



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, December 10, 2019 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Don Sedgwick, Mayor

**Janine Heft, Mayor Pro Tempore
Erica Pezold, Council Member**

**Dore J. Gilbert, M.D., 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 WHEELER

ROLL CALL OF CITY COUNCIL MEMBERS

CITY COUNCIL REORGANIZATION

REMARKS OF OUTGOING MAYOR

ELECTION OF MAYOR

Recommendation: That the City Council nominate and elect a Mayor.

**RECOGNITION OF OUTGOING MAYOR AND RESOLUTION OF COMMENDATION,
DON SEDGWICK, MAYOR****Resolution of Commendation, Don Sedgwick, Mayor**

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, commending Don Sedgwick as Mayor" and that the City Council present a Resolution and plaque to Don Sedgwick recognizing his service to the City.

REMARKS REGARDING MAYOR SEDGWICK'S SERVICE TO THE CITY**REMARKS OF NEWLY ELECTED MAYOR****ELECTION OF MAYOR PRO TEMPORE**

Recommendation: That the City Council nominate and elect a Mayor Pro Tempore.

RECESS FOR BRIEF RECEPTION**RECONVENE****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 Kira Presley.

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 November 26, 2019, Regular Meeting

Recommendation: That the City Council approve the Minutes for the November 26, 2019, Regular Meeting.

3.3 Approval of Warrant Register for December 10, 2019, City Council Meeting

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from November 15, 2019, to November 27, 2019, in the amount of \$648,934.37.

3.4 Proposed Office Lease for Suite 220 with Donald C. Lewellen, an Individual, for 24031 El Toro Road, Suite 220, Laguna Hills, California

Recommendation: That the City Council approve an office lease with Donald C. Lewellen, an individual, for 24031 El Toro Road, Suite 220, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.5 Affirmation of Appointments List for City Boards, Commissions, and Committees

Recommendation: That the City Council affirm the Local Appointments List and direct that it be posted on the City's web site, at City Hall and in the Laguna Hills Branch Technology Library in accordance with Government Code Section 54972, the Maddy Act.

3.6 2020 City Council Meeting Schedule

Recommendation: That the City Council adopt the proposed calendar for 2020.

3.7 Progress Payment No. 1, for Citywide Pavement Rehabilitation Project, CIP No. 101-K

Recommendation: That the City Council approve Progress Payment No. 1, in the net amount of \$368,882.53, to R.J. Noble Company for the Citywide Pavement Rehabilitation Project, CIP No. 101-K.

3.8 Establishment of a No Parking Zone on the Northerly Side of Los Alisos Blvd for Sight Distance Near the Ingress/Egress of Sofi Apartments (Private Driveway)

Recommendation: That the City Council: (1) Find and determine that the proposed parking regulation is not subject to the California Environmental Quality Act pursuant to Sections 15301 (the activity applies to the operation of existing streets, and will not expand the use of those existing streets) and 15061(B)(3) (the activity has no potential for causing a significant effect on the environment) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing a No Parking Anytime Zone on the northerly side of Los Alisos Blvd. for a distance of 40 feet beginning 670 feet westerly of Avenida de la Carlota, just easterly of the ingress/egress of the Sofi Apartments (private driveway)."

3.9 Side Street Stop Sign Installations on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive

Recommendation: That the City Council: (1) Find and determine that the proposed stop intersection controls are not subject to the California Environmental Quality Act pursuant to Sections 15060(C)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(C)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, designating the intersections of Mawson Drive at Wilkes Place and Velasquez Drive at Mawson Drive as stop intersections

and authorizing the installation of one-way minor street stop signs on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive."

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

4.3.1 Approval of Minutes for November 26, 2019, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the November 26, 2019, Regular Meeting.

4.4. ADMINISTRATIVE REPORTS

4.5. PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

6. ADMINISTRATIVE REPORTS

6.1. City Attorney

6.1.1 Proposed Resolution Ratifying Changes to the Compensation of the City Manager, an Unrepresented Employee, in Accordance with Government Code Section 36506

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, ratifying changes to the compensation of the City Manager, an unrepresented employee, in accordance with Government Code Section 36506."

6.2. Deputy City Manager/City Clerk**6.2.1 Authorization of a 2019 Year-End Employee Retention Bonus for Full-Time City Employees**

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing a one-time, 2019 Year-End City Employee Retention Bonus for all Full-time Employees, excluding the City Manager."

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 will be January 14, 2020, 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 December 6, 2019, at 5:00 pm.



City Clerk

December 6, 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.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Resolution of Commendation, Don Sedgwick, Mayor

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, commending Don Sedgwick as Mayor" and that the City Council present a Resolution and plaque to Don Sedgwick recognizing his service to the City.

SUMMARY:

Mayor Don Sedgwick served his term as Mayor of the City of Laguna Hills from May 14, 2019, through December 10, 2019. It is now in order to recognize Mayor Sedgwick for his service to the City as Mayor.

ATTACHMENTS:

- Resolution of Commendation - Don Sedgwick, Mayor

RESOLUTION NO. 2019-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, COMMENDING
DON SEDGWICK AS MAYOR

WHEREAS, Don Sedgwick was appointed to the City Council on August 20, 2014, pursuant to Section 10229 of the California Elections Code; took his Oath of Office on December 9, 2014; and served his second term as Mayor of the City of Laguna Hills from May 14, 2019, through December 10, 2019; and

WHEREAS, Don Sedgwick, in addition to accepting the responsibilities of Mayor and faithfully fulfilling those duties and responsibilities, has ably represented the City at local events throughout the region and served on various boards including serving as Director of the Orange County Fire Authority, voting delegate to the League of California Cities, and the City's delegate to the Association of California Cities - OC; and

WHEREAS, during the year that Don Sedgwick has presided as Mayor the City approved its Fiscal Year 2019-2021 Biennial Budget and Six-Year Capital Improvement Plan; establishment of an Ad Hoc Advisory Committee for Community Engagement and Enrichment; the City held its 2019 Memorial Day Half Marathon 10k/5k honoring the United States Marine Corps Dark Horse Battalion and from which a portion of the race proceeds were donated to the 3/5 Dark Horse Support Committee; and, among other notable actions, the City has overseen completion of the entitlement process for the a Master Sign Program for MemorialCare Saddleback Medical Center; and

WHEREAS, the performance of his duties and responsibilities as Mayor have been characterized by excellent and constructive contributions to the lasting development of our City, and with greater attention to deliberative processes and public engagement, earning the respect and admiration of his colleagues.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, on behalf of all our citizens, does hereby express its appreciation and thanks to Mayor Sedgwick, for his service to the community as Laguna Hills Mayor for 2019.

PASSED, APPROVED, AND ADOPTED this 10th day of December 2019.

_____, 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. 2019-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 10th day of December 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Resolution of Commendation - Don Sedgwick, Mayor (1988 : Resolution of Commendation, Don Sedgwick, Mayor)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Mayor and Council Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for November 26, 2019, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the November 26, 2019, Regular Meeting.

ATTACHMENTS:

- 191126 CC Minutes

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

**REGULAR MEETING
MINUTES
Tuesday, November 26, 2019**

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

The meeting was called to order at 6:01 p.m. by Mayor Sedgwick.

ROLL CALL OF CITY COUNCIL MEMBERS

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

B. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Negotiator: Don Sedgwick, Mayor

Unrepresented Employee: Donald J. White, City Manager

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

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 7:02 p.m. by Mayor Sedgwick.

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

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

CLOSED SESSION REPORT

Mayor Sedgwick stated that the City Council convened into Closed Session this evening with no reportable action taken.

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

Recommendation: Laguna Hills High School Student Liaison Blake Jaffe was not available at the meeting to provide a presentation.

1.2 Laguna Hills High School Project Zero Waste

Recommendation: The City Council received a presentation from Laguna Hills High School student, Seth Whiteaker on their Project Zero Waste work efforts.

2. PUBLIC COMMENTS

There were no Public Comments.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar, with Council Member Wheeler removing item No. 3.5 and Item No. 3.7.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Mayor Pro Tempore
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Don Sedgwick, Mayor; Janine Heft, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Erica Pezold, 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 November 12, 2019, Regular Meeting

Recommendation: That the City Council approve the Minutes for the November 12, 2019, Regular Meeting.

3.3 Approval of Warrant Register for November 26, 2019

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from November 1, 2019, to November 14, 2019, in the amount of \$1,116,163.13.

3.4 Amendment No. 2 to Lease with the Banc of California, a National Association, for 24033 El Toro Rd., Suite 130, Laguna Hills, California

Recommendation: That the City Council approve Amendment No. 2 to the Lease with the Banc of California, a National Association, for 24033 El Toro Road, Suite 130, Laguna Hills, California, and authorize the City Manager to execute the Amendment.

3.6 M2 Expenditure Report for the Fiscal Year Ended June 30, 2019

Recommendation: That the City Council: (1) Approve the M2 Expenditure Report for the Fiscal Year ended June 30, 2019, for submittal to OCTA; and (2) Adopt

Resolution No. 2019-11-26-2: "A Resolution of the City Council of the City of Laguna Hills, California, concerning the Measure M2 Expenditure Report for the City of Laguna Hills for the Fiscal Year ended June 30, 2019."

3.8 First Quarter Financial & Treasurer's Report for Fiscal Year 2019/2020

Recommendation: That the City Council receive and file the First Quarter Financial and Treasurer's Report for Fiscal Year 2019/2020.

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.5 A Proposed Resolution Authorizing an Application For, and Receipt Of, SB 2 Planning Grants Program Funds

Recommendation: That the City Council adopt Resolution No. 2019-11-26-2: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing application for, and receipt of, SB 2 Planning Grants Program Funds".

Council Member Wheeler removed Item No. 3.5 from the Consent Calendar to enter into the record that the General Plan Housing Element will be due October of 2021.

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

3.7 Annual Review of Investment & Portfolio Policies and Delegation of Investment Authority to the City Treasurer

Recommendation: That the City Council adopt Resolution No. 2019-11-26-3: "A Resolution of the City Council of the City of Laguna Hills, California, delegating investment authority to the City Treasurer and approving a policy for the investment of surplus City funds and rescinding Resolution No. 2018-11-27-2."

Council Member Wheeler removed Item No. 3.7 from the Consent Calendar to indicate that some of the investment items are underperforming the U.S. Treasuries and he would like to review those investments in the future.

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

4. PLANNING AGENCY

Mayor Sedgwick 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 7:16 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Planning Agency Public Comments.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for November 12, 2019, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the November 12, 2019, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Vice Chair
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Don Sedgwick, Chair; Janine Heft, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Erica Pezold, 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 Sedgwick reconvened the City Council Meeting at 7:17p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 Second Reading & Adoption of Proposed Ordinances Amending Title 10 (Buildings and Construction) and Chapter 5-16 (Fire Code) of the Laguna Hills Municipal Code and Adopting by Reference the 2019 Edition of the California Building Standards Code (California Code of Regulations, Title 24) Consisting of the California Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and Referenced Standards Code, Together with Certain Amendments, Additions, and Deletions Thereto

Community Development Director Chantarangsu reviewed the information provided in the staff report, provided a PowerPoint presentation and responded to Council requests for additional information.

Antonio Aleman, Assistant Fire Marshal for OCFA, responded to Council requests for additional information.

Mayor Sedgwick opened the Public Hearing, and upon seeing no one rise, closed the Public Hearing.

Recommendation: That the City Council:

(1) Conduct a Public Hearing; and

(2) Adopt Ordinance No. 2019-4: "An Ordinance of the City of Laguna Hills, California, amending Title 10 (Buildings And Construction) of the Laguna Hills Municipal Code and adopting by reference the 2019 Edition of the California Building Standards Code (California Code of Regulations, Title 24), consisting of the 2019 California Building Code, the 2019 California Residential Code, the 2019 California Electrical Code, the 2019 California Mechanical Code, the 2019 California Plumbing Code, the 2019 California Energy Code, the 2019 California

Historical Building Code, the 2019 California Existing Building Code, the 2019 California Green Building Standards Code, and the 2019 California Referenced Standards Code, together with certain amendments, additions, and deletions thereto.”; and

(3) Adopt Ordinance No. 2019-5: “An Ordinance of the City of Laguna Hills, California, amending Chapter 5-16 (Fire Code) of Title 5 (Health and Sanitation) of the Laguna Hills Municipal Code and adopting by reference the 2019 Edition of the California Fire Code including Appendices B, BB, C, and CC together with certain amendments, additions, and deletions thereto.”

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

6. ADMINISTRATIVE REPORTS

6.1. City Manager

City Manager White reviewed the information provided in the staff reports for Items No. 6.1.1, 6.1.2, and 6.1.3 and responded to Council requests for additional information.

6.1.1 Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC

Recommendation: That the City Council approve the Deposit/Reimbursement Agreement with MGP Fund X Laguna Hills, LLC, and authorize the City Manager to execute the Agreement.

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

6.1.2 Consulting Services Agreement with Kelly Associates Management Group**Recommendation:** That the City Council:

(1) Waive competitive informal and formal bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHMC) Section 3-08.080 and Section 3-08.090 with regard to approval of the proposed Strategic Planning, Economic Development, and Project Management Consulting Services Agreement with Kelly Associates Management Group as it is hereby found and determined, pursuant to LHMC Section 3-08.110 (L.6) that the services retained are for economic development services; and,

(2) Approve a Consulting Services Agreement with Kelly Associates Management Group and authorize the City Manager to execute the Agreement.

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

6.1.3 Professional Services Agreement with Kosmont & Associates, Inc. for Real Estate, Financial Advisory, and Economic Development Services**Recommendation:** That the City Council:

(1) Waive competitive informal and formal bidding requirements and procedures set forth in the City of Laguna Hills Municipal Code (LHCM) Section 3-08.080 and Section 3-08.090 with regard to approval of the proposed Real Estate, Financial Advisory, and Economic Development Services Agreement with Kosmont & Associates, Inc. as it is hereby found and determined, pursuant to LHMC Section 3-08.110(L.6) that the services retained are for economic development services; and,

(2) Approve the Professional Services Agreement with Kosmont & Associates, Inc. and authorize the City Manager to execute the Agreement.

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

6.1.4 Proposed Village at Laguna Hills Redevelopment Project Frequently Asked Questions (24155 Laguna Hills Mall, Laguna Hills, CA 92653)

City Manager White reviewed the information provided in the staff report and responded to Council requests for additional information.

Recommendation: That the City Council review and comment on the proposed Village at Laguna Hills Redevelopment Project Frequently Asked Questions and direct staff to post on the City's web site.

Motion to table this item and return it to the January 14, 2019, Regular City Council Meeting.

RESULT:	TABLED [3 TO 2]
MOVER:	Erica Pezold, Council Member
SECONDER:	Dave Wheeler, Council Member
AYES:	Janine Heft, Mayor Pro Tempore; Erica Pezold, Council Member; Dave Wheeler, Council Member
NAYS:	Don Sedgwick, Mayor; Dore J. Gilbert, M.D., Council Member

6.2. Finance Director

6.2.1 Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2019

Finance Director Reyes reviewed the information provided in the staff report.

Recommendation: That the City Council receive and file the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019, together with the audit letters.

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

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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

8. CITY COUNCIL MEMBER COMMENTS

Council Member Pezold

Council Member Pezold expressed her desire to have Deputy Mike Winger provide a presentation on Carry a Concealed Weapon Licensing and Laws similar to the presentation they recently had in San Clemente.

Council Member Pezold reported on the success of Teen Volunteer Day.

Council Member Pezold encouraged everyone to go to the Community Center and pick up a map for the Chamber of Commerce's 1st Annual Laguna Hills Holiday Lights Extravaganza Contest.

Mayor Sedgwick

Mayor Sedgwick suggested that a discussion regarding making illegal the sale of flavored vaping products be agendized for the January 14, 2019, meeting and received a second from Council Member Gilbert.

Council Member Wheeler

Council Member Wheeler expressed his desire to have a presentation by F.L.A.G. agendized for the January 14, 2019, meeting and received a second from Council Member Pezold.

Council Member Wheeler requested that a discussion regarding the 300' radius notification requirement be agendized for the January 14, 2019, meeting and no second was received. City Manager White indicated that staff is currently working on a public engagement process for infill development projects that should address concerns.

9. CLOSED SESSION

ANNOUNCEMENT OF CLOSED SESSION ITEM(S)

The City Council will be reconvening 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 - Annual Performance Evaluation

B. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Negotiator: Don Sedgwick, Mayor

Unrepresented Employee: Don White, City Manager

PUBLIC COMMENT ON CLOSED SESSION ITEM(S)

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBERS

Mayor Sedgwick recessed the meeting at 8:12 p.m. and reconvened the meeting at 9:36 p.m. All Council Members were present.

8. CITY COUNCIL MEMBER COMMENTS (continued)

Council Member Pezold

Council Member Pezold requested staff to agendize a Resolution for the next City Council Meeting to request retention bonuses in the amount of \$1,000.00 for each full-time employee and received a second from Council Member Gilbert.

CLOSED SESSION REPORT

Mayor Sedgwick reported that the City Council convened into Closed Session pursuant to the authorities listed on the Agenda. The City Council completed Items A and B with no reportable action.

10. CONSIDERATION OF COMPENSATION FOR CITY MANAGER**10.1 Consideration of Compensation for City Manager**

Recommendation: That the City Council take such action as it so determines.

Motion made by Mayor Sedgwick that the following changes be made to the City Manager's compensation: (1) Effective January 1, 2020, the City Manager's annual base salary be increased by 4.5%, from \$258,000 to \$269,610; and (2) On a one-time basis for FY2019/20 only, thirteen (13) days of paid executive leave effective December 1, 2019; and that the City Council direct the City Attorney to return to the next regularly scheduled City Council meeting with a Resolution ratifying this action.

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

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 9:39 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

, Mayor

Approved at meeting of December 10, 2019



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Approval of Warrant Register for December 10, 2019, City Council Meeting

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from November 15, 2019, to November 27, 2019, in the amount of \$648,934.37.

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 November 15, 2019, to November 27, 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 - December 10, 2019
- Warrant Register, Payables Detail Report - December 10, 2019



City of Laguna Hills, CA

Warrant Register - December 10, 2019

By Check Number

Date Range: 11/15/2019 - 11/27/2019

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
8817072	A-0359	ANDERSON PENNA PARTNERS, INC.	11/21/2019	18,157.70
8817073	A-0360	ARC DOCUMENT SOLUTIONS, LLC	11/21/2019	129.75
8817074	A-0365	AT&T - CALNET 3	11/21/2019	243.77
8817075	B-0304	BEE MAN, THE	11/21/2019	310.00
8817076	C-1133	CALIFORNIA YELLOW CAB	11/21/2019	1,476.00
8817077	C-1179	CANON SOLUTIONS AMERICA	11/21/2019	452.58
8817078	C-0324	CITY OF MISSION VIEJO	11/21/2019	52,026.75
8817079	C-1181	CIVIC PLUS	11/21/2019	78.75
8817080	C-1139	COMPLETE OFFICE OF CALIFORNIA	11/21/2019	301.61
8817081	C-0023	COX COMMUNICATION	11/21/2019	946.31
8817082	E-0593	EISENBERG, DALE	11/21/2019	794.50
8817083	E-0553	ELKINS, CHRISTINA	11/21/2019	364.00
8817084	E-0587	EMC DESIGN	11/21/2019	3,515.00
8817085	F-0718	FINANCIAL CREDIT NETWORK, INC.	11/21/2019	148.04
8817086	F-0719	FOUNDATIONS DANCE STUDIO	11/21/2019	4,866.40
8817087	H-0959	HABASH, JOHN	11/21/2019	44.10
8817088	Z-CS-0113	HUGHES, LINDA	11/21/2019	62.50
8817089	M-1388	MOBILE MINI, INC.	11/21/2019	82.97
8817090	O-1546	OFFICE SOLUTIONS	11/21/2019	803.14
8817091	R-1975	RAHE ELECTRIC	11/21/2019	1,365.12
8817092	R-1976	REAL ESTATE CONSULTING & SERVICES, INC.	11/21/2019	480.00
8817093	R-1934	RENEGADE RACING MAKE-U-FIT PRODUCTIONS	11/21/2019	9,500.00
8817094	R-1841	ROSENFELD, KEN	11/21/2019	550.32
8817095	R-1967	RUSSELL, RICHARD WYATT	11/21/2019	2,150.40
8817096	S-1902	SAN DIEGO GAS & ELECTRIC	11/21/2019	34,952.74
8817097	Z-CS-0154	SANAE, MERCEDES	11/21/2019	500.00
8817098	S-1904	SOUTHERN CALIFORNIA EDISON	11/21/2019	863.44
8817099	S-2295	SOUTHERN COMPUTER WAREHOUSE	11/21/2019	63.58
8817100	S-1940	STATE WATER RESOURCES CONTROL BOARD	11/21/2019	14,815.00
8817101	W-2302	THOMSON REUTERS - WEST	11/21/2019	251.52
8817102	W-2337	WEST COAST ARBORISTS, INC.	11/21/2019	16,344.55
8817103	W-2300	WHITE, DONALD	11/21/2019	175.00
8817104	A-0364	AIELLI, ROGER	11/27/2019	90.00
8817105	Z-CD-0213	ALDERETE POOLS INC	11/27/2019	500.00
8817106	A-0138	ALL CITY MANAGEMENT, INC.	11/27/2019	9,106.56
8817107	A-0360	ARC DOCUMENT SOLUTIONS, LLC	11/27/2019	63.13
8817108	A-0304	AU-YEUNG, MELISSA	11/27/2019	324.30
8817109	B-0439	BANNER BANK	11/27/2019	19,414.87
8817110	B-0440	BUCKNAM INFRASTRUCTURE GROUP, INC.	11/27/2019	2,882.32
8817111	C-1177	CANON FINANCIAL SERVICES, INC.	11/27/2019	851.51
8817112	C-1181	CIVIC PLUS	11/27/2019	7,657.84
8817113	C-1139	COMPLETE OFFICE OF CALIFORNIA	11/27/2019	145.33
8817114	D-0461	DATA TICKET, INC.	11/27/2019	638.39
8817115	C-1190	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	11/27/2019	1,503.00
8817116	H-0829	HARTZOG & CRABILL, INC.	11/27/2019	1,500.00
8817117	I-0960	IRV SEAVER MOTORCYCLES	11/27/2019	301.57
8817118	G-0709	JOE A. GONSALVES & SON	11/27/2019	2,900.00
8817119	J-1082	JONES DAY	11/27/2019	3,990.17
8817120	L-1382	LOYA, RICKY	11/27/2019	90.00
8817121	Z-CS-0079	MCCLELLAN, ANN-MARIE	11/27/2019	500.00
8817122	M-1302	MOULTON NIGUEL WATER DISTRICT	11/27/2019	5,704.38
8817123	O-1546	OFFICE SOLUTIONS	11/27/2019	188.63
8817124	O-1500	ORANGE COUNTY REGISTER	11/27/2019	535.83

Attachment: Warrant Register - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Warrant Register - December 10, 2019

Date Range: 11/15/2019 - 11/27/2019

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8817125	C-1003	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	11/27/2019	3,232.00
8817126	P-1832	PRINTEX PRINTING AND GRAPHICS INC.	11/27/2019	253.21
8817127	R-1817	R.J. NOBLE	11/27/2019	368,882.53
8817128	R-1830	RALPHS GROCERY COMPANY	11/27/2019	168.05
8817129	R-1977	RJ ELECTRIC	11/27/2019	1,125.16
8817130	S-1949	SMART & FINAL	11/27/2019	173.82
8817131	S-2250	SPARKLETTS	11/27/2019	110.40
8817132	S-2303	STALKER RADAR	11/27/2019	2,277.36
8817133	S-2209	STUDIO TWO BLACK DIAMOND	11/27/2019	48.49
8817134	T-2681	TOTALFUNDS BY HASLER MAILROOM FINANCE, INC.	11/27/2019	1,000.00
8817135	T-2605	TUTTLE CLICK FORD	11/27/2019	569.72
8817136	R-1801	WOODRUFF, SPRADLIN & SMART	11/27/2019	45,390.26
Total Regular:				648,934.37

Bank Code AP Bank Summary

	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	96	65	0.00	648,934.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	96	65	0.00	648,934.37

Attachment: Warrant Register - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	96	65	0.00	648,934.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	96	65	0.00	648,934.37

Fund Summary

Fund	Name	Period	Amount
998	POOL	11/2019	648,934.37
			648,934.37



City of Laguna Hills, CA

Warrant Register - Payables Detail Report

By Fund

Payment Dates 11/15/2019 - 11/27/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
11/21/2019	AT&T - CALNET 3	000013856883	Traffic Signal, Public Services, Oct '19	100-355-630000	21.36
11/21/2019	AT&T - CALNET 3	000013862406	Alarm, Com Ctr & City Hall Lines, Nov '19	100-195-630000	139.17
11/21/2019	AT&T - CALNET 3	000013862406	Alarm, Com Ctr & City Hall Lines, Nov '19	100-310-630100	83.24
11/21/2019	RAHE ELECTRIC	06-19-clh	Parks Contract Repair, Oct '19	100-355-720701	1,365.12
11/21/2019	ARC DOCUMENT SOLUTIONS, LLC	10327783	Printing Services, Engineering, Archives	100-355-623000	129.75
11/21/2019	RENEGADE RACING MAKE-U-FIT PRODUCTIONS	1061	Event Management Serv, 1/2 Marathon, Oct-Nov '19	100-310-695507	9,500.00
11/21/2019	BEE MAN, THE	106216	Bee Removal, Public Services, Oct '19	100-355-720701	310.00
11/21/2019	COX COMMUNICATION	110619	T-1 Line, Nov '19	100-195-630000	851.31
11/21/2019	COX COMMUNICATION	110819	Traffic Signal, Nov '19	100-195-630000	95.00
11/21/2019	EISENBERG, DALE	111519	Contract Instructor Services, Aikido	100-310-721500	794.50
11/21/2019	ELKINS, CHRISTINA	111519	Contract Instructor Services, Dance	100-310-721500	364.00
11/21/2019	RUSSELL, RICHARD WYATT	111519	Contract Instructor Services, Tennis	100-310-721500	2,029.60
11/21/2019	HABASH, JOHN	111519	Contract Instructor Services, Dance	100-310-721500	44.10
11/21/2019	FINANCIAL CREDIT NETWORK, INC.	111819	Misc Recoveries, Property Damage, Oct '19	100-000-459003	148.04
11/21/2019	FOUNDATIONS DANCE STUDIO	111919	Contract Instructor, Dance	100-310-721500	4,866.40
11/21/2019	RUSSELL, RICHARD WYATT	111919	Contract Instructor Services, Tennis	100-310-721500	120.80
11/21/2019	WHITE, DONALD	112019	Travel Reimbursement, ERMA & ERMAC, Nov '19	100-155-612000	175.00
11/21/2019	ROSENFELD, KEN	112019	Travel Reimbursement, ASCE Conference, Nov '19	100-355-611000	550.32
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019	Street Lights, Traffic Control, Oct '19	100-355-631000	106.09
11/21/2019	SOUTHERN CALIFORNIA EDISON	112019	Street Lights, Traffic Control, Oct '19	100-355-631000	137.93
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019	Street Lights, Traffic Control, Oct '19	100-355-631400	158.38
11/21/2019	SOUTHERN CALIFORNIA EDISON	112019	Street Lights, Traffic Control, Oct '19	100-355-631400	50.82
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019A	Street Lights, Traffic Control, Oct '19	100-310-631100	9,805.17
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019A	Street Lights, Traffic Control, Oct '19	100-355-631000	8,022.42
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019A	Street Lights, Traffic Control, Oct '19	100-355-631000	1,448.53
11/21/2019	SOUTHERN CALIFORNIA EDISON	112019A	Street Lights, Traffic Control, Nov '19	100-355-631000	11.50
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019A	Street Lights, Traffic Control, Oct '19	100-355-631400	12,048.17
11/21/2019	SOUTHERN CALIFORNIA EDISON	112019A	Street Lights, Traffic Control, Nov '19	100-355-631400	663.19
11/21/2019	SAN DIEGO GAS & ELECTRIC	112019A	Street Lights, Traffic Control, Oct '19	100-355-631900	3,363.98
11/21/2019	REAL ESTATE CONSULTING & SERVICES, INC.	12389	Parks Contract Repair, Nov '19	100-355-720701	185.00
11/21/2019	REAL ESTATE CONSULTING & SERVICES, INC.	12390	Parks Contract Repair, Nov '19	100-355-720701	120.00
11/21/2019	REAL ESTATE CONSULTING & SERVICES, INC.	12391	Parks Contract Repair, Nov '19	100-355-720701	175.00
11/21/2019	WEST COAST ARBORISTS, INC.	153787	Tree Trimming Services, Oct '19	100-355-720702	16,344.55
11/21/2019	CIVIC PLUS	193495	Annual Certificate Fee, 12/19/19-12/14/20	100-195-720050	78.75
11/21/2019	COMPLETE OFFICE OF CALIFORNIA	2382342-0	Office Supplies, Comm Ctr, Nov '19	100-310-620500	75.02
11/21/2019	COMPLETE OFFICE OF CALIFORNIA	2385356-0	Computer Supplies, Nov '19	100-195-621000	99.12
11/21/2019	COMPLETE OFFICE OF CALIFORNIA	2385596-0	Computer Supplies, Nov '19	100-195-621000	127.47
11/21/2019	CANON SOLUTIONS AMERICA	4030882423	Copier Usage, Community Services, Oct '19	100-195-641200	282.10
11/21/2019	CANON SOLUTIONS AMERICA	4030886399	Copier Usage, Community Services, Oct '19	100-195-641200	170.48
11/21/2019	ANDERSON PENNA PARTNERS, INC.	7856	Inspection Services, Sep-Oct '19	100-355-700255	2,416.50
11/21/2019	ANDERSON PENNA PARTNERS, INC.	7857	Inspection Services, Oct '19	100-355-700255	15,741.20
11/21/2019	THOMSON REUTERS - WEST	841213075	Subscription, City Clerk, Oct '19	100-155-626000	251.52

