City during the forthcoming year. This list is included as an attachment to this report.

City Council "Other Agencies" Appointed Representatives
February 12, 2019
Page 2

Orange County Fire Authority

This past year Council Member Sedgwick has served as Director to the Orange County Fire Authority's Board of Directors. If the City Council chooses not to make any changes to this appointment, then no further action is required. However, should the City Council choose to make a change to the Director, then that action must be formalized by a Resolution, which approval will require a recorded majority vote of the total membership of the City Council. Included as an attachment to this report is the Resolution which would formalize the City Council's change in representative.

Form 806

The Fair Political Practices Commission has mandated that Form 806 be used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of a public agency, special district, and joint powers agency or authority. Each agency must post on its website a single Form 806 which lists all the paid appointment positions. When there is a change in compensation, or a new appointment, Form 806 must be updated to reflect the change. Form 806 must be updated promptly as changes occur. Included as an attachment to this report is a copy of the currently posted Form 806.

ATTACHMENTS:

- City Representatives List
- Resolution for OCFA Director Change
- Form 806 - Public Agency Appointments

CITY OF LAGUNA HILLS CITY REPRESENTATIVES

<u>NAME OF AGENCY/COMMITTEE</u>	<u>REPRESENTATIVES</u>	<u>DATE APPOINTED</u>
Association of California Cities - OC	Delegate: Mayor Alternate: Mayor Pro Tempore	11/23/2010 11/23/2010
Audit Committee	White Sedgwick Heft	01/09/2018 01/13/2015 12/13/2016
League of California Cities Voting Delegate to Annual Conference	Delegate: Mayor Alternate: Mayor Pro Tempore	12/10/2002 12/10/2002
Operational Area Council (Emergency)	Representative: Mayor Alternate: Mayor Pro Tempore	12/10/1996 12/14/1999
Orange County Fire Authority	Director : Sedgwick	01/13/2015
OC Public Libraries Library Advisory Board	Representative: vacant Alternate: Heft	01/08/2019 01/09/2018
Orange County Mosquito & Vector Control District	Trustee Member: Woodruff	07/10/2018
South Orange County Watershed Management Area Executive Committee	Member: vacant Alternate: Heft	01/08/2019 01/09/2018
Southern California Association of Governments (SCAG General Assembly)	Delegate: Mayor Alternate: Mayor Pro Tempore	01/08/2019 01/08/2019
Transportation Corridor Agency -San Joaquin Hills Transportation Corridor Agency	Director: Heft Alternate Director: vacant	03/01/2018 03/01/2018

RESOLUTION NO. 2019-02-12-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, DESIGNATING AND
APPOINTING ITS REPRESENTATIVE TO THE ORANGE
COUNTY FIRE AUTHORITY'S BOARD OF DIRECTORS

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City as a "member" of the Orange County Fire Authority Joint Powers Authority (JPA) is entitled to appoint a representative director ("Director") to the Orange County Fire Authority's Board of Directors; and

WHEREAS, each member agency, by Resolution of its governing body, shall designate and appoint one representative to act as its Director on the Authority Board of Directors, except the County whose Board of Supervisors shall appoint two representatives to act as its Directors; and

WHEREAS, each Director shall be a current elected member of the governing body; and

WHEREAS, each Director shall hold office until the selection of a successor by the appointing body; and

WHEREAS, each Director is to serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole direction of that appointing body; and

WHEREAS, any vacancy shall be filled in the same manner as the original appointment of a Director.

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

SECTION 1. Designate and appoint _____ as its Director to the Orange County Fire Authority Board of Directors.

SECTION 2. That the City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 12th day of February 2019.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2019-02-12-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 12th day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

**Agency Report of:
Public Official Appointments**

6.2.1.c

A Public Document

1. Agency Name

City of Laguna Hills

Division, Department, or Region (If Applicable)

Designated Agency Contact (Name, Title)

Melissa Au-Yeung

Area Code/Phone Number

949-707-2635

E-mail

mau-yeung@lagunahillsca.gov

Page 1 of 1

California
Form **806**

For Official Use Only

Date Posted:

3/8/2018

(Month, Day, Year)

