



CITY OF LAGUNA HILLS

CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA

Tuesday, November 14, 2017 – 7:00 PM

Don Sedgwick, Mayor

Melody Carruth, Mayor Pro Tempore

Janine Heft, Council Member

Dore J. Gilbert, M.D., Council Member

Barbara D. Kogerman, 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 HEFT

ROLL CALL OF CITY COUNCIL MEMBERS

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

Recommendation: That the City Council receive an update from Laguna Hills High School Student Liaison Maya Williams.

1.2 Certificate of Commendation - Lynette Brinkis

Recommendation: That Mayor Sedgwick present a Certificate of Commendation to Laguna Hills resident Lynette Brinkis.

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 August 22, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the August 22, 2017, Regular Meeting.

3.3 Approval of Minutes for October 10, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the October 10, 2017, Regular Meeting.

3.4 Approval of Warrant Register for Period Ended November 14, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$2,056,250.68.

3.5 Proposed Office Lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California

Recommendation: That the City Council approve the lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.6 Civic Center First Quarter Financial Report for Fiscal Year 2017/2018

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

3.7 Second Reading and Adoption of an Ordinance Adding Chapter 10-72 to Title 10 of the Laguna Hills Municipal Code to Provide an Expedited, Streamlined Permitting Process for Electric Vehicle Charging Stations

Recommendation: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adding Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to provide an expedited, streamlined permitting process for Electric Vehicle Charging Stations in accordance with AB 1236 and Section 65850.7 of the California Government Code, including an exemption from the California Environmental Quality Act (CEQA) Guidelines Sections 15060(C)(2) and (C)(3)."

3.8 Second Reading and Adoption of an Ordinance Approving Specific Plan Amendment No. 11-16-3681 Amending Sections of the Urban Village Specific Plan Pertaining to the Right-Of-Way, Parkway, and Sidewalk Standards for Avenida de la Carlota Between El Toro Road and Los Alisos Boulevard

Recommendation: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard."

3.9 Community Assistance Funding for the Laguna Hills Chamber of Commerce

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing Community Assistance Funding for the Laguna Hills Chamber of Commerce, a California 501 (C)(3) Nonprofit Public Benefit Corporation."

3.10 Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

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 Parking Citation Processing Agency Services Agreement with Data Ticket, Inc., as it is hereby found and determined, pursuant to LHMC Sections 3-08.110(G), (I) and (J), that the decision to use and rely on the 2015 County of Orange competitive selection process for parking citation processing services is appropriate based on the analysis and facts provided herein by City staff; and

(2) Approve a proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc. for parking citation processing services for an initial five-year term, commencing on November 14, 2017, and ending on November 14, 2022. The City will have the unilateral option, at its sole discretion, to automatically renew the proposed Agreement for no more than one additional three-year term; and

(3) Authorize the City Manager to execute the proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

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 August 22, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the August 22, 2017, Regular Meeting.

4.3.2 Approval of Minutes for October 10, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the October 10, 2017, 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 Manager****7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS****8. CITY COUNCIL MEMBER COMMENTS****9. CLOSED SESSION****ANNOUNCEMENT OF CLOSED SESSION ITEM(S)**

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

9.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**Pursuant to Government Code Section 54957(b)(1)****Public Employee Title: City Manager - Annual Performance Evaluation****PUBLIC COMMENT ON CLOSED SESSION ITEM(S)****ADJOURN TO CITY COUNCIL CONFERENCE ROOM**

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

RECONVENE TO CITY COUNCIL CHAMBER**CLOSED SESSION REPORT**

City Attorney to announce whether any reportable action was taken on any matters considered during Closed Session.

ADJOURNMENT

The next Regular Meeting of the City Council/Planning Agency will be November 28, 2017, 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 on November 9, 2017, by 5:00 pm.



City Clerk

November 9, 2017

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: November 14, 2017
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Certificate of Commendation - Lynette Brinkis

RECOMMENDATION: That Mayor Sedgwick present a Certificate of Commendation to Laguna Hills resident Lynette Brinkis.

SUMMARY:

On Sunday, October 1, 2017, Laguna Hills resident Lynette Brinkis and her husband were enjoying Jason Aldean's performance at the Route 91 Harvest Festival when a gunman opened fire on the crowd. While running to find refuge they encountered many injured including a gunshot victim which they carried to a safer location while the shooting continued. Ms. Brinkis, a retired nurse, and her husband administered CPR to two victims, retrieved medical supplies from an ambulance, bandaged wounds, and organized the triage victims working tirelessly for three hours.

The City of Laguna Hills would like to present a Certificate of Commendation to Lynette Brinkis in recognition of her highly courageous actions and personal risk wherein she attended to many victims injured during the attack in Las Vegas.

ATTACHMENTS:

- Cert of Commendation Brinkis



CITY OF LAGUNA HILLS

CERTIFICATE OF COMMENDATION

LYNETTE BRINKIS

WHEREAS, on Sunday, October 1, 2017, Lynette Brinkis, a retired nurse from the City of Laguna Hills, displayed quick action and bravery when she selflessly stepped up to help the injured during the Las Vegas mass shooting attack; and

WHEREAS, Ms. Brinkis immediately began assessing injuries, administered CPR, bandaged injuries, and worked tirelessly for three hours to help as many victims as possible; and

WHEREAS, her actions during a time of extreme danger were exemplary and her efforts helped so many during this time of tragedy.

NOW, THEREFORE, I, Don Sedgwick, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize, commend, and thank Lynette Brinkis for her extraordinary actions and urge all Laguna Hills citizens to join the City in this expression of our appreciation for her act of heroism and selflessness under emergency conditions.

Dated this 14th day of November 2017.

DON SEDGWICK, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for August 22, 2017, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the August 22, 2017, Regular Meeting.

ATTACHMENTS:

- 170822 CC Minutes

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

**REGULAR MEETING
MINUTES
Tuesday, August 22, 2017**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Don Sedgwick.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Mayor	Present	
Melody Carruth	Mayor Pro Tempore	Present	
Dore J. Gilbert, M.D.	Council Member	Present	
Janine Heft	Council Member	Present	
Barbara D. Kogerman	Council Member	Present	

CLOSED SESSION REPORT

There was no Closed Session report.

1. PRESENTATIONS AND PROCLAMATIONS

There were no Presentations and Proclamations.

2. PUBLIC COMMENTS

There were no Public Comments.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar, with Council Member Kogerman removing Item No. 3.3:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, 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 July 11, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the July 11, 2017, Regular Meeting.

3.4 2017 Memorial Day Race Post Event Report and a Resolution Authorizing Community Assistance Funding for the 3/5 Marine Support Committee

Recommendation: That the City Council: (1) Receive and file the report; and (2) Adopt Resolution No. 2017-08-22-1, A Resolution of the City Council of the City of Laguna Hills, California, authorizing Community Assistance Funding for the 3rd Battalion, 5th Marines, 1st Division Support Committee, a California non-profit corporation.

3.5 Progress Payment No. 4 for Cabot Road Bioswale Project, CIP No. 410-A

Recommendation: That the City Council approve Progress Payment No. 4, in the net amount of \$114,153.49, to Wright Construction Engineering Corporation for the Cabot Road Bioswale Project, CIP No. 410-A.

3.6 21st Annual Inner-Coastal & Watershed Cleanup Day

Recommendation: That the City Council declare September 16, 2017, as Inner-Coastal Watershed Cleanup Day and encourage volunteer participation in this event.

3.7 Second Reading and Adoption of Ordinance Amending Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, Updating Chapter 9-04 (Definitions) and Chapter 9-44 (Access and Parking) to Ensure Consistency with Chapter 4-28 (Massage Establishments) and Adding Parking Requirements for Massage Establishments, and an Amendment to Title 4 (Business Regulations), Modifying Chapter 4-28 (Massage Establishments) to Clarify the Process of Massage Establishment Operator's Permit Issuance

Recommendation: That the City Council adopt Ordinance No. 2017-5, An Ordinance of the City of Laguna Hills, California, Adopting Zoning Text Amendment No. 1-17-3758, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, updating Chapter 9-04 (Definitions) and Chapter 9-44 (Access and Parking) to ensure consistency with Chapter 4-28 (Massage Establishments) and adding Parking Requirements for Massage Establishments, and an Amendment to Title 4 (Business Regulations), modifying Chapter 4-28 (Massage Establishments) to clarify the process of Massage Establishment Operator's Permit Issuance.

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.3 Approval of Warrant Register for Period Ended August 22, 2017

Council Member Kogerman removed Item No. 3.3 from the Consent Calendar to request additional information regarding payment to the County of Orange for Animal Care, Uncollected Fees.

Assistant City Manager White responded.

Recommendation: That the City Council approve the Warrant Register in the amount of \$3,180,631.25.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Barbara D. Kogerman, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:05 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JULY 11, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for July 11, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the July 11, 2017, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Agency Member
SECONDER:	Janine Heft, Agency Member
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member; Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no 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 7:06 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS**6.1 City Manager**

The City Manager gave no Administrative Reports.

6.2 Assistant City Manager**6.2.1 Memorandum of Understanding for Evaluation of Orange County Sheriff's Department Contract Law Enforcement Services**

Assistant City Manager White reviewed in detail the information provided in the Staff Report.

Council Members and staff engaged in a detailed discussion regarding this item.

Recommendation: That the City Council approve the Memorandum of Understanding between the City of Mission Viejo and the Orange County Sheriff's Department Contract Cities for the Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study and authorize the City Manager to execute the Agreement.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member

6.3 Deputy City Manager/Community Services

6.3.1 Request for Proposals for Recreation Facility Needs Assessment Project

Deputy City Manager Reynolds briefly reviewed the information provided in the Staff Report and responded to Council requests for additional information.

Council Members and staff engaged in a discussion regarding this item.

Recommendation: That the City Council approve the attached Recreation Facility Needs Assessment Request for Proposals (RFP) document and authorize City staff to initiate a procurement process for a qualified consulting firm to conduct a City-Wide Recreation Facility Needs Assessment Project, and to include the participation of a Council Member and Parks and Recreation Commissioner in the process.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Council Member
SECONDER:	Melody Carruth, Mayor Pro Tempore
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, 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 Kogerman

Council Member Kogerman commented on the lack of visual displays on the City Council dais during this meeting. City Manager Channing indicated the City Council audio/video system is currently being upgraded.

Mayor Pro Tempore Carruth

Mayor Pro Tempore Carruth commented that she and Council Member Heft attended the South Orange County Mobility Forum. Representatives from Caltrans, TCA, and OCTA provided an overview of the mobility-related projects occurring throughout the County.

Mayor Sedgwick

Mayor Sedgwick indicated he would be interested in receiving a short summary of future projects that may impact the City. Director of Public Services Rosenfield provided a brief summary of future projects, including an update on the I-5 Widening Project and indicated staff would bring forward information as appropriate.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 7:51 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Don Sedgwick, Mayor

Approved at meeting of November 14, 2017.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for October 10, 2017, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the October 10, 2017, Regular Meeting.

ATTACHMENTS:

- 171010 CC Minutes

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

**REGULAR MEETING
MINUTES
Tuesday, October 10, 2017**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Don Sedgwick.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER GILBERT

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Mayor	Present	
Melody Carruth	Mayor Pro Tempore	Present	
Dore J. Gilbert, M.D.	Council Member	Present	
Janine Heft	Council Member	Present	
Barbara D. Kogerman	Council Member	Absent	

CLOSED SESSION REPORT

There was no Closed Session.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

Recommendation: The City Council received an oral report from Laguna Hills High School Student Liaison Maya Williams.

1.2 Certificate of Recognition - Ashley Furniture

Recommendation: Mayor Sedgwick presented a Certificate of Recognition to Ashley Furniture Store Regional Manager Mitch Odell and General Manager Gus Shuber.

1.3 Proclamation - Fire Prevention Week, October 8, 2017, through October 14, 2017

Recommendation: Mayor Sedgwick presented a Proclamation to Battalion Chief Mike Contreras of the Orange County Fire Authority (OCFA) proclaiming October 8, 2017, through October 14, 2017, as Fire Prevention Week.

2. PUBLIC COMMENTS

NEIGHBORHOOD CONCERNS

Janis Weitz, a resident of Laguna Hills, addressed the City Council with concerns regarding on-going problems in the Via Lomas community.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, 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 September 12, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the September 12, 2017, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended October 10, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$1,642,532.58.

3.4 Excused Absence Request from Council Member Barbara Kogerman for October 10, 2017, City Council Meeting

Recommendation: That the City Council approve an Excused Absence Request from Council Member Barbara Kogerman for the October 10, 2017, City Council meeting.

3.5 Progress Payment No. 5, Final, for Cabot Road Bioswale Project, CIP No. 410-A

Recommendation: That the City Council approve Contract Change Order No. 2 and Progress Payment No. 5, Final, in the Net Amount of \$15,315.04, to Wright Construction Engineering Corporation for the Cabot Road Bioswale Project, CIP No. 410-A, and authorize the filing of the Notice of Completion and subsequent Release of Retention, in 35 days, if no liens are filed.

3.6 Approval of Traffic Signal Synchronization Project Grant Application to the Orange County Transportation Authority for the Los Alisos Boulevard-Paseo de Valencia-Laguna Hills Drive Route, CIP No. 168-I, in Coordination with Adjacent Agencies

Recommendation: That the City Council adopt Resolution No. 2017-10-10-1, A Resolution of the City Council of the City of Laguna Hills, California, approving the submittal of Traffic Signal Synchronization Program Projects to the Orange County Transportation Authority for funding under the Competitive Measure M2 Regional Transportation Signal Synchronization Program.

3.7 Capital Improvement Project Designation for the Road Repair and Accountability Act of 2017 (SB1)

Recommendation: That the City Council adopt Resolution No. 2017-10-10-2, A Resolution of the City Council of the City of Laguna Hills, California, amending the Fiscal Year 2017/2018 Capital Improvement Program Budget concerning the list of projects funded by SB1, the Road Repair and Accountability Act of 2017.

3.8 Fiscal Year 2016/2017 Budget Amendment - Interfund Transfers

Recommendation: That the City Council adopt Resolution No. 2017-10-10-3, A Resolution of the City Council of the City of Laguna Hills, California, confirming and approving Interfund Transfers for the Fiscal Year Ending June 30, 2017, and amending the Fiscal Year 2016/2017 Budget to reflect the various Interfund Transfers.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:22 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR SEPTEMBER 12, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for September 12, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the September 12, 2017, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSENT:	Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no 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 7:23 p.m. All Council Members were present with the exception of Council Member Kogerman.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 General Plan Amendment/Specific Plan Amendment 11-16-3681, an Amendment to the General Plan Mobility Element and Urban Village Specific Plan Related to the Avenida de la Carlota Right-Of-Way Between El Toro Road and Los Alisos Boulevard

Senior Planner Wu reviewed the information provided in the Staff Report and provided a PowerPoint Presentation. Senior Planner Wu and Community Development Director Chantarangsu 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; (2) Find and determine that the Project is Statutorily Exempt from CEQA under Public Resources Code Section 21080.37 (Alteration of Existing Roadway) and Categorically Exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA Guidelines; (3) Adopt Resolution No. 2017-10-10-4, A Resolution of the City Council of the City of Laguna Hills, California, approving General Plan Amendment No. 11-16-3681, an amendment to the General Plan Mobility Element amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard; and (4) Introduce for First Reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard."

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, Council Member

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

6.2 Community Development Director

6.2.1 Adoption of an Ordinance to Streamline Permits for Electric Vehicle Charging Stations

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

Recommendation: That the City Council introduce for First Reading, read by title only, and waive further reading, an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adding Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to provide an expedited, streamlined permitting process for Electric Vehicle Charging Stations in accordance with AB 1236 and Section 65850.7 of the California Government Code, including an exemption from the California Environmental Quality Act (CEQA) per CEQA Guidelines Sections 15060(C)(2) and (C)(3)."

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Janine Heft, Council Member
SECONDER:	Melody Carruth, Mayor Pro Tempore
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, Council Member

6.3 Deputy City Manager/Community Services**6.3.1 Laguna Hills Technology Library Branch One Day Reduction Per Week in Service**

Deputy City Manager Reynolds reviewed the information provided in the Staff Report and responded to Council requests for additional information.

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

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Melody Carruth, Mayor Pro Tempore
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, 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 Heft**

Council Member Heft reported that she met with Orange County Fire Authority Division Chief Jeff Adams on Thursday, October 5, 2017, and stated that she will be joining the Orange County Drowning Prevention Task Force.

Mayor Sedgwick

Mayor Sedgwick reported that during the ACC-OC Advocacy Trip to Washington D.C. they met with the Department of Housing and Urban Development (HUD) to discuss issues regarding "Sober Living Homes." Mayor Sedgwick also reported that during the LOCC Annual Conference in Sacramento they met with Senator Patricia Bates to discuss new legislation regarding telecommunications facilities - Senate Bill 649.