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Warrant Register - Payables Detail Report

Payment Dates: 11/15/2019 - 11/27/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
11/21/2019	MOBILE MINI, INC.	9007344132	Storage Rental, Community Center, 11/5-12/2	100-310-641000	82.97
11/21/2019	CITY OF MISSION VIEJO	ARLH20590	Animal Care Services, 2nd Installment FY 19/20	100-420-720401	52,026.75
11/21/2019	EMC DESIGN	E201651	City Views, Winter 2019 Issue	100-155-695000	3,515.00
11/21/2019	SANAE, MERCEDES	FRD-0218	Refund, Facility Deposit, R #1032561.002	100-000-222000	500.00
11/21/2019	HUGHES, LINDA	FRD-0219	Refund, Facility Deposit, R #1031486.002	100-000-222000	250.00
11/21/2019	HUGHES, LINDA	FRD-0219	Refund, Facility Deposit, R #1031486.002	100-000-451100	(187.50)
11/21/2019	OFFICE SOLUTIONS	I-01670372	Office Supplies, Nov '19	100-195-620000	202.21
11/21/2019	OFFICE SOLUTIONS	I-01673858	Office/Operating Supplies, Nov '19	100-195-620000	126.60
11/21/2019	OFFICE SOLUTIONS	I-01673858	Office/Operating Supplies, Nov '19	100-195-622000	104.08
11/21/2019	OFFICE SOLUTIONS	I-01673879	Operating Supplies, Nov '19	100-195-622000	353.13
11/21/2019	OFFICE SOLUTIONS	I-01674056	Office Supplies, Nov '19	100-195-620000	17.12
11/21/2019	SOUTHERN COMPUTER WAREHOUSE	IN-000593415	Office Supplies, Aug '19	100-155-620000	63.58
11/21/2019	STATE WATER RESOURCES CONTROL BOARD	WD-0167152	Annual Permit Fees, Public Services, CIP	100-600-790600	14,815.00
11/27/2019	RALPHS GROCERY COMPANY	0919113845	Operating Supplies, Comm Svcs, Oct '19	100-310-622005	33.22
11/27/2019	RALPHS GROCERY COMPANY	0919113940	Program Expense, Comm Svcs, Oct	100-310-695502	39.14
11/27/2019	RALPHS GROCERY COMPANY	1019114378	Program Expense, Comm Svcs, Nov	100-310-611000	25.90
11/27/2019	RALPHS GROCERY COMPANY	1019114438	Operating Supplies, Comm Svcs, Nov '19	100-310-622005	69.79
11/27/2019	ARC DOCUMENT SOLUTIONS, LLC	10436415	Printing Services, Engineering, Nov	100-355-623000	63.13
11/27/2019	DATA TICKET, INC.	106374	Process Fee, Parking Citations, Oct	100-420-720823	638.39
11/27/2019	TOTALFUNDS BY HASLER MAILROOM FINANCE, INC.	111719	Postage Replenishment, Nov '19	100-195-625000	1,000.00
11/27/2019	ORANGE COUNTY REGISTER	112119	Subscription, City Hall, 12/11/19 - 3/10/20	100-155-626000	535.83
11/27/2019	LOYA, RICKY	112519	Umpire Fees, Community Services, Nov '19	100-310-622502	90.00
11/27/2019	AIELLI, ROGER	112519	Umpire Fees, Community Services, Nov '19	100-310-622502	90.00
11/27/2019	MOULTON NIGUEL WATER DISTRICT	112519	Water Usage, Public Services & Com Ctr, Oct '19	100-310-635100	554.17
11/27/2019	MOULTON NIGUEL WATER DISTRICT	112519	Water Usage, Public Services & Com Ctr, Oct '19	100-355-635000	5,150.21
11/27/2019	BANNER BANK	112619	Escrow No. 1655, CIP #101-K, Progress Payment 1	100-000-201001	19,414.87
11/27/2019	AU-YEUNG, MELISSA	112619	Travel Reimbursement, ICMA Conference, Oct '19	100-155-612000	324.30
11/27/2019	SPARKLETTS	12194330 111319	Operating Supplies, Comm Ctr, Nov	100-310-622005	110.40
11/27/2019	JOE A. GONSALVES & SON	157828	Legislative Services, Dec '19	100-155-700020	2,900.00
11/27/2019	R.J. NOBLE	165511	Citywide Pavement Rehabilitation, CIP #101-K	100-000-201001	(19,414.87)
11/27/2019	R.J. NOBLE	165511	Citywide Pavement Rehabilitation, CIP #101-K	100-600-790600	388,297.40
11/27/2019	HARTZOG & CRABILL, INC.	19-0797	Traffic Signal Mgmt Services, Oct '19	100-355-700101	1,500.00
11/27/2019	CIVIC PLUS	193494	Annual Maintenance, Website, IT, 12/15/19-12/14/20	100-195-720050	7,657.84
11/27/2019	PRINTEX PRINTING AND GRAPHICS INC.	20111 (1)	Printing, Recycling Education, Nov	100-310-624500	253.21
11/27/2019	IRV SEAVER MOTORCYCLES	20192592	Motorcycle Maintenance, Police Svcs, Nov '19	100-420-646100	301.57
11/27/2019	CANON FINANCIAL SERVICES, INC.	20777064	Lease - Copier, Community Services, Nov '19	100-195-641200	279.86
11/27/2019	CANON FINANCIAL SERVICES, INC.	20777065	Lease - Copier, City Hall, Nov '19	100-195-641200	253.83
11/27/2019	CANON FINANCIAL SERVICES, INC.	20777066	Lease - New Admin Copier, City Hall, Nov '19	100-195-641200	317.82
11/27/2019	COMPLETE OFFICE OF CALIFORNIA	2386416-0	Computer Supplies, Nov '19	100-195-621000	127.47
11/27/2019	COMPLETE OFFICE OF CALIFORNIA	2388201-0	Office & Operating Supplies, Nov '19	100-310-620500	14.92

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Warrant Register - Payables Detail Report

Payment Dates: 11/15/2019 - 11/27/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
11/27/2019	COMPLETE OFFICE OF CALIFORNIA	2388201-0	Office & Operating Supplies, Nov '19	100-310-622005	39.96
11/27/2019	COMPLETE OFFICE OF CALIFORNIA	2388813-0	Office Supplies, Comm Ctr, Nov '19	100-310-620500	59.94
11/27/2019	JONES DAY	33331845	Professional Services, Oct '19	100-155-700012	3,990.17
11/27/2019	BUCKNAM INFRASTRUCTURE GROUP, INC.	361-01.01	Computer Consulting Services, Nov	100-195-700090	2,882.32
11/27/2019	SMART & FINAL	3831400055399	Operating Supplies, City Hall, Sep '19	100-155-622000	10.63
11/27/2019	SMART & FINAL	3831400055399	Operating Supplies, City Hall, Sep '19	100-195-622000	44.11
11/27/2019	SMART & FINAL	3831400057008	Office & Operating Supplies, City Hall, Oct '19	100-155-622000	17.75
11/27/2019	SMART & FINAL	3831400057008	Office & Operating Supplies, City Hall, Oct '19	100-195-620000	79.96
11/27/2019	SMART & FINAL	3831400057008	Office & Operating Supplies, City Hall, Oct '19	100-195-622000	21.37
11/27/2019	RJ ELECTRIC	58261	Parks Contract Repair, Comm Ctr, Nov '19	100-355-720701	1,125.16
11/27/2019	WOODRUFF, SPRADLIN & SMART	64058	Professional Services Legal, Oct '19	100-155-700010	40,810.76
11/27/2019	WOODRUFF, SPRADLIN & SMART	64058	Professional Services Legal, Oct '19	100-155-700011	1,857.00
11/27/2019	ALL CITY MANAGEMENT, INC.	64585	Crossing Guard Services, 10/20/19 - 11/2/19	100-420-720822	4,553.28
11/27/2019	ALL CITY MANAGEMENT, INC.	64824	Crossing Guard Services, 11/3/19 - 11/16/19	100-420-720822	4,553.28
11/27/2019	STUDIO TWO BLACK DIAMOND	95356	Printing Services, Nov '19	100-420-622000	48.49
11/27/2019	ALDERETE POOLS INC	CD-0495-POOLR-0008-20	Refund, Pool Bond, R #4930	100-000-228001	500.00
11/27/2019	COMPLETE OFFICE OF CALIFORNIA	CM0000061	Operating Supplies, Sep '19, Credit for 2358053-0	100-195-621000	(96.96)
11/27/2019	TUTTLE CLICK FORD	F2CS953791	Vehicle Maintenance, Community Services, Oct '19	100-310-646100	50.78
11/27/2019	TUTTLE CLICK FORD	F2CS953793	Vehicle Maintenance, Community Services, Oct '19	100-310-646100	65.25
11/27/2019	TUTTLE CLICK FORD	F2CS956562	Vehicle Maintenance, Community Services, Oct '19	100-310-646100	453.69
11/27/2019	MCCLELLAN, ANN-MARIE	FRD-0220	Refund, Facility Deposit, R #1032305.002	100-000-222000	500.00
11/27/2019	OFFICE SOLUTIONS	I-01675099	Office Supplies, Nov '19	100-195-620000	3.38
11/27/2019	OFFICE SOLUTIONS	I-01675580	Office Supplies, Nov '19	100-195-620000	49.89
11/27/2019	OFFICE SOLUTIONS	I-01676342	Office Supplies, Nov '19	100-195-620000	89.49
11/27/2019	OFFICE SOLUTIONS	I-01677667	Office Supplies, Nov '19	100-195-620000	37.94
11/27/2019	OFFICE SOLUTIONS	I-01677825	Office Supplies, Nov '19	100-195-620000	7.93
11/27/2019	PARKING VIOLATIONS OC	OCT 19	Parking Fee Surcharge, Oct '19	100-420-720823	1,528.50
11/27/2019	TREASURER-TAX COLLECTOR				
11/27/2019	STALKER RADAR	S240437	Operating Supplies, Nov '19	100-420-622000	2,277.36
11/27/2019	PARKING VIOLATIONS OC	SEP 19	Parking Fee Surcharge, Sep '19	100-420-720823	1,703.50
11/27/2019	TREASURER-TAX COLLECTOR				
11/27/2019	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	SH 54667	Fingerprint ID System Charges, Nov	100-420-720835	1,503.00
Fund 100 - GENERAL FUND Total:					644,735.87

Fund: 101 - THE VILLAGE AT LH REDEVELOPMENT PROJECT

11/27/2019	WOODRUFF, SPRADLIN & SMART	64058	Professional Services Legal, Oct '19	101-225-700012	2,722.50
Fund 101 - THE VILLAGE AT LH REDEVELOPMENT PROJECT Total:					2,722.50

Fund: 221 - SENIOR MOBILITY PROGRAM

11/21/2019	CALIFORNIA YELLOW CAB	10406019	Senior Mobility Program, Oct '19	221-310-720000	1,476.00
Fund 221 - SENIOR MOBILITY PROGRAM Total:					1,476.00

Fund: 600 - CAPITAL IMPROVEMENT PROJECT

11/21/2019	STATE WATER RESOURCES CONTROL BOARD	WD-0167152	Annual Permit Fees, Public Services, CIP	600-000-490100	(14,815.00)
11/21/2019	STATE WATER RESOURCES CONTROL BOARD	WD-0167152	Annual Permit Fees, Public Services, CIP	600-254-950410	14,815.00
11/27/2019	R.J. NOBLE	165511	Citywide Pavement Rehabilitation, CIP #101-K	600-000-490100	(388,297.40)

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Warrant Register - Payables Detail Report

Payment Dates: 11/15/2019 - 11/27/2019

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
11/27/2019	R.J. NOBLE	165511	Citywide Pavement Rehabilitation, CIP #101-K	600-251-950101	388,297.40
			Fund 600 - CAPITAL IMPROVEMENT PROJECT Total:		0.00
			Grand Total:		648,934.37

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	644,735.87	644,735.87
101 - THE VILLAGE AT LH REDEVELOPMENT PROJECT	2,722.50	2,722.50
221 - SENIOR MOBILITY PROGRAM	1,476.00	1,476.00
600 - CAPITAL IMPROVEMENT PROJECT	0.00	0.00
Grand Total:	648,934.37	648,934.37

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-201001	Accounts Payable - Retention	0.00	0.00
100-000-222000	Refundable Deposits	1,250.00	1,250.00
100-000-228001	Swimming Pool Bonds	500.00	500.00
100-000-451100	Recreation Fees-Reservation	(187.50)	(187.50)
100-000-459003	Misc Recoveries-	148.04	148.04
100-155-612000	Travel, Conferences & Meetings	499.30	499.30
100-155-620000	Office Supplies	63.58	63.58
100-155-622000	Operating Supplies	28.38	28.38
100-155-626000	Subscriptions & Books	787.35	787.35
100-155-695000	CommunityAsstnc/PublicRelation	3,515.00	3,515.00
100-155-700010	Legal Services-General Counsel	40,810.76	40,810.76
100-155-700011	Legal Services-Litigation	1,857.00	1,857.00
100-155-700012	Legal Services-Litigation OC Cities	3,990.17	3,990.17
100-155-700020	Professional Services - Legislative	2,900.00	2,900.00
100-195-620000	Office Supplies	614.52	614.52
100-195-621000	Computer Supplies	257.10	257.10
100-195-622000	Operating Supplies	522.69	522.69
100-195-625000	Postage & Delivery	1,000.00	1,000.00
100-195-630000	Telephone & Communication	1,085.48	1,085.48
100-195-641200	Rent/Lease - Copier	1,304.09	1,304.09
100-195-700090	Computer Consulting Services	2,882.32	2,882.32
100-195-720050	Contract Serv-Software Support	7,736.59	7,736.59
100-310-611000	Training and Education	25.90	25.90
100-310-620500	Office Supplies - Comm Ctr	149.88	149.88
100-310-622005	Operating Supplies Comm Ctr	253.37	253.37
100-310-622502	Supplies-Adult Leagues	180.00	180.00
100-310-624500	Advertising-Program Services	253.21	253.21
100-310-630100	Phone & Communication Comm	83.24	83.24
100-310-631100	Utilities - Electric Comm Ctr	9,805.17	9,805.17
100-310-635100	Utilities - Water Comm Ctr	554.17	554.17
100-310-641000	Rent/Lease - Equipment	82.97	82.97
100-310-646100	Maint & Repairs - Vehicles	569.72	569.72
100-310-695502	Special Needs Program	39.14	39.14
100-310-695507	Marathon 5k	9,500.00	9,500.00
100-310-721500	Contract Services-Program Svce	8,219.40	8,219.40
100-355-611000	Training and Education	550.32	550.32
100-355-623000	Printing	192.88	192.88
100-355-630000	Telephone & Communication	21.36	21.36
100-355-631000	Utilities - Electric	9,726.47	9,726.47
100-355-631400	Electric-Street Lights/Signals	12,920.56	12,920.56
100-355-631900	UtilitiesElectricOnBillFinancing	3,363.98	3,363.98
100-355-635000	Utilities - Water	5,150.21	5,150.21
100-355-700101	Traffic Engineer Services	1,500.00	1,500.00
100-355-700255	Improvement Inspection	18,157.70	18,157.70
100-355-720701	Parks Contract Repair	3,280.28	3,280.28
100-355-720702	Tree Maintenance	16,344.55	16,344.55
100-420-622000	Operating Supplies	2,325.85	2,325.85
100-420-646100	Maint & Repairs - Vehicles	301.57	301.57
100-420-720401	Animal Care & Shelter Services	52,026.75	52,026.75

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)

Warrant Register - Payables Detail Report

Payment Dates: 11/15/2019 - 11/27/2019

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-420-720822	Crossing Guard Services	9,106.56	9,106.56
100-420-720823	Parking Citation Processing	3,870.39	3,870.39
100-420-720835	Fingerprint Identification Svc	1,503.00	1,503.00
100-600-790600	Transfers Out - Capital Imprv	403,112.40	403,112.40
101-225-700012	Legal Services - 5Lagunas	2,722.50	2,722.50
221-310-720000	Contract Services	1,476.00	1,476.00
600-000-490100	Transfer In- General Fund	(403,112.40)	(403,112.40)
600-251-950101	CIP-Annual Street Maintenance	388,297.40	388,297.40
600-254-950410	NPDES Permit & Fees	14,815.00	14,815.00
Grand Total:		648,934.37	648,934.37

Project Account Summary

Project Account Key	Expense Amount	Payment Amount
None	648,934.37	648,934.37
Grand Total:	648,934.37	648,934.37

Attachment: Warrant Register, Payables Detail Report - December 10, 2019 (2027 : Approval of Warrant Register for December 10, 2019)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Proposed Office Lease for Suite 220 with Donald C. Lewellen, an Individual, for 24031 El Toro Road, Suite 220, Laguna Hills, California

RECOMMENDATION: That the City Council approve an office lease with Donald C. Lewellen, an individual, for 24031 El Toro Road, Suite 220, Laguna Hills, California, and authorize the City Manager to execute the Lease.

SUMMARY:

Staff has negotiated a twenty-six month lease renewal with Donald C. Lewellen, an individual, for 24031 El Toro Road, Suite 220. Donald C. Lewellen is an accountancy firm and has been a tenant in the Civic Center since 2013. The following is a summary of the key lease terms and financial analysis:

Commencement Date:	October 1, 2019
Term:	Twenty-six (26) months
Rentable Square Feet:	1,855
Upfront Capital:	\$3,768
Rate:	Months 1-12 - \$2.20/ sq. ft. Months 13-24 - \$2.29/ sq. ft. Months 25-26 - \$2.38/ sq. ft.
Total Rent Payments:	\$108,731
Net Present Value:	\$70,404 (12% Discount Rate)

Proposed Civic Center Lease with Donald Lewellen for Suite 220

December 10, 2019

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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 \$3,768.

ATTACHMENTS:

- Proposed Lease



STANDARD MULTI-TENANT OFFICE LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only December 10, 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 Donald C. Lewellen, an individual ("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 220 Laguna Hills, CA 92654 ("Premises"). The Premises are located in the County of Orange, and consist of approximately 1,855 rentable square feet and approximately 1,550 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:** 4/1000sf 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:** October 1, 2019 years and 26 months ("Original Term") commencing October 1, 2019 ("Commencement Date") and ending November 30, 2021 ("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 N/A ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$4,081.00 per month ("Base Rent"), payable on the First day of each month commencing October 1, 2019. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 4.4. (See Addendum Paragraph 1)

1.6 **Lessee's Share of Operating Expense Increase:** 3.57% percent (3.57 %) ("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:** \$4,081.00 for the period October 1-31, 2019.

(b) **Security Deposit:** increase to \$4,414.01, 3,672.00 on File ("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:** \$4,823.01.

1.8 **Agreed Use:** Accounting Agency, General Office. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2013. 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:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm Essex Realty Management, Inc. License No. 00965485 Is the broker of (check one): ☒ the Lessor; or ☐ both the Lessee and Lessor (dual agent).

Lessor's Agent Sandi Montez License No. 01293010 Is (check one): ☒ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm N/A License No. N/A Is the broker of (check one): ☐ the Lessee; or ☐ both the Lessee and Lessor (dual agent).

Lessee's Agent N/A License No. N/A Is (check one): ☐ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

(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 N/A ("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:

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Attachment: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

☐ 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 6 ;
- ☒ a plot plan depicting the Premises; **Exhibit "A"**
- ☒ 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 .

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

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Attachment: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

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 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 other 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:

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(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 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 **\$2575** 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

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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' and consultants' 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

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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.

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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 and the provisions of Paragraph 7.1(a), 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.~~

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~~(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.~~

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

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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

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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.

11.6 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

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

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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 coverage of the property insurance described in Paragraph 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

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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~~

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~~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, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents 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 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.

23.3 **Options.** Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was

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received by the Lessor.

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, 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 confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent 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. Both Lessor and Lessee 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.

(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

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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.

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.

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

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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 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.

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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 \$1,000.00. Allowance to be used for to paint the lobby of 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.

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,
Laguna Hills, CA 92654

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: _____

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Executed at: 24031 El Toro Road, Suite 220

On: _____

By LESSEE:

Donald C. Lewellen, an individual

By: _____

Name Printed: Donald C Lewellen

Title: _____

Phone: _____

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

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Attachment: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

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: _____
 Federal ID No.: _____
 Broker/AGENT DRE License #: 00965485

Fax: _____
 Email: _____

Address: _____
 Federal ID No.: _____

BROKER

N/A

Attn: N/A
 Title: _____

Address: _____
 Phone: _____
 Fax: _____
 Email: _____
 Federal ID No.: _____
 Broker/AGENT DRE License #: N/A

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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>11/26/19</u>
☐ Buyer	☐ Seller	☐ Lessor	☒ Lessee	<u>Donald C. Lewellen</u>	Date: <u>11/26/19</u>

Agent: Essex Realty Management DRE Lic. #: 09965485
Real Estate Broker (Firm)

By: Sandi Montez DRE Lic. #: 01293010 Date: 11/26/19
(Salesperson or Broker-Associate)

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Attachment: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

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: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

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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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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 December 10, 2019, between **The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California** (“Lessor”), and Donald C. Lewellen, an individual (“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:

10/01/19-9/31/2	\$4,081.00	\$2.20 PSF
10/01/20-9/31/21	\$4,244.24	\$2.29 PSF
10/01/21-11/30/21	\$4,414.01	\$2.38 PSF

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.

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(c) is hereby added to the Lease to read as follows:

"13.6(c). 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.

Signatures on the following page

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

“Lessor”

THE CITY OF LAGUNA HILLS

By: _____
Name Printed: **Donald J. White**
Its: **City Manager**

By: _____
Name Printed: **Melissa Au-Yeung**
Its: **City Clerk**

APPROVED AS TO FORM:

By: _____
City Attorney

“Lessee”

Donald C. Lewellen, an individual

By: _____
Name Printed: Donald C. Lewellen

Attachment: Proposed Lease (2030 : Proposed Civic Center Lease with Donald Lewellen for Suite 220)

SPACE PLAN

SUITE 220
1551 USF
1/8" = 1'-0" SCALE

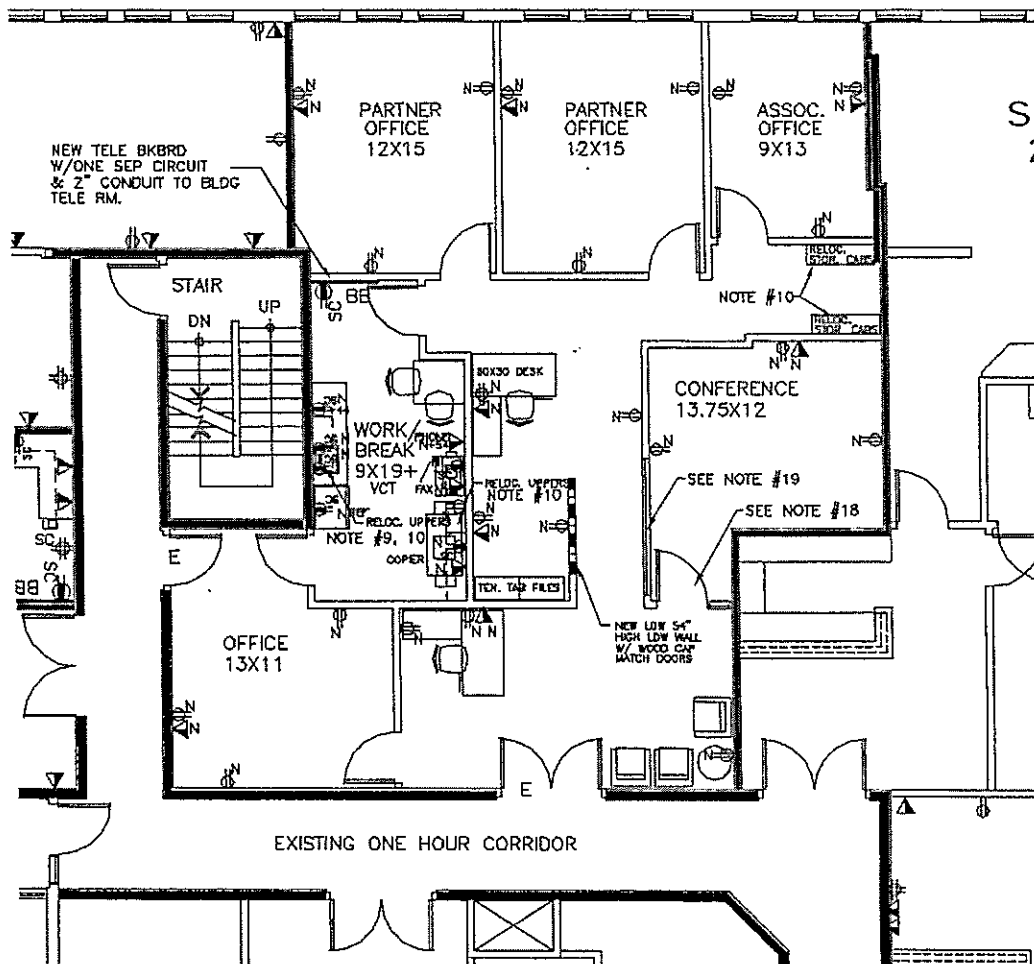


EXHIBIT B

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"

WORK LETTER/REQUIREMENTS FOR IMPROVEMENTS OR ALTERATIONS BY LESSEE

If Lessor shall permit Lessee to construct any interior improvements (subsequent to the initial improvements to be constructed by Lessor, if any) 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, electrical, plumbing, roofing and roofing consultant if available at competitive rates.
- (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 to “Exhibit D”**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.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

ISSUE: Affirmation of Appointments List for City Boards, Commissions, and Committees

RECOMMENDATION: That the City Council affirm the Local Appointments List and direct that it be posted on the City's web site, at City Hall and in the Laguna Hills Branch Technology Library in accordance with Government Code Section 54972, the Maddy Act.