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Orange County Fire Authority	▶ Name <u>Sedgwick, Don</u> (Last, First) Alternate, if any <u>None</u> (Last, First)	▶ <u>1 / 13 / 15</u> Appt Date ▶ <u>undefined</u> Length of Term	▶ Per Meeting: \$ <u>100-300 max.</u> ▶ Estimated Annual: ☐ \$0-\$1,000 ☐ \$2,001-\$3,000 ☐ \$1,001-\$2,000 ☒ <u>\$3,600</u> Other
Orange County Mosquito and Vector Control District	▶ Name <u>Kogerman, Barbara</u> (Last, First) Alternate, if any <u>None</u> (Last, First)	▶ <u>12 / 11 / 15</u> Appt Date ▶ <u>4 year</u> Length of Term	▶ Per Meeting: \$ <u>100</u> ▶ Estimated Annual: ☐ \$0-\$1,000 ☐ \$2,001-\$3,000 ☒ \$1,001-\$2,000 ☐ <u>Other</u>
Southern California Association of Governments (Orange County Council of Government)	▶ Name <u>Kogerman, Barbara</u> (Last, First) Alternate, if any <u>None</u> (Last, First)	▶ <u>5 / 05 / 17</u> Appt Date ▶ <u>2 years</u> Length of Term	▶ Per Meeting: \$ <u>120</u> ▶ Estimated Annual: ☐ \$0-\$1,000 ☐ \$2,001-\$3,000 ☒ \$1,001-\$2,000 ☐ <u>Other</u>
Transportation Corridor Agency (San Joaquin Hills Transportation Corridor Agency)	▶ Name <u>Heft, Janine</u> (Last, First) Alternate, if any <u>Carruth, Melody</u> (Last, First)	▶ <u>3 / 01 / 18</u> Appt Date ▶ <u>undefined</u> Length of Term	▶ Per Meeting: \$ <u>120</u> ▶ Estimated Annual: ☐ \$0-\$1,000 ☐ \$2,001-\$3,000 ☒ \$1,001-\$2,000 ☐ <u>Other</u>

3. Verification

I have read and understand FPPC Regulation 18702.5. I have verified that the appointment and information identified above is true to the best of my information and belief.


Signature of Agency Head or Designee

Donald J. White

Print Name

City Manager

Title

3/1/2018

(Month, Day, Year)

Comment:



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: February 12, 2019

TO: Mayor and Council Members

FROM: David Reynolds
Deputy City Manager

ISSUE: 2019 Laguna Hills Memorial Day Half Marathon, 10K, and 5K Event, and Aliso Viejo Community Association (AVCA) License to Enter and Indemnity Agreement to Access AVCA's Private Street During the Race Event

RECOMMENDATION: That the City Council: 1) Receive and file the pre-event planning report; and 2) Approve the AVCA License to Enter and Indemnity Agreement and authorize the City Manager to execute the Agreement.

SUMMARY:

The 21st annual City of Laguna Hills Memorial Day Half Marathon, 10K and 5K, honoring the USMC Dark Horse Battalion is scheduled for Monday, May 27, 2019. Event registration opened in early October 2018 and there are approximately three hundred and fifty (350) runners registered for the event at this time. The 3/5 Marine Support Committee is in the process of selecting a Grand Marshall for the 2019 event. Attached to the staff report is a License to Enter and Indemnify Agreement from AVCA for the City Council's approval. The City once again intends to donate \$3 from each paid 5K, 10K, and half marathon race registration to the 3/5 Marine Support Committee at the conclusion of the event.

BACKGROUND:

The 21st annual City of Laguna Hills Memorial Day Half Marathon, 10K and 5K honoring the USMC Dark Horse Battalion is scheduled for Monday, May 27, 2019. All races will start at 7 AM, which allows the streets impacted by the event to re-open as early as

2019 Memorial Day Race Event
February 12, 2019
Page 2

possible. Staff intends to once again work with the Toll roads to waive the fees in exchange for booth space at the Community Expo. The tolls have been waived between the hours of 7 AM and 9 AM during past years events to minimize the inconvenience for Aliso Viejo residents due to the road closures at Alicia Parkway and Moulton Parkway.

As the City Council may recall, a pledge formula was established by City Council direction, whereby, the City intends to donate \$3 from each paid 5K, 10K, and half marathon registration to the 3/5 Marine Support Committee at the conclusion of the event. The pledge formula for providing continued financial support to the 3/5 Support Committee was established by the City Council at its November 22, 2011, meeting after reviewing several funding options. The donation to the 3/5 Support Committee is formalized with a Community Assistance Funding Resolution each year as a post event action by the City Council. Based on the City Council approved pledge formula, \$9,264 was provided to the 3/5 Marine Support Committee in 2018 by City Council Resolution for Community Assistance Funding. As noted above, members of Team Dark Horse are in the process of selecting a Grand Marshall for the 2019 event.