Mayor Pro Tempore Carruth

Mayor Pro Tempore Carruth stated that the events which have occurred over the past week have caused her to reflect on how grateful she is for law enforcement, fire authority members, and first responders.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 8:10 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Don Sedgwick, Mayor

Approved at meeting of November 14, 2017.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017
TO: Mayor and Council Members
FROM: Donald J. White
Assistant City Manager
ISSUE: Approval of Warrant Register for Period Ended November 14, 2017

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$2,056,250.68.

ATTACHMENTS:

- Warrant Register 111417



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: NOVEMBER 14, 2017
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED
NOVEMBER 14, 2017.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$2,056,250.68.

SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager certifies and attests to its accuracy and the availability of funds for the payment thereof. These warrants are hereby submitted to the City Council for approval of payment.

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:



DONALD J. WHITE
Assistant City Manager

November 14, 2017
DATE

FISCAL IMPACT:

The warrant register total is \$2,056,250.68.

ATTACHMENTS:

1. Warrant Register

Check Register Report

Warrant Register 11/14/17

Date: **3.4.a**
 Time: 10:49 am
 Page:

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amc
UNION BANK- GENERAL Checks							
8813522	10/05/2017	Printed		Z-CS-0064	ASLANIAN, PAUL	Refund, Fac Dep, V#2004219.002	500
8813523	10/05/2017	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, Sep	12,175
8813524	10/05/2017	Printed		C-1146	CYBERSOURCE CORPORATION	Gateway Expense, Sep '17	29
8813525	10/05/2017	Printed		Z-CS-0065	DAILEY, FELESIA	Refund, Fac Dep, V#2004215.002	250
8813526	10/05/2017	Printed		Z-CS-0066	GALVAN, MARIA	Refund, Fac Dep, V#2004217.002	370
8813527	10/05/2017	Printed		H-0956	HASTON, JAMES	Travel Advance, ICMA, Oct '17	375
8813528	10/05/2017	Printed		H-0958	HEFT, JANINE	Reimbursement, Toll Road Fees	30
8813529	10/05/2017	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CC, 10/08-12/3	99
8813530	10/05/2017	Printed		Z-CD-0074	SPLASH POOLS & CONSTRUCTION	Refund, Pool Bond, CR# 55633	500
8813531	10/05/2017	Printed		Z-CD-0007	VIVINT SOLAR	Refund, Permit Fees, CR# 56320	37
8813532	10/12/2017	Printed		A-0254	A. C. LANDSCAPE, INC.	Irrigation Repairs, Oct '17	1,919
8813533	10/12/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 8/27-9/9	3,885
8813534	10/12/2017	Printed		A-0331	AT&T MOBILITY	Wireless Service, Sep '17	64
8813535	10/12/2017	Printed		C-0412	C&D ELECTRIC, INC.	Park Repairs, Pub Svcs, Sep	110
8813536	10/12/2017	Printed		C-1102	CALIFORNIA BUILDINGS	Building Standard Fund, Jul-Sep	374
8813537	10/12/2017	Printed		C-1184	CEP AMERICA AUC PC	Pre-employ Physical, Aug	90
8813538	10/12/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	353
8813539	10/12/2017	Printed		C-1176	COMPUTER SERVICE CO.	Traffic Sig. Maint, Sep '17	16,279
8813540	10/12/2017	Printed		C-0023	COX COMMUNICATION	WiFi & Cable, CH, WiFi Com Ctr	381
8813541	10/12/2017	Printed		D-0453	DEPARTMENT OF CONSERVATION	Remittance, SMIP Fee, Jul-Sep	544
8813542	10/12/2017	Printed		D-0561	DOCU-TRUST	Offsite Data Storage, Sep	75
8813543	10/12/2017	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Program	2,841
8813544	10/12/2017	Printed		G-0859	GORHAM, MARY MEG	Contract Inst Svcs., Cooking	84
8813545	10/12/2017	Printed		G-0844	GREEN MART, INC.	Operating Supplies, Pub Svcs	926
8813546	10/12/2017	Printed		H-0958	HEFT, JANINE	Travel Reimbursement, Sep '17	137
8813547	10/12/2017	Printed		H-0804	HINDERLITER, DE LLAMAS & ASSOC	Sales Tax 3rdQtr,AuditSales1st	3,418
8813548	10/12/2017	Printed		I-0942	IRVINE RANCH WATER DISTRICT	Water Usage, Public Svcs, Sep	170
8813549	10/12/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repairs, Sep - Oct '17	3,783
8813550	10/12/2017	Printed		L-1332	LABELS AND FOLDERS.COM	Office Supplies, City Clerk	94
8813551	10/12/2017	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, Oct '17	663,821
8813552	10/12/2017	Printed		L-1376	LONG BEACH BMW MOTORCYCLES	Motorcycle Maint, PS, Sep '17	1,827
8813553	10/12/2017	Printed		C-0448	LUCY, STEVEN	Program Expense, CS, 10/20/17	500
8813554	10/12/2017	Printed		M-1573	MATRIX CONSULTING GROUP	Professional Svcs, OCSD Study	3,184
8813555	10/12/2017	Printed		N-1474	NIEVES LANDSCAPE, INC.	Monthly Landscape, Oct '17	78,205
8813556	10/12/2017	Printed		O-1528	OCTA	OCTAP 17-18 Contribution	1,540
8813557	10/12/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	194
8813558	10/12/2017	Printed		O-1606	OROS, ROBERT	Travel & Mileage Reimb., Sep17	726
8813559	10/12/2017	Printed		R-1813	RPW SERVICES, INC.	Rodent Control, Pub Svcs, Sep	1,560
8813560	10/12/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Sep '17	14,238
8813561	10/12/2017	Printed		S-2288	SHINE ILLUMINATION	Holiday Lighting, Deposit	21,537
8813562	10/12/2017	Printed		S-2253	SOCAL OFFICE TECHNOLOGIES-LEAS	Lease-Copier, CC, Oct '17	1,165
8813563	10/12/2017	Printed		S-1944	SOUTHERN CALIF MUN ATHLETIC	Program Class Insurance, CS	948
8813564	10/12/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Sep '17	10,255
8813565	10/12/2017	Printed		S-2201	SUNSET PROPERTY SERVICES	Street Sweeping, Sep '17	10,043
8813566	10/12/2017	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	257
8813567	10/12/2017	Printed		T-2696	TCS NETWORK CONSULTING, INC.	Consulting Svcs, Oct '17	630
8813568	10/12/2017	Printed		U-2165	UNDERGROUND SERVICE ALERT	Street Maintenance, Sep '17	74
8813569	10/12/2017	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, Sep '17	1,474
8813570	10/12/2017	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Sep '17	49,255
8813571	10/12/2017	Printed		W-2426	WHITE NELSON DIEHL EVANS LLP	Final Payment Audit Fee 16/17	11,500
8813572	10/12/2017	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, Aug	47,308

Attachment: Warrant Register 111417 (1403 : Approval of Warrant Register for Period Ended November 14, 2017)

Check Register Report

Warrant Register 11/14/17

Date: 11/02/2017
Time: 10:49 am
Page:

3.4.a

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amc
UNION BANK- GENERAL Checks							
8813573	10/12/2017	Printed		X-2400	XEROX CORPORATION	Copier Lease & Usage, Sep '17	790
8813574	10/12/2017	Printed		Y-2511	YALE CHASE MATERIALS HANDLING	Maint, Cart, CC, Sep '17	223
8813575	10/19/2017	Printed		A-0304	AU-YEUNG, MELISSA	Travel Advance, ICMA, Oct '17	375
8813576	10/19/2017	Printed		C-1177	CANON FINANCIAL SERVICES, INC.	Lease - Copier, Gen Gov, Oct	220
8813578	10/19/2017	Printed		E-0587	EMC DESIGN	Professional Services, Gen Gov	1,200
8813579	10/19/2017	Printed		E-0602	EMPLOYMENT DEV. DEPT, (EDD)	Publication, Com Dev, Oct '17	314
8813580	10/19/2017	Printed		Z-CD-0075	GHODS, ASH	Refund Permit Fee, CR #56840	285
8813581	10/19/2017	Printed		Z-CS-0070	LEE, JEANNIE	Refund, Program, V#2004228.002	64
8813582	10/19/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, Sep '17	22,213
8813583	10/19/2017	Printed		Z-CS-0020	PACIFIC SUN LEAGUE	Refund, Fac Dep, V#2004222.002	12
8813584	10/19/2017	Printed		P-1830	PLEXUS GLOBAL, LLC	Pre-Employment Screening	150
8813585	10/19/2017	Printed		R-1830	RALPHS GROCERY COMPANY	Program Expense, CS, Sep '17	41
8813586	10/19/2017	Printed		R-1939	REYES, JANICE MATEO	Petty Cash Replenishment, Sep	1,199
8813587	10/19/2017	Printed		R-1893	REYNOLDS, DAVID	Travel Reimb., MISAC, Oct	600
8813588	10/19/2017	Printed		R-1841	ROSENFELD, KEN	Travel Reimb., ASCE Conf, Oct	1,864
8813589	10/19/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Sep '17	250
8813590	10/19/2017	Printed		S-2276	SEDGWICK, DON	Travel Reimb., ACC-OC, Sep '17	125
8813591	10/19/2017	Printed		S-1949	SMART & FINAL	Office & Program Sup. CH & CC	195
8813592	10/19/2017	Printed		S-2253	SOCAL OFFICE TECHNOLOGIES-LEAS	Final Payment, Sharp Copier, CC	3,497
8813593	10/19/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Sep '17	286
8813594	10/19/2017	Printed		Z-CS-0068	TAFOLLA, ERIK	Refund, Fac Dep, V#2004226.002	475
8813595	10/19/2017	Printed		Z-CS-0069	TAI, CATHERINE	Refund, Fac Dep, V#2004225.002	250
8813596	10/19/2017	Printed		T-2698	TPX COMMUNICATIONS	Communications Expense, Oct	1,273
8813597	10/19/2017	Printed		V-2224	VERIZON WIRELESS	Communication Expense, Sep '17	980
8813598	10/19/2017	Printed		W-2441	WEST COAST MOVEMENT PROJECT,	Contract Inst Svcs., Dance	1,064
8813599	10/19/2017	Printed		W-2426	WHITE NELSON DIEHL EVANS LLP	Employee Training, Dec '17	395
8813600	10/30/2017	Printed		Z-CD-0076	J W CARROLL CONSTRUCTION	Refund, Pool Bond, CR# 55755	500
8813601	10/30/2017	Printed		Z-CS-0072	MASHHOUD, KAMAL	Refund Fac Dep, V#2004233.002	180
8813602	10/30/2017	Printed		Z-CS-0059	REYNO, MARY	Refund, Fac Rental, V#2004230.	75
8813603	10/30/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC & Comm Ctr, Sep	29,608
8813604	11/02/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 9/24-10/7	8,203
8813605	11/02/2017	Printed		A-0359	ANDERSON PENNA PARTNERS, INC.	Inspection Services, Sep '17	4,251
8813606	11/02/2017	Printed		A-0360	ARC DOCUMENT SOLUTIONS, LLC	Printing Services, Engineering	35
8813607	11/02/2017	Printed		A-0365	AT&T - CALNET 3	Traf Sig, PS, Alarm, CC	98
8813608	11/02/2017	Printed		B-0432	BARTEL ASSOCIATES, LLC	GASB 68 Report, CAFR	1,200
8813609	11/02/2017	Printed		B-0430	BASICS OF SKATEBOARDING	Contract Inst Svcs, Skateboard	114
8813610	11/02/2017	Printed		B-0304	BEE MAN, THE	Bee Removal, Pub Svcs, Oct	325
8813611	11/02/2017	Printed		C-0333	CALIF PARK & REC SOCIETY, INC.	Membership, Com Svcs, DM	145
8813612	11/02/2017	Printed		C-1133	CALIFORNIA YELLOW CAB	Senior Mobility Program, Sep	2,154
8813613	11/02/2017	Printed		S-2162	CARLSEN, SANDY	Mileage Reimb., Jul - Sep '17	16
8813614	11/02/2017	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Road Maintenance, Sep '17	60,383
8813615	11/02/2017	Printed		C-1096	CODE PUBLISHING COMPANY, INC.	Municipal Code Update, Sep '17	229
8813616	11/02/2017	Printed		C-1191	COMMUNICATIONS CHGS- LAW ENF	Communications Chgs, Jul-Sep	3,860
8813617	11/02/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	625
8813618	11/02/2017	Printed		C-0023	COX COMMUNICATION	T-1 Line, Wi-Fi CH, TC, Cable	1,450
8813619	11/02/2017	Printed		D-0461	DATA TICKET, INC.	Process Fee, Park Cit, Sep '17	392
8813620	11/02/2017	Printed		D-0491	DELL COMPUTER CORPORATION	Computer Hardware, Pol Svcs	1,792
8813621	11/02/2017	Printed		D-0561	DOCU-TRUST	Offsite Data Storage, Oct	75
8813622	11/02/2017	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans, Oct	143.70

Attachment: Warrant Register 111417 (1403 : Approval of Warrant Register for Period Ended November 14, 2017)

Check Register Report

Warrant Register 11/14/17

Date: 11/14/17
Time: 10:49 am
Page:

3.4.a

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amc
UNION BANK- GENERAL Checks							
8813623	11/02/2017	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	950
8813624	11/02/2017	Printed		E-0504	EL TORO WATER DISTRICT	Water Usage, Public Svcs, Sep	13,580
8813625	11/02/2017	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	436
8813626	11/02/2017	Printed		C-1190	FINGERPRINT ID (AFIS) LAW ENF.	Fingerprint ID System, Oct	1,129
8813627	11/02/2017	Printed		H-0959	HABASH, JOHN	Contract Inst Svcs., Dance	52
8813628	11/02/2017	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Signal Mgmt, & CIP #168	3,956
8813629	11/02/2017	Printed		H-0934	HOME DEPOT	Program Supplies, CS, Sep-Oct	1,164
8813630	11/02/2017	Printed		H-0955	HR GREEN CALIFORNIA, INC.	Plan Chk, Bldg&Safety, Jul '17	36,905
8813631	11/02/2017	Printed		I-0920	ICMA	Membership 2018, BC	1,400
8813632	11/02/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repair & Graffiti Removal	4,976
8813633	11/02/2017	Printed		J-1071	JCTEES.COM CORPORATION	Program Sup & Staff Uniforms	1,018
8813634	11/02/2017	Printed		G-0709	JOE A. GONSALVES & SON	Legislative Services, Nov	2,900
8813635	11/02/2017	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, Nov '17	663,821
8813636	11/02/2017	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	580
8813637	11/02/2017	Printed		M-1529	MERCURY DISPOSAL SYSTEM, INC.	Battery & Lightbulb Recycle	247
8813638	11/02/2017	Printed		M-1388	MOBILE MINI, INC.	Storage Rental, CC, 10/10-11/6	82
8813639	11/02/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, CC, Pub Svcs	6,157
8813640	11/02/2017	Printed		M-1584	MUNI SERVICES	Professional Svcs, CAFR	2,250
8813641	11/02/2017	Printed		N-1474	NIEVES LANDSCAPE, INC.	Monthly and Misc Landscape, Nov	79,708
8813643	11/02/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	858
8813644	11/02/2017	Printed		O-1575	ORANGE COUNTY REGISTER-FREEDOM	Legal Advertising, Sep '17	1,067
8813645	11/02/2017	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, Sep '17	1,539
8813646	11/02/2017	Printed		P-1829	PEST OPTIONS, INC.	Rodent Control, PS, Sep	225
8813647	11/02/2017	Printed		Z-CS-0071	REYES, EVELYN	Refund, Program, V#2004224.002	131
8813648	11/02/2017	Printed		R-1855	RICHARD FISHER ASSOCIATES	Professional Services, Pub Svc	10,356
8813649	11/02/2017	Printed		R-1967	RUSSELL, RICHARD WYATT	Contract Inst Svcs, Tennis	1,536
8813650	11/02/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Oct '17	2,853
8813651	11/02/2017	Printed		S-2250	SPARKLETTTS	Operating Sup., CS & CH, Oct	192
8813652	11/02/2017	Printed		S-2059	STAPLETON, VIVIAN	Cntr Inst Svcs Early Childhood	892
8813653	11/02/2017	Printed		S-2201	SUNSET PROPERTY SERVICES	Bus Stop Cleaning, Oct '17	754
8813654	11/02/2017	Printed		T-2681	TOTALFUNDS BY HASLER	Postage Replenishment, Oct '17	1,000
8813655	11/02/2017	Printed		T-2042	TRAUMA INTERVENTION PROGRAMS	Community Program, TIP, Oct-Dec	910
8813656	11/02/2017	Printed		T-2656	TYLER TECHNOLOGIES, INC.	Prof Svcs, Incode/Energov Mgmt	2,606
8813657	11/02/2017	Printed		U-2121	U.S. POSTAL SERVICE	Postage, City Views, Nov	2,500
8813658	11/02/2017	Printed		U-2165	UNDERGROUND SERVICE ALERT	Street Maintenance, Oct '17	71
8813659	11/02/2017	Printed		U-2163	USA DANCE, INC., OC CHAP #4018	Contract Inst Svcs, Dance	273
8813660	11/02/2017	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Sep '17	29,949
8813661	11/02/2017	Printed		W-2302	WEST PUBLISHING CORPORATION	Subscription, City Clk, Sep	219
8813662	11/02/2017	Printed		W-2377	WILLDAN ENGINEERING	Professional Svcs, 5 Lagunas	2,530
8813663	11/02/2017	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, Sep	31,267
8813664	11/02/2017	Printed		W-2444	WRIGHT CONSTRUCTION ENG. CORP	Retention Release, CIP # 410A	18,836
Total Checks: 141							Checks Total (excluding void checks): 2,056,250
Total Payments: 141							Bank Total (excluding void checks): 2,056,250
Total Payments: 141							Grand Total (excluding void checks): 2,056,250

Attachment: Warrant Register 111417 (1403 : Approval of Warrant Register for Period Ended November 14, 2017)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Proposed Office Lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California

RECOMMENDATION: That the City Council approve the lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304, Laguna Hills, California, and authorize the City Manager to execute the Lease.