SUMMARY:

In accordance with State Law, Government Code Section 54972, the City Council must prepare and post a Local Appointments List prior to December 31, 2019.

BACKGROUND:

The State Legislature found that there was a vast and largely untapped reservoir of talent existing among the citizenry of the State of California and that this resource was not, all too frequently, aware of the many opportunities which exist to participate in and serve on local regulatory and advisory boards, commissions, and committees. In order to provide access to information regarding vacancies which occur on local boards, commissions, and committees, Government Code Section 54972 requires that each legislative body prepare a Local Appointments List on or before December 31st of each year consisting of the following:

- A list of appointive terms, which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date

Affirmation of Appointments List for City Boards, Commissions, and Committees
December 10, 2019
Page 2

the term expires, and the necessary qualifications for the position.

- A list of all boards, commissions, and committees whose members serve at the pleasure of the legislative body and the necessary qualifications for each position.

A Local Appointments List for the City of Laguna Hills is attached. After the City Council takes action to affirm the list, a copy of the list will be posted on the City's web site, at City Hall and in the Laguna Hills Branch Technology Library at the Community Center.

ATTACHMENTS:

- Local Appointments List



LOCAL APPOINTMENTS LIST
Ongoing Commissions, Boards, and Committees
(Pursuant to Government Code Section 54972 et seq.)

Parks and Recreation Commission

Established by: Resolution No. 92-04-14-5
Amended by Resolution No. 96-02-13-1
Amended by Resolution No. 2005-09-13-1
Amended by Resolution No. 2006-01-10-1
Amended by Resolution No. 2009-08-25-4

Number of Members: Five

Term of Office: Four-Year Staggered Terms

Qualifications: All Commission Members, at all times during their incumbencies, must be a bona fide resident and registered voter of the City of Laguna Hills.

Incumbents	Date Appointed	Date of Oath	Date Term Expires
Victoria Auer	02/05/2013	02/26/2013	01/31/2021
Daniel Cooper	01/18/2003	01/28/2003	01/31/2023
Maya Douglas	01/27/2015	02/04/2015	01/31/2023
Julie Nassif	01/22/2019	02/12/2019	01/31/2023
David Robbins	01/23/2017	01/25/2017	01/31/2021

Traffic Commission

Established by: Resolution No. 92-02-25-4
Amended by Resolution No. 96-04-23-2
Amended by Resolution No. 2005-09-13-2

Number of Members: Five

Term of Office: Four-Year Staggered Terms

Qualifications: All Commission Members, at all times during their incumbencies, must be a bona fide resident and registered voter of the City of Laguna Hills.

Incumbents	Date Appointed	Date of Oath	Date Term Expires
Chris Bieber	01/22/2019	02/12/2019	01/31/2023
Len Herman	01/23/2017	02/22/2017	01/31/2021
Anna Lisa Lukes	01/22/2019	02/12/2019	01/31/2023
Chris Mackey	01/22/2019	02/12/2019	01/31/2021
Larry Woodruff	05/12/2015	05/15/2015	01/31/2021



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: 2020 City Council Meeting Schedule

RECOMMENDATION: That the City Council adopt the proposed calendar for 2020.

SUMMARY:

In order to facilitate the preparation of agendas, as well as to provide adequate time for City Council Members and staff to plan schedules, it is helpful to review the meeting schedule for the upcoming calendar year. Attached is the proposed calendar for 2020. The City Council, with proper noticing, can decide to adjourn a regular meeting to a specific date and time prior to its meeting or call a special meeting, if the need for a meeting arises. Please note that the second meeting in July, first meeting in August, and second meeting in December are, in regular practice, not held. Additionally, as indicated on the schedule, the second meeting of remaining months may be subject to cancellation if staff determines there are not sufficient items anticipated to warrant a meeting. Notice of such intent to cancel will generally be provided at the previous meeting.

ATTACHMENTS:

- 2020 Calendar

Calendar 2020

January 1, 2020	New Year's Day Holiday City Hall Closed
January 14, 2020	Regular City Council/Planning Agency Meeting
January 28, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
February 11, 2020	Regular City Council/Planning Agency Meeting Public Improvement Corp
February 17, 2020	Presidents Day Holiday City Hall Closed
February 25, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
March 10, 2020	Regular City Council/Planning Agency Meeting
March 24, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
April 14, 2020	Regular City Council/Planning Agency Meeting
April 28, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
May 12, 2020	Regular City Council/Planning Agency Meeting
May 25, 2020	Memorial Day Holiday City Hall Closed
May 26, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
June 9, 2020	Regular City Council/Planning Agency Meeting
June 23, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
July 3, 2020	Fourth of July Holiday Observed City Hall Closed
July 4, 2020	City's Fourth of July Celebration
July 14, 2020	Regular City Council/Planning Agency Meeting

July 28, 2020	Regular City Council/Planning Agency Meeting Dark Meeting
August 11, 2020	Regular City Council/Planning Agency Meeting Dark Meeting
August 25, 2020	Regular City Council/Planning Agency Meeting
September 7, 2020	Labor Day Holiday City Hall Closed
September 8, 2020	Regular City Council/Planning Agency Meeting
September 22, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
October 7 - 9, 2020	League of California Cities Conference Long Beach, California
October 13, 2020	Regular City Council/Planning Agency Meeting
October 27, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
November 3, 2020	General Election
November 10, 2020	Regular City Council/Planning Agency Meeting
November 11, 2020	Veteran's Day Holiday Observed City Hall Closed
November 24, 2020	Regular City Council/Planning Agency Meeting (subject to cancellation)
November 26-27, 2020	Thanksgiving Holiday City Hall Closed
December 8, 2020	Regular City Council/Planning Agency Meeting
December 22, 2020	Regular City Council/Planning Agency Meeting Dark Meeting
December 24-25, 2020	Christmas Holiday Observed City Hall Closed



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

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

ISSUE: Progress Payment No. 1, for Citywide Pavement Rehabilitation Project, CIP No. 101-K

RECOMMENDATION: That the City Council approve Progress Payment No. 1, in the net amount of \$368,882.53, to R.J. Noble Company for the Citywide Pavement Rehabilitation Project, CIP No. 101-K.

SUMMARY:

Work on the Citywide Pavement Rehabilitation Project, CIP No. 101-K, began on October 21, 2019, and is being performed by R.J. Noble Company. Work performed in October and November included implementation of water quality measures, clearing and grubbing, and removal and replacement of asphalt concrete. The contractor has submitted the first progress payment request for approval.

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, R.J. Noble Company, has submitted the first progress payment for the subject project as follows:

Progress Payment No. 1, for Citywide Pavement Rehabilitation Project, CIP No. 101-K
 December 10, 2019
 Page 2

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
1	Clearing and Grubbing	0.33	LS	\$175,000.00	\$57,750.00
2	Water Quality Management	0.33	LS	\$8,500.00	\$2,805.00
3	Remove and Replace 0.33' AC	86,248	SF	\$3.80	\$327,742.40

TOTAL TO DATE	\$388,297.40	
LESS PRIOR BILLING	0.00	
TOTAL THIS PERIOD	\$388,297.40	\$388,297.40
LESS 5% RETENTION		\$(19,414.87)
DUE		\$368,882.53

FISCAL IMPACT:

The progress payment is within the Capital Improvement Program Budget for the Citywide Pavement Rehabilitation Project, CIP No. 101-K.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

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

ISSUE: Establishment of a No Parking Zone on the Northerly Side of Los Alisos Blvd for Sight Distance Near the Ingress/Egress of Sofi Apartments (Private Driveway)

RECOMMENDATION: That the City Council: (1) Find and determine that the proposed parking regulation is not subject to the California Environmental Quality Act pursuant to Sections 15301 (the activity applies to the operation of existing streets, and will not expand the use of those existing streets) and 15061(B)(3) (the activity has no potential for causing a significant effect on the environment) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, establishing a No Parking Anytime Zone on the northerly side of Los Alisos Blvd. for a distance of 40 feet beginning 670 feet westerly of Avenida de la Carlota, just easterly of the ingress/egress of the Sofi Apartments (private driveway)."

SUMMARY:

Staff was contacted by a resident regarding sight distance limitations on the northerly side of Los Alisos Blvd. just easterly of the entrance to the Sofi Laguna Hills Apartments, a private driveway. Staff initiated a review of this matter and determined the current site conditions necessitate restricting vehicle parking to improve driver sight distance along the northerly side of Los Alisos Blvd. for a distance of 40 feet, beginning 670 feet westerly of Avenida de la Carlota, just easterly of the ingress/egress of the Sofi Apartments (private driveway). The proposed no parking zone is shown on the attached vicinity map. The Traffic Commission, at its November 20, 2019 meeting, recommended the approval of the proposed No Parking Anytime zone at this location.

Establishment of a No Parking Zone on Los Alisos Blvd

December 10, 2019

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BACKGROUND:

Los Alisos Blvd. is a six-lane arterial highway with a speed limit of 40 mph, between Paseo de Valencia and Avenida de la Carlota, which also provides access to the Sofi Laguna Hills Apartments. Parking is currently allowed on the northerly side of Los Alisos Blvd., except during previously established street sweeping days and hours.

Recently, staff was contacted by a resident regarding sight distance limitations on the northerly side of Los Alisos Blvd. immediately adjacent to the entrance to the Sofi Laguna Hills Apartments, a private driveway. Staff reviewed the resident's concern and reviewed traffic collision history. The traffic collision history review did not identify any traffic collision history at this location in the prior three-year period. However, the site evaluation determined that restricting parking in this location will improve sight distance for exiting vehicles. For traffic safety purposes, it is recommended that a no parking anytime regulation be established on the northerly side of Los Alisos Boulevard for a distance of 40 feet easterly of the driveway, beginning at approximately 670 feet westerly of Avenida de la Carlota, as identified on the attached vicinity map. This no parking area will provide appropriate sight distance for vehicles given the geometric layout, speed limit and design of Los Alisos Blvd.

The Traffic Commission, at the meeting of November 20, 2019, recommended to the City Council approval of the proposed No Parking Anytime zone for the enhancement of vehicular sight distance. The resident who contacted staff and the property manager of the Sofi Laguna Hills Apartments were notified of this matter being on the City Council agenda.

CEQA FINDINGS:

This project is exempt from CEQA under the Class 1 Existing Facilities categorical exemption set forth in CEQA Guidelines Section 15301. The Class 1 Existing Facilities exemption applies to the operation, repair, maintenance or minor alteration of existing public or private structures involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Class 1 Existing Facilities exemption includes the operation of existing highways, streets, sidewalks, gutters, and trails. (CEQA Guidelines Section 15301(c).) This exemption applies to the establishment and enforcement of parking regulations on existing streets. (*See Santa Monica Chamber of Commerce v. City of Santa Monica* (2002) 101 Cal.App.4th 786, 793 (finding that the parking ordinance challenged in that lawsuit which regulated parking on existing streets was exempt from CEQA under the Class 1 Existing Facilities exemption because the

Establishment of a No Parking Zone on Los Alisos Blvd

December 10, 2019

Page 3

ordinance qualified as “operation” of existing streets without any expansion of the use of those existing streets.) In addition, for all of the foregoing reasons, it can be seen with certainty that there is no possibility that the City’s parking regulations may have a significant effect on the environment. The City’s proposed parking regulations therefore also fall within CEQA's "common sense" exemption. (CEQA Guidelines Section 15061(b)(3).).

FISCAL IMPACT:

The installation of one “No Parking Anytime” sign has an anticipated cost of \$150. Funds are available for this work in the 2019-20 Fiscal Year Public Works Maintenance Budget.

ATTACHMENTS:

- Resolution
- Vicinity Map

RESOLUTION NO. 2019-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE NORTHERLY SIDE OF LOS ALISOS BLVD. FOR A DISTANCE OF 40 FEET BEGINNING 670 FEET WESTERLY OF AVENIDA DE LA CARLOTA, JUST EASTERLY OF THE INGRESS/EGRESS OF THE SOFI APARTMENTS (PRIVATE DRIVEWAY)

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, Los Alisos Blvd. is a six-lane arterial highway between Paseo de Valencia and Avenida de la Carlota; and

WHEREAS, a resident of the community requested the elimination of an authorized parking zone on the northerly side of Los Alisos Blvd. for the enhancement of vehicular sight distance; and

WHEREAS, it has been determined by the City Engineer that restricting parking on the northerly side of Los Alisos Blvd. for a distance of 40 feet just easterly of the ingress/egress of the Sofi Apartments (Private Driveway) will improve sight distance for exiting vehicles; and

WHEREAS, the Traffic Commission, at its regularly scheduled meeting of November 20, 2019, recommended to the City Council the establishment of the aforementioned "No Parking Anytime" zone on Los Alisos Blvd. to address sight distance for vehicles; and

WHEREAS, pursuant to Vehicle Code Section 22507, the parking of any type of vehicle on certain streets or highways may be prohibited or restricted by a general law city, during all or certain hours of a day, where signs or markings giving adequate notice of such regulations have been placed.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. There is hereby established "No Parking Anytime Zone" at the following location on Los Alisos Blvd.:

- a. On the northerly side of Los Alisos Blvd. from 670 feet to 710 feet westerly of Avenida de la Carlota.

SECTION 3. The City Engineer is hereby directed to and shall cause signs and/or markings to be placed giving notice of such prohibitions as necessary to implement the parking regulations established herein.

SECTION 4. The parking restrictions established in this resolution shall become effective upon posting of the required signage in accordance with Vehicle Code section 22507.

SECTION 5. This project is exempt from CEQA under the Class 1 Existing Facilities categorical exemption set forth in CEQA Guidelines Section 15301. The Class 1 Existing Facilities exemption applies to the operation, repair, maintenance or minor alteration of existing public or private structures involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The Class 1 Existing Facilities exemption includes the operation of existing highways, streets, sidewalks, gutters, and trails. (CEQA Guidelines Section 15301(c).) This exemption applies to the establishment and enforcement of parking regulations on existing streets. (See Santa Monica Chamber of Commerce v. City of Santa Monica (2002) 101 Cal.App.4th 786, 793 (finding that the parking ordinance challenged in that lawsuit which regulated parking on existing streets was exempt from CEQA under the Class 1 Existing Facilities exemption because the ordinance qualified as "operation" of existing streets without any expansion of the use of those existing streets.) In addition, for all of the foregoing reasons, it can be seen with certainty that there is no possibility that the City's parking regulations may have a significant effect on the environment. The City's proposed parking regulations therefore also fall within CEQA's "common sense" exemption. (CEQA Guidelines Section 15061(b)(3).)

PASSED, APPROVED, AND ADOPTED this 10th day of December 2019.

_____, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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. 2019-12-10-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 10th day of December 2019, by the following
vote:

AYES:

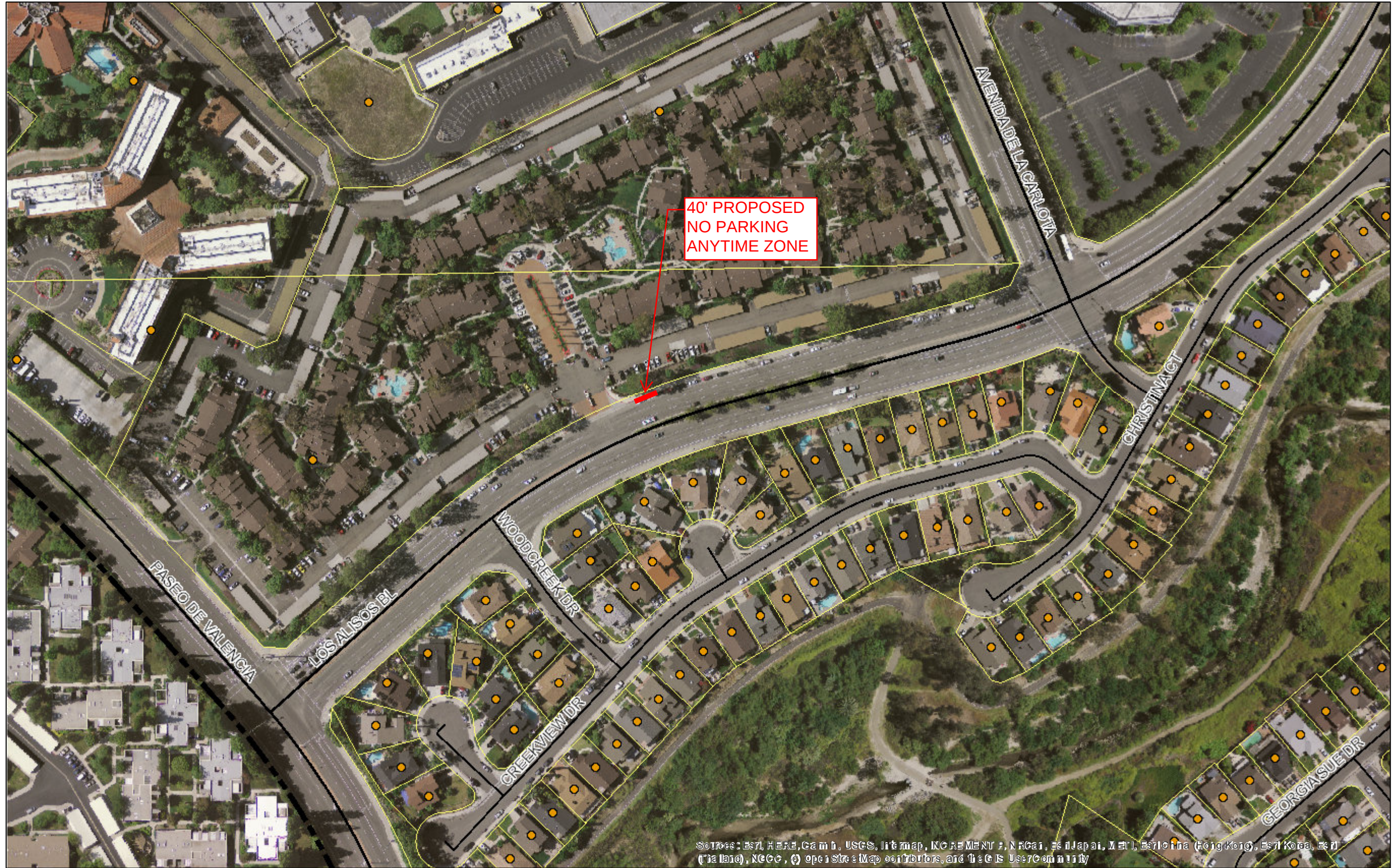
NOES:

ABSENT:

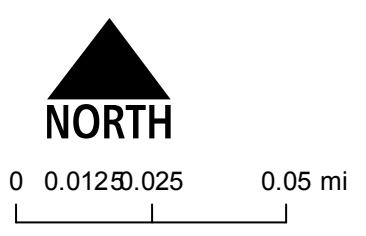
ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



Attachment: Vicinity Map (2023 : Establishment of a No Parking Zone on Los Alisos Blvd)



VICINITY MAP - LOS ALISOS BLVD





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

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

ISSUE: Side Street Stop Sign Installations on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive

RECOMMENDATION: That the City Council: (1) Find and determine that the proposed stop intersection controls are not subject to the California Environmental Quality Act pursuant to Sections 15060(C)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(C)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, designating the intersections of Mawson Drive at Wilkes Place and Velasquez Drive at Mawson Drive as stop intersections and authorizing the installation of one-way minor street stop signs on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive."

SUMMARY:

Staff was contacted by a resident with concerns regarding students walking to Lomarena Elementary School and crossing residential streets southerly of the school, including the uncontrolled T-intersections of Wilkes Place at Mawson Drive and Mawson Drive at Velasquez Road and the one-way stop-controlled T-intersection of Grissom Road at Velasquez Road. Based upon the resident's concerns and in accordance with the Residential Streets Management Policy, staff initiated a multi-way stop sign evaluation at each of the three intersections. The three multi-way stop sign analyses of the intersections did not identify traffic volume, traffic collision history or site conditions that would support a need for multi-way stop sign controls at any of the intersections

Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on Velasquez Dr at Mawson Dr
December 10, 2019
Page 2

based upon standard State guidelines. However, minor street stop controls on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive are recommended to affirmatively assign the right of way at these intersections. An existing one way stop control is already installed on Velasquez Drive at Grissom Road. The Traffic Commission, at its meeting of November 20, 2019, recommended the approval of these minor street stop sign controls.

BACKGROUND

Staff was previously contacted by a resident with concerns regarding students walking to Lomarena Elementary School and crossing residential streets southerly of the school without adult crossing guards. Based upon the resident's concern and in accordance with the Residential Streets Management Policy, staff initiated a review of school-age pedestrian walking patterns during the morning and afternoon peak-hour school times to collect data required by the California Manual on Uniform Traffic Control Devices (CA MUTCD) on adult crossing guard criteria and to determine if the standards are met for the deployment of additional adult crossing guards. The Traffic Engineers of Hartzog & Crabill, Inc., (HCI) completed a review of the streets southerly of Lomarena Elementary School on 1) Grissom Road, between Wilkes Place and Las Bolsas, 2) Mawson Drive, between Wilkes Place and Las Bolsas, and 3) Velasquez Road between Mawson Drive and Earhart Road. The report, presented at the May 15, 2019 meeting of the Traffic Commission, determined none of the intersections satisfied the criteria for the addition of an adult crossing guard.

Subsequently, the resident requested a review of the uncontrolled T-intersections of Wilkes Place at Mawson Drive and Mawson Drive at Velasquez Road and the one-way stop-controlled intersection of Grissom Road at Velasquez Road to determine whether additional stop controls should be installed to address expressed concerns regarding students walking to Lomarena Elementary School crossing these intersections. Please see the attached Vicinity Map. Based upon the resident's concerns and in accordance with the Residential Streets Management Policy, staff initiated a multi-way stop sign evaluation of the three intersections of 1) Wilkes Place at Mawson Drive, 2) Mawson Drive at Velasquez Road, and 3) Grissom Road at Velasquez Road.

Each of the three individual intersection multi-way stop sign analyses, performed by Hartzog & Crabill, Inc., are attached, and determined 3-way stop sign installations are not warranted at any of the intersections based upon the minimum guidelines

Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on Velasquez Dr at Mawson Dr
 December 10, 2019
 Page 3

established by the California Manual on Uniform Traffic Control Devices (MUTCD) for traffic volumes, traffic collision history or site conditions. However, one-way stop sign installations are recommended for the minor street to create affirmative right of way controls for the westbound approach of Mawson Drive at Wilkes Place and for the southbound approach of Velasquez Drive at Mawson Drive. An existing one way stop control is already installed on Velasquez Drive at Grissom Road, and additional stop sign installations were not warranted. Based upon the findings in the report, staff concurs with the recommendation to install minor street stop signs on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive. In addition, staff recommends the installation of yellow high-visibility type crosswalks in lieu of the recommended white limit lines at the stop signs due to the location of the crosswalks within the vicinity of, and contiguous to, Lomarena Elementary School.

The Traffic Commission, at the meeting of November 20, 2019, recommended to the City Council approval of the proposed minor street stop signs on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive to affirmatively assign the right of way at these intersections. Residents residing within the immediate vicinity of the intersections were notified of this matter being on the City Council agenda.

CEQA FINDINGS:

The stop intersection controls are not subject to the California Environmental Quality Act pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

FISCAL IMPACT:

The installation of two stop signs, pavement markings and yellow, high-visibility type crosswalks have an anticipated cost of \$2,000. Funds are available for this work in the 2019-20 Fiscal Year Public Works Maintenance Budget.

ATTACHMENTS:

- Resolution
- Vicinity Map
- Stop Sign Warrant Analysis - Grissom-Velasquez

Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on Velasquez Dr at
Mawson Dr

December 10, 2019

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- Stop Sign Warrant Analysis - Mawson-Velasquez
- Stop Sign Warrant Analysis -Mawson-Wilkes

RESOLUTION NO. 2019-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DESIGNATING THE INTERSECTIONS OF MAWSON DRIVE AT WILKES PLACE AND VELASQUEZ DRIVE AT MAWSON DRIVE AS STOP INTERSECTIONS AND AUTHORIZING THE INSTALLATION OF ONE-WAY MINOR STREET STOP SIGNS ON MAWSON DRIVE AT WILKES PLACE AND VELASQUEZ DRIVE AT MAWSON DRIVE

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the intersection of Mawson Drive at Wilkes Place is an uncontrolled "T" intersection of two residential streets; and

WHEREAS, the intersection of Velasquez Drive at Mawson Drive is an uncontrolled "T" intersection of two residential streets; and

WHEREAS, Wilkes Place is the through street at its intersection with Mawson Drive and Mawson Drive is the through street at its intersection with Velasquez Drive; and

WHEREAS, it has been determined by the City Engineer that installation of minor street stop sign controls on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive will improve right-of-way assignment; and

WHEREAS, the Traffic Commission, at its regularly scheduled meeting of November 20, 2019, recommended to the City Council the installation of one-way stop signs on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive; and

WHEREAS, Vehicle Code Section 21354 authorizes the City to designate any intersection under its exclusive jurisdiction as a stop intersection and erect stop signs at one or more entrances thereto.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. Wilkes Place is the through street at its intersection with Mawson Drive and there is hereby established a minor street stop control on Mawson Drive at Wilkes Place.

SECTION 3. Mawson Drive is the through street at its intersection with Velasquez Drive and there is hereby established a minor street stop control on Velasquez Drive at Mawson Drive.

SECTION 4. The City Engineer is hereby directed to and shall cause the installation of minor street stop signs, pavement legends and crosswalks on Mawson Drive at Wilkes Place and on Velasquez Drive at Mawson Drive established herein.

SECTION 5. The stop sign controls authorized in this resolution shall become effective upon posting of the required signage in accordance with Vehicle Code section 21354.

SECTION 6. The City Council finds and determines that the stop intersection controls hereby established are not subject to the California Environmental Quality Act pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

PASSED, APPROVED, AND ADOPTED this 10th day of December 2019.