All course maps are attached to this staff report. As a portion of the half marathon is run on AVCA property, a License to Enter and Indemnity Agreement between the City of Laguna Hills and AVCA is required. The Agreement is attached to this staff report. Staff's recommendation is that the City Council approve the Agreement and authorize the City Manager to execute the Agreement.

At its January 28, 2014, meeting, the City Council approved the display of both the City's Patriotic banners and 25 Team Dark Horse banners which honor the twenty-five fallen 3/5 Battalion Marines of Operation Enduring Freedom. The banners were displayed each year along the race route, from the intersection of Paseo de Valencia and El Toro to Alicia Parkway, and then from Alicia Parkway to Moulton Parkway. The banners were installed on light poles just before Memorial Day and removed shortly after the Fourth of July. The trees in the center medians, which are immediately adjacent to the light poles along Paseo de Valencia and Alicia Parkway have matured and now prevent the banners from being clearly visible. Staff has designed a new method for the banners to be displayed, which has been approved by Team Dark Horse. Each of the banners will be placed on a stand made from PVC pipe that will be painted black. The banners will be displayed on race day, and placed on the sidewalk along the race route, clearly visible to race participants.

2019 Memorial Day Race Event
February 12, 2019
Page 3

A new five year Legacy Medal Series has been designed, titled the “Spirit of Valor” series. The series is dedicated to the US Coast Guard, Women Veterans, First Responders, POW/MIA, and Purple Heart recipients. An image of each of the medals is attached to the staff report. Finisher medals will be inspired by the designated theme each year. At the series finale in 2023, those runners that have participated in all five race events will be awarded with the “Spirit of Valor” legacy medal in addition to that year’s finisher medal. The previous five year medal series, which was titled the “Joint Chiefs of Staff” series, was very well received by race participants.

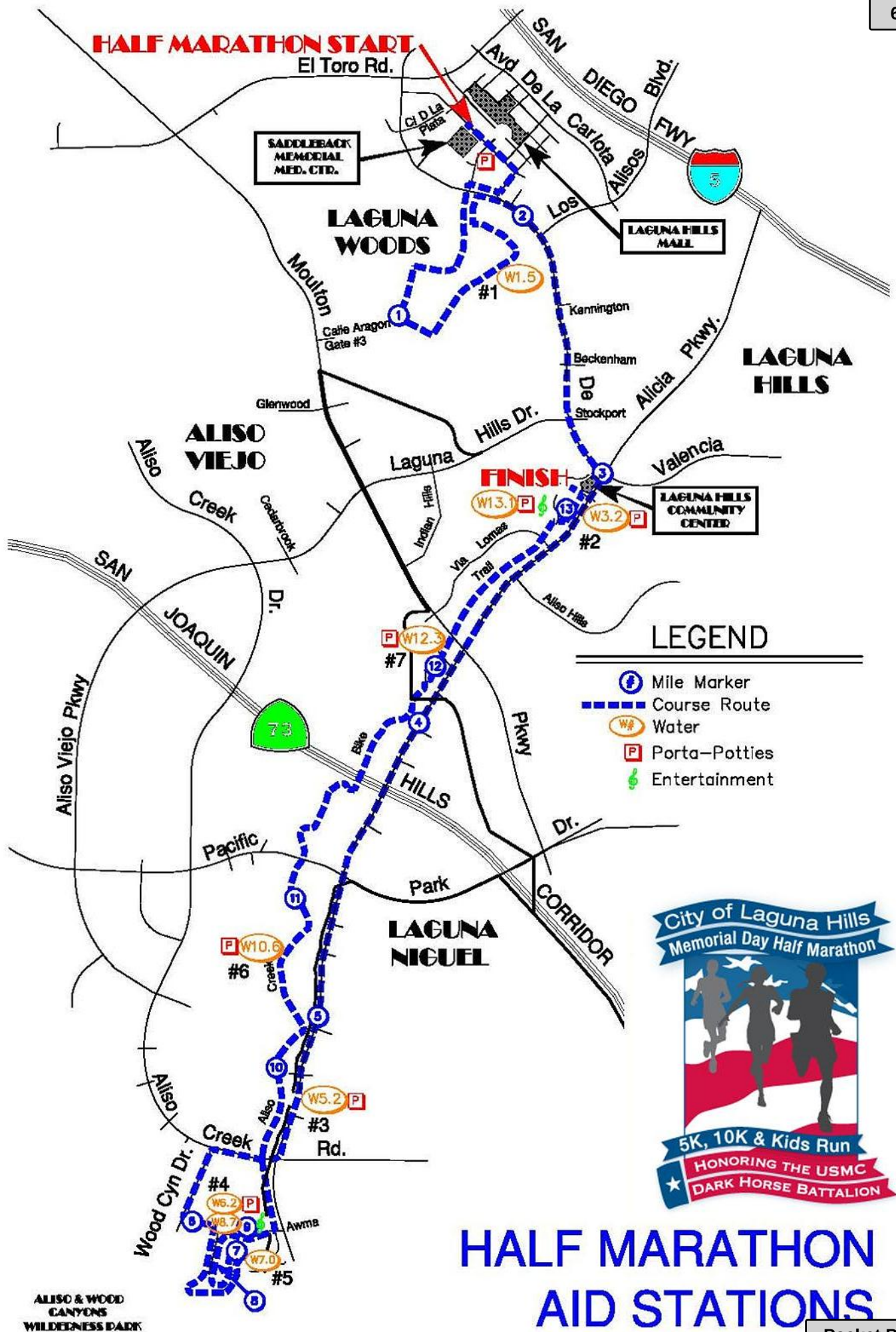
Staff will provide the City Council with a synopsis of the event including the results of the charity outreach activity when the post event report is brought to the City Council in August 2019.