SUMMARY:

Staff has negotiated a three-year lease with First American Advisors, Inc., for 24031 El Toro Road, Suite 304. First American Advisors, Inc., operates a general office for an insurance services company. The following is a summary of the key lease terms and financial analysis:

Commencement Date: December 1, 2017

Term: Three (3) years

Rentable Square Feet: 614

Upfront Capital: \$1,179

Rate: Year 1 - \$2.05/ sq. ft.
Year 2 - \$2.13/ sq. ft.
Year 3 - \$2.22/ sq. ft.

Civic Center Lease with First American Advisors, Inc. for 24031 El Toro Road, Suite 304
November 14, 2017
Page 2

Total Rent Payments: \$47,150

Net Present Value: \$29,233 (12% Discount Rate)

The City Attorney has reviewed and approved the lease document. Staff is recommending approval.

FISCAL IMPACT:

The lease has a positive net present value and requires upfront capital of \$1,179.

ATTACHMENTS:

- First American Advisors Lease



STANDARD MULTI-TENANT OFFICE LEASE - GROSS AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. Basic Provisions ("Basic Provisions").

1.1 **Parties:** This Lease ("Lease"), dated for reference purposes only November 14, 2017, 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 First American Advisors, Inc. a California corporation

("Lessee").

(collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain portion of the Project (as defined below), known as Suite Numbers(s) 304 3rd floor(s), consisting of approximately 614 rentable square feet and approximately 520 useable square feet ("Premises"). The Premises are located at: 24031 El Toro Road in the City of Laguna Hills, County of Orange State of California, with zip code 92654. 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:** 4/1000 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:** Three (3) years and 0 months ("Original Term") commencing December 1, 2017 ("Commencement Date") and ending November 30, 2020 ("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 November 15, 2017 ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$1,259.00 per month ("Base Rent"), payable on the First day of each month commencing December 1, 2017. (See also Paragraph 4 below)

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

1.6 **Lessee's Share of Operating Expense Increase:** 1.18% percent (1.18%) ("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:** \$1,259.00 for the period December 1-30, 2017
- (b) **Security Deposit:** \$1,362.00 ("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:** \$2,621.00

1.8 **Agreed Use:** General Office - Insurance Services

(See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2017. Lessor is the "Insuring Party". (See also Paragraphs 4.2 and 8)

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

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

- ☒ Essex Realty Management, Inc. represents Lessor exclusively ("Lessor's Broker");
- ☐ _____ represents Lessee exclusively ("Lessee's Broker"); or
- ☐ _____ represents both Lessor and Lessee ("Dual Agency").

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

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

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

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

- ☐ Janitorial services
☐ Electricity
☐ Other (specify): N/A

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; Lease Guaranty

2. Premises.

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

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

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

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

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

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

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

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

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

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

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the 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 nonexclusive 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 3.5). Paragraph 3 of this Lease (See, Addendum Paragraph 3). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

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

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

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

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

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

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

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

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

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

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

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

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

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

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

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

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

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

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

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

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

already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

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

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

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

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

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

6. **Use.** (See Addendum Paragraph 2)

~~6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.~~

6.2 Hazardous Substances.

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

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

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

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

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable

Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

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

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

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

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

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

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

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

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

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

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

7.4 **Ownership; Removal; Surrender; and Restoration.**

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

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

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

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

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

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Manager 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 Workers Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a Waiver of Subrogation endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

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

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

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

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

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' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

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

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

9. **Damage or Destruction.**

9.1 **Definitions.**

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

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

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

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

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

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

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

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

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

9.6 **Abatement of Rent; Lessee's Remedies.**

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

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

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

10. **Real Property Taxes.**

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

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

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

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

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

11. **Utilities and Services.**

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

11.2 **Services Exclusive to Lessee.** Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. 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 at the cost thereof.

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

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

12. **Assignment and Subletting.**12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 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 therefore to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by

Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to atton 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 8-3 (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 data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

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

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

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

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

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

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

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

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

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to

Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

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

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

13.6 Breach by Lessor. (See Addendum Paragraph 4)

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

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

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

15. Brokerage Fees.

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

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

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

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the AIR Commercial Real Estate Association, 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.

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 moneys 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 that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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

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

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

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

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

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

30. **Subordination; Attornment; Non-Disturbance.**

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

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations,

except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

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

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

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

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

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 the AIR Commercial Real Estate Association.

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

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

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

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

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

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

39.4 Effect of Default on Options.

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

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

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

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

41. Reservations.

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

this Lease or impose any liability upon Lessor.

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

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

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease

☐ is ☒ is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises: ☐ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ 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. ☐ 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.

(b) Since compliance with the Americans with Disabilities Act (ADA) is 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 ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

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 THE AIR COMMERCIAL REAL ESTATE ASSOCIATION 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

Executed at: _____

On: _____

On: _____

By LESSOR:

By LESSEE:

The City of Laguna Hills

First American Advisors Inc., a California corporation

By: _____

By: _____

Name Printed: Bruce E. Channing

Name Printed: David Novak

Title: City Manager

Title: President

By: _____

By: _____

Name Printed: _____

Name Printed: David Novak

Title: _____

Title: Vice President

Address: _____

Address: 29421 Del Plata Lane

Laguna Niguel, CA 92677

Telephone: (____) _____

Telephone: (949) 398-2200

Facsimile: (____) _____

Facsimile: (____) _____

Email: _____

Email: _____

Email: _____

Email: _____

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INITIALS

INITIALS

Federal ID No. _____ Federal ID No. _____

LESSOR'S BROKER:Essex Realty Management, Inc.**LESSEE'S BROKER:**Attn: Sandi MontezAddress: 111 Corporate Drive, Suite 110Ladera Ranch, CA 92694Telephone: (949) 218-3801Facsimile: ()

Email: _____

Broker/Agent BRE License #: 00965485

Attn: _____

Address: _____

Telephone: ()Facsimile: ()

Email: _____

Broker/Agent BRE License #: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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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 November 14, 2017, between The City of Laguna Hills ("Lessor"), and First American Advisors Inc., a California corporation ("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:

12/1/2017	11/30/2018	\$ 1,259.00 (\$2.05 psf)
12/1/2018	11/30/2019	\$ 1,309.00 (\$2.13 psf)
12/1/2019	11/30/2020	\$ 1,362.00 (\$2.22 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.

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

"Lessor"

THE CITY OF LAGUNA HILLS

By: Bruce E. Channing

By: _____
Its: City Manager

By: Melissa Au-Yeung

By: _____
Its: City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

"Lessee"

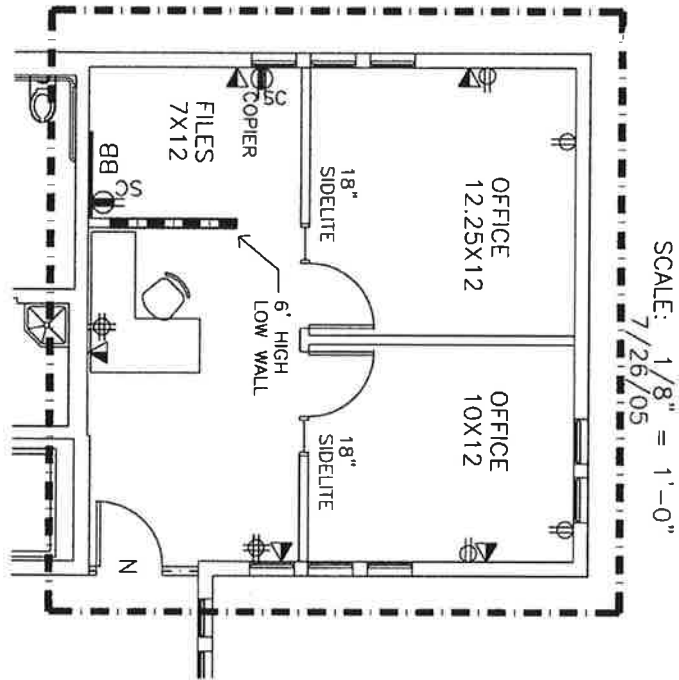
First American Advisors, Inc a California corporation

By: _____
David Novak
Its: President

By: _____
David Novak

Its: Vice President

Exhibit "A"



AREA OF PERMIT SPEC SUITE 304

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: _____

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.



AIR COMMERCIAL REAL ESTATE ASSOCIATION GUARANTY OF LEASE

WHEREAS, The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California, hereinafter "Lessor", and First American Advisors, Inc. a California corporation, hereinafter "Lessee", are about to execute a document entitled "Lease" dated November 14, 2017 concerning the premises commonly known as 24031 El Toro Road, Suite 304

wherein Lessor will lease the premises to Lessee, and

WHEREAS, David Novak
hereinafter "Guarantors" have a financial interest in Lessee, and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Executed at: _____ David Novak
On: _____
Address: _____

"GUARANTORS"



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Civic Center First Quarter Financial Report for Fiscal Year 2017/2018

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

SUMMARY:

This Civic Center First Quarter Financial Report for Fiscal Year 2017/2018 is intended to provide the City Council with an overview of the Civic Center leasing operation finances over the July 2017 through September 2017 period.

The abridged Balance Sheet and Income Statement summary for the Laguna Hills Civic Center leasing operation is in Tables 1 & 2. As of September 30, 2017, the balance sheet shows equity of \$8,473,864.

Table 1: Abridged Balance Sheet
As of September 30, 2017

ASSETS	
Total Current Assets	\$ 180,898
Total Fixed Assets	\$ 8,369,502
TOTAL ASSETS	\$ 8,550,400
 LIABILITY & EQUITY	
Total Current Liabilities	\$ 76,536
Total Equity	\$ 8,473,864
TOTAL LIABILITIES & EQUITY	\$ 8,550,400

Civic Center First Quarter Financial Report for FY 17/18

November 14, 2017

Page 2

**Table 2: Income Statement Summary
For the Period Ended September 30, 2017**

	Actuals	Budgeted	Variance
Total Income	\$ 159,642	\$ 160,898	\$ (1,256)
Total Expenses	\$ 146,605	\$ 132,300	\$ 14,304
NET INCOME/(LOSS)	<u>\$ 13,037</u>	<u>\$ 28,597</u>	

As shown in Table 2, Essex Realty, the management company for the property, reported a net income of \$13,037 for the three months of leasing activity from July 1, 2017, to September 30, 2017. It should be noted that expenses during this period were higher than usual due to unanticipated repairs and maintenance costs throughout the Civic Center. After adding back contra rent revenue associated with the City's occupied spaces, the effective net income for the quarter is \$150,528.

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

ATTACHMENTS:

- 1st Quarter 2017 Civic Center Report Attachments-Balance Sheet, Income Statement, and Check Registers

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Accrual

Report includes an open period. Entries are not final.

Sep 2017

ASSETS

CURRENT ASSETS

Cash - Operating	2,452.24
Cash - MMA	125,545.98

TOTAL CASH AND CASH EQUIVALENTS	127,998.22
--	-------------------

Accounts Receivable	6,542.24
Prepaid Insurance	46,357.68

NET ACCOUNTS RECEIVABLE	52,899.92
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TOTAL CURRENT ASSETS	180,898.14
-----------------------------	-------------------

FIXED ASSETS

Land	2,855,425.10
Building	3,344,613.52
Capital Improvements	9,975,099.29
Tenant Improvements	1,331,197.96
Lease Commissions	285,538.88
Accumulated Depreciation	(9,422,372.74)

TOTAL FIXED ASSETS	8,369,502.01
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TOTAL ASSETS	8,550,400.15
---------------------	---------------------

LIABILITIES & EQUITY

CURRENT LIABILITY

Prepaid Rent & CAM	1,031.11
Accrued Expenses	23,832.00
Security Deposits	51,672.73

TOTAL CURRENT LIABILITY	76,535.84
--------------------------------	------------------

LONG TERM LIABILITY

TOTAL LONG TERM LIABILITIES	0.00
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EQUITY

Current Yr Earnings	13,037.49
Distribution	(700,000.00)
Capital	6,064,688.39
Paid by Owner	8,940,638.49
Funds from Owner	1,686,863.71
Retained Earnings	(7,531,363.77)

TOTAL EQUITY	8,473,864.31
---------------------	---------------------

Database: ESSEXREALTY
 ENTITY: 742

Standard Balance Sheet
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

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Report includes an open period. Entries are not final.

Sep 2017

TOTAL LIABILITIES & EQUITY

8,550,400.15

Database: ESSEXREALTY
 ENTITY: 742

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

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Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	3 Months
Thru:	Sep 2017	Sep 2017
INCOME		
RENTAL INCOME		
Rent	99,535.94	292,224.24
Contra Revenue	(45,830.40)	(137,491.20)
CAM Revenue	7,093.85	21,281.55
Contra CAM	(5,939.54)	(17,818.62)
TOTAL RENTAL INCOME	54,859.85	158,195.97
RECOVERY INCOME		
TOTAL RECOVERY INCOME	0.00	0.00
OTHER INCOME		
Other Revenue	0.00	1,430.24
TOTAL OTHER INCOME	0.00	1,430.24
TOTAL INCOME	54,859.85	159,626.21
EXPENSES		
DIRECT OPERATING EXPENSES		
Security-Fire Alarms	252.00	630.00
Cleaning Contract-Janitor	3,203.10	9,609.30
Add'l Cleaning-DayPorter	3,129.00	9,387.00
Cleaning Supplies	726.74	1,605.30
Mgmt Fee-Agent	4,155.23	11,903.42
HVAC Contract Services	1,317.90	4,041.60
HVAC Repair/Maint	0.00	1,976.60
Elevator Contract Service	691.78	1,682.78
Fire, Life, Safety	0.00	261.47
Plumbing Repairs/Supplies	1,950.00	2,235.00
Electrical Repair/Maint	0.00	4,307.71
Floor & Carpet Rpr/Maint	0.00	812.00
Pest Control	75.00	225.00
Misc Repair/Maint	4,075.00	4,075.00
Onsite Maint Personnel	1,378.82	2,607.27
Electricity-General	14,073.71	46,181.71
Gas	15.63	89.42
Water & Sewer	1,157.16	3,334.65
Property Telephone	378.00	817.64
Pkg Lot-Lighting	392.29	3,223.22
Pkg Lot-Sweeping	221.00	663.00
Landscaping Contract	2,400.00	7,200.00
Landscaping-Interior	596.26	1,320.28
Fountain Maintenance	150.00	450.00
Insurance	5,150.85	15,452.55
Insurance - Earthquake	1,148.69	3,446.07
TOTAL DIRECT OPERATING EXPENSES	46,638.16	137,537.99

Attachment: 1st Quarter 2017 Civic Center Report Attachments-Balance Sheet, Income Statement, and Check Registers (1408 : Civic Center

Database: ESSEXREALTY
 ENTITY: 742

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

Page: 2
 Date: 9/29/2017
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Accrual

Report includes an open period. Entries are not final.