_____, 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. 2019-12-10-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 10th day of December 2019, by the following
vote:

AYES:

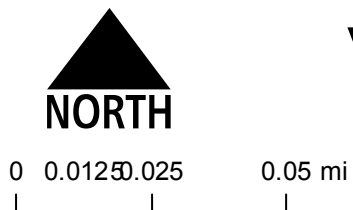
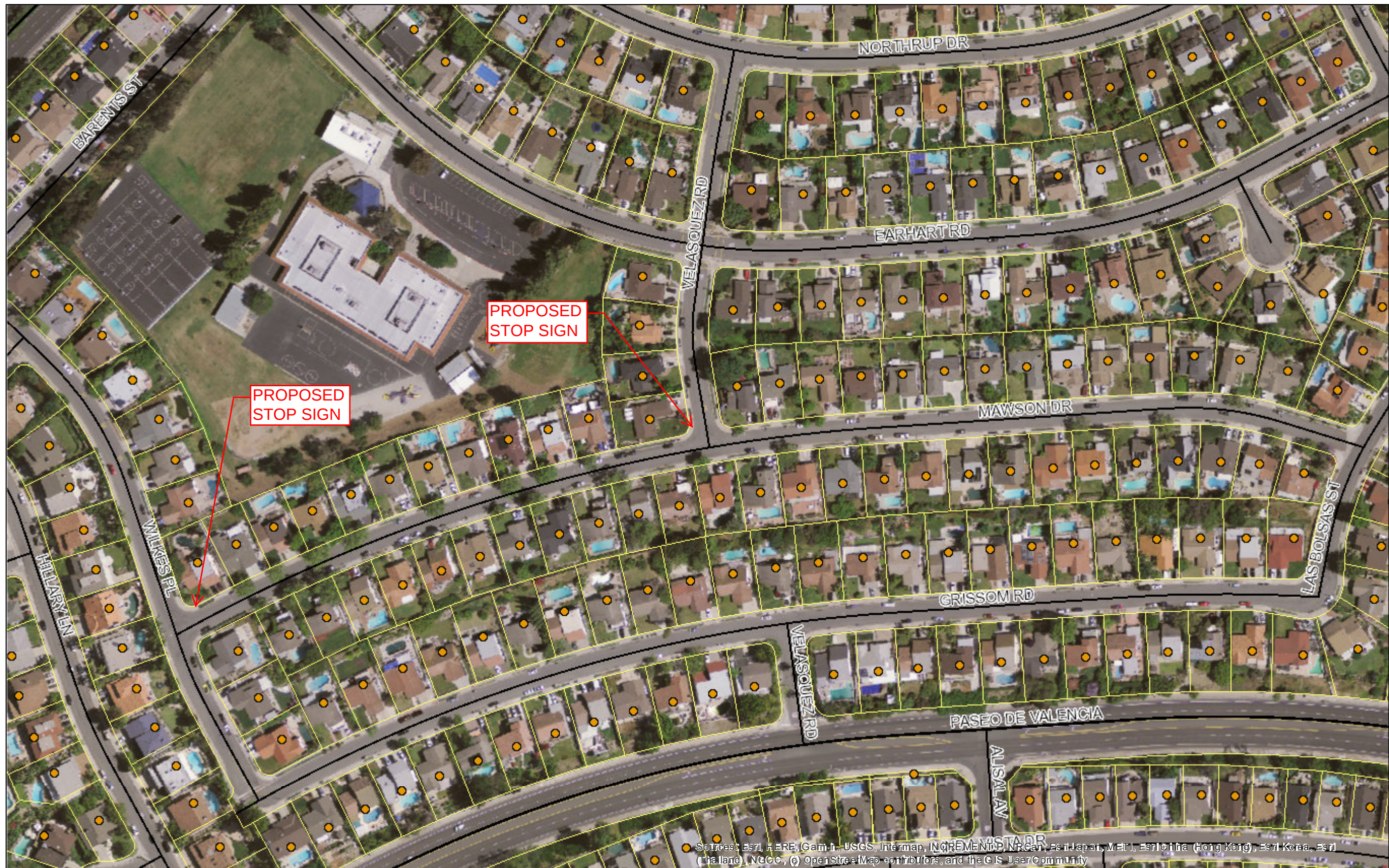
NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



VICINITY MAP - MULTI-WAY STOP SIGN EVALUATION (MULTIPLE LOCATIONS)





Trammell Hartzog, President
 Gerald J. Stock, PE, TE,
 Executive Vice-President

17852 E. 17th Street
 Suite 101
 Tustin, CA 92780

Phone: (714) 731-9455
 FAX: (714) 731-9498

www.hartzog-crabill.com

October 22, 2019

Mr. Kenneth H. Rosenfield, PE
 Assistant City Manager/Public Services Director
City of Laguna Hills
 24035 El Toro Road
 Laguna Hills, CA 92653

Subject: Multi-way Stop Sign Analysis - Grissom Road at Velasquez Road

Dear Mr. Rosenfield:

Hartzog & Crabill, Inc. (HCI) has completed a Multi-Way Stop Sign Warrant Analysis for the subject intersection. As you will see in the attached report, our recommendation is for denial for a multi-way stop sign installation at this time.

The analysis was completed in response to the City's request to verify if a multi-way stop sign installation is warranted, and recommended based on meeting standard guidelines. The California Manual of Uniform Traffic Control Devices (California MUTCD) was used for defining the requirements for a multi-way stop sign installation. At the present time, there is a one way stop control on Velasquez Road (Grissom Road is uncontrolled). In overall consideration of existing conditions, and no multi-way stop warrants found satisfied, a multi-way stop sign installation is not recommended at this time.

It has been our pleasure to prepare this analysis for the City of Laguna Hills. If you have any questions or need more information, please feel free to call me at (714) 731-9455.

Very truly yours,
HARTZOG & CRABILL, INC.

A handwritten signature in blue ink, appearing to read 'Gerald J. Stock', is written over a horizontal line.

Gerald J. Stock, PE, TE
 Executive Vice President
 City & Traffic Engineering Services

Attach: Multi-way Stop Control Warrants Analysis Report

Attachment: Stop Sign Warrant Analysis - Grissom-Velasquez (2022 : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

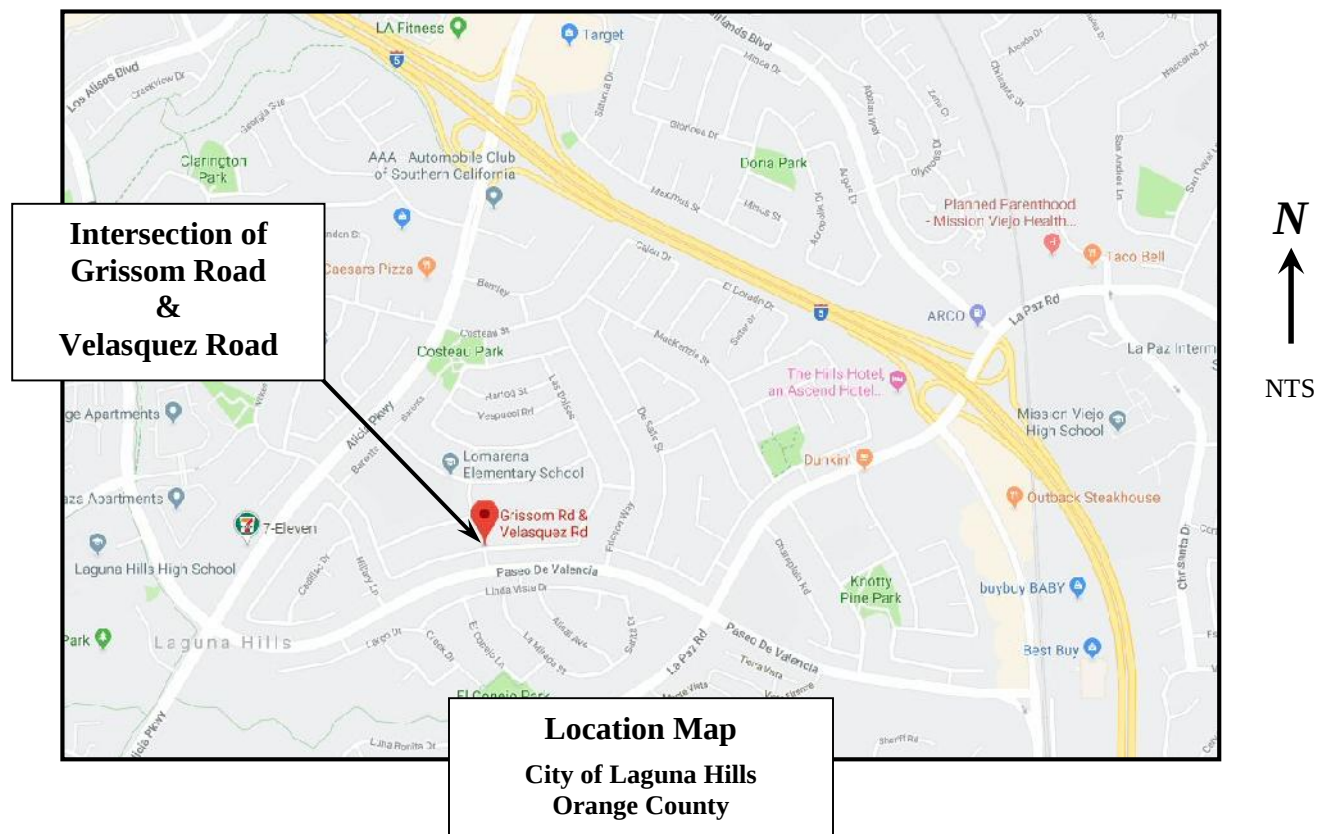
MULTIWAY STOP CONTROL WARRANTS ANALYSIS

GRISSOM ROAD AT VELASQUEZ ROAD IN THE CITY OF LAGUNA HILLS, CA

INTRODUCTION

The City of Laguna Hills requested Hartzog & Crabill, Inc. (HCI) to complete a Multiway Stop Warrants Analysis at the intersection of Grissom Road and Velasquez Road. This analysis was completed in order to verify if a three-way stop sign installation is warranted and recommended based on meeting standard guidelines.

The location is a typical T-intersection with Grissom Road running in the east-west directions and Velasquez Road running in the north-south directions. The intersection is located just north of Paseo de Valencia and southeast of Alicia Parkway (see *Location Map below*). The intersection is entirely within the City of Laguna Hills jurisdiction. At the present time, there is a one way stop control on Velasquez Road (i.e., Grissom Road is uncontrolled).



Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

BACKGROUND

Grissom Road is an east-west local roadway with single-family residential properties on both sides of the street. At the intersection with Velasquez Road, the roadway is approximately 36 feet wide, and the 2-lane roadway provides for one lane of traffic in each direction, which are not separated by centerline striping. There are no marked crosswalks across Grissom Road at or near the intersection. The roadway does have curb, gutter, parkway, and sidewalk improvements on both sides. Grissom Road does not have a posted speed limit; however, the residential nature of this street results in a '*prima facie*' speed limit of 25 MPH and does not require posting. On-street parking is allowed on both sides of the street. Currently, there are no STOP signs or other types of traffic control on Grissom Road (uncontrolled) at its intersection with Velasquez Road.

See Exhibit 1 (next page) for photo images of Grissom Road.

Velasquez Road is a north-south local-collector roadway with single-family residential properties on both sides of the street. At the T-intersection with Grissom Road, which is the northerly terminus of Velasquez Road in this segment, the roadway is approximately 36 feet wide. The 2-lane roadway provides for one lane of traffic in each direction, which are not separated by centerline striping. There are no marked crosswalks across Velasquez Road. The roadway does have curb, gutter, parkway and sidewalk improvements on both sides. Velasquez Road has a posted speed limit of 25 MPH. There is a STOP sign, a white 'STOP' pavement marking, and a white limit line on Velasquez Road at its intersection with Grissom Road.

See Exhibit 2 (following page) for a photo image of Velasquez Road.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 1



GRISSOM ROAD (Looking Westbound) @ VELASQUEZ ROAD



GRISSOM ROAD (Looking Eastbound) @ VELASQUEZ ROAD

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 2



VELASQUEZ ROAD (Looking Northbound) @ GRISSOM ROAD

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

WARRANT GUIDELINES

As is common practice with many municipal agencies, the City of Laguna Hills follows State guidelines for determining if traffic control devices, such as multi-way stop signs, should be installed. Therefore, the prevailing source used for this analysis is the State of California Manual on Uniform Traffic Control Devices (*California MUTCD*). The California MUTCD contains minimum guidelines regarding traffic volumes, collisions, speeds, visibility, and other criteria in order to satisfy the requirements, in this case, for the recommendation and installation of a multi-way (3-way) stop.

The California MUTCD **Multi-way Stop** Applications Guidance criteria are described in the following four main parts:

- 1) As an interim measure where traffic control signals are justified;
- 2) Reported crashes – five or more in a 12-month period that are susceptible to correction by a multi-way stop installation;
- 3) Minimum traffic and pedestrian volumes, speeds, and delay; and,
- 4) Where a combination of the above criteria are all satisfied to 80 percent.

If any one, or a combination, of these criteria is met, then a multi-way stop application should be considered. If these criteria are not met, the installation of an unwarranted multi-way stop sign installation is typically not recommended.

The California MUTCD guidelines describing Right-of-Way at Intersections, STOP Sign Applications, Multi-way Stop Applications, and Yield Sign Applications are included in Appendix A.

MULTIWAY STOP ANALYSIS

The California MUTCD **Multi-way Stop** Applications section contains guidelines, such as minimum collisions and traffic volumes necessary for the justification of multi-way stop control. The general guidelines given for a stop sign application begin with using engineering judgment for the installation of a stop sign(s) on a street entering a through highway and where high speeds on the cross street make entry difficult, or due to restricted view, or when crash records indicate a need for control by a stop sign. Further guidance criteria found in the California MUTCD include the following important statements: ***“YIELD or STOP signs should not be used for speed control... In most cases, the street carrying the lowest volume of traffic should be controlled... A STOP (R1-1) sign is not a ‘cure-all’ and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions... A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study... Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal...”***

Collision History

The guidelines for **Multi-way Stop** Applications contained in the California MUTCD regarding collisions, or crashes, require a minimum of five (5) reported crashes occurring in a 12-month period that are susceptible to correction by a multi-way stop installation in order to satisfy this warrant. Such crashes include right- and left-turn collisions, as well as right-angle collisions (i.e., broadside, or head-on) and pedestrian-vehicle collisions. The latest available collision history for the intersection was gathered by HCI from the State of California Highway Patrol (CHP) Statewide Integrated Traffic Records System website (*i-SWITRS*). A comprehensive 5-year traffic collision history summary report was prepared for this intersection and reviewed for collisions susceptible to correction by the installation of a multi-way stop. Table 1 (*next page*) provides the most recent summary of collision history occurring at or near this intersection.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

Collision History (continued)

TABLE 1
SWITRS COLLISION SUMMARY

Intersection	2014-15		2016		2017		2018-19	
	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?
Grissom Road at Velasquez Road		<i>None reported</i>		<i>None reported</i>		<i>None reported</i>		<i>None reported</i>

Notes: Information above is derived per the latest 5-year intersection traffic collision database report gathered from CHP-SWITRS (*i-SWITRS website*).

- 1) Type of Coll. = Type of Collision (*i.e., broadside, rear-end, etc.*)
- 2) Correctible? = Yes / No

As shown above, there have been no (0) reported collisions, at or near this intersection over the past (5) years of available SWITRS collision data. Since the collision warrant requires a minimum of (5) reported crashes susceptible to correction by a multi-way stop, to occur within a 12-month period, the collision warrant is not satisfied. ***The SWITRS traffic collision data report is included in Appendix B.***

Traffic Volumes

HCI collected Average Daily Traffic (ADT) vehicular approach counts to the intersection on Tuesday, September 10, 2019 in order to account for vehicles that typically use this T-intersection. The ADT approach count for Grissom Road is 414 vehicles per day with the highest AM peak-hour approach volume having 42 vehicles, and 46 vehicles in the PM peak-hour. The ADT approach count for Velasquez Road is 353 vehicles with the highest AM peak-hour approach volume having 29 vehicles, and 35 vehicles in the PM peak-hour. Table 2 (next page) provides a breakdown of the approach volumes. ***The traffic volume data collected for this intersection is included in Appendix C.***

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

Traffic Volumes (continued)

TABLE 2
HIGHEST 24-HOUR INTERSECTION APPROACH VEHICLE COUNTS
GRISSOM ROAD AT VELASQUEZ ROAD

Street	Direction	ADT Volume	Directional Split	Highest Hourly Volume
Grissom Road	Eastbound	147	36%	18 (2 - 3PM)
	Westbound	267	64%	29 (7 - 8AM)
Velasquez Road				
	Northbound	353	100%	35 (2 - 3PM)

Grissom Road is considered the ‘through’ or ‘major’ street at this residential T-intersection since it carries slightly higher volumes, and drivers are not required to slow down, or even stop, before proceeding straight through the intersection. In comparison, Velasquez Road is considered the ‘minor’ street as drivers on Velasquez Road are required to stop at Grissom Road and look both ways before proceeding to make a left or right turn. It is typically expected that the traffic volumes on the minor street are significantly less than those on the major street. As can be seen from the table above, this is not really the case, as Velasquez Road carries approximately 46% of the entire traffic entering the intersection (Grissom Road carries 54% of entering traffic).

A part of the California MUTCD guideline criteria also calls for a reduction in the required minimum volumes when the critical approach speed (*or 85th-percentile speed*) on the major street exceeds 40 MPH. If this is the case, the minimum vehicular volumes to be met for a multiway stop sign installation are reduced to 70%. As mentioned, the speed limits on both streets are 25 MPH. Field observations during our site visit also confirmed vehicles were not regularly speeding over the speed limit near the intersection, but were considered typical and what may be expected for two-lane local-type roadways. As the speed limits are less than the 40 MPH limit required to reduce traffic volumes, the 70% minimum volumes for a multi-way stop sign analysis are not applicable, and the 100% minimum volumes were analyzed on the next page.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

Traffic Volumes (continued)

It is important to note that the highest hourly vehicle traffic counts shown in Table 2 above are given for the highest hour of traffic for each direction, and serve as a good indicator to compare with the required minimum hourly traffic volumes in the California MUTCD multi-way stop guidelines. It must also be mentioned that the average hourly minimum volumes for a multi-way stop application are to be satisfied for any eight (8) hours of an average day (not just for one hour in a day).

Table 3 below shows the California MUTCD minimum traffic volume guidelines for a Multi-way Stop Application in comparison with the highest 8-hour traffic count data collected at this intersection. Both Parts 1 and 2 of the minimum volume warrants below must be satisfied in order to fulfill the traffic volume warrant.

TABLE 3
MULTIWAY STOP SIGN WARRANT FOR MINIMUM TRAFFIC VOLUMES
GRISSOM ROAD AT VELASQUEZ ROAD

Part 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any (8) hours of an average day, Results: No, average (33) vehicles per hour Meets 11% of the required hourly traffic volume	and	Part 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same (8) hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour, Results: No, average (28) vehicles per hour Meets 14% of the required hourly traffic volume	but	Part 3. If the 85th-percentile approach speed of the major-street traffic exceeds 65 km/h or exceeds 40 mph, the minimum vehicular volume warrants are (70) percent of the above values. Results: No, 85th percentile speed on major-street does not exceed 40 mph
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As shown above, the average hourly intersection approach traffic volumes for the highest 8-hour period did not satisfy both Parts 1 and 2 (11% major street / 14% minor street). Therefore, the minimum traffic volume warrant is not satisfied.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

Visibility

Impaired visibility, or restricted sight distance, due to the geometry of the intersection and possible obstructions was carefully considered during our field-review of the surrounding residential property environment. The geometry of the intersection includes an approximate 90° angle, and Velasquez Road has a slight gradual vertical curvature (downgrade) going away from the intersection.

Driver sight distance was measured from the side-street approach to the intersection, as northbound traffic on Velasquez Road is required to stop, before proceeding to make a left or right-turn onto Grissom Road. The measured distance was derived from the stopping sight distance guidelines found in the California MUTCD (*see Appendix D*). In this reference, a 25 MPH roadway speed recommends a minimum Stopping Sight Distance of 155 feet. This distance was used when looking towards approaching, uncontrolled traffic along Grissom Road. More specifically, this stopping sight distance was field-measured from a typical ‘stopped’ vehicle location on Velasquez Road at the intersection looking towards the oncoming lanes of cross-traffic on Grissom Road. An orange cone was placed at this distance and a photograph was taken from a stopped driver’s perspective.

(See sight distance photos in Exhibit 3 on the following page).

As Exhibit 3 shows, when looking from Velasquez Road, a driver does have a clear line of sight to the minimum sight distance of 155 feet when looking both ways on Grissom Road.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 3



Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY

The analysis of the four (4) main criteria provided in the California MUTCD regarding **Multi-way Stop** Applications showed that this intersection did not meet the minimum guidelines to justify stopping the major roadway (Grissom Road). The four main criteria analyzed were: 1) As an interim measure where traffic control signals are justified; 2) Reported collisions – a correctible crash problem; 3) Traffic and pedestrian volumes, speeds, and delay; and 4) Where a combination of the above criteria are satisfied to 80 percent.

In summary, the collision history at the intersection resulted in (0) SWITRS-reported correctible collisions during the last five years of available data, where the minimum guideline calls for at least five (5) correctible collisions in a 12-month period. The average minimum hourly minor street traffic volumes required for a multi-way stop that are to be satisfied for any eight (8) hours in an average day were also not close to being met. Excessive delay to any approach was not observed in terms of vehicles stopping and waiting for a gap on the major roadway due to the overall lower traffic volumes. Therefore, since intersection collision history and traffic volumes did not satisfy the minimum guidelines, it can also be derived that a traffic signal is not justified as an interim measure at this intersection (as mentioned above). The 80% combined criteria were also not met as both the collisions and minimum traffic volumes were not satisfied to this percentage. If the California MUTCD criteria is not met, the location is typically not recommended for installation of a multi-way stop.

However, engineering judgment should always be included in any decision regarding traffic safety improvements. Intersection lighting was also verified and found to be adequate as there are three street lights located very near to the intersection. In regards to pedestrian and bicycle activity, field observations confirmed a low activity of both. It was also determined that a driver does have a clear line of sight when looking both ways at Grissom Road from Velasquez Road.

Multiway Stop Sign Warrants Analysis - Grissom Rd at Velasquez Rd, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY (continued)

Therefore, based upon engineering judgment, it is determined that stopping traffic on Grissom Road at Velasquez Road is not required to enhance the traffic safety at this intersection.

RECOMMENDATION

In overall consideration of the analysis criteria in this report, a multi-way (3-way) stop sign installation is not recommended at this time for the intersection of Grissom Road and Velasquez Road. There are no other recommendations at this time.

APPENDIX A

**MULTIWAY STOP APPLICATIONS
GUIDELINES:**

CALIFORNIA MUTCD

Standard:

03 Except as provided in Paragraphs 4 and 5, the minimum sizes for regulatory signs facing traffic on multi-lane conventional roads shall be as shown in the Multi-lane column of Table 2B-1 and 2B-1(CA).

Option:

04 Where the posted speed limit is 35 mph or less on a multi-lane highway or street, other than for a STOP sign, the minimum size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used.

05 Where a regulatory sign, other than a STOP sign, is placed on the left-hand side of a multi-lane roadway in addition to the installation of the same regulatory sign on the right-hand side or the roadway, the size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used for both the sign on the right-hand side and the sign on the left-hand side of the roadway.

Standard:

06 A minimum size of 36 x 36 inches shall be used for STOP signs that face multi-lane approaches.

07 Where side roads intersect a multi-lane street or highway that has a speed limit of 45 mph or higher, the minimum size of the STOP signs facing the side road approaches, even if the side road only has one approach lane, shall be 36 x 36 inches.

08 Where side roads intersect a multi-lane street or highway that has a speed limit of 40 MPH or lower, the minimum size of the STOP signs facing the side road approaches shall be as shown in the Single Lane or Multi-lane columns of Table 2B-1 and 2B-1(CA) based on the number of approach lanes on the side street approach.

Guidance:

09 The minimum sizes for regulatory signs facing traffic on exit and entrance ramps should be as shown in the column of Table 2B-1 and 2B-1(CA) that corresponds to the mainline roadway classification (Expressway or Freeway). If a minimum size is not provided in the Freeway column, the minimum size in the Expressway column should be used. If a minimum size is not provided in the Freeway or Expressway Column, the size in the Oversized column should be used.

Section 2B.04 Right-of-Way at Intersections**Support:**

01 State or local laws written in accordance with the "Uniform Vehicle Code" (see Section 1A.11) establish the right-of-way rule at intersections having no regulatory traffic control signs such that the driver of a vehicle approaching an intersection must yield the right-of-way to any vehicle or pedestrian already in the intersection. When two vehicles approach an intersection from different streets or highways at approximately the same time, the right-of-way rule requires the driver of the vehicle on the left to yield the right-of-way to the vehicle on the right. The right-of-way can be modified at through streets or highways by placing YIELD (R1-2) signs (see Sections 2B.08 and 2B.09) or STOP (R1-1) signs (see Sections 2B.05 through 2B.07) on one or more approaches.

Guidance:

02 Engineering judgment should be used to establish intersection control. The following factors should be considered:

- A. Vehicular, bicycle, and pedestrian traffic volumes on all approaches;
- B. Number and angle of approaches;
- C. Approach speeds;
- D. Sight distance available on each approach; and
- E. Reported crash experience.

03 YIELD or STOP signs should be used at an intersection if one or more of the following conditions exist:

- A. An intersection of a less important road with a main road where application of the normal right-of-way rule would not be expected to provide reasonable compliance with the law;
- B. A street entering a designated through highway or street; and/or
- C. An unsignalized intersection in a signalized area.

04 In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist:

- A. The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day;
 - B. The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary; and/or
 - C. Crash records indicate that five or more crashes that involve the failure to yield the right-of-way at the intersection under the normal right-of-way rule have been reported within a 3-year period, or that three or more such crashes have been reported within a 2-year period.
- ⁰⁵ YIELD or STOP signs should not be used for speed control.

Support:

- ⁰⁶ Section 2B.07 contains provisions regarding the application of multi-way STOP control at an intersection.

Guidance:

- ⁰⁷ Once the decision has been made to control an intersection, the decision regarding the appropriate roadway to control should be based on engineering judgment. In most cases, the roadway carrying the lowest volume of traffic should be controlled.
- ⁰⁸ A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study.

Support:

- ⁰⁹ The following are considerations that might influence the decision regarding the appropriate roadway upon which to install a YIELD or STOP sign where two roadways with relatively equal volumes and/or characteristics intersect:

- A. Controlling the direction that conflicts the most with established pedestrian crossing activity or school walking routes;
- B. Controlling the direction that has obscured vision, dips, or bumps that already require drivers to use lower operating speeds; and
- C. Controlling the direction that has the best sight distance from a controlled position to observe conflicting traffic.