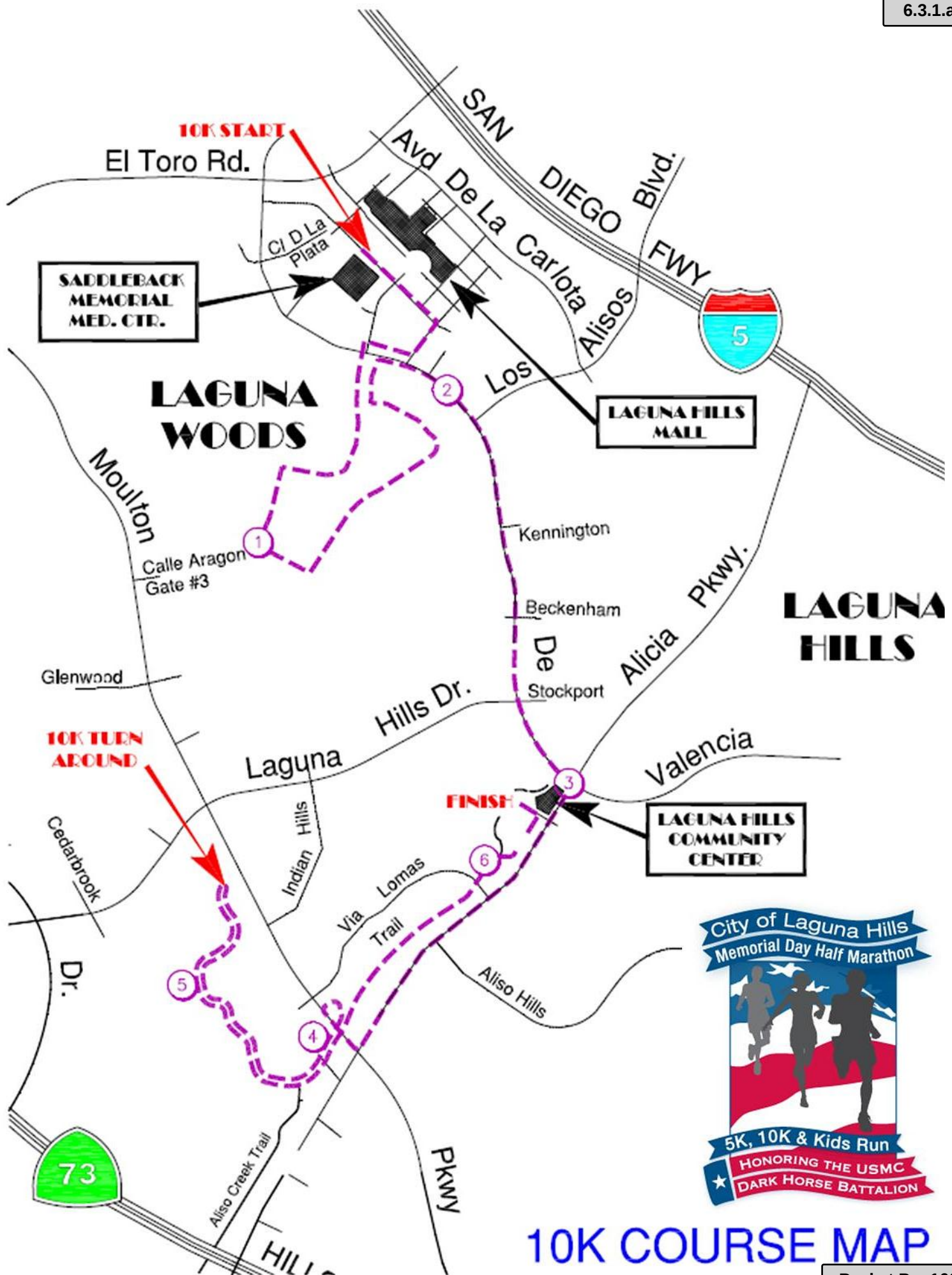
FISCAL IMPACT:

Event revenue for the 2018 event was \$195,769 and expenditures (including staff costs), totaled \$214,277. The expenditure total for 2018 also included the \$9,264 provided to the 3/5 Marine Support Committee. The 2019 budget planning worksheets with current estimated revenue and expenditure totals are attached to this staff report.

ATTACHMENTS:

- Attachment 1 - Course Maps
- 2019-2023 Budget
- AVCA Agreement Final
- 190212 Spirit of Valor Series

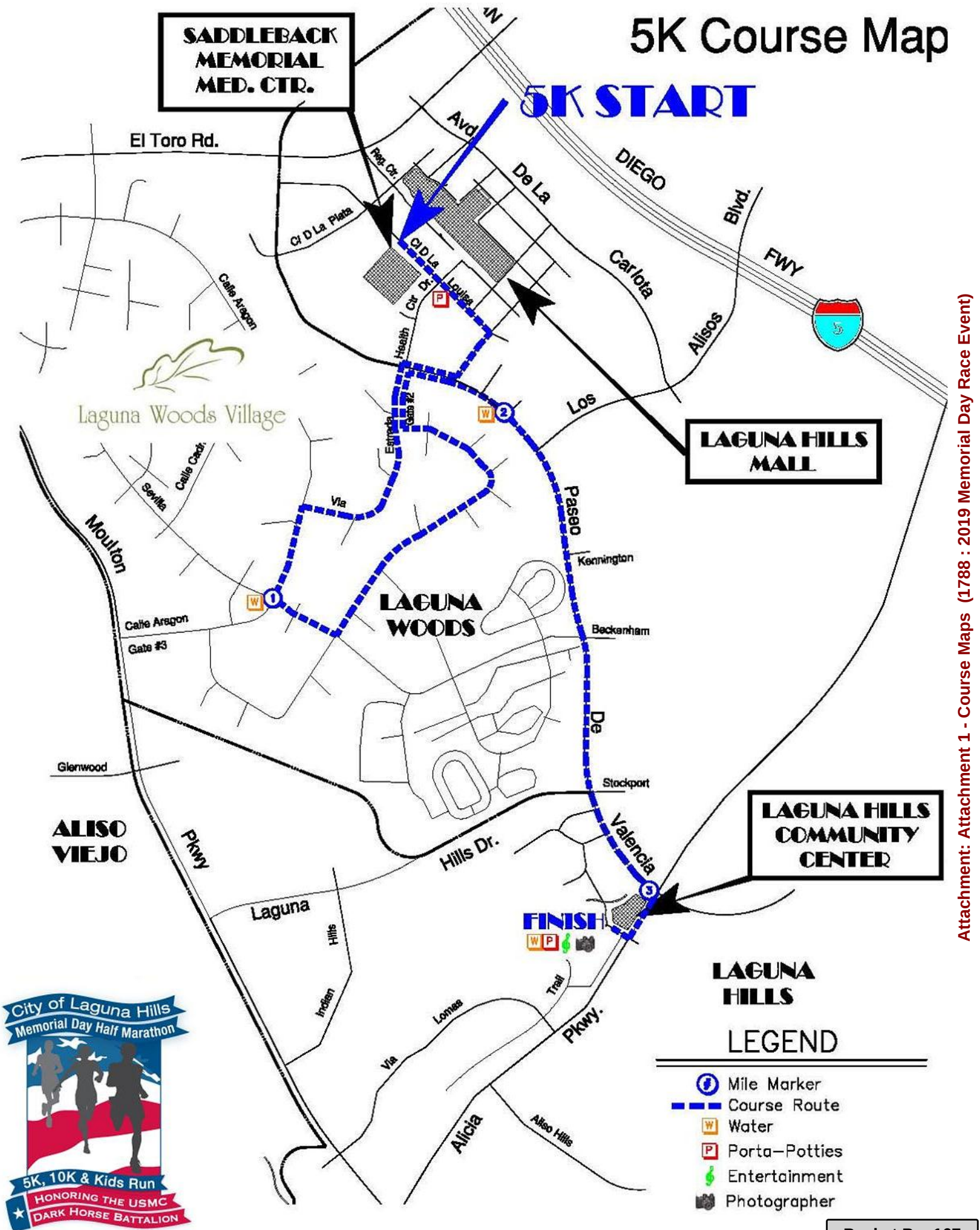




5K Course Map

**SADDLEBACK
MEMORIAL
MED. CTR.**

5K START



Attachment: Attachment 1 - Course Maps (1788 : 2019 Memorial Day Race Event)