	Current Period	Year-To-Date
	1 Month	3 Months
Thru:	Sep 2017	Sep 2017

NET OPERATING INCOME	8,221.69	22,088.22
OTHER INCOME & EXPENSES		
Legal Fees	10.00	10.00
Admin & Professional Exp.	50.00	150.00
Environmental Expense	0.00	186.00
Tenant Space Refurb	0.00	533.90
Repairs & Maint- Indirect	5,073.56	8,186.65
Interest Income	(5.33)	(15.82)
TOTAL OTHER INCOME & EXPENSES	5,128.23	9,050.73
NET INCOME/(LOSS)	3,093.46	13,037.49

Database: ESSEXREALTY
ENTITY: 742

Check Register
Essex Realty SaaS DB
CITY OF LAGUNA HILLS

Page: 1
Date: 7/30/2017
Time: 03:41 PM

07/17 Through 07/17

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104646	6/28/2017	07/17	CONTRO	CONTROLLED KEY SYSTEMS INC					
742		7330-0000	Tenant Space Refurb	234757	6/1/2017	7/1/2017	23.90	0.00	23.90
@	Key Copies #330								
						<i>Check Total:</i>	23.90	0.00	23.90
104647	6/28/2017	07/17	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-060517	6/5/2017	6/5/2017	86.90	0.00	86.90
@	0017601048511901	06/05/17-07/04/17	DSL for EMS						
						<i>Check Total:</i>	86.90	0.00	86.90
104648	6/28/2017	07/17	DIXIED	DIXIE DIESEL AND ELECTRIC INC					
742		7333-0000	Repairs & Maint- Indirect	218304	6/22/2017	7/22/2017	1,278.43	0.00	1,278.43
@	Annual Major and min	or Generator Service and inspection							
742		7333-0000	Repairs & Maint- Indirect	218305	6/22/2017	7/22/2017	800.00	0.00	800.00
@	Annual Load Bank Tes	t on Generator							
						<i>Check Total:</i>	2,078.43	0.00	2,078.43
104649	6/28/2017	07/17	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-062317	6/23/2017	7/12/2017	4,360.96	0.00	4,360.96
@	2270506934	05/23/17-06/22/17	Mtr 259000-050224						
						<i>Check Total:</i>	4,360.96	0.00	4,360.96
104650	6/28/2017	07/17	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	68017	6/19/2017	7/19/2017	75.00	0.00	75.00
@	3018	06/17	Pest Control						
						<i>Check Total:</i>	75.00	0.00	75.00
104651	6/28/2017	07/17	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1265303-A	6/14/2017	6/14/2017	160.00	0.00	160.00
@	348817	07/17	Sys Maint						
742		7333-0000	Repairs & Maint- Indirect	1265303-A	6/14/2017	6/14/2017	517.33	0.00	517.33
@	348817	07/17	Sys Maint						
						<i>Check Total:</i>	677.33	0.00	677.33
104652	6/28/2017	07/17	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-060217	6/2/2017	6/22/2017	33.90	0.00	33.90

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@	14430971474		05/01/17-05/31/17 Mtr 13001720							
							Check Total:	33.90	0.00	33.90
104653 742	7/3/2017	07/17	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba						
@	111	5130-0000	Cleaning Contract-Janitor	M1218655-IN	6/23/2017	6/23/2017	3,203.10	0.00	3,203.10	
			06/17 Janitorial Svc				Check Total:	3,203.10	0.00	3,203.10
104654 742	7/3/2017	07/17	ELTORO	EL TORO WATER DISTRICT						
@	169922449540	5502-0000	Water & Sewer	49540-061317	6/13/2017	6/30/2017	607.02	0.00	607.02	
			05/10/17-06/13/17 Mtr #08956098				Check Total:	607.02	0.00	607.02
104655 742	7/3/2017	07/17	ELTORO	EL TORO WATER DISTRICT						
@	169922449542	5502-0000	Water & Sewer	49542-061317	6/13/2017	6/30/2017	61.36	0.00	61.36	
			05/10/17-06/13/17 Mtr #00036069				Check Total:	61.36	0.00	61.36
104656 742	7/3/2017	07/17	ELTORO	EL TORO WATER DISTRICT						
@	169922449548	5502-0000	Water & Sewer	49548-061317	6/13/2017	6/30/2017	830.64	0.00	830.64	
			05/10/17-06/13/17 Mtr #08188857				Check Total:	830.64	0.00	830.64
104657 742	7/3/2017	07/17	JAGLAS	ARTHUR D YORBA dba						
@	Seal Ofc Glass suite	7330-0000	Tenant Space Refurb	23860	6/25/2017	7/25/2017	510.00	0.00	510.00	
			100				Check Total:	510.00	0.00	510.00
104658 742	7/3/2017	07/17	PACRIM	PACIFIC RIM MECHANICAL, INC.						
@	10770	5415-0000	HVAC Repair/Maint	SRV075746	6/29/2017	6/29/2017	286.71	0.00	286.71	
			Rpr Source Heat Pump in suite 100				Check Total:	286.71	0.00	286.71
104659 742	7/3/2017	07/17	SCE	SOUTHERN CALIFORNIA EDISON						
		5499-0000	Electricity-General	97749-062717	6/27/2017	7/17/2017	7,078.94	0.00	7,078.94	

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount	Amount
Dept	Reference	Description							
@	2265197749	05/24/17-06/23/17 Mtr 259000-050223							
						Check Total:	7,078.94	0.00	7,078.94
104660	7/10/2017	07/17	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5510-0000	Pkg Lot-Lighting	1255391	6/30/2017	7/30/2017	124.00	0.00	124.00
@	06/17 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting	1255391	6/30/2017	7/30/2017	316.94	0.00	316.94
@	06/17 Lighting Rprs								
						Check Total:	440.94	0.00	440.94
104661	7/10/2017	07/17	REGENC	REGENCY ENTERPRISES INC dba					
742		5465-0000	Electrical Repair/Maint	3947930	6/16/2017	7/16/2017	122.33	0.00	122.33
@	1287741	06/17 Lighting Supplies							
						Check Total:	122.33	0.00	122.33
104662	7/10/2017	07/17	SOUT39	JEFF ALEXANDER dba					
742		5565-0000	Fountain Maintenance	371-04	7/1/2017	7/31/2017	150.00	0.00	150.00
@	07/17 Fountain Svc								
						Check Total:	150.00	0.00	150.00
104663	7/18/2017	07/17	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-063017	6/30/2017	6/30/2017	268.94	0.00	268.94
@	06/17 Mgmt Fee Rec								
742		5305-0000	Mgmt Fee-Agent	742-070117	7/1/2017	7/1/2017	3,583.00	0.00	3,583.00
@	07/17 Mgmt Fee								
						Check Total:	3,851.94	0.00	3,851.94
104664	7/18/2017	07/17	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5160-0000	Cleaning Supplies	M1220841-IN	6/30/2017	6/30/2017	878.56	0.00	878.56
@	111	06/17 Janitorial Supplies							
						Check Total:	878.56	0.00	878.56
104665	7/18/2017	07/17	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000009833363	6/15/2017	6/15/2017	290.51	0.00	290.51
@	9495837765123	05/15/17-06/14/17 FINAL BILL 949-583-7765							

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<i>Check Total:</i>								290.51	0.00	290.51
104666 742 @	7/18/2017 9391060982	07/17 5504-0000	ATTCOR Property Telephone 05/15/17-06/14/17 BAN #9391060982	ATT CORP	000009835906	6/15/2017	7/15/2017	390.79	0.00	390.79
<i>Check Total:</i>								390.79	0.00	390.79
104667 742 @	7/18/2017 07/17 Palm Tree Ligh	07/17 5465-0000	CHRIS9 Electrical Repair/Maint ting Rpr	BAPPTRE dba SHINE ILLUMINATION AND	INV-000009	7/1/2017	7/31/2017	2,470.00	0.00	2,470.00
<i>Check Total:</i>								2,470.00	0.00	2,470.00
104668 742 @	7/18/2017 742	07/17 5499-0000	CITYLA Electricity-General 01/17-04/17 UC Monitoring	CITY OF LAGUNA HILLS	742-070517	7/5/2017	7/5/2017	143.16	0.00	143.16
<i>Check Total:</i>								143.16	0.00	143.16
104669 742 @	7/18/2017 0017601048511901	07/17 5410-0000	COXCOM HVAC Contract Services 07/05/17-08/04/17 07/05/17-08/04/17 DSL for EMS	COX COMMUNICATIONS	11901-070517	7/5/2017	7/5/2017	86.90	0.00	86.90
<i>Check Total:</i>								86.90	0.00	86.90
104670 742 @	7/18/2017 ACCT1965	07/17 5121-0000	FIRESA Security-Fire Alarms 07/17-09/17 Qrtly FA Monitoring	THE BRETHERN INC dba	1038926	7/1/2017	7/31/2017	150.00	0.00	150.00
<i>Check Total:</i>								150.00	0.00	150.00
104671 742 @	7/18/2017 33013	07/17 5150-0000	MERCH1 Add'l Cleaning-DayPorter 07/17 Dayporter Svc	MERCHANTS BULDING MAINTENANCE LLC	460337	7/1/2017	7/1/2017	3,129.00	0.00	3,129.00
<i>Check Total:</i>								3,129.00	0.00	3,129.00
104672 742 @	7/18/2017 07/17 Landscape Svc	07/17 5560-0000	NIEVES Landscaping Contract	NIEVES LANDSCAPE INC	61331	7/1/2017	7/31/2017	2,400.00	0.00	2,400.00

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
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104673	7/18/2017	07/17	PACRIM	PACIFIC RIM MECHANICAL, INC.					
742		5415-0000	HVAC Repair/Maint	SRV076194	6/30/2017	6/30/2017	265.00	0.00	265.00
@	10770	AC Rpr #250							
<i>Check Total:</i>							265.00	0.00	265.00
104674	7/18/2017	07/17	REGENC	REGENCY ENTERPRISES INC dba					
742		5465-0000	Electrical Repair/Maint	3954027	6/26/2017	7/26/2017	153.82	0.00	153.82
@	1287741	07/17 Lighting Supplies							
742		5465-0000	Electrical Repair/Maint	3955394	6/28/2017	7/28/2017	267.00	0.00	267.00
@	1287741	07/17 Lighting Supplies							
742		5465-0000	Electrical Repair/Maint	3959130	6/15/2017	7/15/2017	216.16	0.00	216.16
@	1287741	07/17 Add'l Lighting Supplies							
<i>Check Total:</i>							636.98	0.00	636.98
104675	7/18/2017	07/17	ROLLI1	ROLLING GREENS NURSERY INC					
742		5562-0000	Landscaping-Interior	10786	7/3/2017	7/18/2017	362.02	0.00	362.02
@	742	07/17 Int Plant Svc							
<i>Check Total:</i>							362.02	0.00	362.02
104676	7/18/2017	07/17	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-070317	7/3/2017	7/24/2017	32.78	0.00	32.78
@	14430971474	05/31/17-06/29/17 Mtr 13001720							
<i>Check Total:</i>							32.78	0.00	32.78
104677	7/18/2017	07/17	TSCMCO	TSCM CORPORATION					
742		5525-0000	Pkg Lot-Sweeping	7017112	7/1/2017	7/31/2017	221.00	0.00	221.00
@	07/17 Sweeping Svc								
<i>Check Total:</i>							221.00	0.00	221.00
104678	7/24/2017	07/17	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	70321	7/17/2017	8/16/2017	75.00	0.00	75.00
@	3018	07/17 Pest Control							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount
Dept	Reference	Description						

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CITY OF LAGUNA HILLS Total: 36,011.10 0.00 36,011.10

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104679	8/1/2017	08/17	ATTCOR	ATT CORP					
742		5504-0000	Property Telephone	000009973233	7/15/2017	8/14/2017	390.34	0.00	390.34
@	9391060982	06/15/17-07/14/17 BAN #9391060982							
						<i>Check Total:</i>	390.34	0.00	390.34
104680	8/1/2017	08/17	CITYLA	CITY OF LAGUNA HILLS					
742		5805-0000	Insurance	677	7/20/2017	7/20/2017	61,810.21	0.00	61,810.21
@	010010	Liab and Prop Insurance							
						<i>Check Total:</i>	61,810.21	0.00	61,810.21
104681	8/1/2017	08/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-071417	7/14/2017	8/2/2017	717.86	0.00	717.86
@	169922449540	06/13/17-07/14/17 Mtr #09856098							
						<i>Check Total:</i>	717.86	0.00	717.86
104682	8/1/2017	08/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-071417	7/14/2017	8/2/2017	61.36	0.00	61.36
@	169922449542	06/13/17-07/14/17 Mtr #00036069							
						<i>Check Total:</i>	61.36	0.00	61.36
104683	8/1/2017	08/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-071417	7/14/2017	8/2/2017	435.25	0.00	435.25
@	169922449548	06/13/17-07/14/17 Mtr #08188857							
						<i>Check Total:</i>	435.25	0.00	435.25
104684	8/1/2017	08/17	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-080117	8/1/2017	8/31/2017	3,583.00	0.00	3,583.00
@	08/17 Mgmt Fee								
742		5305-0000	Mgmt Fee-Agent	742-073117	7/31/2017	7/31/2017	313.25	0.00	313.25
@	07/17 Mgmt Fee Rec								
						<i>Check Total:</i>	3,896.25	0.00	3,896.25
104685	8/7/2017	08/17	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-072517	7/25/2017	8/14/2017	5,341.22	0.00	5,341.22
@	2270506934	06/22/17-07/24/17 Mtr 259000-050224							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
<i>Check Total:</i>							5,341.22	0.00	5,341.22
104686	8/7/2017	08/17	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-072717	7/27/2017	8/15/2017	8,369.72	0.00	8,369.72
@	2265197749	06/23/17-07/25/17 Mtr 259000-050223							
<i>Check Total:</i>							8,369.72	0.00	8,369.72
104687	8/7/2017	08/17	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1224390-IN	7/28/2017	7/28/2017	3,203.10	0.00	3,203.10
@	111	07/17 Janitorial Svc							
<i>Check Total:</i>							3,203.10	0.00	3,203.10
104688	8/7/2017	08/17	ABMSER	ABM ONSITE SERVICES WEST INC.					
742		5495-0000	Onsite Maint Personnel	11193430-E	7/10/2017	8/9/2017	1,228.45	0.00	1,228.45
@	00847886	06/17 Bldg Engineer Svc							
<i>Check Total:</i>							1,228.45	0.00	1,228.45
104689	8/7/2017	08/17	FIRESA	THE BRETHERN INC dba					
742		5121-0000	Security-Fire Alarms	1039744	7/13/2017	8/12/2017	195.00	0.00	195.00
@	ACCT1965	07/17-09/17 Qrtly Fire Inspection							
<i>Check Total:</i>							195.00	0.00	195.00
104690	8/7/2017	08/17	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5510-0000	Pkg Lot-Lighting	1255984	7/27/2017	8/26/2017	124.00	0.00	124.00
@	07/17 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting	1255984	7/27/2017	8/26/2017	715.99	0.00	715.99
@	07/17 Lighting Rprs								
<i>Check Total:</i>							839.99	0.00	839.99
104691	8/7/2017	08/17	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	462706	8/1/2017	8/1/2017	3,129.00	0.00	3,129.00
@	33013	08/17 Dayporter Svc							
<i>Check Total:</i>							3,129.00	0.00	3,129.00
104692	8/7/2017	08/17	PACRIM	PACIFIC RIM MECHANICAL, INC.					