Standard:

- ¹⁰ Because the potential for conflicting commands could create driver confusion, YIELD or STOP signs shall not be used in conjunction with any traffic control signal operation., ~~except in the following cases:~~
- ~~A. If the signal indication for an approach is a flashing red at all times;~~
 - ~~B. If a minor street or driveway is located within or adjacent to the area controlled by the traffic control signal, but does not require separate traffic signal control because an extremely low potential for conflict exists; or~~
 - ~~C. If a channelized turn lane is separated from the adjacent travel lanes by an island and the channelized turn lane is not controlled by a traffic control signal.~~

^{10a} STOP signs shall not be erected at any entrance to an intersection controlled by traffic signals. Refer to CVC 21355(a).

Option:

- ^{10b} YIELD or STOP signs may be used at a channelized turn lane if it is separated from the adjacent travel lanes moving in same direction by an island and the channelized turn lane is not controlled by a traffic control signal.

Standard:

- ¹¹ Except as provided in Section 2B.09, STOP signs and YIELD signs shall not be installed on different approaches to the same unsignalized intersection if those approaches conflict with or oppose each other.
- ¹² Portable or part-time STOP or YIELD signs shall not be used except for emergency and temporary traffic control zone purposes.
- ¹³ A portable or part-time (folding) STOP sign that is manually placed into view and manually removed from view shall not be used during a power outage to control a signalized approach unless the maintaining agency establishes that the signal indication that will first be displayed to that approach upon restoration of power is a flashing red signal indication and that the portable STOP sign will be manually removed from view prior to stop-and-go operation of the traffic control signal.

Option:

¹⁴ A portable or part-time (folding) STOP sign that is electrically or mechanically operated such that it only displays the STOP message during a power outage and ceases to display the STOP message upon restoration of power may be used during a power outage to control a signalized approach.

Support:

¹⁵ Section 9B.03 contains provisions regarding the assignment of priority at a shared-use path/ roadway intersection.

Section 2B.05 STOP Sign (R1-1) and ALL WAY Plaque (R1-3P)

Standard:

⁰¹ When it is determined that a full stop is always required on an approach to an intersection, a STOP (R1-1) sign (see Figure 2B-1) shall be used.

⁰² The STOP sign shall be an octagon with a white legend and border on a red background.

⁰³ Secondary legends shall not be used on STOP sign faces.

⁰⁴ At intersections where all approaches are controlled by STOP signs (see Section 2B.07), an ALL WAY supplemental plaque (R1-3P) shall be mounted below each STOP sign. The ALL WAY plaque (see Figure 2B-1) shall have a white legend and border on a red background.

⁰⁵ The ALL WAY plaque shall only be used if all intersection approaches are controlled by STOP signs.

⁰⁶ Supplemental plaques with legends such as 2-WAY, 3-WAY, 4-WAY, or other numbers of ways shall not be used with STOP signs.

Support:

⁰⁷ The use of the CROSS TRAFFIC DOES NOT STOP (W4-4P) plaque (and other plaques with variations of this word message) is described in Section 2C.59.

Guidance:

⁰⁸ Plaques with the appropriate alternative messages of TRAFFIC FROM LEFT (RIGHT) DOES NOT STOP (W4-4aP) or ONCOMING TRAFFIC DOES NOT STOP (W4-4bP) should be used at intersections where STOP signs control all but one approach to the intersection, unless the only non-stopped approach is from a one-way street.

Option:

⁰⁹ An EXCEPT RIGHT TURN (R1-10P) plaque (see Figure 2B-1) may be mounted below the STOP sign if an engineering study determines that a special combination of geometry and traffic volumes is present that makes it possible for right-turning traffic on the approach to be permitted to enter the intersection without stopping.

Support:

¹⁰ The design and application of Stop Beacons are described in Section 4L.05.

¹¹ A STOP (R1-1) sign is not a "cure-all" and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions.

Through Highways

Option:

¹² STOP (R1-1) signs may be installed either at or near the entrance to a State highway, except at signalized intersections, or at any location so as to control traffic within an intersection. Refer to CVC 21352 and 21355. See Section 1A.11 for information regarding this publication.

Support:

¹³ When STOP (R1-1) signs or traffic control signals have been erected at all entrances, a highway constitutes a through highway. Refer to CVC 600.

¹⁴ Authority to place STOP (R1-1) signs facing State highway traffic is delegated to the Caltrans District Directors.

Option:

¹⁵ Local authorities may designate any highway under their jurisdiction as a through highway and install STOP (R1-1) signs in a like manner. Refer to CVC 21354.

Standard:

¹⁶ No local authority shall erect or maintain any STOP (R1-1) sign or other traffic control device requiring a stop, on any State highway, except by permission of Caltrans. Refer to CVC 21353.

Support:

¹⁷ Caltrans will grant such permission only when an investigation indicates that the STOP (R1-1) sign will benefit traffic.

Section 2B.06 STOP Sign Applications

Guidance:

⁰¹ At intersections where a full stop is not necessary at all times, consideration should first be given to using less restrictive measures such as YIELD signs (see Sections 2B.08 and 2B.09).

⁰² The use of STOP signs on the minor-street approaches should be considered if engineering judgment indicates that a stop is always required because of one or more of the following conditions:

- A. The vehicular traffic volumes on the through street or highway exceed 6,000 vehicles per day;
- B. A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or
- C. Crash records indicate that three or more crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or that five or more such crashes have been reported within a 2-year period. Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway.

Support:

⁰³ The use of STOP signs at grade crossings is described in Sections 8B.04 and 8B.05.

Section 2B.07 Multi-Way Stop Applications

Support:

⁰¹ Multi-way stop control can be useful as a safety measure at intersections if certain traffic conditions exist. Safety concerns associated with multi-way stops include pedestrians, bicyclists, and all road users expecting other road users to stop. Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal.

⁰² The restrictions on the use of STOP signs described in Section 2B.04 also apply to multi-way stop applications.

Guidance:

⁰³ The decision to install multi-way stop control should be based on an engineering study.

⁰⁴ The following criteria should be considered in the engineering study for a multi-way STOP sign installation:

- A. Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.
- B. Five or more reported crashes in a 12-month period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions.
- C. Minimum volumes:
 - 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and
 - 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but
 - 3. If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volume warrants are 70 percent of the values provided in Items 1 and 2.
- D. Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.

Option:

⁰⁵ Other criteria that may be considered in an engineering study include:

- A. The need to control left-turn conflicts;
- B. The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;
- C. Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and

APPENDIX B

SWITRS COLLISION HISTORY

CITY OF LAGUNA HILLS
5-YEAR SWITRS COLLISION DATABASE
INTERSECTION OF GRISSOM ROAD AND VELASQUEZ ROAD
JAN. 1, 2014 - JUN. 30, 2019

CASE ID	COLL. DATE	COLL. TIME	PRIMARY ROAD	SECONDARY ROAD	DIST.	DIR.	INTERS.	WEATH. 1	COLL. SEVERITY	PRIM. COLL. FACT.	PCF VIOL. CAT.	PCF VIOL.	HIT AND RUN	TYPE OF COLL.	MOTOR VEHICLE INVOLVED WITH	RO. SUF
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No collisions reported during this period.

NOTES:

Weather 1

A - Clear
 B - Cloudy
 C - Raining
 D - Snowing
 E - Fog
 F - Other
 G - Wind
 - - Not Stated

Collision Severity

1 - Fatal
 2 - Injury (Severe)
 3 - Injury (Other Visible)
 4 - Injury (Complaint of Pain)
 0 - PDO (Property Damage Only)

Primary Collision Factor

A - (Vehicle) Code Violation
 B - Other Improper Driving
 C - Other Than Driver
 D - Unknown
 E - Fell Asleep
 - - Not Stated

PCF Violation Category

01 - Driving or Bicycling Under Influence
 02 - Impeding Traffic
 03 - Unsafe Speed
 04 - Following Too Closely
 05 - Wrong Side of Road
 06 - Improper Passing
 07 - Unsafe Lane Change
 08 - Improper Turning
 09 - Automobile ROW
 10 - Pedestrian ROW
 11 - Pedestrian Violation
 12 - Traffic Signals and Signs
 13 - Hazardous Parking
 14 - Lights
 15 - Brakes
 16 - Other Equipment
 17 - Other Hazardous Violation
 18 - Other Than Driver (or Ped)
 19 -
 20 -
 21 - Unsafe Starting or Backing
 22 - Other Improper Driving
 23 - Pedestrian or "Other" Under the Influence
 24 - Fell Asleep
 00 - Unknown
 - - Not Stated

Hit and Run

F - Felony
 M - Misdemeanor
 N - Not Hit & Run

Type of Collision

A - Head-On
 B - Sideswipe
 C - Rear-End
 D - Broadside
 E - Hit Object
 F - Overturned
 G - Vehicle/Pedestrian
 H - Other
 - - Not Stated

Motor Vehicle Involved With:

A - Non-Collision
 B - Pedestrian
 C - Other Motor Vehicle
 D - Motor Vehicle on Other Roadway
 E - Parked Motor Vehicle
 F - Train
 G - Bicycle
 H - Animal
 I - Fixed Object
 J - Other Object
 - - Not Stated

Road Surface

A - Dry
 B - Wet
 C - Snowy or Icy
 D - Slippery
 - - Not Stated

APPENDIX C

AVERAGE DAILY TRAFFIC (ADT)

COUNT DATA

Prepared by National Data & Surveying Services

VOLUME

Velasquez Rd & Grissom Rd

Day: Tuesday
Date: 9/10/2019

Highest 8 hours.

City: Laguna Hills
Project #: CA19_1151_001

DAILY TOTALS					NB	SB					EB	WB	Total
					353	0					147	267	767
AM Period	NB	SB	EB	WB	TOTAL	PM Period	NB	SB	EB	WB	TOTAL		
00:00	0	0	0	0	0	12:00	1	0	4	6	11		
00:15	1	0	0	1	2	12:15	6	0	3	2	11		
00:30	0	0	0	0	0	12:30	6	0	3	2	11		
00:45	0	1	0	0	1	12:45	5	18	1	11	12	45	
01:00	0	0	0	0	0	13:00	3	0	2	1	6		
01:15	0	0	0	0	0	13:15	4	0	2	2	8		
01:30	0	0	0	0	0	13:30	2	0	2	1	5		
01:45	0	0	0	0	0	13:45	3	12	2	8	2	6	26
02:00	0	0	0	0	0	14:00	9	0	4	5	18		
02:15	0	0	0	0	0	14:15	11	0	4	4	19		
02:30	0	0	0	0	0	14:30	5	0	6	15	26		
02:45	0	0	0	1	1	14:45	10	35	4	18	4	28	81
03:00	0	0	0	0	0	15:00	9	0	0	4	13		
03:15	0	0	0	0	0	15:15	11	0	4	5	20		
03:30	0	0	0	0	0	15:30	6	0	3	10	19		
03:45	0	0	0	1	1	15:45	4	30	1	8	3	22	60
04:00	0	0	0	0	0	16:00	8	0	3	4	15		
04:15	0	0	0	0	0	16:15	8	0	4	6	18		
04:30	0	0	0	0	0	16:30	5	0	2	7	14		
04:45	0	0	0	0	0	16:45	10	31	2	11	4	21	63
05:00	0	0	0	0	0	17:00	5	0	3	3	11		
05:15	1	0	1	0	2	17:15	8	0	2	5	15		
05:30	0	0	0	1	1	17:30	7	0	2	2	11		
05:45	0	1	0	1	1	17:45	10	30	4	11	5	15	56
06:00	0	0	0	1	1	18:00	12	0	3	4	19		
06:15	3	0	2	3	8	18:15	6	0	2	4	12		
06:30	1	0	1	7	9	18:30	4	0	2	4	10		
06:45	6	10	3	6	16	18:45	5	27	1	8	2	14	49
07:00	4	0	2	3	9	19:00	7	0	0	3	10		
07:15	6	0	0	6	12	19:15	2	0	0	5	7		
07:30	7	0	4	13	24	19:30	4	0	1	2	7		
07:45	12	29	7	13	26	19:45	3	16	1	2	3	13	31
08:00	9	0	4	10	23	20:00	7	0	1	2	10		
08:15	1	0	1	13	15	20:15	3	0	0	0	3		
08:30	5	0	6	3	14	20:30	3	0	0	0	3		
08:45	2	17	1	12	3	20:45	3	16	0	1	1	3	20
09:00	8	0	4	5	17	21:00	5	0	1	0	6		
09:15	4	0	3	6	13	21:15	2	0	1	2	5		
09:30	5	0	2	5	12	21:30	4	0	3	1	8		
09:45	4	21	2	11	7	21:45	2	13	0	5	0	3	21
10:00	3	0	1	2	6	22:00	0	0	0	2	2		
10:15	5	0	1	4	10	22:15	1	0	1	0	2		
10:30	4	0	4	5	13	22:30	0	0	0	1	1		
10:45	10	22	5	11	18	22:45	1	2	0	1	0	3	6
11:00	7	0	1	2	10	23:00	1	0	1	0	2		
11:15	4	0	4	5	13	23:15	0	0	0	1	1		
11:30	2	0	1	3	6	23:30	1	0	0	0	1		
11:45	5	18	2	8	9	23:45	2	4	0	1	1	2	7
TOTALS	119		62	121	302	TOTALS	234		85	146	465		
SPLIT %	39.4%		20.5%	40.1%	39.4%	SPLIT %	50.3%		18.3%	31.4%	60.6		

DAILY TOTALS					NB	SB	EB	WB	Total
					353	0	147	267	767
AM Peak Hour	07:15	07:45	07:30	07:30	PM Peak Hour	17:15	14:00	14:00	14:00
AM Pk Volume	34	18	43	88	PM Pk Volume	37	18	28	81
Pk Hr Factor	0.708	0.643	0.827	0.846	Pk Hr Factor	0.771	0.750	0.467	0.77
7 - 9 Volume	46	0	25	55	4 - 6 Volume	61	0	22	36
7 - 9 Peak Hour	07:15	07:45	07:30	07:30	4 - 6 Peak Hour	16:00	16:00	16:00	16:00
7 - 9 Pk Volume	34	0	18	43	4 - 6 Pk Volume	31	0	11	21
Pk Hr Factor	0.708	0.000	0.643	0.827	Pk Hr Factor	0.775	0.000	0.688	0.750

Attachment: Stop Sign Warrant Analysis - Grissom-Velasquez (2022 : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

APPENDIX D

STOPPING SIGHT DISTANCE AS A FUNCTION OF SPEED

CALIFORNIA MUTCD

Table 6C-1. Recommended Advance Warning Sign ~~Minimum~~ Spacing

Road Type	Distance Between Signs**		
	A	B	C
Urban (low speed) - 25 mph or less***	100 feet	100 feet	100 feet
Urban - more than 25 mph to 40 mph***	250 feet	250 feet	250 feet
Urban (high speed) - more than 40 mph***	350 feet	350 feet	350 feet
Rural	500 feet	500 feet	500 feet
Expressway / Freeway	1,000 feet	1,500 feet	2,640 feet

* ~~Speed category to be determined by the highway agency.~~

** The column headings A, B, and C are the dimensions shown in Figures 6H-1 through 6H-46. The A dimension is the distance from the transition or point of restriction to the first sign. The B dimension is the distance between the first and second signs. The C dimension is the distance between the second and third signs. (The "first sign" is the sign in a three-sign series that is closest to the TTC zone. The "third sign" is the sign that is furthest upstream from the TTC zone.)

*** Posted speed limit, off-peak 85th-percentile speed prior to work starting, or other anticipated operating speed in mph.

Table 6C-2. Stopping Sight Distance as a Function of Speed on Level Roads.
(Used as suggested longitudinal buffer space length or location for flagger station)

Speed*	Distance
20 mph	115 feet
25 mph	155 feet
30 mph	200 feet
35 mph	250 feet
40 mph	305 feet
45 mph	360 feet
50 mph	425 feet
55 mph	495 feet
60 mph	570 feet
65 mph	645 feet
70 mph	730 feet
75 mph	820 feet

* Posted speed, off-peak 85th-percentile speed prior to work starting, or the anticipated operating speed in mph.

Table 6C-3. Taper Length Criteria for Temporary Traffic Control Zones

Type of Taper	Taper Length
Merging Taper	at least L
Shifting Taper	at least 0.5 L
Shoulder Taper	at least 0.33 L
One-Lane, Two-Way Traffic Taper	50 feet minimum, 100 feet maximum
Downstream Taper	50 feet minimum, 100 feet maximum

Note: Use Table 6C-4 to calculate L



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October 24, 2019

Mr. Kenneth H. Rosenfield, PE
Assistant City Manager/Public Services Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Subject: Multi-way Stop Sign Analysis - Mawson Drive at Velasquez Road

Dear Mr. Rosenfield:

Hartzog & Crabill, Inc. (HCI) has completed a Multi-Way Stop Sign Warrant Analysis for the subject intersection. As you will see in the attached report, our recommendation is for denial for a multi-way stop sign installation at this time.

The analysis was completed in response to the City's request to verify if a multi-way stop sign installation is warranted, and recommended based on meeting standard guidelines. The California Manual of Uniform Traffic Control Devices (California MUTCD) was used for defining the requirements for a multi-way stop sign installation. At the present time, the intersection is un-controlled on all approaches. In overall consideration of existing conditions, and no multi-way stop warrants found satisfied, a multi-way stop sign installation is not recommended at this time. However, a one-way stop sign installation is recommended for the southbound approach of Velasquez Road to improve right-of-way assignment. This recommendation includes the installation of a STOP sign and pavement marking, as well as a white limit line. If approved, the cost for this recommendation is estimated at \$800.00.

It has been our pleasure to prepare this analysis for the City of Laguna Hills. If you have any questions or need more information, please feel free to call me at (714) 731-9455.

Very truly yours,
HARTZOG & CRABILL, INC.

A handwritten signature in blue ink, appearing to read 'Gerald J. Stock', is written over a horizontal line.

Gerald J. Stock, PE, TE
Executive Vice President
City & Traffic Engineering Services

Attach: Multi-way Stop Control Warrants Analysis Report

Attachment: Stop Sign Warrant Analysis - Mawson-Velasquez (2022 : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

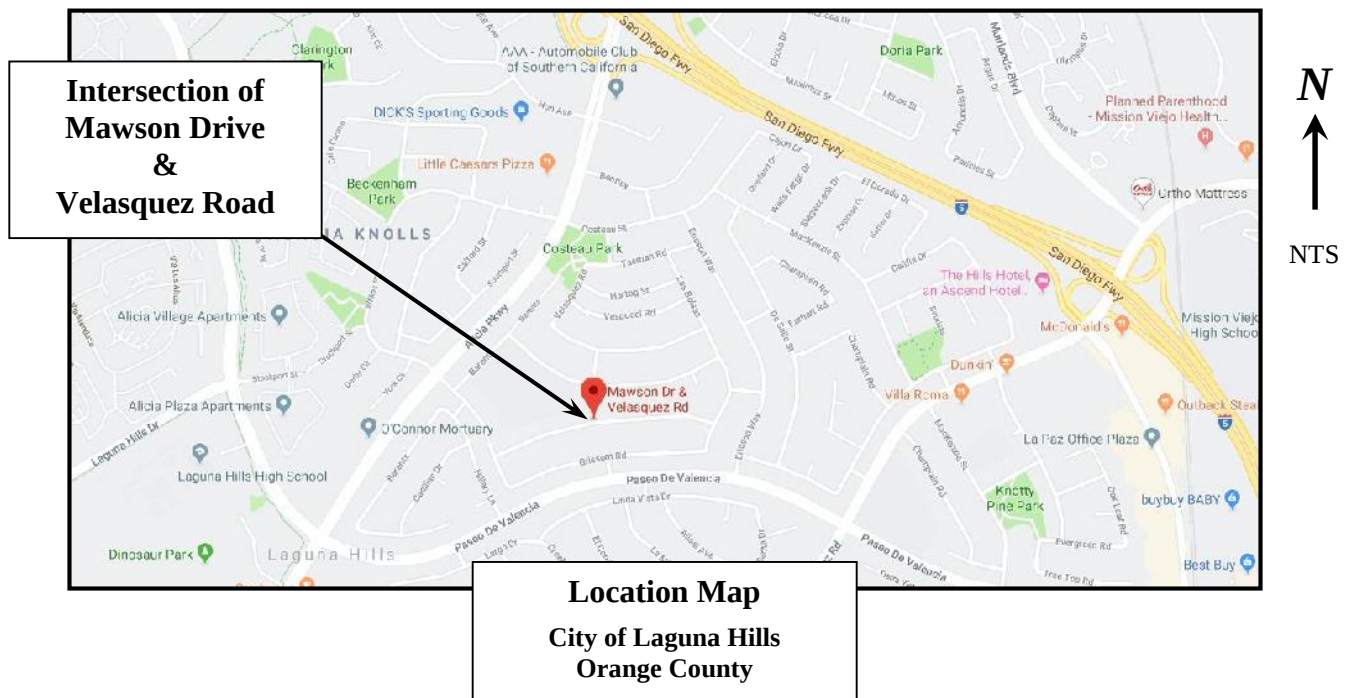
MULTIWAY STOP CONTROL WARRANTS ANALYSIS

MAWSON DRIVE AT VELASQUEZ ROAD IN THE CITY OF LAGUNA HILLS, CA

INTRODUCTION

The City of Laguna Hills requested Hartzog & Crabill, Inc. (HCI) to complete a Multiway Stop Warrants Analysis at the intersection of Mawson Drive and Velasquez Road. This analysis was completed in order to verify if a three-way stop sign installation is warranted and recommended based on meeting standard guidelines.

The location is a typical T-intersection with Mawson Drive running in the east-west directions and Velasquez Road running in the north-south directions. The intersection is located southeast of Alicia Parkway and north of Paseo de Valencia (*see Location Map below*). The intersection is entirely within the City of Laguna Hills jurisdiction. At the present time, there is no intersection traffic control installed on either street (i.e., uncontrolled approaches).



Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

BACKGROUND

Mawson Drive is an east-west local roadway with single-family residential properties on both sides of the street. At the intersection with Velasquez Road, the roadway is approximately 36 feet wide, and the 2-lane roadway provides for one lane of traffic in each direction, which are not separated by centerline striping. There are no marked crosswalks across Mawson Drive at or near the intersection. The roadway does have curb, gutter, parkway, and sidewalk improvements on both sides. Mawson Drive does not have a posted speed limit; however, the residential nature of this street results in a '*prima facie*' speed limit of 25 MPH and does not require posting. On-street parking is allowed on both sides of the street. Currently, there are no STOP signs or other types of traffic control on Mawson Drive (uncontrolled) at its intersection with Velasquez Road.

See Exhibit 1 (next page) for photo images of Mawson Drive.

Velasquez Road is a north-south local roadway with single-family residential properties on both sides of the street. At the T-intersection with Mawson Drive, which is the southerly terminus of Velasquez Road, the roadway is approximately 36 feet wide. The 2-lane roadway provides for one lane of traffic in each direction, which are not separated by centerline striping. There are no marked crosswalks across Velasquez Road. The roadway does have curb, gutter, parkway and sidewalk improvements on both sides. Velasquez Road does not have a posted speed limit; however, the residential nature of this street results in a '*prima facie*' speed limit of 25 MPH and does not require posting. On-street parking is allowed on both sides of the street. Currently, there are no STOP signs or other types of traffic control on Velasquez Road (uncontrolled) at its intersection with Mawson Drive.

See Exhibit 2 (following page) for a photo image of Velasquez Road.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 1



MAWSON DRIVE (LOOKING WESTBOUND) @ VELASQUEZ ROAD



MAWSON DRIVE (LOOKING EASTBOUND) @ VELASQUEZ ROAD

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 2



VELASQUEZ ROAD (LOOKING SOUTHBOUND) @ MAWSON DRIVE

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

WARRANT GUIDELINES

As is common practice with many municipal agencies, the City of Laguna Hills follows State guidelines for determining if traffic control devices, such as multi-way stop signs, should be installed. Therefore, the prevailing source used for this analysis is the State of California Manual on Uniform Traffic Control Devices (*California MUTCD*). The California MUTCD contains minimum guidelines regarding traffic volumes, collisions, speeds, visibility, and other criteria in order to satisfy the requirements, in this case, for the recommendation and installation of a multi-way (3-way) stop or a one-way stop.

The California MUTCD **Multi-way Stop** Applications Guidance criteria are described in the following four main parts:

- 1) As an interim measure where traffic control signals are justified;
- 2) Reported crashes – five or more in a 12-month period that are susceptible to correction by a multi-way stop installation;
- 3) Minimum traffic and pedestrian volumes, speeds, and delay; and,
- 4) Where a combination of the above criteria are all satisfied to 80 percent.

If any one, or a combination, of these criteria is met, then a multi-way stop application should be considered. If these criteria are not met, the installation of an unwarranted multi-way stop sign installation is typically not recommended.

The California MUTCD guidelines describing Right-of-Way at Intersections, STOP Sign Applications, Multi-way Stop Applications, and Yield Sign Applications are included in Appendix A.

MULTIWAY STOP ANALYSIS

The California MUTCD **Multi-way Stop** Applications section contains guidelines, such as minimum collisions and traffic volumes necessary for the justification of multi-way stop control. The general guidelines given for a stop sign application begin with using engineering judgment for the installation of a stop sign(s) on a street entering a through highway and where high speeds on the cross street make entry difficult, or due to restricted view, or when crash records indicate a need for control by a stop sign. Further guidance criteria found in the California MUTCD include the following important statements: ***“YIELD or STOP signs should not be used for speed control... In most cases, the street carrying the lowest volume of traffic should be controlled... A STOP (R1-1) sign is not a ‘cure-all’ and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions... A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study... Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal...”***

Collision History

The guidelines for **Multi-way Stop** Applications contained in the California MUTCD regarding collisions, or crashes, require a minimum of five (5) reported crashes occurring in a 12-month period that are susceptible to correction by a multi-way stop installation in order to satisfy this warrant. Such crashes include right- and left-turn collisions, as well as right-angle collisions (i.e., broadside or head-on types) and pedestrian-vehicle collisions. The latest available collision history for the intersection was gathered by HCI from the State of California Highway Patrol (CHP) Statewide Integrated Traffic Records System website (*i-SWITRS*). A comprehensive 5-year traffic collision history summary report was prepared for this intersection and reviewed for collisions susceptible to correction by the installation of a multi-way stop. Table 1 (*next page*) provides the most recent summary of collision history occurring at or near this intersection.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

Collision History (continued)

TABLE 1
SWITRS COLLISION SUMMARY

Intersection	2014-15		2016		2017		2018-19	
	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?
Mawson Drive at Velasquez Road		<i>None reported</i>		<i>None reported</i>		<i>None reported</i>		<i>None reported</i>

Notes: Information above is derived per the latest 5-year intersection traffic collision database report gathered from CHP-SWITRS (*i-SWITRS website*).