Event Budget for 2019-2023 Half Marathon, 10K & 5k

Expenses

	Estimated	Actual
Total Expenses	\$182,466.00	\$28,968.60

	Estimated	Actual
Permits		
Laguna Hills High School	\$125.00	
Laguna Woods	\$300.00	
Health Dept.	\$160.00	
ABC Permit	\$25.00	
Laguna Niguel	\$0.00	
OC Permits	\$1,200.00	
OCFA	\$210.00	
Police-OCSD	\$15,000.00	
Totals	\$17,020.00	\$0.00

Advertising		
Race Grader	\$1,000.00	
Team Blue Sky	\$750.00	\$750.00
Race Place	\$850.00	
Banners	\$500.00	
Facebook	\$1,000.00	
Booth Space/Bags	\$2,200.00	\$1,750.00
Media Strike	\$2,000.00	\$2,000.00
CA Half Series	\$800.00	
Active.com web/e-news	\$500.00	
Totals	\$9,600.00	\$4,500.00

Graphics		
Website	\$2,000.00	\$770.00
Post card printing 20K	\$0.00	
Postcard printing 7.5K	\$568.00	
Postcard printing 10K	\$900.00	\$258.60
RaceBanners/Signs	\$1,000.00	
Flyer Distribution/PCRT	\$1,000.00	
Domain Fees	\$65.00	
Web Hosting	\$103.00	
Dress Blue Team	\$200.00	
Sponsor materials	\$250.00	
Totals	\$6,086.00	\$1,028.60

Miscellaneous		
Insurance	\$1,700.00	\$1,710.00
Runner's Gear Bags	\$500.00	
Ice Truck	\$300.00	
Trucks/Gas	\$2,000.00	
Conservation Corp.	\$250.00	
Ambulance	\$640.00	
Virtual Goodie Bag	\$500.00	\$500.00
Kids Zone-L. Murray	\$650.00	
Wristbands	\$100.00	
Traffic Control	\$500.00	\$250.00
Ads (Sinta)	\$2,000.00	
Pacers	\$500.00	
EMT Services	\$1,100.00	
Google Analytics/SEO	\$500.00	
Volunteer Food	\$300.00	
Security-Expo Overnight	\$500.00	
Security-Beer Garden	\$145.00	
Comm./sponsors 20%	\$3,000.00	
Totals	\$15,185.00	\$2,460.00

Race Expenses		
Food/Water/Cups	\$1,000.00	
Course Cert.	\$500.00	
Awards Div/Kids Medals	\$650.00	
Medals or Drinking Glasses	\$8,500.00	
Busses	\$1,500.00	
T-Shirts/Hats	\$30,000.00	
Walkie Talkies	\$600.00	
Bibs	\$1,692.50	
Totals	\$42,750.00	\$0.00

Services		
Photo/Drone Video	\$600.00	
Timing Services \$3 per registered	\$9,200.00	
Electrical & sound	\$3,000.00	
Banner Install/Removal	\$4,600.00	\$2,980.00
Portable Restrooms/Fencing	\$3,500.00	
Announcer	\$400.00	
American Barr./Traffic Plan	\$15,000.00	
Renegade Racing	\$48,000.00	\$18,000.00
RR over 3500 part. Bonus \$2	\$500.00	
Totals	\$84,800.00	\$20,980.00

Expo		
Bounce Houses	\$825.00	
Balloons	\$1,200.00	
tents, tables, chairs	\$5,000.00	
Totals	\$7,025.00	\$0.00

Attachment: 2019-2023 Budget (1788 : 2019 Memorial Day Race Event)

Event Budget for 2019-2023 Half Marathon, 10K and 5k

Income

	Estimated	Actual
Total income	\$205,625.00	\$13,939.00

Admissions	Estimated	Actual	Fee	Fee late	Estimated	Actual
1/2 marathon	1240		75	105	\$104,500.00	6,475.00
10K	700		32	43	\$29,750.00	2,880.00
5K	1200		27	38	\$33,500.00	4,320.00
Kids Run	200		19	21	\$2,900.00	114.00
Diaper Dash	45		15	15	\$700.00	150.00
Total	3385					
Total race registration, including early-bird, team discounts, and race day registration:					\$171,350.00	\$13,939.00