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Entity	P.O. Number	Account Number	Number	Account Name	Number	Date		Amount	Amount	Amount
Dept	Reference	Description								
742		5415-0000		HVAC Repair/Maint	SRV077198	7/28/2017	7/28/2017	517.65	0.00	517.65
@	10770			HVAC Rpr Server Room						
							Check Total:	517.65	0.00	517.65
104693	8/7/2017	08/17	SOUT39	JEFF ALEXANDER dba						
742		5565-0000		Fountain Maintenance	371-05	8/1/2017	8/31/2017	150.00	0.00	150.00
@	08/17 Fountain Svc									
							Check Total:	150.00	0.00	150.00
104694	8/7/2017	08/17	SSDSYS	SECURITY SIGNAL DEVICES INC dba						
742		5121-0000		Security-Fire Alarms	1272593-A	7/12/2017	7/12/2017	160.00	0.00	160.00
@	348817			08/17 Sys Maint						
742		7333-0000		Repairs & Maint- Indirect	1272593-A	7/12/2017	7/12/2017	517.33	0.00	517.33
@	348817			08/17 Sys Maint						
							Check Total:	677.33	0.00	677.33
104695	8/10/2017	08/17	SOUT41	SOUTH COUNTY PLUMBING INC						
742		5460-0000		Plumbing Repairs/Supplies	9913	8/2/2017	9/1/2017	285.00	0.00	285.00
@	Mens urinal repair									
							Check Total:	285.00	0.00	285.00
104696	8/15/2017	08/17	THEGAS	THE GAS COMPANY						
742		5500-0000		Gas	71474-080217	8/2/2017	8/22/2017	33.11	0.00	33.11
@	14430971474			06/29/17-07/31/17 Mtr 13001720						
							Check Total:	33.11	0.00	33.11
104697	8/17/2017	08/17	COXCOM	COX COMMUNICATIONS						
742		5410-0000		HVAC Contract Services	11901-080517	8/5/2017	8/5/2017	86.90	0.00	86.90
@	0017601048511901			08/05/17-09/04/17 DSL for EMS						
							Check Total:	86.90	0.00	86.90
104698	8/17/2017	08/17	CHRIS9	BAPPTRE dba SHINE ILLUMINATION AND						
742		5465-0000		Electrical Repair/Maint	INV-000023	8/4/2017	9/3/2017	1,078.40	0.00	1,078.40
@	Landscape electrical			Install						
742		5510-0000		Pkg Lot-Lighting	RET-00026	8/9/2017	9/8/2017	1,550.00	0.00	1,550.00
@	Deposit for Holiday			Lighting						

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<i>Check Total:</i>								2,628.40	0.00	2,628.40
104699 742 @	8/17/2017 Duplicate Key #201	08/17 4800-0000	CONTRO Tenant Reimbursements	CONTROLLED KEY SYSTEMS INC	235977	8/8/2017	9/7/2017	16.12	0.00	16.12
<i>Check Total:</i>								16.12	0.00	16.12
104700 742 @	8/17/2017 Environment inspect	08/17 7326-0000	COUN12 Environmental Expense report for generator	COUNTY OF ORANGE	IN1111016	8/4/2017	9/3/2017	186.00	0.00	186.00
<i>Check Total:</i>								186.00	0.00	186.00
104701 742 @	8/17/2017 ACCT1965	08/17 5448-0000	FIRESA Fire, Life, Safety Annual Fire Extinguisher Svc	THE BRETHERN INC dba	1040372	8/4/2017	9/3/2017	261.47	0.00	261.47
<i>Check Total:</i>								261.47	0.00	261.47
104702 742 @	8/17/2017 08/17 Carpet Clean	08/17 5485-0000	MASTE5 Floor & Carpet Rpr/Maint	MASTERCARE PROTECTION & CLEANING	25621	8/10/2017	9/9/2017	812.00	0.00	812.00
<i>Check Total:</i>								812.00	0.00	812.00
104703 742 @	8/17/2017 08/17 Landscape Svc	08/17 5560-0000	NIEVES Landscaping Contract	NIEVES LANDSCAPE INC	61477	8/1/2017	8/31/2017	2,400.00	0.00	2,400.00
<i>Check Total:</i>								2,400.00	0.00	2,400.00
104704 742 @	8/17/2017 10770	08/17 5415-0000	PACRIM HVAC Repair/Maint HVAC Cond Pump Rpr #330	PACIFIC RIM MECHANICAL, INC.	SRV077594	7/31/2017	7/31/2017	907.24	0.00	907.24
<i>Check Total:</i>								907.24	0.00	907.24
104705 742 @	8/17/2017 08/17 Sweeping Svc	08/17 5525-0000	TSCMCO Pkg Lot-Sweeping	TSCM CORPORATION	8017111	8/1/2017	8/31/2017	221.00	0.00	221.00

Attachment: 1st Quarter 2017 Civic Center Report Attachments-Balance Sheet, Income Statement, and

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08/17 Through 08/17

Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date	Due Date	Amount	Amount
Dept	Reference	Description						

Check Total: 221.00 0.00 221.00

CITY OF LAGUNA HILLS Total: 98,799.97 0.00 98,799.97

Grand Total: 98,799.97 0.00 98,799.97

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
104706	8/31/2017	09/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49540-081117	8/11/2017	8/31/2017	661.08	0.00	661.08
@	169922449540	07/14/17-08/11/17 Mtr #08956098							
						<i>Check Total:</i>	661.08	0.00	661.08
104707	8/31/2017	09/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49542-081117	8/11/2017	8/31/2017	61.36	0.00	61.36
@	169922449542	07/14/17-08/11/17 Mtr #00036069							
						<i>Check Total:</i>	61.36	0.00	61.36
104708	8/31/2017	09/17	ELTORO	EL TORO WATER DISTRICT					
742		5502-0000	Water & Sewer	49548-081117	8/11/2017	8/31/2017	416.72	0.00	416.72
@	169922449548	07/14/17-08/11/17 Mtr #08188857							
						<i>Check Total:</i>	416.72	0.00	416.72
104709	8/31/2017	09/17	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		5305-0000	Mgmt Fee-Agent	742-083117	8/31/2017	8/31/2017	572.23	0.00	572.23
@	08/17 Mgmt Fee Rec								
742		5305-0000	Mgmt Fee-Agent	742-090117	9/1/2017	9/1/2017	3,583.00	0.00	3,583.00
@	09/17 Mgmt Fee								
						<i>Check Total:</i>	4,155.23	0.00	4,155.23
104710	8/31/2017	09/17	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	06934-082317	8/23/2017	9/11/2017	5,241.51	0.00	5,241.51
@	2270506934	07/24/17-08/22/17 Mtr 259000-050224							
						<i>Check Total:</i>	5,241.51	0.00	5,241.51
104711	8/31/2017	09/17	SCE	SOUTHERN CALIFORNIA EDISON					
742		5499-0000	Electricity-General	97749-082517	8/25/2017	9/13/2017	8,118.04	0.00	8,118.04
@	2265197749	07/25/17-08/23/17 Mtr 259000-050223							
						<i>Check Total:</i>	8,118.04	0.00	8,118.04
104712	8/31/2017	09/17	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5130-0000	Cleaning Contract-Janitor	M1228783-IN	8/22/2017	8/22/2017	3,203.10	0.00	3,203.10
@	111	08/17 Janitorial Svc							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
<i>Check Total:</i>							3,203.10	0.00	3,203.10
104713	8/31/2017	09/17	AMTEC2	PACIFIC COAST ELEVATOR INC dba					
742		5435-0000	Elevator Contract Service	DVB06326917	8/21/2017	8/21/2017	1,521.78	0.00	1,521.78
@	320358	09/17-11/17 Elevator Svc							
<i>Check Total:</i>							1,521.78	0.00	1,521.78
104714	8/31/2017	09/17	LIVIN1	DONALD GILBERT dba					
742		5562-0000	Landscaping-Interior	T79956	7/31/2017	8/30/2017	115.74	0.00	115.74
@	08/17 Int Plant Svc								
742		5562-0000	Landscaping-Interior	T79999	8/20/2017	9/19/2017	299.00	0.00	299.00
@	09/17 Int Plant Svc								
<i>Check Total:</i>							414.74	0.00	414.74
104715	8/31/2017	09/17	ROLLI1	ROLLING GREENS NURSERY INC					
742		5562-0000	Landscaping-Interior	11195	8/1/2017	8/16/2017	271.52	0.00	271.52
@	742	08/17 Int Plant Svc LAST BILL							
<i>Check Total:</i>							271.52	0.00	271.52
104716	8/31/2017	09/17	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	72746	8/21/2017	9/20/2017	75.00	0.00	75.00
@	3018	08/17 Pest Control							
<i>Check Total:</i>							75.00	0.00	75.00
104717	8/31/2017	09/17	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1277672-A	8/10/2017	8/10/2017	160.00	0.00	160.00
@	348817	09/17 Sys Maint							
742		7333-0000	Repairs & Maint- Indirect	1277672-A	8/10/2017	8/10/2017	517.33	0.00	517.33
@	348817	09/17 Sys Maint							
<i>Check Total:</i>							677.33	0.00	677.33
104718	8/31/2017	09/17	WATERT	WATER TECHNIQUES INC					
742		7333-0000	Repairs & Maint- Indirect	696310762	8/23/2017	9/2/2017	314.80	0.00	314.80
@	CITYOFLA0002	Annual Maint Osmosis							

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Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
Check Total:							314.80	0.00	314.80
104719	9/7/2017	09/17	CITYLA	CITY OF LAGUNA HILLS					
742		5499-0000	Electricity-General	742-090617	9/6/2017	9/6/2017	154.16	0.00	154.16
@	742	UCM May-July							
Check Total:							154.16	0.00	154.16
104720	9/7/2017	09/17	ESSEX	ESSEX REALTY MANAGEMENT INC					
742		1240-0000	Tenant Improvements	742-090617	9/6/2017	9/6/2017	3,540.00	0.00	3,540.00
@	742	Suite 304 TI Paint/Install Shaw Switch Straight Base							
Check Total:							3,540.00	0.00	3,540.00
104721	9/7/2017	09/17	ABLEBU	CROWN BLDG MAINTENANCE CO INC dba					
742		5160-0000	Cleaning Supplies	M1229741-IN	8/29/2017	8/29/2017	726.74	0.00	726.74
@	111	08/17 Janitorial Supplies							
Check Total:							726.74	0.00	726.74
104722	9/7/2017	09/17	LIGHT4	LIGHTING TECHNOLOGY SERVICES INC					
742		5510-0000	Pkg Lot-Lighting	1256589	8/25/2017	9/24/2017	124.00	0.00	124.00
@	08/17 Lighting Svc								
742		5510-0000	Pkg Lot-Lighting	1256589	8/25/2017	9/24/2017	268.29	0.00	268.29
@	08/17 Lighting Rprs								
Check Total:							392.29	0.00	392.29
104723	9/7/2017	09/17	MERCH1	MERCHANTS BUILDING MAINTENANCE LLC					
742		5150-0000	Add'l Cleaning-DayPorter	465384	9/1/2017	9/1/2017	3,129.00	0.00	3,129.00
@	33013	09/17 Dayporter Svc							
Check Total:							3,129.00	0.00	3,129.00
104724	9/7/2017	09/17	RICHA5	RICHARD L. SEIDE APC					
742		7310-0000	Legal Fees	112135	9/1/2017	10/1/2017	10.00	0.00	10.00
@	Legal Fees Llorente								
Check Total:							10.00	0.00	10.00
104725	9/7/2017	09/17	SOUT39	JEFF ALEXANDER dba					

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Check #	Check Date	Check Pd	Vendor ID	Vendor Name	Invoice	Due Date	Invoice	Discount	Check
Entity	P.O. Number	Account Number	Account Name	Invoice Number	Date		Amount	Amount	Amount
Dept	Reference	Description							
742		5565-0000	Fountain Maintenance	371-06	9/1/2017	10/1/2017	150.00	0.00	150.00
@	09/17 Fountain Svc								
						<i>Check Total:</i>	<i>150.00</i>	<i>0.00</i>	<i>150.00</i>
104726	9/7/2017	09/17	SOUT41	SOUTH COUNTY PLUMBING INC					
742		5460-0000	Plumbing Repairs/Supplies	10053	8/17/2017	9/16/2017	1,950.00	0.00	1,950.00
@	Replace water heater								
						<i>Check Total:</i>	<i>1,950.00</i>	<i>0.00</i>	<i>1,950.00</i>
104727	9/15/2017	09/17	THEGAS	THE GAS COMPANY					
742		5500-0000	Gas	71474-083117	8/31/2017	9/21/2017	23.63	0.00	23.63
@	14430971474	07/31/17-08/29/17 Mtr 13001720							
						<i>Check Total:</i>	<i>23.63</i>	<i>0.00</i>	<i>23.63</i>
104728	9/15/2017	09/17	ABMSER	ABM ONSITE SERVICES WEST INC.					
742		5495-0000	Onsite Maint Personnel	11314116-E	8/4/2017	8/4/2017	1,378.82	0.00	1,378.82
@	7596921	07/17 Bldg Engineer Svc							
						<i>Check Total:</i>	<i>1,378.82</i>	<i>0.00</i>	<i>1,378.82</i>
104729	9/15/2017	09/17	NIEVES	NIEVES LANDSCAPE INC					
742		5560-0000	Landscaping Contract	61644	9/1/2017	10/1/2017	2,400.00	0.00	2,400.00
@	09/17 LandscapingSvc								
						<i>Check Total:</i>	<i>2,400.00</i>	<i>0.00</i>	<i>2,400.00</i>
104730	9/15/2017	09/17	ROSSCO	GRANT ROSS dba					
742		1240-0000	Tenant Improvements	4077	9/5/2017	10/5/2017	3,540.00	0.00	3,540.00
@	Suite 304 Improvements								
						<i>Check Total:</i>	<i>3,540.00</i>	<i>0.00</i>	<i>3,540.00</i>
104731	9/15/2017	09/17	STODD1	STODDARDS RESTORATION SERVICES INC					
742		5491-0000	Misc Repair/Maint	118864	9/5/2017	10/5/2017	4,075.00	0.00	4,075.00
@	08/17 Qtrly Wood Rpr	Common Area							
742		7333-0000	Repairs & Maint- Indirect	118863	9/5/2017	10/5/2017	3,705.00	0.00	3,705.00
@	08/17 Qtrly Wood Rprs	City Offices							

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Dept	Reference	Description							
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104732	9/19/2017	09/17	INHOUS	JERRY STEVEN NEITLICH dba					
742		1260-0000	Lease Commissions	17BLF	7/24/2017	8/23/2017	18,934.08	0.00	18,934.08
@	Suite 301	Lease Comm	ission Fay Blix	11/1/17-10/31/22					
<i>Check Total:</i>							18,934.08	0.00	18,934.08
104733	9/19/2017	09/17	COXCOM	COX COMMUNICATIONS					
742		5410-0000	HVAC Contract Services	11901-090517	9/5/2017	9/26/2017	86.90	0.00	86.90
@	0017601048511901	09/05/17-10/04/17	DSL for EMS						
<i>Check Total:</i>							86.90	0.00	86.90
104734	9/19/2017	09/17	SKYLIN	CTJAMJT CORPORATION dba					
742		5490-0000	Pest Control	75234	9/12/2017	10/12/2017	75.00	0.00	75.00
@	3018	09/17	Pest & Rodent Control						
<i>Check Total:</i>							75.00	0.00	75.00
104735	9/19/2017	09/17	SSDSYS	SECURITY SIGNAL DEVICES INC dba					
742		5121-0000	Security-Fire Alarms	1283226-A	9/11/2017	9/11/2017	160.00	0.00	160.00
@	348817	10/17	Syst Maint.						
742		7333-0000	Repairs & Maint- Indirect	1283226-A	9/11/2017	9/11/2017	517.33	0.00	517.33
@	348817	10/17	Syst Maint.						
742		7333-0000	Repairs & Maint- Indirect	1283226-A	9/11/2017	9/11/2017	19.10	0.00	19.10
@	348817	10/17	Syst Maint-Panic Button						
<i>Check Total:</i>							696.43	0.00	696.43
104736	9/19/2017	09/17	TSCMCO	TSCM CORPORATION					
742		5525-0000	Pkg Lot-Sweeping	9017110	9/1/2017	10/1/2017	221.00	0.00	221.00
@	09/17	Sweeping Svc							
<i>Check Total:</i>							221.00	0.00	221.00
<i>CITY OF LAGUNA HILLS Total:</i>							70,320.26	0.00	70,320.26
<i>Grand Total:</i>							70,320.26	0.00	70,320.26

Attachment: 1st Quarter 2017 Civic Center Report Attachments-Balance Sheet, Income Statement, and



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Second Reading and Adoption of an Ordinance Adding Chapter 10-72 to Title 10 of the Laguna Hills Municipal Code to Provide an Expedited, Streamlined Permitting Process for Electric Vehicle Charging Stations

RECOMMENDATION: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adding Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to provide an expedited, streamlined permitting process for Electric Vehicle Charging Stations in accordance with AB 1236 and Section 65850.7 of the California Government Code, including an exemption from the California Environmental Quality Act (CEQA) Guidelines Sections 15060(C)(2) and (C)(3)."

SUMMARY:

This Ordinance will add Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) to the Laguna Hills Municipal Code (LHMC) to provide an expedited, streamlined permitting process for electric vehicle charging stations. Specifically, the Ordinance codifies the requirements of Government Code Section 65850.7, which includes developing a checklist of all requirements with which electric vehicle charging station permit applications shall comply to be eligible for expedited review, allowing for electronic submittals, and authorizing the Building Official to administratively approve such applications.

A copy of the proposed Ordinance and the Staff Report for the introduction of the Ordinance, including attachments, are included as attachments to this report. The City Council introduced the Ordinance by a vote of 4-0-1 (Council Member Kogerman

Second Reading & Adoption of Ordinance Adding Chapter 10-72

November 14, 2017

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absent). It is in order to adopt the Ordinance.