- 1) Type of Coll. = Type of Collision (*i.e., broadside, rear-end, etc.*)
- 2) Correctible? = Yes / No

As shown above, there have been no (0) reported collisions, at or near this intersection over the past (5) years of available SWITRS collision data. Since the collision warrant requires a minimum of (5) reported crashes susceptible to correction by a multi-way stop, to occur within a 12-month period, the collision warrant is not satisfied. ***The SWITRS traffic collision data report is included in Appendix B.***

Traffic Volumes

HCI collected Average Daily Traffic (ADT) vehicular approach counts on Tuesday, September 10, 2019 in order to account for vehicles that typically use this T-intersection. The ADT approach count for Mawson Drive is 420 vehicles per day with the highest AM peak-hour approach volume having 106 vehicles, and 93 vehicles in the PM peak-hour. The ADT approach count for Velasquez Road is 136 vehicles with the highest AM peak-hour approach volume having 33 vehicles, and 42 vehicles in the PM peak-hour. Table 2 (next page) provides a breakdown of the approach volumes. ***The traffic volume data collected for this intersection is included in Appendix C.***

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

Traffic Volumes (continued)

TABLE 2
HIGHEST 24-HOUR INTERSECTION APPROACH VEHICLE COUNTS
MAWSON DRIVE AT VELASQUEZ ROAD

Street	Direction	ADT Volume	Directional Split	Highest Hourly Volume
Mawson Drive	Eastbound	324	77%	98 (8 - 9AM)
	Westbound	96	23%	13 (7 - 8AM)
Velasquez Road				
	Southbound	136	100%	42 (2 - 3PM)

Mawson Drive is considered the ‘through’ or ‘major’ street at this residential T-intersection since it carries higher volumes, and drivers are not required to slow down, or even stop, before proceeding straight through the intersection. In comparison, Velasquez Road is considered the ‘minor’ street as drivers on Velasquez Road are required to slow to a stop at Mawson Drive and look both ways before making a left or right turn. It is typically expected that the traffic volumes on the minor street are significantly less than those on the major street. As can be seen from the table above, this is the case, as Velasquez Road carries approximately 24% of the entire traffic entering the intersection (Mawson Drive carries 76% of entering traffic).

A part of the California MUTCD guideline criteria also calls for a reduction in the required minimum volumes when the critical approach speed (*or 85th-percentile speed*) on the major street exceeds 40 MPH. If this is the case, the minimum vehicular volumes to be met for a multiway stop sign installation are reduced to 70%. As mentioned, the speed limits on both streets are 25 MPH. Field observations during our site visit also confirmed vehicles were not regularly speeding over the speed limit near the intersection, but were considered typical and what may be expected for two-lane local-type roadways. As the speed limits are less than the 40 MPH limit required to reduce traffic volumes, the 70% minimum volumes for a multi-way stop sign analysis are not applicable, and the 100% minimum volumes were analyzed on the next page.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

Traffic Volumes (continued)

It is important to note that the hourly vehicle traffic counts shown in Table 2 above are given for the highest hour of traffic for each direction, and serve as a good indicator to compare with the required minimum hourly traffic volumes in the California MUTCD multi-way stop guidelines. It must also be mentioned that the average hourly minimum volumes for a multi-way stop application are to be satisfied for any eight (8) hours of an average day (not just for one hour of the day).

Table 3 below shows the California MUTCD minimum traffic volume guidelines for a Multi-way Stop Application in comparison with the highest 8-hour traffic count data collected at this intersection. Both Parts 1 and 2 of the minimum volume warrants below must be satisfied in order to fulfill the traffic volume warrant.

TABLE 3
MULTIWAY STOP SIGN WARRANT FOR MINIMUM TRAFFIC VOLUMES
MAWSON DRIVE AT VELASQUEZ ROAD

Part 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any (8) hours of an average day, Results: No, average (41) vehicles per hour Meets 14% of the required hourly traffic volume	and	Part 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same (8) hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour, Results: No, average (16) vehicles per hour Meets 8% of the required hourly traffic volume	but	Part 3. If the 85th-percentile approach speed of the major-street traffic exceeds 65 km/h or exceeds 40 mph, the minimum vehicular volume warrants are (70) percent of the above values. Results: No, 85th percentile speed on major-street does not exceed 40 mph
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As shown above, the average hourly intersection approach traffic volumes for the highest 8-hour period did not satisfy both Parts 1 and 2 (14% major street / 8% minor street). Therefore, the minimum traffic volume warrant is not satisfied.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA**Visibility**

Impaired visibility, or restricted sight distance, due to the geometry of the intersection and possible obstructions was carefully considered during our field-review of the surrounding residential property environment. The geometry of the intersection includes an approximate 90° angle, and both roadways have gradual horizontal and vertical curvature going away from the intersection.

Driver sight distance was measured from the side-street approach to the intersection, as southbound traffic on Velasquez Road is required to stop, before proceeding to make a left or right-turn. The measured distance was derived from the stopping sight distance guidelines found in the California MUTCD (*see Appendix D*). In this reference, a 25 MPH roadway speed recommends a minimum Stopping Sight Distance of 155 feet. This distance was used when looking towards approaching, uncontrolled traffic along Mawson Drive. More specifically, this stopping sight distance was field-measured from a typical ‘stopped’ vehicle location on Velasquez Road at the intersection looking towards the oncoming lanes of cross-traffic on Mawson Drive. An orange cone was placed at this distance and a photograph was taken from a stopped driver’s perspective.

(See sight distance photos in Exhibit 3 on the following page).

As Exhibit 3 shows, when looking from Velasquez Road, a driver does have a clear line of sight to the minimum sight distance at 155 feet when looking both ways on Mawson Drive.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

EXHIBIT 3



Southbound MAWSON DRIVE (Looking West) @ VELASQUEZ ROAD



Southbound MAWSON DRIVE (Looking East) @ VELASQUEZ ROAD

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY

The analysis of the four (4) main criteria provided in the California MUTCD regarding **Multi-way Stop** Applications showed that this intersection did not meet the minimum guidelines to justify stopping the major roadway (Mawson Drive). The four main criteria analyzed were: 1) As an interim measure where traffic control signals are justified; 2) Reported collisions – a correctible crash problem; 3) Traffic and pedestrian volumes, speeds, and delay; and 4) Where a combination of the above criteria are satisfied to 80 percent.

In summary, the collision history at the intersection resulted in (0) SWITRS-reported correctible collisions during the last five years of available data, where the minimum guideline calls for at least five (5) correctible collisions in a 12-month period. The average minimum hourly minor street traffic volumes required for a multi-way stop that are to be satisfied for any eight (8) hours in an average day were also not close to being met. Excessive delay to any approach was not observed in terms of vehicles stopping and waiting for a gap on the major roadway due to the overall lower traffic volumes. Therefore, since intersection collision history and traffic volumes did not satisfy the minimum guidelines, it can also be derived that a traffic signal is not justified as an interim measure at this intersection (as mentioned above). The 80% combined criteria were also not met as both the collisions and minimum traffic volumes were not satisfied to this percentage. If the California MUTCD criteria is not met, the location is typically not recommended for installation of a multi-way stop.

However, engineering judgment should always be included in any decision regarding traffic safety improvements. Intersection lighting was also verified and found to be adequate as there was one street light post on the northwest corner area. In regards to pedestrian and bicycle activity, field observations during mid-day confirmed a low activity of both. It was also determined that a driver does have a clear line of sight when looking both ways onto Mawson Drive from Velasquez Road.

Multiway Stop Sign Warrants Analysis - Mawson Dr at Velasquez Rd, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY (continued)

Therefore, based upon engineering judgment, it is determined that stopping traffic on Mawson Drive at Velasquez Road is not required at this time to enhance the traffic safety at this intersection.

RECOMMENDATIONS

In overall consideration of the analysis criteria in this report, a multi-way (3-way) stop sign installation is not recommended at this time for the intersection of Mawson Drive and Velasquez Road.

However, a one-way stop sign installation is recommended for the southbound approach of Velasquez Road in order to improve drivers right-of-way assignment. This recommendation includes the installation of a STOP sign and STOP pavement marking, as well as a white limit line on Velasquez Road. If approved, the cost for this recommendation is estimated at \$800.00.

APPENDIX A

**MULTIWAY STOP APPLICATIONS
GUIDELINES:**

CALIFORNIA MUTCD

Standard:

03 Except as provided in Paragraphs 4 and 5, the minimum sizes for regulatory signs facing traffic on multi-lane conventional roads shall be as shown in the Multi-lane column of Table 2B-1 and 2B-1(CA).

Option:

04 Where the posted speed limit is 35 mph or less on a multi-lane highway or street, other than for a STOP sign, the minimum size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used.

05 Where a regulatory sign, other than a STOP sign, is placed on the left-hand side of a multi-lane roadway in addition to the installation of the same regulatory sign on the right-hand side or the roadway, the size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used for both the sign on the right-hand side and the sign on the left-hand side of the roadway.

Standard:

06 A minimum size of 36 x 36 inches shall be used for STOP signs that face multi-lane approaches.

07 Where side roads intersect a multi-lane street or highway that has a speed limit of 45 mph or higher, the minimum size of the STOP signs facing the side road approaches, even if the side road only has one approach lane, shall be 36 x 36 inches.

08 Where side roads intersect a multi-lane street or highway that has a speed limit of 40 MPH or lower, the minimum size of the STOP signs facing the side road approaches shall be as shown in the Single Lane or Multi-lane columns of Table 2B-1 and 2B-1(CA) based on the number of approach lanes on the side street approach.

Guidance:

09 The minimum sizes for regulatory signs facing traffic on exit and entrance ramps should be as shown in the column of Table 2B-1 and 2B-1(CA) that corresponds to the mainline roadway classification (Expressway or Freeway). If a minimum size is not provided in the Freeway column, the minimum size in the Expressway column should be used. If a minimum size is not provided in the Freeway or Expressway Column, the size in the Oversized column should be used.

Section 2B.04 Right-of-Way at Intersections**Support:**

01 State or local laws written in accordance with the "Uniform Vehicle Code" (see Section 1A.11) establish the right-of-way rule at intersections having no regulatory traffic control signs such that the driver of a vehicle approaching an intersection must yield the right-of-way to any vehicle or pedestrian already in the intersection. When two vehicles approach an intersection from different streets or highways at approximately the same time, the right-of-way rule requires the driver of the vehicle on the left to yield the right-of-way to the vehicle on the right. The right-of-way can be modified at through streets or highways by placing YIELD (R1-2) signs (see Sections 2B.08 and 2B.09) or STOP (R1-1) signs (see Sections 2B.05 through 2B.07) on one or more approaches.

Guidance:

02 Engineering judgment should be used to establish intersection control. The following factors should be considered:

- A. Vehicular, bicycle, and pedestrian traffic volumes on all approaches;
- B. Number and angle of approaches;
- C. Approach speeds;
- D. Sight distance available on each approach; and
- E. Reported crash experience.

03 YIELD or STOP signs should be used at an intersection if one or more of the following conditions exist:

- A. An intersection of a less important road with a main road where application of the normal right-of-way rule would not be expected to provide reasonable compliance with the law;
- B. A street entering a designated through highway or street; and/or
- C. An unsignalized intersection in a signalized area.

04 In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist:

- A. The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day;
 - B. The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary; and/or
 - C. Crash records indicate that five or more crashes that involve the failure to yield the right-of-way at the intersection under the normal right-of-way rule have been reported within a 3-year period, or that three or more such crashes have been reported within a 2-year period.
- ⁰⁵ YIELD or STOP signs should not be used for speed control.

Support:

- ⁰⁶ Section 2B.07 contains provisions regarding the application of multi-way STOP control at an intersection.

Guidance:

- ⁰⁷ Once the decision has been made to control an intersection, the decision regarding the appropriate roadway to control should be based on engineering judgment. In most cases, the roadway carrying the lowest volume of traffic should be controlled.
- ⁰⁸ A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study.

Support:

- ⁰⁹ The following are considerations that might influence the decision regarding the appropriate roadway upon which to install a YIELD or STOP sign where two roadways with relatively equal volumes and/or characteristics intersect:

- A. Controlling the direction that conflicts the most with established pedestrian crossing activity or school walking routes;
- B. Controlling the direction that has obscured vision, dips, or bumps that already require drivers to use lower operating speeds; and
- C. Controlling the direction that has the best sight distance from a controlled position to observe conflicting traffic.

Standard:

- ¹⁰ Because the potential for conflicting commands could create driver confusion, YIELD or STOP signs shall not be used in conjunction with any traffic control signal operation., ~~except in the following cases:~~
- ~~A. If the signal indication for an approach is a flashing red at all times;~~
 - ~~B. If a minor street or driveway is located within or adjacent to the area controlled by the traffic control signal, but does not require separate traffic signal control because an extremely low potential for conflict exists; or~~
 - ~~C. If a channelized turn lane is separated from the adjacent travel lanes by an island and the channelized turn lane is not controlled by a traffic control signal.~~

^{10a} STOP signs shall not be erected at any entrance to an intersection controlled by traffic signals. Refer to CVC 21355(a).

Option:

- ^{10b} YIELD or STOP signs may be used at a channelized turn lane if it is separated from the adjacent travel lanes moving in same direction by an island and the channelized turn lane is not controlled by a traffic control signal.

Standard:

- ¹¹ Except as provided in Section 2B.09, STOP signs and YIELD signs shall not be installed on different approaches to the same unsignalized intersection if those approaches conflict with or oppose each other.
- ¹² Portable or part-time STOP or YIELD signs shall not be used except for emergency and temporary traffic control zone purposes.
- ¹³ A portable or part-time (folding) STOP sign that is manually placed into view and manually removed from view shall not be used during a power outage to control a signalized approach unless the maintaining agency establishes that the signal indication that will first be displayed to that approach upon restoration of power is a flashing red signal indication and that the portable STOP sign will be manually removed from view prior to stop-and-go operation of the traffic control signal.

Option:

¹⁴ A portable or part-time (folding) STOP sign that is electrically or mechanically operated such that it only displays the STOP message during a power outage and ceases to display the STOP message upon restoration of power may be used during a power outage to control a signalized approach.

Support:

¹⁵ Section 9B.03 contains provisions regarding the assignment of priority at a shared-use path/ roadway intersection.

Section 2B.05 STOP Sign (R1-1) and ALL WAY Plaque (R1-3P)

Standard:

⁰¹ When it is determined that a full stop is always required on an approach to an intersection, a STOP (R1-1) sign (see Figure 2B-1) shall be used.

⁰² The STOP sign shall be an octagon with a white legend and border on a red background.

⁰³ Secondary legends shall not be used on STOP sign faces.

⁰⁴ At intersections where all approaches are controlled by STOP signs (see Section 2B.07), an ALL WAY supplemental plaque (R1-3P) shall be mounted below each STOP sign. The ALL WAY plaque (see Figure 2B-1) shall have a white legend and border on a red background.

⁰⁵ The ALL WAY plaque shall only be used if all intersection approaches are controlled by STOP signs.

⁰⁶ Supplemental plaques with legends such as 2-WAY, 3-WAY, 4-WAY, or other numbers of ways shall not be used with STOP signs.

Support:

⁰⁷ The use of the CROSS TRAFFIC DOES NOT STOP (W4-4P) plaque (and other plaques with variations of this word message) is described in Section 2C.59.

Guidance:

⁰⁸ Plaques with the appropriate alternative messages of *TRAFFIC FROM LEFT (RIGHT) DOES NOT STOP (W4-4aP)* or *ONCOMING TRAFFIC DOES NOT STOP (W4-4bP)* should be used at intersections where STOP signs control all but one approach to the intersection, unless the only non-stopped approach is from a one-way street.

Option:

⁰⁹ An EXCEPT RIGHT TURN (R1-10P) plaque (see Figure 2B-1) may be mounted below the STOP sign if an engineering study determines that a special combination of geometry and traffic volumes is present that makes it possible for right-turning traffic on the approach to be permitted to enter the intersection without stopping.

Support:

¹⁰ The design and application of Stop Beacons are described in Section 4L.05.

¹¹ A STOP (R1-1) sign is not a "cure-all" and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions.

Through Highways

Option:

¹² STOP (R1-1) signs may be installed either at or near the entrance to a State highway, except at signalized intersections, or at any location so as to control traffic within an intersection. Refer to CVC 21352 and 21355. See Section 1A.11 for information regarding this publication.

Support:

¹³ When STOP (R1-1) signs or traffic control signals have been erected at all entrances, a highway constitutes a through highway. Refer to CVC 600.

¹⁴ Authority to place STOP (R1-1) signs facing State highway traffic is delegated to the Caltrans District Directors.

Option:

¹⁵ Local authorities may designate any highway under their jurisdiction as a through highway and install STOP (R1-1) signs in a like manner. Refer to CVC 21354.

Standard:

¹⁶ No local authority shall erect or maintain any STOP (R1-1) sign or other traffic control device requiring a stop, on any State highway, except by permission of Caltrans. Refer to CVC 21353.

Support:

- ¹⁷ Caltrans will grant such permission only when an investigation indicates that the STOP (R1-1) sign will benefit traffic.

Section 2B.06 STOP Sign Applications

Guidance:

- ⁰¹ At intersections where a full stop is not necessary at all times, consideration should first be given to using less restrictive measures such as YIELD signs (see Sections 2B.08 and 2B.09).
- ⁰² The use of STOP signs on the minor-street approaches should be considered if engineering judgment indicates that a stop is always required because of one or more of the following conditions:
 - A. The vehicular traffic volumes on the through street or highway exceed 6,000 vehicles per day;
 - B. A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or
 - C. Crash records indicate that three or more crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or that five or more such crashes have been reported within a 2-year period. Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway.

Support:

- ⁰³ The use of STOP signs at grade crossings is described in Sections 8B.04 and 8B.05.

Section 2B.07 Multi-Way Stop Applications

Support:

- ⁰¹ Multi-way stop control can be useful as a safety measure at intersections if certain traffic conditions exist. Safety concerns associated with multi-way stops include pedestrians, bicyclists, and all road users expecting other road users to stop. Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal.

- ⁰² The restrictions on the use of STOP signs described in Section 2B.04 also apply to multi-way stop applications.

Guidance:

- ⁰³ The decision to install multi-way stop control should be based on an engineering study.
- ⁰⁴ The following criteria should be considered in the engineering study for a multi-way STOP sign installation:
 - A. Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.
 - B. Five or more reported crashes in a 12-month period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions.
 - C. Minimum volumes:
 - 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and
 - 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but
 - 3. If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volume warrants are 70 percent of the values provided in Items 1 and 2.
 - D. Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.

Option:

- ⁰⁵ Other criteria that may be considered in an engineering study include:
- A. The need to control left-turn conflicts;
 - B. The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;
 - C. Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and

APPENDIX B

SWITRS COLLISION HISTORY

CITY OF LAGUNA HILLS
5-YEAR SWITRS COLLISION DATABASE
INTERSECTION OF MAWSON DRIVE AND VELASQUEZ ROAD
JAN. 1, 2014 - JUN. 30, 2019

CASE ID	COLL. DATE	COLL. TIME	PRIMARY ROAD	SECONDARY ROAD	DIST.	DIR.	INTERS.	WEATH. 1	COLL. SEVERITY	PRIM. COLL. FACT.	PCF VIOL. CAT.	PCF VIOL.	HIT AND RUN	TYPE OF COLL.	MOTOR VEHICLE INVOLVED WITH	RO. SUF
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No collisions reported during this period.

NOTES:

Weather 1

A - Clear
 B - Cloudy
 C - Raining
 D - Snowing
 E - Fog
 F - Other
 G - Wind
 - - Not Stated

Collision Severity

1 - Fatal
 2 - Injury (Severe)
 3 - Injury (Other Visible)
 4 - Injury (Complaint of Pain)
 0 - PDO (Property Damage Only)

Primary Collision Factor

A - (Vehicle) Code Violation
 B - Other Improper Driving
 C - Other Than Driver
 D - Unknown
 E - Fell Asleep
 - - Not Stated

PCF Violation Category

01 - Driving or Bicycling Under Influence
 02 - Impeding Traffic
 03 - Unsafe Speed
 04 - Following Too Closely
 05 - Wrong Side of Road
 06 - Improper Passing
 07 - Unsafe Lane Change
 08 - Improper Turning
 09 - Automobile ROW
 10 - Pedestrian ROW
 11 - Pedestrian Violation
 12 - Traffic Signals and Signs
 13 - Hazardous Parking
 14 - Lights
 15 - Brakes
 16 - Other Equipment
 17 - Other Hazardous Violation
 18 - Other Than Driver (or Ped)
 19 -
 20 -
 21 - Unsafe Starting or Backing
 22 - Other Improper Driving
 23 - Pedestrian or "Other" Under the Influence
 24 - Fell Asleep
 00 - Unknown
 - - Not Stated

Hit and Run

F - Felony
 M - Misdemeanor
 N - Not Hit & Run

Type of Collision

A - Head-On
 B - Sideswipe
 C - Rear-End
 D - Broadside
 E - Hit Object
 F - Overturned
 G - Vehicle/Pedestrian
 H - Other
 - - Not Stated

Motor Vehicle Involved With:

A - Non-Collision
 B - Pedestrian
 C - Other Motor Vehicle
 D - Motor Vehicle on Other Roadway
 E - Parked Motor Vehicle
 F - Train
 G - Bicycle
 H - Animal
 I - Fixed Object
 J - Other Object
 - - Not Stated

Road Surface

A - Dry
 B - Wet
 C - Snowy or Icy
 D - Slippery
 - - Not Stated

APPENDIX C

AVERAGE DAILY TRAFFIC (ADT)

COUNT DATA

Prepared by National Data & Surveying Services

VOLUME

Velasquez Rd & Mawson Dr

Day: Tuesday
Date: 9/10/2019

Highest 8 hours.

City: Laguna Hills
Project #: CA19_1151_003

DAILY TOTALS					NB	SB	EB					WB	Total
					0	136						324	96
AM Period	NB	SB	EB	WB	TOTAL	PM Period	NB	SB	EB	WB	TOTAL		
00:00	0	0	0	0	0	12:00	0	0	0	0	0		
00:15	0	0	0	0	0	12:15	0	1	2	1	4		
00:30	0	0	0	0	0	12:30	0	1	2	2	5		
00:45	0	0	0	0	0	12:45	0	2	4	8	14		
01:00	0	0	0	0	0	13:00	0	3	4	2	9		
01:15	0	0	0	0	0	13:15	0	1	3	0	4		
01:30	0	0	0	0	0	13:30	0	0	5	5	10		
01:45	0	0	1	1	1	13:45	0	2	6	15	23		
02:00	0	0	0	0	0	14:00	0	9	1	1	11		
02:15	0	0	0	0	0	14:15	0	16	8	1	25		
02:30	0	0	0	0	0	14:30	0	14	60	3	77		
02:45	0	0	0	0	0	14:45	0	3	42	17	62		
03:00	0	0	0	0	0	15:00	0	1	2	1	4		
03:15	0	0	0	0	0	15:15	0	2	2	3	7		
03:30	0	0	0	0	0	15:30	0	6	10	4	20		
03:45	0	0	0	0	0	15:45	0	2	11	15	28		
04:00	0	0	1	0	1	16:00	0	2	2	1	5		
04:15	0	0	0	0	0	16:15	0	1	2	2	5		
04:30	0	0	1	0	1	16:30	0	3	3	3	9		
04:45	0	0	0	2	0	16:45	0	1	7	9	17		
05:00	0	0	1	0	1	17:00	0	0	1	1	2		
05:15	0	0	1	0	1	17:15	0	2	4	3	9		
05:30	0	0	1	0	1	17:30	0	1	2	1	4		
05:45	0	1	1	3	1	17:45	0	1	4	9	14		
06:00	0	0	1	1	2	18:00	0	0	4	3	7		
06:15	0	0	0	1	1	18:15	0	0	2	1	3		
06:30	0	1	0	0	1	18:30	0	0	2	1	3		
06:45	0	1	2	3	6	18:45	0	0	2	10	12		
07:00	0	2	2	2	6	19:00	0	0	3	2	5		
07:15	0	1	2	3	6	19:15	0	1	1	1	3		
07:30	0	7	4	5	16	19:30	0	1	1	0	2		
07:45	0	6	16	11	20	19:45	0	0	2	6	8		
08:00	0	25	40	3	68	20:00	0	0	1	1	2		
08:15	0	5	52	2	59	20:15	0	0	0	0	0		
08:30	0	2	3	2	7	20:30	0	0	0	0	0		
08:45	0	1	33	3	5	20:45	0	0	3	4	7		
09:00	0	1	2	1	4	21:00	0	0	0	1	1		
09:15	0	0	1	0	1	21:15	0	0	0	0	0		
09:30	0	0	3	1	4	21:30	0	0	1	1	2		
09:45	0	0	1	4	4	21:45	0	0	0	1	0		
10:00	0	0	0	0	0	22:00	0	1	0	0	1		
10:15	0	0	1	1	2	22:15	0	0	1	0	1		
10:30	0	0	0	0	0	22:30	0	0	1	0	1		
10:45	0	1	1	5	10	22:45	0	0	1	3	4		
11:00	0	1	2	1	4	23:00	0	0	1	0	1		
11:15	0	1	8	1	10	23:15	0	0	1	1	2		
11:30	0	1	2	1	4	23:30	0	0	0	0	0		
11:45	0	2	5	1	5	23:45	0	0	0	2	2		
TOTALS	59		156	38	253	TOTALS	77		168	58	303		
SPLIT %	23.3%		61.7%	15.0%	45.5%	SPLIT %	25.4%		55.4%	19.1%	54.5		

DAILY TOTALS					NB	SB	EBWB				Total
					0	136					324
AM Peak Hour	07:30	07:30	07:15	07:30	PM Peak Hour	14:00	14:15	14:45	14:0		
AM Pk Volume	43	107	14	163	PM Pk Volume	42	87	10	135		
Pk Hr Factor	0.430	0.514	0.700	0.599	Pk Hr Factor	0.656	0.363	0.625	0.43		
7 - 9 Volume	0	49	117	21	187	4 - 6 Volume	0	11	18	14	43
7 - 9 Peak Hour	07:30	07:30	07:15	07:30	4 - 6 Peak Hour	16:00	16:30	16:30	16:3		
7 - 9 Pk Volume	0	43	107	14	163	4 - 6 Pk Volume	0	7	10	9	25
Pk Hr Factor	0.000	0.430	0.514	0.700	0.599	Pk Hr Factor	0.000	0.583	0.625	0.750	0.69

Attachment: Stop Sign Warrant Analysis - Mawson-Velasquez (2022) : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

APPENDIX D

STOPPING SIGHT DISTANCE AS A FUNCTION OF SPEED

CALIFORNIA MUTCD

Table 6C-1. Recommended Advance Warning Sign ~~Minimum~~ Spacing

Road Type	Distance Between Signs**		
	A	B	C
Urban (low speed) - 25 mph or less***	100 feet	100 feet	100 feet
Urban - more than 25 mph to 40 mph***	250 feet	250 feet	250 feet
Urban (high speed) - more than 40 mph***	350 feet	350 feet	350 feet
Rural	500 feet	500 feet	500 feet
Expressway / Freeway	1,000 feet	1,500 feet	2,640 feet

* ~~Speed category to be determined by the highway agency.~~

** The column headings A, B, and C are the dimensions shown in Figures 6H-1 through 6H-46. The A dimension is the distance from the transition or point of restriction to the first sign. The B dimension is the distance between the first and second signs. The C dimension is the distance between the second and third signs. (The "first sign" is the sign in a three-sign series that is closest to the TTC zone. The "third sign" is the sign that is furthest upstream from the TTC zone.)

*** Posted speed limit, off-peak 85th-percentile speed prior to work starting, or other anticipated operating speed in mph.