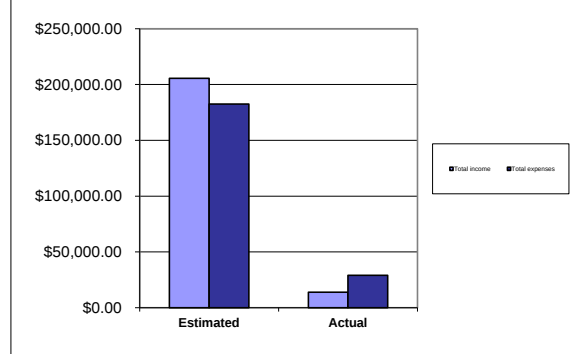
Sponsors	Amount	Number of	Totals	Estimated
SMMC/Presenting*	\$15,000.00	1	\$15,000.00	\$15,000.00
Road Runner	\$3,500.00	1	\$3,500.00	\$3,500.00
Cycle Bar	\$2,500.00	1	\$2,500.00	\$2,500.00
Crestavilla	\$2,500.00	1	\$2,500.00	\$2,500.00
361 Sports	\$4,000.00	1	\$4,000.00	\$4,000.00
Laguna Hills Mall	\$2,500.00	1	\$2,500.00	\$2,500.00
Total			\$30,000.00	\$30,000.00
				\$0.00

Exhibitors/vendors					
F45 Laguna Hills		Large booths @	\$500.00	\$500.00	
UCI		Large booths @	\$500.00	\$500.00	
Renewal by Anderson		Large booths @	\$350.00	\$350.00	
Sky Blue Restorations		Large booths @	\$350.00	\$350.00	
Accurate Auto Repair		Large booths @	\$350.00	\$350.00	
Orange Theory		Large booths @	\$350.00	\$350.00	
Crown Valley Imaging		Large booths @	\$350.00	\$350.00	
Navitas Organics		Large booths @	\$350.00	\$350.00	
Kiel Mortgage		Large booths @	\$350.00	\$350.00	
Lace Up Shoes		Large booths @	\$350.00	\$350.00	
NoKaOi Shaved Ice		Food Truck	\$175.00	\$175.00	
Chamber of Commerce		Non-Profit	\$150.00	\$150.00	
LHHS PTSA		Non-Profit	\$150.00	\$150.00	
		Donation	\$175.00		
		Hotel Sponsor @	\$0.00	\$0.00	\$0.00
				\$4,275.00	\$0.00

Event Budget for 2019-2023 1/2 Marathon, 10K & 5k

Profit - Loss Summary

	Estimated	Actual
Total income	\$205,625.00	\$13,939.00
Total expenses	\$182,466.00	\$28,968.60
Total profit (or loss)	\$23,159.00	(\$15,029.60)





LICENSE TO ENTER AND INDEMNITY AGREEMENT

Aliso Viejo Community Association, a California Non-profit Public Benefit Corporation (hereinafter called "Association") hereby grants and conveys to the City of Laguna Hills (hereinafter called "Licensee"), a non-exclusive revocable license and right to enter upon that real property described in Exhibit "A," attached hereto and incorporated herein by this reference (the "Site"), for the sole and exclusive purpose of access to the Association's privately owned road located off of Knollwood/Aliso Canyon Road and the foot path/bike trail connecting from Knollwood to Aliso Creek Road for the purpose of conducting the Laguna Hills Half Marathon, 5K, 10K, Kids ½ Mile Run and Diaper Dash. As consideration of this grant of License, Licensee agrees as follows:

1. Licensee shall not place items on nor utilize any of Association's property other than the road at the Site authorized by this Agreement.
2. Approval is also given to Licensee for the placement of two (2) portable restroom facilities to be located at AWMA Road and Knollwood, and one (1) ambulance to be located on the Association's private property of Knollwood pending receipt of Certificates of Insurance being received from all vendors utilized for the placement/use of these items, and race day equipment that includes cones.
3. Licensee shall reimburse Association for any damage to the Site caused by licensee's entry and activities upon the Site or for plant material/irrigation damaged as a result of Licensee's use of Association's property. A \$1,000.00 refundable deposit has been waived based on no prior damage being incurred to the Association's property as a result of this activity.
4. Licensee shall cause to be purchased and, at all times prior to the completion of the Licensee's Event, maintain in effect, insurance acceptable to Association. Such policies shall provide coverage against claims which may arise out of or result from Licensee's performance of the Licensee's Event or which may arise in connection with the activities of the Licensee, any contractor or sub-contractor of Licensee, participant, spectator, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable. Licensee shall, upon Association's request, furnish Association with certificates of all insurance required before commencing the Licensee's Event hereunder. If required by the Association, each policy shall provide

that it may not be cancelled or reduced in coverage until thirty (30) days after written notice shall have been given to Association of cancellation or reduction in coverage. All insurance required by the Association shall name the Association and its management agent as an additional insured. **Each such policy required by Association shall be primary and non-contributory as to any/all Association policies of insurance.**