ATTACHMENTS:

- Proposed Ordinance
- Proposed Ordinance Exhibit A - Checklist
- October 10, 2017 Introduction to Ordinance Staff Report and Attachments-EV Charging Stations

ORDINANCE NO. 2017-11-14-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 10-72 (ELECTRIC VEHICLE CHARGING STATION PERMITS) TO TITLE 10 (BUILDINGS AND CONSTRUCTION) OF THE LAGUNA HILLS MUNICIPAL CODE TO PROVIDE AN EXPEDITED, STREAMLINED PERMITTING PROCESS FOR ELECTRIC VEHICLE CHARGING STATIONS IN ACCORDANCE WITH AB 1236 AND SECTION 65850.7 OF THE CALIFORNIA GOVERNMENT CODE, INCLUDING AN EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PER CEQA GUIDELINES SECTIONS 15060(C)(2) AND (C)(3)

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY FINDS AND DETERMINES AS FOLLOWS

WHEREAS, on October 8, 2015, Governor Brown approved Assembly Bill 1236 ("AB 1236") amending Section 65850.7 of the California Government Code, to promote and encourage the use of electric vehicle charging stations and to limit obstacles to their use; and

WHEREAS, AB 1236 requires every city and county with a population of less than 200,000 to adopt an expedited, streamlined permitting process for electric vehicle charging stations by September 30, 2017; and

WHEREAS, the City Council seeks to implement AB 1236 through the creation of an expedited, streamlined permitting process for electric vehicle charging stations; and

WHEREAS, the City Council finds that it is in the interest of the health, welfare and safety of the public to provide an expedited, streamlined permitting process to encourage the effective development of electric vehicle charging stations; and

WHEREAS, the City Council finds that this Ordinance will have the effect of encouraging the installation of electric vehicle charging stations and minimizing barriers, obstacles, and costs of obtaining permits for their installation.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, 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) because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 3. Chapter 10-72 (Electric Vehicle Charging Station Permits) is hereby added to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to read as follows:

Chapter 10-72 ELECTRIC VEHICLE CHARGING STATION PERMITS

Sections:

- 10-72.010 Intent and purpose.
- 10-72.020 Applicability.
- 10-72.030 Definitions.
- 10-72.040 Electric vehicle charging station requirements.
- 10-72.050 Applications and documents.
- 10-72.060 Application submittal and expedited review process.

10-72.010 Intent and purpose.

The intent and purpose of this chapter is to adopt an expedited, streamlined electric vehicle charging station permitting process that complies with Government Code Section 65850.7 to achieve timely and cost-effective installations of electric vehicle charging stations. This chapter is designed to encourage the installation and use of electric vehicle charging stations by removing barriers, minimizing costs to property owners and the City, and expanding the ability of property owners to install such systems. This chapter allows the City to achieve these goals while protecting the public health and safety.

10-72.020 Applicability.

This chapter applies to the permitting of all electric vehicle charging stations in the City. Electric vehicle charging stations legally established or permitted prior to the effective date of this chapter are not subject to the requirements of this chapter unless physical modifications or alterations are undertaken that materially change the size, type, or components of an electric vehicle charging station in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements of an electric vehicle charging station with no structural alterations shall not require a permit.

10-72.030 Definitions.

As used in this chapter:

“Building Department” means the Building and Safety Division of the Community Development Department for the City of Laguna Hills.

“Building Official” means the Building Official for the City of Laguna Hills.

“City” means the City of Laguna Hills.

“Electric vehicle charging station” or “charging station” means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads as of October 8, 2015, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

“Electronic submittal” means the utilization of one or more of the following:

1. Email.
2. The Internet.
3. Facsimile

“Expedited permitting” and/or “expedited review” means the process outlined in Section 10-72.060 Application submittal and expedited review process.

“Feasible method to satisfactorily mitigate or avoid a specific, adverse impact” includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City on another similarly situated application in a prior successful application for a permit for an electric vehicle charging station.

“Specific, adverse impact” means a significant, quantifiable, direct and unavoidable impact, based on objective, identified and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

10-72.040 Electric vehicle charging station requirements.

- A. All electric vehicle charging stations shall meet all applicable health and safety standards and regulations imposed by the City, the Orange County Fire Authority, and the State of California necessary to ensure that the electric vehicle charging station will not have a specific, adverse impact upon the public health or safety.
- B. All electric vehicle charging stations shall meet all applicable safety and performance standards established by the California Electrical Code, the Society of Automotive Engineers, the National Electrical Manufacturers Association, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

10-72.050 Applications and documents.

- A. All documents required for the submission of an expedited electric vehicle charging station application, including the checklist of all requirements with which electric vehicle charging stations shall comply to be eligible for expedited review, shall be made available on the City's website.
- B. Electronic submittal of the required application and documents via email, the City's website, or facsimile shall be made available to all electric vehicle charging station permit applicants.
- C. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature.
- D. The Building Official, with prior written approval of the City's Community Development Director, shall develop and implement a checklist of all requirements with which electric vehicle charging stations shall comply with in order to be eligible for expedited review. The checklist shall include, but may not be limited to, the recommendations contained in the most current version of the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" published by the Office of Planning and Research. The City reserves its right to modify the checklist and standards found in the Guidebook due to unique climactic, geological, seismological, or topographical conditions.

10-72.60 Application submittal and expedited review process.

The Building Department shall implement the following administrative, nondiscretionary review process to expedite the approval of an application to install an electric vehicle charging station.

- A. An application that satisfies the information requirements in the City's checklist shall be deemed complete and be promptly processed. Upon confirmation by the Building Official that the application and supporting documents meet the requirements of the City's checklist, and is consistent with all applicable laws and health and safety standards, the Building Official shall, consistent with Government Code Section 65850.7, as may be amended from time to time, administratively approve the application and issue all necessary permits.
- B. If an application for an electric vehicle charging station is deemed incomplete, a

written correction notice detailing all deficiencies in the application and any additional information or documentation required to be eligible for expedited permitting shall be sent to the applicant for resubmission.

- C. The Building Official may require an applicant to apply for an electric vehicle charging station use permit if the Building Official finds, based on substantial evidence, that the electric vehicle charging station could have a specific, adverse impact upon the public health and safety. Such decisions may be appealed to the City Planning Agency in accordance with Chapter 9-96 (Hearings and Appeals) of this Code.
- D. Any conditions imposed on an application to install an electric vehicle charging station use permit shall be designed to mitigate the specific, adverse impact upon the public health or safety at the lowest possible cost.
- E. The Building Official may not deny an application for an electric vehicle charging station use permit unless it makes written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. Such findings shall include the basis for the rejection of potential feasible alternatives for preventing the adverse impact. Such decisions may be appealed to the City Planning Agency in accordance with Chapter 9-96 (Hearings and Appeals) of this Code.
- F. Approval of an application for an electric vehicle charging station shall not be based or conditioned on the approval of an association, as defined in Section 4080 of the Civil Code, that manages a common interest development.

SECTION 4. The City Council of the City of Laguna Hills hereby adopts the checklist attached hereto as Exhibit "A", setting forth all of the requirements with which electric vehicle charging stations shall comply to be eligible for expedited review in accordance with AB 1236, which checklist may be amended from time to time by the Building Official upon written approval of the Community Development Director for the City of Laguna Hills.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 14th day of November 2017.

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 Ordinance No. 2017-X was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 10th day of October 2017, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 14th day of November 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
 COUNTY OF ORANGE) ss
 CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
 AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2017-X, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 10-72 (ELECTRIC VEHICLE CHARGING STATION PERMITS) TO TITLE 10 (BUILDINGS AND CONSTRUCTION) OF THE LAGUNA HILLS MUNICIPAL CODE TO PROVIDE AN EXPEDITED, STREAMLINED PERMITTING PROCESS FOR ELECTRIC VEHICLE CHARGING STATIONS IN ACCORDANCE WITH AB 1236 AND SECTION 65850.7 OF THE CALIFORNIA GOVERNMENT CODE, INCLUDING AN EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PER CEQA GUIDELINES SECTIONS 15060(C)(2) AND (C)(3)

on the 20th day of October 2017, was published in summary in the Saddleback Valley News, and on the 24th day of November 2017, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 13th day of October 2017, and the 16th day of November 2017, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
 Laguna Hills Community Center
 La Paz Center

 MELISSA AU-YEUNG, CITY CLERK
 Laguna Hills, California

Attachment: Proposed Ordinance (1407 : Second Reading & Adoption of Ordinance Adding Chapter 10-72)

Exhibit "A"

Checklist for Expedited, Streamlined Permitting



City of Laguna Hills Building/Safety Division

MULTI-UNIT DWELLING SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - i. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show full property extent (property lines, parking areas, structures, etc.).
 - ii. List relevant property information, such as existing parking counts and ratios.
 - iii. Provide a detailed site plan showing where the charging unit is located within the parking garage or lot, and any necessary accessibility improvements
 - iv. As required by type of EVCS, installation mounting method, and local jurisdiction requirements provide necessary structural details.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels, and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. Provide a trenching detail and call out trench work in the scope of work on the plan if trenching is required. Trenching may result in a structural plan review if conduit trenches undermine foundations.
 - v. Note electrical feeder requirements when trenching structure to structure (CEC 225). The feeder from structure to structure should be noted in the scope of work. Verify that trenching complies with minimum cover requirements for wiring methods or circuits (18" for direct burial per CEC 300).
 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor (UL 2202/UL 2200).
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods. Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for multi-unit dwelling electric vehicle charging stations at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 8/24/2017)



City of Laguna Hills Building/Safety Division

RESIDENTIAL SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - a. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show the proposed location of the EVCS.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels, and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. If trenching is required, provide a trenching detail and call out trench work in scope of work. Trenching may result in a structural plan review if conduit trenches undermine foundations.
 - v. Note electrical feeder requirements when trenching structure to structure (CEC 225). The feeder from structure to structure should be noted in the scope of work. Verify that trenching is in compliance of minimum cover requirements for wiring methods or circuits (18" for direct burial per CEC 300).
 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor (UL 2202/UL 2200).
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods. Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for residential EVCS at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 8/24/17)



City of Laguna Hills

Building/Safety Division

NON-RESIDENTIAL SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - a. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show full property extent (property lines, parking areas, structures, etc.).
 - ii. List relevant property information, such as existing parking counts and ratios.
 - iii. Provide a detailed site plan showing where the charging unit is located within the parking garage or lot, and any necessary accessibility improvements
 - iv. As required by type of EVCS, installation mounting method, and local jurisdiction requirements provide necessary structural details.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. Provide a trenching detail and call out trench work in the scope of work on the plan if trenching is required. Trenching may result in a structural plan review if conduit trenches undermine foundations.
 - v. Note electrical feeder requirements when trenching structure to structure (CEC 225). The feeder from structure to structure should be noted in the scope of work. Verify that trenching is in compliance of minimum cover requirements for wiring methods or circuits (18" for direct burial per CEC 300).
 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor. (UL 2202/UL 2200)
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for non-residential electric vehicle charging stations at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 3/30/17)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 10, 2017

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: Adoption of an Ordinance to Streamline Permits for Electric Vehicle Charging Stations

RECOMMENDATION: That the City Council introduce for First Reading, read by title only, and waive further reading, an Ordinance entitled: “An Ordinance of the City of Laguna Hills, California, adding Chapter 10-72 (Electric Vehicle Charging Station Permits) to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to provide an expedited, streamlined permitting process for Electric Vehicle Charging Stations in accordance with AB 1236 and Section 65850.7 of the California Government Code, including an exemption from the California Environmental Quality Act (CEQA) per CEQA Guidelines Sections 15060(C)(2) and (C)(3).”

SUMMARY:

AB 1236 was enacted by the State Legislature (Legislature) during the 2015/2016 Legislative Session for the purpose of implementing consistent statewide standards related to the permitting and inspection of electric vehicle charging stations. Government Code Section 65850.7 requires the City to adopt an Ordinance (see Attachment 1) on or before September 30, 2017, to implement the state’s requirements.

AB 1236 requires the City to modify its current permitting process to do the following:

Adoption of an Ordinance to Streamline Permits for Electric Vehicle Charging Stations

October 10, 2017

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- Create an on-line permitting process for qualifying electric vehicle charging stations; and
- Create a checklist to identify qualifying electric vehicle charging station applications; and
- Publish the checklist and permitting documentation on the City's website.

Staff does not anticipate any issues in complying with the requirements.

BACKGROUND:

In 2015, the Legislature adopted Assembly Bill 1236 (Codified as Government Code Section 65850.7), which requires local jurisdictions with a population of less than 200,000 residents to adopt an Ordinance on or before September 30, 2017, to create an expedited, streamlined permitting process for electric vehicle charging stations.

The attached proposed Ordinance is intended to satisfy the new state requirements for plan checking, permitting, and inspection of qualifying electric vehicle charging stations. The proposed Ordinance codifies the requirements of Section 65850.7, which includes developing a checklist of all requirements with which electric vehicle charging station permit applications shall comply to be eligible for expedited review, allowing for electronic submittals, and authorizing the Building Official to administratively approve such applications. Further, AB 1236 requires that cities consult with the local fire department when developing the required Ordinance. Staff has consulted with the Orange County Fire Authority who has expressed support for the proposed Ordinance.

Staff notes that there is no penalty specified for failing to meet the new requirements; however, failure to meet the new obligations may hinder any applications the City makes in applying for state-sponsored grant funding related to energy conservation, and potentially other grant applications at the state's choosing in the future.

CEQA FINDINGS:

The adoption of this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, 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

Adoption of an Ordinance to Streamline Permits for Electric Vehicle Charging Stations

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defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly.

ATTACHMENTS:

- AB 1236 Proposed Ordinance
- Exhibit A - Checklist for Expedited, Streamlined Permitting

ORDINANCE NO. 2017-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADDING CHAPTER 10-72 (ELECTRIC VEHICLE CHARGING STATION PERMITS) TO TITLE 10 (BUILDINGS AND CONSTRUCTION) OF THE LAGUNA HILLS MUNICIPAL CODE TO PROVIDE AN EXPEDITED, STREAMLINED PERMITTING PROCESS FOR ELECTRIC VEHICLE CHARGING STATIONS IN ACCORDANCE WITH AB 1236 AND SECTION 65850.7 OF THE CALIFORNIA GOVERNMENT CODE, INCLUDING AN EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PER CEQA GUIDELINES SECTIONS 15060(C)(2) AND (C)(3)

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, on October 8, 2015, Governor Brown approved Assembly Bill 1236 ("AB 1236") amending Section 65850.7 of the California Government Code, to promote and encourage the use of electric vehicle charging stations and to limit obstacles to their use; and

WHEREAS, AB 1236 requires every city and county with a population of less than 200,000 to adopt an expedited, streamlined permitting process for electric vehicle charging stations by September 30, 2017; and

WHEREAS, the City Council seeks to implement AB 1236 through the creation of an expedited, streamlined permitting process for electric vehicle charging stations; and

WHEREAS, the City Council finds that it is in the interest of the health, welfare and safety of the public to provide an expedited, streamlined permitting process to encourage the effective development of electric vehicle charging stations; and

WHEREAS, the City Council finds that this Ordinance will have the effect of encouraging the installation of electric vehicle charging stations and minimizing barriers, obstacles, and costs of obtaining permits for their installation.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, 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) because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 3. Chapter 10-72 (Electric Vehicle Charging Station Permits) is hereby added to Title 10 (Buildings and Construction) of the Laguna Hills Municipal Code to read as follows:

Chapter 10-72 ELECTRIC VEHICLE CHARGING STATION PERMITS

Sections:

- 10-72.010 Intent and purpose.
- 10-72.020 Applicability.
- 10-72.030 Definitions.
- 10-72.040 Electric vehicle charging station requirements.
- 10-72.050 Applications and documents.
- 10-72.060 Application submittal and expedited review process.

10-72.010 Intent and purpose.

The intent and purpose of this chapter is to adopt an expedited, streamlined electric vehicle charging station permitting process that complies with Government Code Section 65850.7 to achieve timely and cost-effective installations of electric vehicle charging stations. This chapter is designed to encourage the installation and use of electric vehicle charging stations by removing barriers, minimizing costs to property owners and the City, and expanding the ability of property owners to install such systems. This chapter allows the City to achieve these goals while protecting the public health and safety.

10-72.020 Applicability.

This chapter applies to the permitting of all electric vehicle charging stations in the City. Electric vehicle charging stations legally established or permitted prior to the effective date of this chapter are not subject to the requirements of this chapter unless physical modifications or alterations are undertaken that materially change the size, type, or components of an electric vehicle charging station in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements of an electric vehicle charging station with no structural alterations shall not require a permit.

10-72.030 Definitions.

As used in this chapter:

“Building Department” means the Building and Safety Division of the Community Development Department for the City of Laguna Hills.

“Building Official” means the Building Official for the City of Laguna Hills.

“City” means the City of Laguna Hills.