Table 6C-2. Stopping Sight Distance as a Function of Speed on Level Roads.
(Used as suggested longitudinal buffer space length or location for flagger station)

Speed*	Distance
20 mph	115 feet
25 mph	155 feet
30 mph	200 feet
35 mph	250 feet
40 mph	305 feet
45 mph	360 feet
50 mph	425 feet
55 mph	495 feet
60 mph	570 feet
65 mph	645 feet
70 mph	730 feet
75 mph	820 feet

* Posted speed, off-peak 85th-percentile speed prior to work starting, or the anticipated operating speed in mph.

Table 6C-3. Taper Length Criteria for Temporary Traffic Control Zones

Type of Taper	Taper Length
Merging Taper	at least L
Shifting Taper	at least 0.5 L
Shoulder Taper	at least 0.33 L
One-Lane, Two-Way Traffic Taper	50 feet minimum, 100 feet maximum
Downstream Taper	50 feet minimum, 100 feet maximum

Note: Use Table 6C-4 to calculate L



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October 22, 2019

Mr. Kenneth H. Rosenfield, PE
Assistant City Manager/Public Services Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Subject: Multi-way Stop Sign Analysis - Wilkes Place at Mawson Drive

Dear Mr. Rosenfield:

Hartzog & Crabill, Inc. (HCI) has completed a Multi-Way Stop Sign Warrant Analysis for the subject intersection. As you will see in the attached report, our recommendation is for denial for a multi-way stop sign installation at this time.

The analysis was completed in response to the City's request to verify if a multi-way stop sign installation is warranted, and recommended based on meeting standard guidelines. The California Manual of Uniform Traffic Control Devices (California MUTCD) was used for defining the requirements for a multi-way stop sign installation. At the present time, the intersection is un-controlled on all approaches. In overall consideration of existing conditions, and no multi-way stop warrants found satisfied, a multi-way stop sign installation is not recommended. However, a one-way stop sign installation is recommended for the westbound approach of Mawson Drive to improve drivers right-of-way assignment. This recommendation includes the installation of a STOP sign and pavement marking, as well as a white limit line. If approved, the cost for this recommendation is estimated at \$800.00.

It has been our pleasure to prepare this analysis for the City of Laguna Hills. If you may have any questions or need more information, please feel free to call me at (714) 731-9455.

Very truly yours,
HARTZOG & CRABILL, INC.

A handwritten signature in blue ink, appearing to read 'Gerald J. Stock', is written over a horizontal line.

Gerald J. Stock, PE, TE
Executive Vice President
City & Traffic Engineering Services

Attach: Multi-way Stop Control Warrants Analysis Report

Attachment: Stop Sign Warrant Analysis -Mawson-Wilkes (2022 : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

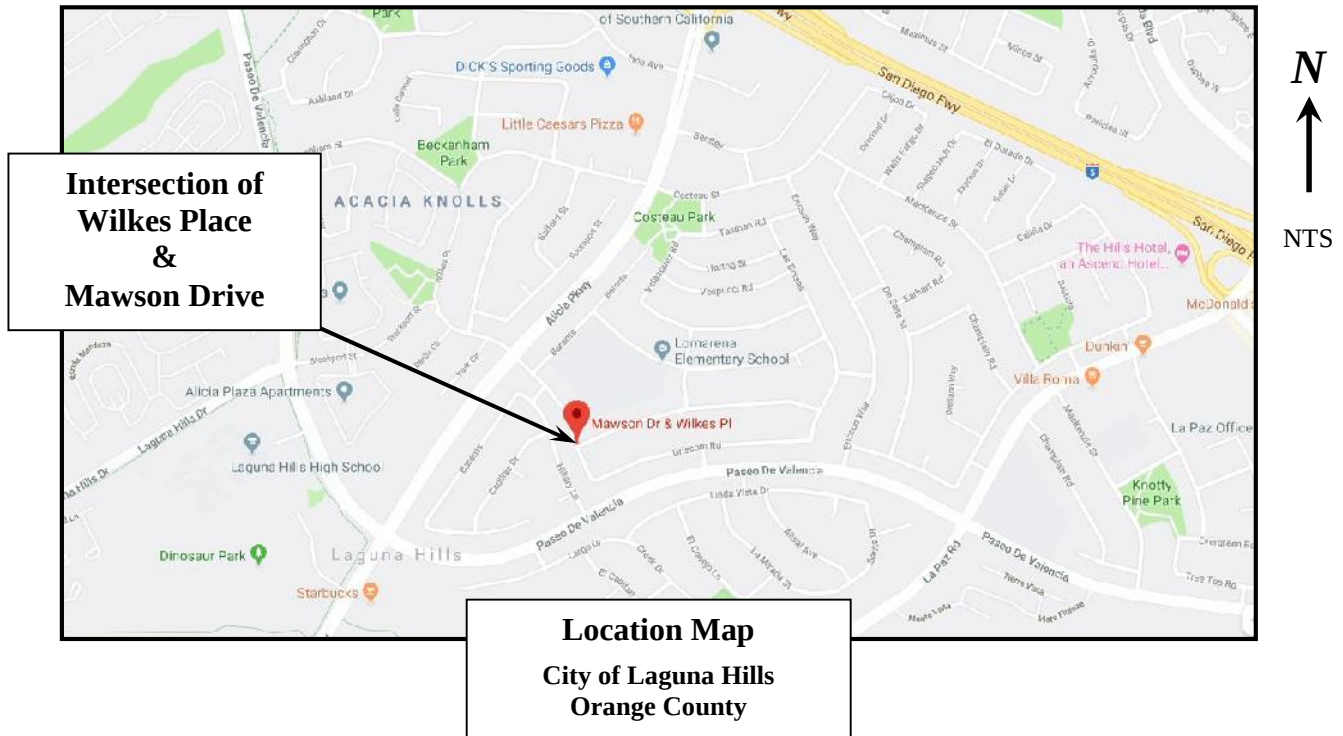
MULTIWAY STOP CONTROL WARRANTS ANALYSIS

WILKES PLACE AT MAWSON DRIVE IN THE CITY OF LAGUNA HILLS, CA

INTRODUCTION

The City of Laguna Hills requested Hartzog & Crabill, Inc. (HCI) to complete a Multiway Stop Warrants Analysis at the intersection of Wilkes Place and Mawson Drive. This analysis was completed in order to verify if a three-way stop sign installation is warranted and recommended based on meeting standard guidelines.

The location is a typical T-intersection with Wilkes Place running diagonally in the north-south directions and Mawson Drive running diagonally in the east-west directions. The intersection is located south of Alicia Parkway and north of Paseo de Valencia (see *Location Map below*). The intersection is entirely within the City of Laguna Hills jurisdiction. At the present time, there is no intersection traffic control installed on either street (i.e., uncontrolled approaches).



Multiway Stop Sign Warrants Analysis - Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA**BACKGROUND**

Wilkes Place is a curvilinear, north-south local collector roadway with single-family residential properties on both sides of the street. At the intersection with Mawson Drive, the roadway is approximately 36 feet wide, and the 2-lane roadway provides for one lane of traffic in each direction, which are separated by a single-yellow centerline stripe. There are no marked crosswalks across Wilkes Place at the intersection with Mawson Drive. The roadway does have curb, gutter, parkway and sidewalk improvements on both sides of the street. Wilkes Place has a posted speed limit of 25 MPH. On-street parking is allowed on both sides of the street. Currently, there is no STOP sign or other types of traffic control on Wilkes Place (uncontrolled) at its intersection with Mawson Drive.

See Exhibit 1 (following page) for photo images of Wilkes Place.

Mawson Drive is a curvilinear, east-west local roadway with single-family residential properties on both sides of the street. At the T-intersection with Wilkes Place, which is the westerly terminus of Mawson Drive, the roadway is approximately 36 feet wide. There are no marked crosswalks across Mawson Drive at or near the intersection. The roadway does have curb, gutter, sidewalk, and parkway improvements on both sides of the street. Mawson Drive does not have a posted speed limit; however, the residential nature of this street results in a ‘*prima facie*’ speed limit of 25 MPH and does not require posting. On-street parking is allowed on both sides of the street. Currently, there are no STOP signs or other types of traffic control on Mawson Drive (uncontrolled) at its intersection with Wilkes Place.

See Exhibit 2 (next page) for a photo image of Mawson Drive.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

EXHIBIT 1



WILKES PLACE (LOOKING NORTHBOUND) @ MAWSON DRIVE



WILKES PLACE (LOOKING SOUTHBOUND) @ MAWSON DRIVE

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

EXHIBIT 2



MAWSON DRIVE (LOOKING WESTBOUND) @ WILKES PLACE

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA**WARRANT GUIDELINES**

As is common practice with many municipal agencies, the City of Laguna Hills follows State guidelines for determining if traffic control devices, such as multi-way stop signs, should be installed. Therefore, the prevailing source used for this analysis is the State of California Manual on Uniform Traffic Control Devices (*California MUTCD*). The California MUTCD contains minimum guidelines regarding traffic volumes, collisions, speeds, visibility, and other criteria in order to satisfy the requirements, in this case, for the recommendation and installation of a multi-way (3-way) stop or a one-way stop.

The California MUTCD **Multi-way Stop** Applications Guidance criteria are described in the following four main parts:

- 1) As an interim measure where traffic control signals are justified;
- 2) Reported crashes – five or more in a 12-month period that are susceptible to correction by a multi-way stop installation;
- 3) Minimum traffic and pedestrian volumes, speeds, and delay; and,
- 4) Where a combination of the above criteria are all satisfied to 80 percent.

If any one, or a combination, of these criteria is met, then a multi-way stop application should be considered. If these criteria are not met, the installation of an unwarranted multi-way stop sign installation is typically not recommended.

The California MUTCD guidelines describing Right-of-Way at Intersections, STOP Sign Applications, Multi-way Stop Applications, and Yield Sign Applications are included in Appendix A.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS

The California MUTCD **Multi-way Stop** Applications section contains guidelines, such as minimum collisions and traffic volumes necessary for the justification of multi-way stop control. The general guidelines given for a stop sign application begin with using engineering judgment for the installation of a stop sign(s) on a street entering a through highway and where high speeds on the cross street make entry difficult, or due to restricted view, or when crash records indicate a need for control by a stop sign. Further guidance criteria found in the California MUTCD include the following important statements: ***“YIELD or STOP signs should not be used for speed control... In most cases, the street carrying the lowest volume of traffic should be controlled... A STOP (R1-1) sign is not a ‘cure-all’ and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions... A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study... Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal...”***

Collision History

The guidelines for **Multi-way Stop** Applications contained in the California MUTCD regarding collisions, or crashes, require a minimum of five (5) reported crashes occurring in a 12-month period that are susceptible to correction by a multi-way stop installation in order to satisfy this warrant. Such crashes include right- and left-turn collisions, as well as right-angle collisions (i.e., broadside, or head-on) and pedestrian-vehicle collisions. The latest available collision history for the intersection was gathered by HCI from the State of California Highway Patrol (CHP) Statewide Integrated Traffic Records System website (*i-SWITRS*). A comprehensive 5-year traffic collision history summary report was prepared for this intersection and reviewed for collisions susceptible to correction by the installation of a multi-way stop. Table 1 (*next page*) provides the most recent summary of collision history occurring at or near this intersection.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA**Collision History (continued)**

TABLE 1
SWITRS COLLISION SUMMARY

Intersection	2014-15		2016		2017		2018 - 2019	
	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?	Date	Type of Coll. / Correctible?
Wilkes Place At Mawson Drive		<i>None reported</i>		<i>None reported</i>		<i>None reported</i>	01/14/19	Broadside / ?

Notes: Information above is derived per the latest 5-year intersection traffic collision database report gathered from CHP-SWITRS (*i-SWITRS website*).

- 1) Type of Coll. = Type of Collision (*i.e., broadside, rear-end, etc.*)
- 2) Correctible? = Yes / No

As shown above, there has been one reported collision at or near this intersection over the past (5) years of available SWITRS collision data. It was classified as a Broadside collision occurring 12 feet north of the intersection at 9:20AM on a rainy day. As such, it is not apparent if this collision may be considered correctible by a multi-way stop. However, since the collision warrant requires a minimum of (5) reported crashes susceptible to correction by a multi-way stop, to occur within a 12-month period, the collision warrant is not satisfied. ***The SWITRS traffic collision data report is included in Appendix B.***

Traffic Volumes

HCI collected Average Daily Traffic (ADT) vehicular approach counts on Tuesday, September 10, 2019 in order to account for vehicles that typically use this T-intersection. The ADT approach count for Mawson Drive is 393 vehicles per day with the highest AM peak-hour approach volume having 116 vehicles, and 87 vehicles in the PM peak-hour. The ADT approach count for Wilkes Place is 608 vehicles with the highest AM peak-hour approach volume having 122 vehicles, and 102 vehicles in the PM peak-hour. Table 2 (next page) provides a breakdown of the approach volumes. ***The traffic volume data collected for this intersection is included in Appendix C.***

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA**Traffic Volumes (continued)**

TABLE 2
HIGHEST 24-HOUR INTERSECTION APPROACH VEHICLE COUNTS
WILKES PLACE AT MAWSON DRIVE

Street	Direction	ADT Volume	Directional Split	Highest Hourly Volume
Wilkes Place	Northbound	171	28%	19 (8 - 9AM)
	Southbound	437	72%	103 (8 - 9AM)
Mawson Drive				
	Westbound	393	100%	116 (8 - 9AM)

Wilkes Place is considered the ‘through’ or ‘major’ street at this residential T-intersection, since it carries higher volumes, and drivers are not required to slow down, or even stop, before proceeding straight through the intersection. In comparison, Mawson Drive is considered the ‘minor’ street as drivers on Mawson Drive are required to slow to a stop at Mawson Drive and look both ways before proceeding safely making a left or right turn. It is typically expected that the traffic volumes on the minor street are significantly less than those on the major street. As can be seen from the table above, this is somewhat the case, as Mawson Drive carries approximately 39% of the entire traffic entering the intersection (Wilkes Place carries 61% of entering traffic).

A part of the California MUTCD guideline criteria also calls for a reduction in the required minimum volumes when the critical approach speed (*or 85th-percentile speed*) on the major street exceeds 40 MPH. If this is the case, the minimum vehicular volumes to be met for a multiway stop sign installation are reduced to 70%. As mentioned, the speed limits on both streets are 25 MPH. Field observations during our site visit also confirmed vehicles were not regularly speeding over the speed limit near the intersection, but were considered typical and what may be expected for two-lane local-type roadways. As the speed limits are less than the 40 MPH limit required to reduce traffic volumes, the 70% minimum volumes for a multi-way stop sign analysis are not applicable, and the 100% minimum volumes were analyzed on the next page.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

Traffic Volumes (continued)

It is important to note that the highest hourly vehicle traffic counts shown in Table 2 above are given for the highest hour of traffic for each direction, and serve as a good indicator to compare with the required minimum hourly traffic volumes in the California MUTCD multi-way stop guidelines. It must also be mentioned that the average hourly minimum volumes for a multi-way stop application are to be satisfied for any eight (8) hours of an average day (not just for one hour of the day).

Table 3 below shows the California MUTCD minimum traffic volume guidelines for a Multi-way Stop Application in comparison with the highest 8-hour traffic count data collected at this intersection. Both Parts 1 and 2 of the minimum volume warrants below must be satisfied in order to fulfill the traffic volume warrant.

TABLE 3
MULTIWAY STOP SIGN WARRANT FOR MINIMUM TRAFFIC VOLUMES
WILKES PLACE AT MAWSON DRIVE

Part 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any (8) hours of an average day, Results: No, average (70) vehicles per hour Meets 35% of the required hourly traffic volume	and	Part 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same (8) hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour, Results: No, average (43) vehicles per hour Meets 22% of the required hourly traffic volume	but	Part 3. If the 85th-percentile approach speed of the major-street traffic exceeds 65 km/h or exceeds 40 mph, the minimum vehicular volume warrants are (70) percent of the above values. Results: No, 85th percentile speed on major-street does not exceed 40 mph
---	------------	---	------------	--

As shown above, the average hourly intersection approach traffic volumes for the highest 8-hour period did not satisfy both Parts 1 and 2 (35% *major street* / 22% *minor street*). Therefore, the minimum traffic volume warrant is not satisfied.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA**Visibility**

Impaired visibility, or restricted sight distance, due to the geometry of the intersection and possible obstructions was carefully considered during our field-review of the surrounding residential property environment. The geometry of the intersection includes an approximate 90° angle, and Wilkes Place has gradual horizontal and vertical curvature going away from the intersection.

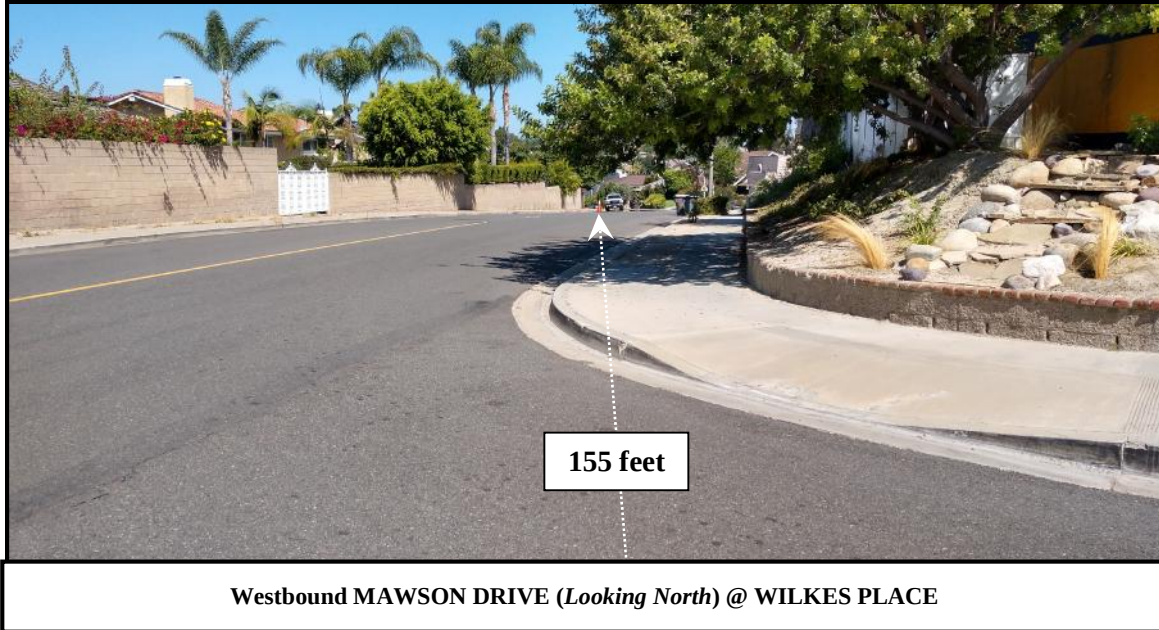
Driver sight distance was measured from the side-street approach to the intersection, as westbound traffic on Mawson Drive is required to stop, before proceeding to make a left or right-turn onto Wilkes Place. The measured distance was derived from the stopping sight distance guidelines found in the California MUTCD (*see Appendix D*). In this reference, a 25 MPH roadway speed recommends a minimum Stopping Sight Distance of 155 feet. This distance was used when looking towards approaching, uncontrolled traffic along Wilkes Place. More specifically, this stopping sight distance was field-measured from a typical ‘stopped’ vehicle location on Mawson Drive at the intersection looking towards the oncoming lanes of cross-traffic on Wilkes Place. An orange cone was placed at this distance and a photograph was taken from a stopped driver’s perspective.

(See sight distance photos in Exhibit 3 on the following page).

As Exhibit 3 shows, when looking from Mawson Drive, a driver does have a clear line of sight to the minimum sight distance at 155 feet when looking both northerly and southerly at on-coming traffic.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

EXHIBIT 3



Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY

The analysis of the four (4) main criteria provided in the California MUTCD regarding **Multi-way Stop** Applications showed that this intersection did not meet the minimum guidelines to justify stopping the major roadway (Wilkes Place). The four main criteria analyzed were: 1) As an interim measure where traffic control signals are justified; 2) Reported collisions – a correctible crash problem; 3) Traffic and pedestrian volumes, speeds, and delay; and 4) Where a combination of the above criteria are satisfied to 80 percent.

In summary, the collision history at the intersection resulted in only one (1) SWITRS-reported ‘possibly correctible’ collision during the last five years of available data, where the minimum guideline calls for at least five (5) correctible collisions in a 12-month period. The average minimum hourly minor street traffic volumes required for a multi-way stop that are to be satisfied for any eight (8) hours in an average day were also not close to being met. Excessive delay to any approach was not observed in terms of vehicles stopping and waiting for a gap on the major roadway due to the overall low traffic volumes. Therefore, since intersection collision history and traffic volumes did not satisfy the minimum guidelines, it can also be derived that a traffic signal is not justified as an interim measure at this intersection (as mentioned in 1) above). The 80% combined criteria were also not met as both the collisions and minimum traffic volumes were not satisfied to this percentage. If the California MUTCD criteria is not met, the location is typically not recommended for installation of a multi-way stop.

However, engineering judgment should always be included in any decision regarding traffic safety improvements. Intersection lighting was also verified and found to be adequate as there was one street light post located on the west side of the intersection. In regards to pedestrian and bicycle activity, field observations confirmed a low activity of both. It was also determined that a driver does have a clear line of sight when looking both northerly and southerly from a stopped position on Mawson Drive.

Multiway Stop Sign Warrants Analysis – Wilkes Place at Mawson Drive, in the City of Laguna Hills, CA

MULTIWAY STOP ANALYSIS SUMMARY (continued)

Therefore, based upon the warrant criteria and engineering judgment, it is determined that stopping traffic on Wilkes Place at Mawson Drive is not required at this time to enhance the traffic safety at this intersection.

RECOMMENDATIONS

In overall consideration of the analysis criteria in this report, a multi-way (3-way) stop sign installation is not recommended at this time for the intersection of Wilkes Place and Mawson Drive.

However, a one-way stop sign installation is recommended for the westbound approach of Mawson Drive in order to improve driver right-of-way assignment at this intersection. This recommendation includes the installation of a STOP sign, a white STOP pavement marking, and a white limit line on Mawson Drive. If approved, the cost for this recommendation is estimated at \$800.00.

APPENDIX A

**MULTIWAY STOP APPLICATIONS
GUIDELINES:**

CALIFORNIA MUTCD

Standard:

03 Except as provided in Paragraphs 4 and 5, the minimum sizes for regulatory signs facing traffic on multi-lane conventional roads shall be as shown in the Multi-lane column of Table 2B-1 and 2B-1(CA).

Option:

04 Where the posted speed limit is 35 mph or less on a multi-lane highway or street, other than for a STOP sign, the minimum size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used.

05 Where a regulatory sign, other than a STOP sign, is placed on the left-hand side of a multi-lane roadway in addition to the installation of the same regulatory sign on the right-hand side or the roadway, the size shown in the Single Lane column in Table 2B-1 and 2B-1(CA) may be used for both the sign on the right-hand side and the sign on the left-hand side of the roadway.

Standard:

06 A minimum size of 36 x 36 inches shall be used for STOP signs that face multi-lane approaches.

07 Where side roads intersect a multi-lane street or highway that has a speed limit of 45 mph or higher, the minimum size of the STOP signs facing the side road approaches, even if the side road only has one approach lane, shall be 36 x 36 inches.

08 Where side roads intersect a multi-lane street or highway that has a speed limit of 40 MPH or lower, the minimum size of the STOP signs facing the side road approaches shall be as shown in the Single Lane or Multi-lane columns of Table 2B-1 and 2B-1(CA) based on the number of approach lanes on the side street approach.

Guidance:

09 The minimum sizes for regulatory signs facing traffic on exit and entrance ramps should be as shown in the column of Table 2B-1 and 2B-1(CA) that corresponds to the mainline roadway classification (Expressway or Freeway). If a minimum size is not provided in the Freeway column, the minimum size in the Expressway column should be used. If a minimum size is not provided in the Freeway or Expressway Column, the size in the Oversized column should be used.

Section 2B.04 Right-of-Way at Intersections**Support:**

01 State or local laws written in accordance with the "Uniform Vehicle Code" (see Section 1A.11) establish the right-of-way rule at intersections having no regulatory traffic control signs such that the driver of a vehicle approaching an intersection must yield the right-of-way to any vehicle or pedestrian already in the intersection. When two vehicles approach an intersection from different streets or highways at approximately the same time, the right-of-way rule requires the driver of the vehicle on the left to yield the right-of-way to the vehicle on the right. The right-of-way can be modified at through streets or highways by placing YIELD (R1-2) signs (see Sections 2B.08 and 2B.09) or STOP (R1-1) signs (see Sections 2B.05 through 2B.07) on one or more approaches.

Guidance:

02 Engineering judgment should be used to establish intersection control. The following factors should be considered:

- A. Vehicular, bicycle, and pedestrian traffic volumes on all approaches;
- B. Number and angle of approaches;
- C. Approach speeds;
- D. Sight distance available on each approach; and
- E. Reported crash experience.

03 YIELD or STOP signs should be used at an intersection if one or more of the following conditions exist:

- A. An intersection of a less important road with a main road where application of the normal right-of-way rule would not be expected to provide reasonable compliance with the law;
- B. A street entering a designated through highway or street; and/or
- C. An unsignalized intersection in a signalized area.

04 In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist:

- A. The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day;
 - B. The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary; and/or
 - C. Crash records indicate that five or more crashes that involve the failure to yield the right-of-way at the intersection under the normal right-of-way rule have been reported within a 3-year period, or that three or more such crashes have been reported within a 2-year period.
- ⁰⁵ YIELD or STOP signs should not be used for speed control.

Support:

- ⁰⁶ Section 2B.07 contains provisions regarding the application of multi-way STOP control at an intersection.

Guidance:

- ⁰⁷ Once the decision has been made to control an intersection, the decision regarding the appropriate roadway to control should be based on engineering judgment. In most cases, the roadway carrying the lowest volume of traffic should be controlled.
- ⁰⁸ A YIELD or STOP sign should not be installed on the higher volume roadway unless justified by an engineering study.

Support:

- ⁰⁹ The following are considerations that might influence the decision regarding the appropriate roadway upon which to install a YIELD or STOP sign where two roadways with relatively equal volumes and/or characteristics intersect:

- A. Controlling the direction that conflicts the most with established pedestrian crossing activity or school walking routes;
- B. Controlling the direction that has obscured vision, dips, or bumps that already require drivers to use lower operating speeds; and
- C. Controlling the direction that has the best sight distance from a controlled position to observe conflicting traffic.

Standard:

- ¹⁰ Because the potential for conflicting commands could create driver confusion, YIELD or STOP signs shall not be used in conjunction with any traffic control signal operation., ~~except in the following cases:~~
- ~~A. If the signal indication for an approach is a flashing red at all times;~~
 - ~~B. If a minor street or driveway is located within or adjacent to the area controlled by the traffic control signal, but does not require separate traffic signal control because an extremely low potential for conflict exists; or~~
 - ~~C. If a channelized turn lane is separated from the adjacent travel lanes by an island and the channelized turn lane is not controlled by a traffic control signal.~~

^{10a} STOP signs shall not be erected at any entrance to an intersection controlled by traffic signals. Refer to CVC 21355(a).

Option:

- ^{10b} YIELD or STOP signs may be used at a channelized turn lane if it is separated from the adjacent travel lanes moving in same direction by an island and the channelized turn lane is not controlled by a traffic control signal.