5. Licensee shall indemnify and hold free and harmless, Association and its officers, directors, agents and employees from any and all obligations, liability, liens, claims, demands, loss, damage, cost or causes of action whatsoever, (hereinafter referred to as "Liability") to, or brought by any and all persons including employees, contractors, sub-contractors, participants, spectators, or to property, in any way, due to or arising out of exercise of the rights granted herein, however, the Liability may be caused regardless of responsibility for negligence, or the act or omission to act by Licensee, its agents, servants, employees, invitees, regardless of whether the Liability is caused by the conduct or negligence of Association including but not limited to the following:
 - a. Any loss, cost, damage or expense sustained by Association including attorney's fees on account of or through the use or misuse of the License herein created or any part thereof by Licensee or by any other person thereon at the invitation, express or implied, of Licensee or by permission of Licensee.
 - b. Any loss, cost, damage, expense, including attorney fees, liability of damages as a result of bodily injury, including death or property damage sustained at any time by an person or persons arising out of or in consequence of the creating of this License, whether such bodily injury or such property damage is due or claimed to be due to the negligence of Licensee or any other person.

Notwithstanding the foregoing, the Agreement shall not apply to, nor purport to indemnify Association and Affiliates, their officers, directors or employees, against any liability arising from the sole negligence or willful misconduct of Association and Affiliates, for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising under such injury to persons or property.

6. In furtherance of and not as a limitation on the provisions noted above, Licensee shall comply with all applicable provisions, rules and regulations of the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) (the "Act") notwithstanding any provision in the Act which would otherwise exempt Licensee on the basis it may have more than ten (10) employees. Licensee agrees that Licensee, its employees, agents, servants, sub-contractors, participants, spectators and invitees shall not discharge

hazardous or toxic chemicals on the Site, shall not engage in cleanup or repair activities on the Site which will result in the discharge of such chemicals, and shall, upon completion of the Licensee's Event, remove all supplies, materials and waste remaining on the Site including those which, if exposed, could result in the discharge of such chemicals.

7. Any notice to be given under this License shall be deemed given upon personal delivery thereof of two (2) days after deposit in the United States Mail, first class postage prepaid and addressed as follows:

If to Association:

Aliso Viejo Community Association
95 Argonaut, Ste 190
Aliso Viejo, CA 92656
Attention: Marilyn Smith

If to Licensee:

City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653
Attention: City Manager

8. Licensee further agrees that should Association transfer its interest in the property subject to this License, the terms and conditions of this Agreement shall inure to any of Association's successors or assigns. This License is personal to the Licensee, its subsidiaries or affiliates and may not be otherwise transferred or assigned by Licensee without Association's written consent.
9. This License shall begin no earlier than May 26, 2019 at 7:00 a.m. for the placement of the portable restrooms, May 27, 2019 at 4:30 a.m. to 2:00 p.m. for the set-up/race and clean-up, and shall terminate on May 28, 2019 at 5:00 p.m. to allow for the pick-up of the portable restrooms.
10. Licensee shall agree to contact Association and hold a pre-event meeting with Association and contractor(s) to define the limit of use of Association's property, if requested.

11. Licensee agrees to reimburse the Association, upon completion of the event, for plant material, utility or facility in or adjacent to the limits of the Event that are damaged as part of the Event covered under this License.
12. Licensee shall, upon completion of the Event, restore the Site to its now existing condition and as agreed to by the Association.
13. Licensee assures Association that no mechanics liens or other types of liens shall be placed upon Association's property as a result of Event to be performed under this License.
14. Licensee agrees to secure all necessary permits from the applicable Cities, County or State.

IN WITNESS WHEREOF the parties hereto have executed this agreement
on this _____ day of _____, 2019.

It is so agreed:

City of Laguna Hills

(Licensee)

By _____

Its _____

By _____

Its _____

Aliso Viejo Community Association

A California non-profit public benefit corporation

(Association)

By _____

Its _____

By _____

Its _____

Spirit of Valor Series



Attachment: 190212 Spirit of Valor Series (1788 : 2019 Memorial Day Race Event)