“Electric vehicle charging station” or “charging station” means any level of electric vehicle supply equipment station that is designed and built in compliance with Article 625 of the California Electrical Code, as it reads as of October 8, 2015, and delivers electricity from a source outside an electric vehicle into a plug-in electric vehicle.

“Electronic submittal” means the utilization of one or more of the following:

1. Email.
2. The Internet.
3. Facsimile

“Expedited permitting” and/or “expedited review” means the process outlined in Section 10-72.060 Application submittal and expedited review process.

“Feasible method to satisfactorily mitigate or avoid a specific, adverse impact” includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City on another similarly situated application in a prior successful application for a permit for an electric vehicle charging station.

“Specific, adverse impact” means a significant, quantifiable, direct and unavoidable impact, based on objective, identified and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

10-72.040 Electric vehicle charging station requirements.

- A. All electric vehicle charging stations shall meet all applicable health and safety standards and regulations imposed by the City, the Orange County Fire Authority, and the State of California necessary to ensure that the electric vehicle charging station will not have a specific, adverse impact upon the public health or safety..
- B. All electric vehicle charging stations shall meet all applicable safety and performance standards established by the California Electrical Code, the Society of Automotive Engineers, the National Electrical Manufacturers Association, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

10-72.050 Applications and documents.

- A. All documents required for the submission of an expedited electric vehicle charging station application, including the checklist of all requirements with which electric vehicle charging stations shall comply to be eligible for expedited review, shall be made available on the City's website.
- B. Electronic submittal of the required application and documents via email, the City's website, or facsimile shall be made available to all electric vehicle charging station permit applicants.
- C. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature.
- D. The Building Official, with prior written approval of the City's Community Development Director, shall develop and implement a checklist of all requirements with which electric vehicle charging stations shall comply with in order to be eligible for expedited review. The checklist shall include, but may not be limited to, the recommendations contained in the most current version of the "Plug-In Electric Vehicle Infrastructure Permitting Checklist" of the "Zero-Emission Vehicles in California: Community Readiness Guidebook" published by the Office of Planning and Research. The City reserves its right to modify the checklist and standards found in the Guidebook due to unique climactic, geological, seismological, or topographical conditions.

10-72.60 Application submittal and expedited review process.

The Building Department shall implement the following administrative, nondiscretionary review process to expedite the approval of an application to install an electric vehicle charging station.

- A. An application that satisfies the information requirements in the City's checklist shall be deemed complete and be promptly processed. Upon confirmation by the Building Official that the application and supporting documents meet the requirements of the City's checklist, and is consistent with all applicable laws and health and safety standards, the Building Official shall, consistent with Government Code Section 65850.7, as may be amended from time to time, administratively approve the application and issue all necessary permits.
- B. If an application for an electric vehicle charging station is deemed incomplete, a written correction notice detailing all deficiencies in the application and any additional information or documentation required to be eligible for expedited permitting shall be sent to the applicant for resubmission.

- C. The Building Official may require an applicant to apply for an electric vehicle charging station use permit if the Building Official finds, based on substantial evidence, that the electric vehicle charging station could have a specific, adverse impact upon the public health and safety. Such decisions may be appealed to the City Planning Agency in accordance with Chapter 9-96 (Hearings and Appeals) of this Code.
- D. Any conditions imposed on an application to install an electric vehicle charging station use permit shall be designed to mitigate the specific, adverse impact upon the public health or safety at the lowest possible cost.
- E. The Building Official may not deny an application for an electric vehicle charging station use permit unless it makes written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. Such findings shall include the basis for the rejection of potential feasible alternatives for preventing the adverse impact. Such decisions may be appealed to the City Planning Agency in accordance with Chapter 9-96 (Hearings and Appeals) of this Code.
- F. Approval of an application for an electric vehicle charging station shall not be based or conditioned on the approval of an association, as defined in Section 4080 of the Civil Code, that manages a common interest development.

SECTION 4. The City Council of the City of Laguna Hills hereby adopts the checklist attached hereto as Exhibit "A", setting forth all of the requirements with which electric vehicle charging stations shall comply to be eligible for expedited review in accordance with AB 1236, which checklist may be amended from time to time by the Building Official upon written approval of the Community Development Director for the City of Laguna Hills.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office

of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF October 2017.

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 Ordinance No. 2017- was duly introduced and
placed upon its first reading at a Regular Meeting of the City Council on the 10th day of
October 2017, and that thereafter, said Ordinance was duly adopted and passed at a
Regular Meeting of the City Council held on the _____ day of
_____ 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Exhibit "A"

Checklist for Expedited, Streamlined Permitting



City of Laguna Hills Building/Safety Division

MULTI-UNIT DWELLING SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - i. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show full property extent (property lines, parking areas, structures, etc.).
 - ii. List relevant property information, such as existing parking counts and ratios.
 - iii. Provide a detailed site plan showing where the charging unit is located within the parking garage or lot, and any necessary accessibility improvements
 - iv. As required by type of EVCS, installation mounting method, and local jurisdiction requirements provide necessary structural details.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels, and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. Provide a trenching detail and call out trench work in the scope of work on the plan if trenching is required. Trenching may result in a structural plan review if conduit trenches undermine foundations.
 - v. Note electrical feeder requirements when trenching structure to structure (CEC 225). The feeder from structure to structure should be noted in the scope of work. Verify that trenching complies with minimum cover requirements for wiring methods or circuits (18" for direct burial per CEC 300).
 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor (UL 2202/UL 2200).
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods. Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for multi-unit dwelling electric vehicle charging stations at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 8/24/2017)



City of Laguna Hills Building/Safety Division

RESIDENTIAL SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - a. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show the proposed location of the EVCS.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels, and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. If trenching is required, provide a trenching detail and call out trench work in scope of work. Trenching may result in a structural plan review if conduit trenches undermine foundations.
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 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor (UL 2202/UL 2200).
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods. Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for residential EVCS at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 8/24/17)



City of Laguna Hills Building/Safety Division

NON-RESIDENTIAL SUBMITTAL CHECKLIST ELECTRIC VEHICLE CHARGING STATION (EVCS)

Submittal Documents Required*

- ☐ **Permit Application**
 - a. Include job address (a unique address for the EVCS installation that is used for billing), parcel number, existing use, description of work, name, address, and contact information of the applicant and the owner.
- ☐ **Plan Sets (Number, size of plans)**
 - a. **Site/Plot Plan**
 - i. Show full property extent (property lines, parking areas, structures, etc.).
 - ii. List relevant property information, such as existing parking counts and ratios.
 - iii. Provide a detailed site plan showing where the charging unit is located within the parking garage or lot, and any necessary accessibility improvements
 - iv. As required by type of EVCS, installation mounting method, and local jurisdiction requirements provide necessary structural details.
 - b. **Electrical Plan**
 - i. Provide a complete electrical single line drawing showing the main service, sub panels and proposed EVCS.
 - ii. Include size of overcurrent protection devices (in amperes) for main service, sub panels, disconnects and EVCS circuit supply.
 - iii. Show conduit sizes and types, and conductor sizes and types.
 - iv. Provide a trenching detail and call out trench work in the scope of work on the plan if trenching is required. Trenching may result in a structural plan review if conduit trenches undermine foundations.
 - v. Note electrical feeder requirements when trenching structure to structure (CEC 225). The feeder from structure to structure should be noted in the scope of work. Verify that trenching is in compliance of minimum cover requirements for wiring methods or circuits (18" for direct burial per CEC 300).
 - vi. Provide EVCS manufacturer's specification sheets showing Nationally Recognized Testing Laboratory (NRTL) approved listing mark for indoor or outdoor. (UL 2202/UL 2200)
- ☐ **Electrical Load Calculation Worksheet**
 - a. Include existing and proposed load to estimate if existing electrical service will handle the new load from EVCS and wiring methods Note: Unless electrical service equipment is 100% rated, the calculated load demand on the main service shall not exceed 80% of the nameplate rating of the main service over-current protection device (OCPD). (CEC 625.40) Provide a panel schedule for existing panels.

***All plans and documents listed above must be provided for non-residential electric vehicle charging stations at time of permit submittal prior to issuance.**

Installations must be completed by a licensed electrical contractor (C-10). (Local Regulations, California Electrical Code CEC Article 625) Plans must show conformance with the California Electrical Code Title 24, Part 3, the California Building Code (Volume 1 and 2), Title 24, Part 2, and other applicable local municipal codes.

(Updated 3/30/17)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Second Reading and Adoption of an Ordinance Approving Specific Plan Amendment No. 11-16-3681 Amending Sections of the Urban Village Specific Plan Pertaining to the Right-Of-Way, Parkway, and Sidewalk Standards for Avenida De La Carlota Between El Toro Road and Los Alisos Boulevard

RECOMMENDATION: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard."

SUMMARY:

This Ordinance will approve Specific Plan Amendment No. 11-16-3681, amending the Urban Village Specific Plan (UVSP) to adjust the design standards for the Avenida de la Carlota right-of-way between El Toro Road and Los Alisos Boulevard. Specifically, the Ordinance would alter the design plan for the Avenida de la Carlota right-of-way from a continuous width of 80 feet to a varying width, ranging from 72 feet to 88 feet, as well as expand the sidewalk/parkway dimension from 8 feet to 12 feet.

A copy of the proposed Ordinance and the Staff Report for the introduction of the Ordinance, including attachments, are included as attachments to this report. The City Council introduced the Ordinance by a vote of 4-0-1 (Council Member Kogerman absent). It is in order to adopt the Ordinance.

Second Reading & Adoption of Ordinance Approving Specific Plan Amendment No. 11-16-3681

November 14, 2017

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ATTACHMENTS:

- Proposed Ordinance
- Proposed Ordinance Exhibit A
- October 10, 2017 Introduction to Ordinance Staff Report and Attachments-SPA 11-16-3681

ORDINANCE NO. 2017-11-14-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT NO. 11-16-3681, AN AMENDMENT TO SECTIONS OF THE URBAN VILLAGE SPECIFIC PLAN AMENDING THE RIGHT-OF-WAY, PARKWAY, AND SIDEWALK STANDARDS FOR AVENIDA DE LA CARLOTA BETWEEN EL TORO ROAD AND LOS ALISOS BOULEVARD

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

WHEREAS, the City of Laguna Hills adopted the Urban Village Specific Plan (UVSP) on November 26, 2002, by the adoption of Ordinance No. 2002-8; and

WHEREAS, on October 10, 2017, the City Council adopted a Resolution approving General Plan Amendment No. 11-16-3681 to amend the Laguna Hills General Plan Mobility Element to amend the right-of-way standards for Avenida de la Carlota, between El Toro Road and Los Alisos Blvd a Secondary Arterial, from a typical right-of-way of 80 feet to a range of 72 feet to 88 feet, while also altering parkway and sidewalk standards; and

WHEREAS, the City of Laguna Hills proposes to amend the UVSP to be consistent with the aforementioned General Plan Amendment, amending the right-of-way sections for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard, creating a new parkway and widening the sidewalk while including sufficient right-of-way for four lanes of vehicular travel; and

WHEREAS, the proposed changes to the Avenida de la Carlota right-of-way will not require an amendment to the Orange County Master Plan of Arterial Highways, since the vehicular capacity of the roadway will not be affected by the subject amendment; and

WHEREAS, the City Council of the City of Laguna Hills has held a duly noticed public hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties at a public hearing held on October 10, 2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that the project is statutorily exempt from CEQA under Public Resources Code section 21080.37 (Alteration of Existing Roadway; Application of Division). Section 21080.37 exempts from CEQA "any project or an activity to repair, maintain, or make minor alterations to an existing roadway" if the following conditions are satisfied:

1. The project is carried out by a city or county with a population of less than 100,000 persons to improve public safety;
2. The project does not cross a waterway;
3. The project involves negligible or no expansion of an existing use beyond that existing at the time of the lead agency's determination;
4. The roadway is not a state roadway;
5. The site of the project does not contain wetlands or riparian areas or have significant value as a wildlife habitat, the project does not harm any species protected by the Endangered Species Act of 1973, the Native Plant Protection Act, or the California Endangered Species Act, and the project does not cause the destruction or removal of any species protected by local ordinance;
6. The project does not impact cultural resources;
7. The roadway does not affect scenic resources as provided in section 21084(c).

The project will be carried out by the City of Laguna Hills, which has a population of less than 100,000 persons, to improve public safety by reconfiguring and improving an existing City roadway and expanding the adjacent sidewalk/parkway. The project will reconfigure the right-of-way of an approximately 2,000 foot stretch of the existing Avenida de la Carlota right-of-way between El Toro Road and Los Alisos Boulevard. The project site will include the existing Avenida de la Carlota roadway, the existing sidewalk/parkway, and portions of the Laguna Hills Mall parking lot. The project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet. The project will also expand the sidewalk/parkway dimension from 8 feet to 12 feet. Where practicable and possible, the 12 foot sidewalk/parkway will be constructed on both sides of the roadway. Where the right-of-way adjoins the I-5 Freeway, the 12 foot right-of-way will be located only on the Laguna Hills Mall side of the roadway. Under the reconfigured right-of-way, there will still be a total of four lanes dedicated to vehicular travel, along with left turn lanes. At certain locations, travel lane width will be reduced in order to accommodate the four lanes. As the number of vehicle lanes will remain unchanged and the sidewalk/parkway will only be expanded from 8 to 12 feet, the project involves negligible expansion of the existing use of the Avenida de la Carlota right-of-way.

The project site consists of an area that has already been graded and developed for urban use, including a roadway and parking lot adjacent to the Laguna Hills Mall. That is, the

project site does not contain open space or undeveloped land. The project site does not contain any waterways, wetlands, or riparian areas. As the project site consists of an area that has been developed for urban use, the project site does not have significant value as a wildlife habitat and the project will not harm or remove any protected plant or animal species. Further, as the project site has previously been graded, the project will not impact cultural resources. Finally, the project site does not include a highway designated as an official state scenic highway and the project will not affect scenic resources as provided in section 21084(c) (including "historic buildings, rock outcroppings, or similar resources, within a highway designated as an official state scenic highway.") Based on the above, the statutory exemption set forth in section 21080.37 applies to the project.

The project is also exempt from CEQA under the Class 1 categorical exemption set forth in California Code of Regulations section 15301. Section 15301 exempts from CEQA the "minor alteration of existing public or private structures, facilities . . . or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination" including "(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety)."

As noted above, the project will not change the number of lanes dedicated to vehicular travel or left turn lanes. Rather, the project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet and will expand the sidewalk/parkway dimension from 8 feet to 12 feet. The project will not increase the vehicle capacity of the roadway or otherwise expand the current use of the right-of-way beyond increasing the sidewalk/parkway by four feet. Section 15301(c) specifically contemplates the exemption of minor alterations to existing streets, sidewalks, and pedestrian trails, and therefore applies to the project.

SECTION 3. The following findings for approving Specific Plan Amendment No. 11-16-3681 are hereby made in accordance with Section 9-92.080(A) of the Laguna Hills Municipal Code:

- (1) That the amendment is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof.

The proposed amendment to the UVSP is consistent with the intent, goals, and policies of the General Plan, in particular as they pertain to the General Plan Mobility Element. With proximity of the proposed redeveloped Five Lagunas project to existing and proposed residential units, the City's General Plan encourages concepts that promote a walkable city along with concepts related to beautiful streets, and increasing pedestrian safety. This amendment to the UVSP will further those concepts and objectives. Adding a new parkway and widening

the sidewalk will link residential units to the mall, promoting a pedestrian friendly environment, helping to promote a walkable community.

- (2) That the amendment is necessary to prescribe reasonable controls and standards for affected land uses to insure compatibility and integrity of those uses with other established uses.

The proposed amendment to the UVSP will strengthen the pedestrian link between existing and proposed residential units and the redeveloped Five Lagunas project, while not compromising the vehicular capacity of Avenida de la Carlota. Therefore, there are reasonable controls in place such that the proposed amendments will aid in creating a more walkable community and increase pedestrian safety while not impacting the vehicular capacity of the roadway. The proposed amendment is compatible with and complements the proposed redevelopment plans for the mall as well as adjoining residential units.

- (3) That the amendment is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species.

The proposed amendment to the UVSP will not materially affect the development rights of adjoining properties. Avenida de la Carlota currently exists as a Secondary Arterial roadway with four vehicular lanes and a sidewalk. Changes to the roadway will maintain four vehicular travel lanes while enhancing pedestrian travel and increasing landscaping along the roadway. Pedestrian linkage between residential units and commercial uses will be increased. Since the roadway currently exists and proposed changes will not reduce vehicular capacity, the proposed changes to the right-of-way will have no environmental effect to sensitive land uses or species.

- (4) That the amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category.