Standard:

- ¹¹ Except as provided in Section 2B.09, STOP signs and YIELD signs shall not be installed on different approaches to the same unsignalized intersection if those approaches conflict with or oppose each other.
- ¹² Portable or part-time STOP or YIELD signs shall not be used except for emergency and temporary traffic control zone purposes.
- ¹³ A portable or part-time (folding) STOP sign that is manually placed into view and manually removed from view shall not be used during a power outage to control a signalized approach unless the maintaining agency establishes that the signal indication that will first be displayed to that approach upon restoration of power is a flashing red signal indication and that the portable STOP sign will be manually removed from view prior to stop-and-go operation of the traffic control signal.

Option:

¹⁴ A portable or part-time (folding) STOP sign that is electrically or mechanically operated such that it only displays the STOP message during a power outage and ceases to display the STOP message upon restoration of power may be used during a power outage to control a signalized approach.

Support:

¹⁵ Section 9B.03 contains provisions regarding the assignment of priority at a shared-use path/ roadway intersection.

Section 2B.05 STOP Sign (R1-1) and ALL WAY Plaque (R1-3P)

Standard:

⁰¹ When it is determined that a full stop is always required on an approach to an intersection, a STOP (R1-1) sign (see Figure 2B-1) shall be used.

⁰² The STOP sign shall be an octagon with a white legend and border on a red background.

⁰³ Secondary legends shall not be used on STOP sign faces.

⁰⁴ At intersections where all approaches are controlled by STOP signs (see Section 2B.07), an ALL WAY supplemental plaque (R1-3P) shall be mounted below each STOP sign. The ALL WAY plaque (see Figure 2B-1) shall have a white legend and border on a red background.

⁰⁵ The ALL WAY plaque shall only be used if all intersection approaches are controlled by STOP signs.

⁰⁶ Supplemental plaques with legends such as 2-WAY, 3-WAY, 4-WAY, or other numbers of ways shall not be used with STOP signs.

Support:

⁰⁷ The use of the CROSS TRAFFIC DOES NOT STOP (W4-4P) plaque (and other plaques with variations of this word message) is described in Section 2C.59.

Guidance:

⁰⁸ Plaques with the appropriate alternative messages of *TRAFFIC FROM LEFT (RIGHT) DOES NOT STOP (W4-4aP)* or *ONCOMING TRAFFIC DOES NOT STOP (W4-4bP)* should be used at intersections where STOP signs control all but one approach to the intersection, unless the only non-stopped approach is from a one-way street.

Option:

⁰⁹ An EXCEPT RIGHT TURN (R1-10P) plaque (see Figure 2B-1) may be mounted below the STOP sign if an engineering study determines that a special combination of geometry and traffic volumes is present that makes it possible for right-turning traffic on the approach to be permitted to enter the intersection without stopping.

Support:

¹⁰ The design and application of Stop Beacons are described in Section 4L.05.

¹¹ A STOP (R1-1) sign is not a "cure-all" and is not a substitute for other traffic control devices. Often, the need for a STOP (R1-1) sign can be eliminated if the sight distance is increased by removing obstructions.

Through Highways

Option:

¹² STOP (R1-1) signs may be installed either at or near the entrance to a State highway, except at signalized intersections, or at any location so as to control traffic within an intersection. Refer to CVC 21352 and 21355. See Section 1A.11 for information regarding this publication.

Support:

¹³ When STOP (R1-1) signs or traffic control signals have been erected at all entrances, a highway constitutes a through highway. Refer to CVC 600.

¹⁴ Authority to place STOP (R1-1) signs facing State highway traffic is delegated to the Caltrans District Directors.

Option:

¹⁵ Local authorities may designate any highway under their jurisdiction as a through highway and install STOP (R1-1) signs in a like manner. Refer to CVC 21354.

Standard:

¹⁶ No local authority shall erect or maintain any STOP (R1-1) sign or other traffic control device requiring a stop, on any State highway, except by permission of Caltrans. Refer to CVC 21353.

Support:

¹⁷ Caltrans will grant such permission only when an investigation indicates that the STOP (R1-1) sign will benefit traffic.

Section 2B.06 STOP Sign Applications

Guidance:

- ⁰¹ At intersections where a full stop is not necessary at all times, consideration should first be given to using less restrictive measures such as YIELD signs (see Sections 2B.08 and 2B.09).
- ⁰² The use of STOP signs on the minor-street approaches should be considered if engineering judgment indicates that a stop is always required because of one or more of the following conditions:
 - A. The vehicular traffic volumes on the through street or highway exceed 6,000 vehicles per day;
 - B. A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or
 - C. Crash records indicate that three or more crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or that five or more such crashes have been reported within a 2-year period. Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway.

Support:

⁰³ The use of STOP signs at grade crossings is described in Sections 8B.04 and 8B.05.

Section 2B.07 Multi-Way Stop Applications

Support:

⁰¹ Multi-way stop control can be useful as a safety measure at intersections if certain traffic conditions exist. Safety concerns associated with multi-way stops include pedestrians, bicyclists, and all road users expecting other road users to stop. Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal.

⁰² The restrictions on the use of STOP signs described in Section 2B.04 also apply to multi-way stop applications.

Guidance:

- ⁰³ The decision to install multi-way stop control should be based on an engineering study.
- ⁰⁴ The following criteria should be considered in the engineering study for a multi-way STOP sign installation:
 - A. Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.
 - B. Five or more reported crashes in a 12-month period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions.
 - C. Minimum volumes:
 - 1. The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and
 - 2. The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but
 - 3. If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volume warrants are 70 percent of the values provided in Items 1 and 2.
 - D. Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.

Option:

- ⁰⁵ Other criteria that may be considered in an engineering study include:
 - A. The need to control left-turn conflicts;
 - B. The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;
 - C. Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and

APPENDIX B

SWITRS COLLISION HISTORY

CITY OF LAGUNA HILLS
5-YEAR SWITRS COLLISION DATABASE
INTERSECTION OF WILKES PLACE AND MAWSON DRIVE
JAN. 1, 2014 - JUN. 30, 2019

CASE ID	COLL. DATE	COLL. TIME	PRIMARY ROAD	SECONDARY ROAD	DIST.	DIR.	INTERS.	WEATH. 1	COLL. SEVERITY	PRIM. COLL. FACT.	PCF VIOL. CAT.	PCF VIOL.	HIT AND RUN	TYPE OF COLL.	MOTOR VEHICLE INVOLVED WITH	ROAD SURF.
8786801	20190114	920	WILKES PL	MAWSON DR	12	N	N	C	4	A	9	21801	N	D	C	B

NOTES:

Weather 1
A - Clear
B - Cloudy
C - Raining
D - Snowing
E - Fog
F - Other
G - Wind
- - Not Stated

Collision Severity
1 - Fatal
2 - Injury (Severe)
3 - Injury (Other Visible)
4 - Injury (Complaint of Pain)
0 - PDO (Property Damage Only)

Primary Collision Factor
A - (Vehicle) Code Violation
B - Other Improper Driving
C - Other Than Driver
D - Unknown
E - Fell Asleep
- - Not Stated

Motor Vehicle Involved With:

A - Non-Collision
B - Pedestrian
C - Other Motor Vehicle
D - Motor Vehicle on Other Roadway
E - Parked Motor Vehicle
F - Train
G - Bicycle
H - Animal
I - Fixed Object
J - Other Object
- - Not Stated

PCF Violation Category

01 - Driving or Bicycling Under Influer
02 - Impeding Traffic
03 - Unsafe Speed
04 - Following Too Closely
05 - Wrong Side of Road
06 - Improper Passing
07 - Unsafe Lane Change
08 - Improper Turning
09 - Automobile ROW
10 - Pedestrian ROW
11 - Pedestrian Violation
12 - Traffic Signals and Signs
13 - Hazardous Parking
14 - Lights
15 - Brakes
16 - Other Equipment
17 - Other Hazardous Violation
18 - Other Than Driver (or Ped)
19 -
20 -
21 - Unsafe Starting or Backing
22 - Other Improper Driving
23 - Pedestrian or "Other" Under the Influence
24 - Fell Asleep
00 - Unknown
- - Not Stated

Hit and Run

F - Felony
M - Misdemeanor
N - Not Hit & Run

Road Surface

A - Dry
B - Wet
C - Snowy or Icy
D - Slippery
- - Not Stated

Type of Collision

A - Head-On
B - Sideswipe
C - Rear-End
D - Broadside
E - Hit Object
F - Overturned
G - Vehicle/Pedestrian
H - Other
- - Not Stated

APPENDIX C

AVERAGE DAILY TRAFFIC (ADT)

COUNT DATA

Prepared by National Data & Surveying Services

VOLUME

Wilkes Pl & Mawson Dr

Day: Tuesday
Date: 9/10/2019

Highest 8 Hours.

City: Laguna Hills
Project #: CA19_1151_002

DAILY TOTALS					NB	SB	EB				WB	Total
					171	437					0	393
AM Period	NB	SB	EB	WB	TOTAL	PM Period	NB	SB	EB	WB	TOTAL	
00:00	1	2	0	1	4	12:00	6	3	0	1	10	
00:15	0	2	0	1	3	12:15	5	3	0	3	11	
00:30	0	0	0	0	0	12:30	1	3	0	2	6	
00:45	0	1	0	2	0	12:45	2	14	4	10	37	
01:00	0	0	0	0	0	13:00	2	5	0	4	11	
01:15	0	0	0	0	0	13:15	3	5	0	3	11	
01:30	0	0	0	0	0	13:30	2	7	0	5	14	
01:45	0	0	0	0	0	13:45	2	9	4	15	45	
02:00	0	0	0	0	0	14:00	3	1	0	1	5	
02:15	0	0	0	0	0	14:15	3	7	0	6	16	
02:30	0	0	0	0	0	14:30	7	58	0	59	124	
02:45	0	0	0	0	0	14:45	5	18	18	84	189	
03:00	0	0	0	0	0	15:00	1	3	0	4	8	
03:15	0	0	0	0	0	15:15	3	5	0	2	10	
03:30	0	0	0	0	0	15:30	4	8	0	12	24	
03:45	0	0	0	0	0	15:45	2	10	1	21	48	
04:00	0	0	0	0	0	16:00	2	3	0	2	7	
04:15	0	1	0	1	2	16:15	4	7	0	3	14	
04:30	0	1	0	1	2	16:30	2	2	0	3	7	
04:45	1	1	3	0	2	16:45	1	9	0	1	30	
05:00	0	2	0	2	4	17:00	2	4	0	4	10	
05:15	1	3	0	2	6	17:15	2	6	0	6	14	
05:30	1	1	0	1	3	17:30	2	3	0	1	6	
05:45	1	3	2	6	4	17:45	3	9	4	16	42	
06:00	0	2	0	2	4	18:00	3	10	0	5	18	
06:15	2	3	0	1	6	18:15	1	2	0	1	4	
06:30	2	2	0	0	4	18:30	1	2	0	2	5	
06:45	3	7	10	4	10	18:45	1	6	3	11	34	
07:00	3	6	0	3	12	19:00	1	2	0	2	5	
07:15	3	6	0	5	14	19:15	0	3	0	4	7	
07:30	4	8	0	9	21	19:30	1	4	0	3	8	
07:45	7	17	36	11	34	19:45	0	2	0	9	20	
08:00	8	34	0	41	83	20:00	1	2	0	3	6	
08:15	1	55	0	59	115	20:15	1	1	0	0	2	
08:30	9	10	0	10	29	20:30	0	0	0	0	0	
08:45	1	19	103	6	11	20:45	0	2	2	5	12	
09:00	5	7	0	5	17	21:00	1	1	0	0	2	
09:15	5	8	0	3	16	21:15	0	0	0	0	0	
09:30	2	5	0	2	9	21:30	0	1	0	1	2	
09:45	2	14	31	9	22	21:45	0	1	0	1	4	
10:00	1	2	0	1	4	22:00	0	0	0	0	0	
10:15	1	3	0	1	5	22:15	2	3	0	1	6	
10:30	5	7	0	2	14	22:30	1	3	0	1	5	
10:45	5	12	18	5	16	22:45	0	3	1	3	13	
11:00	1	3	0	3	7	23:00	1	1	0	1	3	
11:15	3	6	0	6	15	23:15	0	1	0	1	2	
11:30	4	5	0	5	14	23:30	0	0	0	0	0	
11:45	5	13	4	1	10	23:45	0	1	0	2	5	
TOTALS	87	231		204	522	TOTALS	84	206		189	479	
SPLIT %	16.7%	44.3%		39.1%	52.1%	SPLIT %	17.5%	43.0%		39.5%	47.9	

DAILY TOTALS					NB	SB	EB	WB	Total
					171	437	0	393	1,001
AM Peak Hour	07:45	07:45	07:45	07:45	PM Peak Hour	14:00	14:15	14:15	14:15
AM Pk Volume	25	115	121	261	PM Pk Volume	18	86	90	192
Pk Hr Factor	0.694	0.523	0.513	0.567	Pk Hr Factor	0.643	0.371	0.381	0.38
7 - 9 Volume	36	139	0	144	4 - 6 Volume	18	29	0	72
7 - 9 Peak Hour	07:45	07:45	07:45	07:45	4 - 6 Peak Hour	16:00	17:00	17:00	17:00
7 - 9 Pk Volume	25	115	0	121	4 - 6 Pk Volume	9	17	0	42
Pk Hr Factor	0.694	0.523	0.000	0.513	Pk Hr Factor	0.563	0.708	0.000	0.75

Attachment: Stop Sign Warrant Analysis -Mawson-Wilkes (2022 : Side Street Stop Sign Installations on Mawson Dr at Wilkes Pl and on

APPENDIX D

STOPPING SIGHT DISTANCE AS A FUNCTION OF SPEED

CALIFORNIA MUTCD

Table 6C-1. Recommended Advance Warning Sign ~~Minimum~~ Spacing

Road Type	Distance Between Signs**		
	A	B	C
Urban (low speed) - 25 mph or less***	100 feet	100 feet	100 feet
Urban - more than 25 mph to 40 mph***	250 feet	250 feet	250 feet
Urban (high speed) - more than 40 mph***	350 feet	350 feet	350 feet
Rural	500 feet	500 feet	500 feet
Expressway / Freeway	1,000 feet	1,500 feet	2,640 feet

* ~~Speed category to be determined by the highway agency.~~

** The column headings A, B, and C are the dimensions shown in Figures 6H-1 through 6H-46. The A dimension is the distance from the transition or point of restriction to the first sign. The B dimension is the distance between the first and second signs. The C dimension is the distance between the second and third signs. (The "first sign" is the sign in a three-sign series that is closest to the TTC zone. The "third sign" is the sign that is furthest upstream from the TTC zone.)

*** Posted speed limit, off-peak 85th-percentile speed prior to work starting, or other anticipated operating speed in mph.

Table 6C-2. Stopping Sight Distance as a Function of Speed on Level Roads.
(Used as suggested longitudinal buffer space length or location for flagger station)

Speed*	Distance
20 mph	115 feet
25 mph	155 feet
30 mph	200 feet
35 mph	250 feet
40 mph	305 feet
45 mph	360 feet
50 mph	425 feet
55 mph	495 feet
60 mph	570 feet
65 mph	645 feet
70 mph	730 feet
75 mph	820 feet

* Posted speed, off-peak 85th-percentile speed prior to work starting, or the anticipated operating speed in mph.

Table 6C-3. Taper Length Criteria for Temporary Traffic Control Zones

Type of Taper	Taper Length
Merging Taper	at least L
Shifting Taper	at least 0.5 L
Shoulder Taper	at least 0.33 L
One-Lane, Two-Way Traffic Taper	50 feet minimum, 100 feet maximum
Downstream Taper	50 feet minimum, 100 feet maximum

Note: Use Table 6C-4 to calculate L



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Chair and Agency Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for November 26, 2019, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the November 26, 2019, Regular Meeting.

ATTACHMENTS:

- 191126 PA Minutes

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

4. PLANNING AGENCY

Mayor Sedgwick 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 7:16 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Planning Agency Public Comments.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for November 12, 2019, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the November 12, 2019, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Vice Chair
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Don Sedgwick, Chair; Janine Heft, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Erica Pezold, 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 Sedgwick reconvened the City Council Meeting at 7:17p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 Second Reading & Adoption of Proposed Ordinances Amending Title 10 (Buildings and Construction) and Chapter 5-16 (Fire Code) of the Laguna Hills Municipal Code and Adopting by Reference the 2019 Edition of the California Building Standards Code (California Code of Regulations, Title 24) Consisting of the California Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and Referenced Standards Code, Together with Certain Amendments, Additions, and Deletions Thereto

Community Development Director Chantarangsu reviewed the information provided in the staff report, provided a PowerPoint presentation and responded to Council requests for additional information.

Antonio Aleman, Assistant Fire Marshal for OCFA, responded to Council requests for additional information.

Mayor Sedgwick opened the Public Hearing, and upon seeing no one rise, closed the Public Hearing.

Recommendation: That the City Council:

(1) Conduct a Public Hearing; and

(2) Adopt Ordinance No. 2019-4: "An Ordinance of the City of Laguna Hills, California, amending Title 10 (Buildings And Construction) of the Laguna Hills Municipal Code and adopting by reference the 2019 Edition of the California Building Standards Code (California Code of Regulations, Title 24), consisting of the 2019 California Building Code, the 2019 California Residential Code, the 2019 California Electrical Code, the 2019 California Mechanical Code, the 2019 California Plumbing Code, the 2019 California Energy Code, the 2019 California



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019

TO: Mayor and Council Members

FROM: Gregory E. Simonian
City Attorney

ISSUE: Proposed Resolution Ratifying Changes to the Compensation of the City Manager, an Unrepresented Employee, in Accordance with Government Code Section 36506

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, ratifying changes to the compensation of the City Manager, an unrepresented employee, in accordance with Government Code Section 36506."

SUMMARY:

Following completion of the annual performance evaluation of the City Manager during closed session on November 26, 2019, the City Council reconvened in open session and unanimously voted to approve certain changes to the salary and compensation of the City Manager. The attached resolution ratifies the minute action taken by the City Council during the November 26, 2018, meeting. The City Attorney will provide a brief oral report regarding the proposed resolution, in accordance with state law.

BACKGROUND:

Pursuant to Government Code Section 54957(b)(1), the City Council convened in closed session on November 12, 2019, and November 26, 2019, for the purpose of conducting the annual performance evaluation of the City Manager in accordance with Section 4 of the City Manager Employment Agreement, dated February 3, 2018, ("Employment Agreement"). Section 5(B) of the Employment Agreement provides that increases in the City Manager's compensation may be effective at any time in the sole discretion of the

Proposed Resolution for City Manager Compensation

December 10, 2019

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City Council. Section 5(B) of the Employment Agreement further provides that changes in compensation approved by the City Council do not require amendment to the contract to be effective, and any changes in the City Manager's compensation may be made by minute action approved by the City Council and ratified by resolution.

DISCUSSION:

Following completion of the City Manager's annual performance evaluation during closed session at the regularly scheduled City Council meeting held on November 26, 2019, the City Council reconvened in open session and by minute action unanimously voted to approve certain changes to the City Manager's compensation, as follows: (1) in addition to the Employee Benefits and Leaves of Absence authorized pursuant to Section 6 of the Employment Agreement, the City Manager is awarded, on a one-time basis only for Fiscal Year 2019/20, thirteen days of paid executive leave, effective December 1, 2019; and, (2) effective January 1, 2020, the City Manager's annual base salary is increased by 4.5% from \$258,000 to \$269,610; and, (3) directed the City Attorney to return with a ratifying resolution for approval by the City Council at its next regularly scheduled meeting to be held on December 10, 2019.

Pursuant to the terms of the Employment Agreement, and pursuant to Government Code Section 36506, the proposed Resolution (**Attachment "A"**) ratifies the action taken by the City Council on November 26, 2019, to change the compensation of the City Manager. The changes to compensation established pursuant to the proposed Resolution will take effect immediately and will be implemented upon adoption of the Resolution.

ATTACHMENTS:

- Proposed Resolution

RESOLUTION NO. 2019-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, RATIFYING CHANGES TO THE COMPENSATION OF THE CITY MANAGER, AN UNREPRESENTED EMPLOYEE, IN ACCORDANCE WITH GOVERNMENT CODE SECTION 36506

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, pursuant to Government Code Section 54957(b)(1), the City Council convened in closed session on November 12, 2019 and November 26, 2019 for the purpose of conducting the annual performance evaluation of the City Manager, an unrepresented employee, in accordance with Section 4 of the City Manager Employment Agreement, dated February 3, 2018, ("Employment Agreement"); and

WHEREAS, Section 5(B) of the Employment Agreement provides that increases in the City Manager's compensation may be effective at any time in the sole discretion of the City Council; and

WHEREAS, Section 5(B) of the Employment Agreement further provides that changes in compensation approved by the City Council do not require amendment to the contract to be effective, and any changes in the City Manager's compensation may be made by minute action approved by the City Council and ratified by resolution; and

WHEREAS, following completion of the City Manager's annual performance evaluation during closed session at the regularly scheduled City Council meeting held on November 26, 2019, the City Council reconvened in open session and by minute action unanimously voted to approve certain changes to the City Manager's compensation regarding paid executive leave and salary, and the City Council directed the City Attorney to return with a resolution ratifying the changes for approval by the City Council at its next regularly scheduled meeting to be held on December 10, 2019; and

WHEREAS, pursuant to the terms of the Employment Agreement, and pursuant to Government Code Section 36506, the City Council hereby ratifies the action taken on November 26, 2019 to change the compensation of the City Manager.

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

SECTION 1. Adoption of Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. Approval of Changes to City Manager Compensation.

Attachment: Proposed Resolution (2028 : Proposed Resolution for City Manager Compensation)

- A. Paid Executive Leave. In addition to the Employee Benefits and Leaves of Absence authorized pursuant to Section 6 of the Employment Agreement, the City Manager is hereby awarded, on a one-time basis only for Fiscal Year 2019/20, thirteen (13) days of paid executive leave, effective December 1, 2019.
- B. Annual Base Salary. Effective January 1, 2020, the City Manager's annual base salary is hereby increased by 4.5% from \$258,000 to \$269,610.

SECTION 3. Effective Date. The changes to compensation authorized pursuant to this Resolution shall take effect immediately and shall be implemented upon adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 10th day of December 2019.

ATTEST:

_____, MAYOR

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. 2019-12-10-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 10th day of December, 2019, by the following
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Proposed Resolution (2028 : Proposed Resolution for City Manager Compensation)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: December 10, 2019
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Authorization of a 2019 Year-End Employee Retention Bonus for Full-Time City Employees

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing a one-time, 2019 Year-End City Employee Retention Bonus for all Full-time Employees, excluding the City Manager."

SUMMARY:

Over the last decade, tightened budgets, largely due to regional and local economic conditions, have necessitated the need to "do more with less." This is especially the case as the total number of employees has decreased during that time. As such, the City wishes to recognize and commend the dedication, commitment, and professionalism of its employees as well as their contributions to the City. It is recommended the City Council approve a one-time, 2019 year-end City employee retention bonus for all full-time employees, excluding the City Manager.

BACKGROUND:

With the start of the Great Recession in 2007, and further exacerbated over the years by the impact to City revenues resulting from the decline of the Laguna Hills Mall, economic conditions necessitated a series of cost-savings measures and tightened budgets as the City underwent an overall decline in its operating revenues. Budget corrections enacted by the City during that time, along with a concerted effort to reduce or limit the growth of expenditures over the last eleven years, has resulted in the City's

Authorization of a 2019 Year-End Employee Retention Bonus

December 10, 2019

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current strong fiscal condition. As part of this process the City undertook four significant money-saving reorganizations and restructurings involving numerous City personnel and departments, largely resulting in the decrease of total full-time and extended part-time City personnel.

In 2008, the City had a total of 29 full-time employees and five extended part-time employees. Currently, the City has a total of 24 full-time employees and two extended part-time employees. Over the years, austere budgets became the norm, not only due to the structural economic correction that affected all levels of government, but also due to the impact in revenues experienced by the City arising from the closure of the Laguna Hills Mall. This was readily evident within the City as General Fund revenues decreased from a high of \$20,260,741 in Fiscal Year 2006/2007 to \$17,318,731 in Fiscal Year 2011/2012. Financial results from Fiscal Year 2018/2019 indicate that the City has recovered from the Great Recession as General Fund revenues for this past fiscal year were budgeted at \$21,427,984. At fiscal year end, however, General Fund revenues were actually \$22,047,533, which was approximately \$620,000 above the amended budget for the year. Additionally, after a concerted effort to lower operating expenditures, total operating expenditures were below budget by approximately \$387,000. This variance is due to a number of reasons including savings in the County Law Enforcement Contract, savings in capital projects, and savings in personnel costs. Consequently, the City's operating surplus improved from a budgeted \$700,000 to \$7,735,000, resulting in the largest operating surplus since the Great Recession began in 2007.

In light of the healthy financial condition of the City and in order to recognize and commend continued dedication and contributions of all City employees, it is recommended that the City Council authorize a one-time, year-end City employee retention bonus for all full-time employees, excluding the City Manager. This is a one-time retention bonus for full-time employees of up to \$1,000, per the discretion of the City Manager. It should be noted that the City Manager is excluded in the proposed Resolution from receiving a retention bonus.

Authorization of a 2019 Year-End Employee Retention Bonus
December 10, 2019
Page 3

FISCAL IMPACT:

Excluding the City Manager, the City currently has 23 full-time employees that would qualify for the award. As such, the total award amount for all employees would not exceed \$23,000. This amount can be absorbed within the current budget due to various personnel savings.

ATTACHMENTS:

- Proposed Resolution

RESOLUTION NO. 2019-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AUTHORIZING A ONE-TIME, 2019 YEAR-END CITY EMPLOYEE RETENTION BONUS FOR ALL FULL-TIME EMPLOYEES, EXCLUDING THE CITY MANAGER

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the economic conditions and tightened budgets over the past decade has necessitated the need for all City employees to “do more with less”, especially as the number of City personnel has decreased during that time, which is expected to continue for the foreseeable future; and

WHEREAS, the City has and continues to implement various cost saving measures and money-saving reorganizations and restructurings involving City personnel and departments over the past decade; and

WHEREAS, the City Council wishes to recognize and commend the dedication, commitment, and professionalism of its full-time employees and their many contributions to the City of Laguna Hills; and

WHEREAS, the City Council has determined that sufficient funding is available in the current fiscal year budget to allow for the provision of a one-time, year-end City employee retention bonus for all full-time employees, without negatively affecting the total budget in the current fiscal year or in future fiscal years.

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

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council hereby authorizes and directs that the City Manager approve and implement a 2019 year-end City employee retention bonus of up to \$1,000 per full-time employee.

SECTION 3. The award of the City employee retention bonuses authorized herein shall only be available to full-time employees employed with the City in that capacity as of November 1, 2019 and shall exclude the City Manager.

SECTION 4. The compensation authorized herein shall take effect immediately and shall be implemented upon adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 10th day of December 2019.

DON SEDGWICK, 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. 2019-12-10-X adopted in open session by the City Council of the City of Laguna
Hills, California, at a Regular Meeting thereof held on the 10th day of December 2019,
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Proposed Resolution (2029 : Authorization of a 2019 Year-End Employee Retention Bonus)