The proposed amendment to the UVSP will alter the existing pedestrian environment in the subject area in an effort to effect a change that will strengthen pedestrian linkage between proposed and existing residential units and the Five Lagunas project. The existing pedestrian environment is not conducive to a safe or walkable streetscape, so retaining these current standard will not promote or achieve the desired change. Only through these amendments can the city correct these standards and achieve the goals identified in the city's General Plan.

- (5) That the amendment is necessary to protect the general health, safety, or general welfare of the community as a whole.

The intent of this amendment to the UVSP is to alter the pedestrian environment and promote walkability and pedestrian safety along the subject stretch of Avenida de la Carlota, in accordance with stated goals and policies in the Mobility Element.

The combination of creating a parkway and widening the sidewalk along with landscaping should aid in promoting pedestrian safety and would aid in protecting the general health, safety, and general welfare of the community.

SECTION 4 Based on the findings set forth herein, the City Council hereby approves and adopts Specific Plan Amendment No. 11-16-3681, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by reference, amending the Urban Village Specific Plan. Changes are shown in "underline/strikeout" format. The City Clerk is hereby authorized and directed to update the appropriate sections of the Laguna Hills Urban Village Specific Plan in accordance with Exhibit "A" attached hereto.

SECTION 5. This Ordinance shall not take effect until and unless General Plan Amendment No. 11-16-3681 takes effect.

SECTION 6 This Ordinance shall take effect on the 31st day following the adoption of this Ordinance by the City Council.

SECTION 7 Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code and/or the Laguna Hills Urban Village Specific Plan.

SECTION 8 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 9 The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 14th day of November 2017.

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 Ordinance No. 2017-X was duly introduced and
placed upon its first reading at a Regular Meeting of the City Council on the 10th day of
October 2017, and that thereafter, said Ordinance was duly adopted and passed at a
Regular Meeting of the City Council held on the 14th day of November 2017, by the
following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

STATE OF CALIFORNIA)
 COUNTY OF ORANGE) ss
 CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
 AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2017-X, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT NO. 11-16-3681, AN AMENDMENT TO SECTIONS OF THE URBAN VILLAGE SPECIFIC PLAN AMENDING THE RIGHT-OF-WAY, PARKWAY, AND SIDEWALK STANDARDS FOR AVENIDA DE LA CARLOTA BETWEEN EL TORO ROAD AND LOS ALISOS BOULEVARD

on the 20th day of October 2017, was published in summary in the Saddleback Valley News, and on the 24th day of November 2017, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 13th day of October 2017, and the 16th day of November 2017, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
 Laguna Hills Community Center
 La Paz Center

 MELISSA AU-YEUNG, CITY CLERK
 Laguna Hills, California

Exhibit “A”

SPA-11-16-3681



Specific Plan Amendment No. 11-16-3681
Urban Village Specific Plan

Key: ~~Strikethrough~~ text indicates that text is deleted.
Underline text indicates text that has been inserted.

Page 11:

2. Perimeter Streets (Figure 9 & 9.1)

The perimeter streets (Avenida de la Carlota, Los Alisos, and Paseo de Valencia) surrounding the Urban Village will have a consistent look so that the boundaries are clearly delineated. A landscaped area of 8'-0" min. behind sidewalk will be required. There are two design concepts that will be utilized within the parkway, to allow flexibility depending upon the location of existing buildings, trees or other structures.

The first alternative provides for planting of the theme trees within this parkway at 30'-0" on center with 30" high stone walls curving around them with pilasters capping the ends of the wall. Coloring ground cover will be placed in front of the stone wall to accent the theme trees. Stone pilasters with lights will be placed in between the theme trees at 30'-0" on center. A thick dense ground cover will be planted in between the theme trees.

The second alternative parkway design will consist of a curing 30" high screen (to help screen parking lots) made up of both a stone wall and a hedge. Stone pilasters with lights will be placed at equal intervals as this wall touches the sidewalk. Coloring groundcover will be placed in front of the wall section (as shown in Figure 9) to give visual interest and continuity to the overall perimeter of the Urban Village.

Regarding the right-of-way cross section for Avenida de la Carlota between El Toro Road and Los Alisos Blvd., the overall concept is to enhance the walkability and safety of the roadway for pedestrians by creating a parkway with street trees adjacent to the sidewalk. Additionally, a wider sidewalk for this street will encourage pedestrian use between newly constructed residential units and commercial uses in the area. These design features are in line with goals and policies of the City's General Plan and Complete Streets concepts that promote walking as an option for both recreation and commuting and as an alternative to the automobile. Specific design features for the parkway and sidewalk are detailed in General Characteristics.

General Characteristics

- 10'-0" min. landscape setback from behind sidewalk
- A 4'-0" sidewalk is required within the parkways behind the curb
- For Avenida de la Carolta, a 6'-0" landscape parkway and a 6'-0" sidewalk will be used between El Toro Road and Los Alisos Blvd. For the area of roadway adjacent to the I-5 Freeway, the landscape parkway and sidewalk will be built on the westerly side of the road only.
- All landscape material should be the same along these perimeter edges.

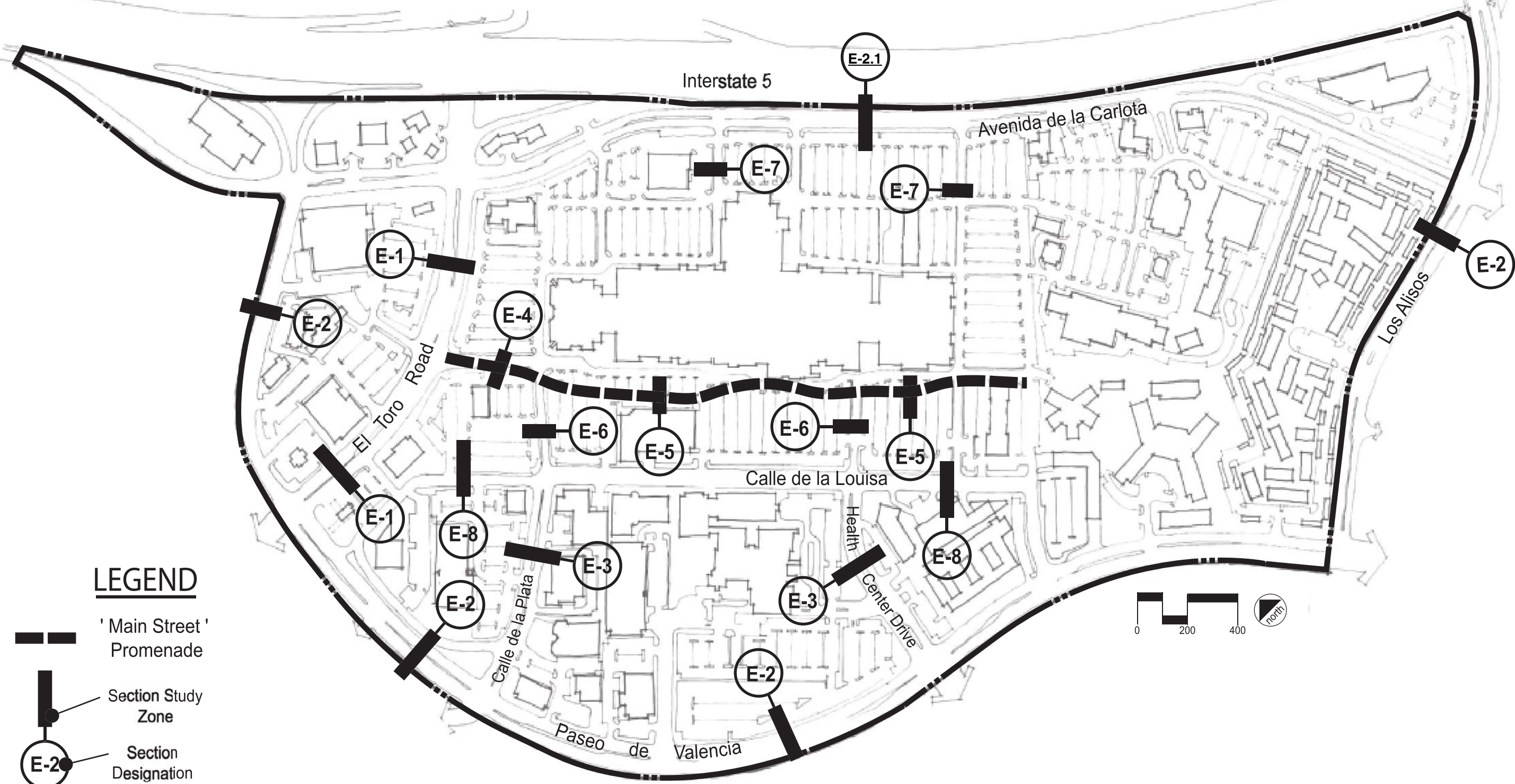
Page 29:

- The various streets within the interior of the Village should have their own style of tree and landscaping to help differentiate them from each other. See figure 35.
- Perimeter landscaping should have one consistent look completely around the Urban Village. Evergreen plant material should be used to maintain color and mass in this zone year round. The 6 foot parkway along Avenida de la Carlota will include a street tree planted at regular intervals and using suggested examples shown in this section. Ground cover will utilize drought tolerant species that are evergreen and complement landscaping used in the development landscape setback. A water saving irrigation system should be employed to save water and reduce run-off. See Figure 36.

Page 50:

PHASING PROGRAM

- Implementation of the Perimeter Street Edge condition improvements (Figure 9 & 9.1) should closely follow the El Toro Road improvements so as to create the identity for the area. Because implementation of the Perimeter Street Edge Condition improvements will include improvements to the private property landscaped setback areas along the perimeter streets, the City will need to work with the property owners to implement those improvements.



LEGEND

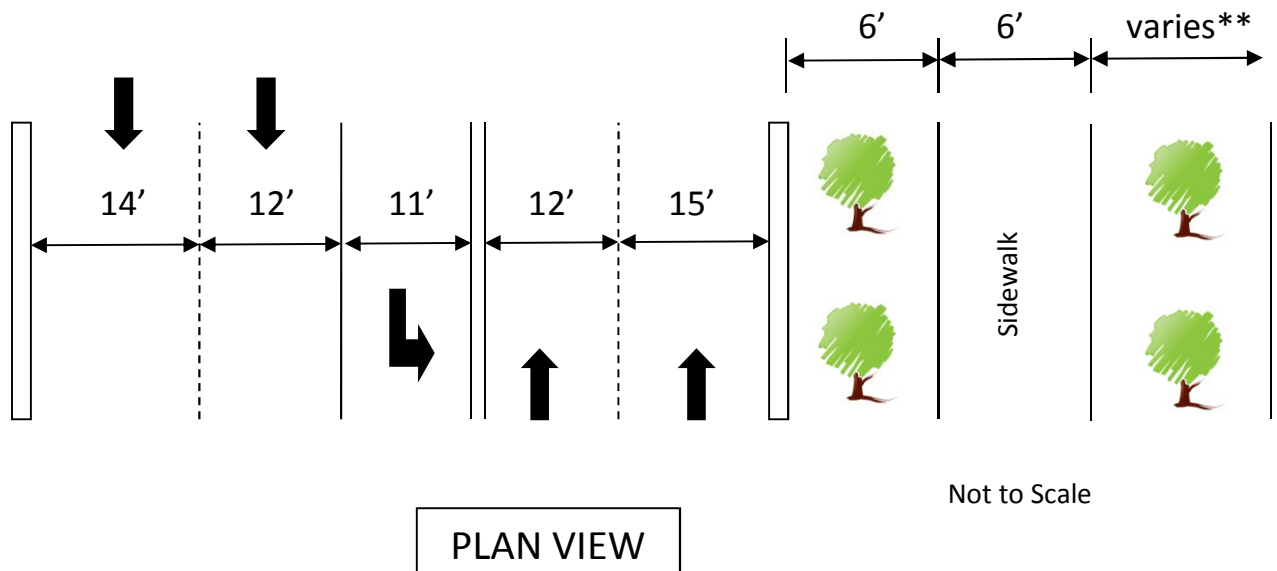
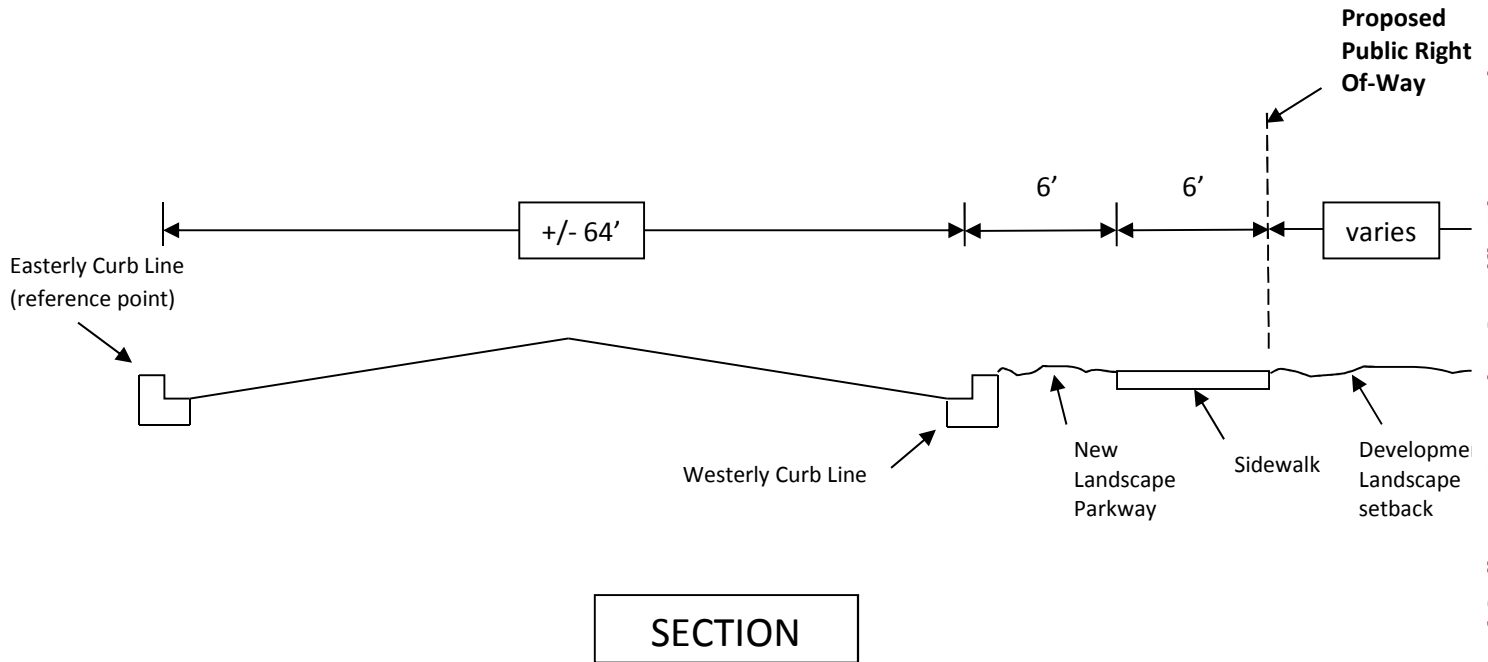
- 'Main Street' Promenade
- Section Study Zone
- Section Designation

Street Edge Condition Plan

date: Nov. 2002 fig. 7

Laguna Hills, Orange, Villa Park

AVENIDA DE LA CARLOTA ROAD DIMENSIONS Typical Cross Section* Between El Toro Road and Los Alisos Blvd.



*Roadway section flares to wider dimensions at intersections with El Toro Road and with Los Alisos Blvd.

**Refer to Figure 9 for edge treatments A and B

Section E-2.1
Perimeter Streets
Figure 9.1



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 10, 2017

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: General Plan Amendment/Specific Plan Amendment 11-16-3681, an Amendment to the General Plan Mobility Element and Urban Village Specific Plan Related to the Avenida De La Carlota Right-Of-Way Between El Toro Road and Los Alisos Boulevard

RECOMMENDATION: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the Project is Statutorily Exempt from CEQA under Public Resources Code Section 21080.37 (Alteration of Existing Roadway) and Categorically Exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA Guidelines; (3) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, approving General Plan Amendment No. 11-16-3681, an amendment to the General Plan Mobility Element amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard;" and (4) Introduce for First Reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard."

SUMMARY:

The City maintains design criteria for its streets that identify standards such as desired street width, number of lanes, and amenities such as sidewalks and landscaping. The proposed Resolution and Ordinance would amend the General Plan Mobility Element and Urban Village Specific Plan (UVSP) to adjust the design standards for the Avenida de la Carlota right-of-way along the Interstate 5 freeway, between El Toro Road and

GPA/SPA 11-16-3681 (Carlota ROW)

October 10, 2017

Page 2

Los Alisos Boulevard. Specifically, the proposed amendments would:

- Alter the design plan for the Avenida de la Carlota right-of-way as follows:
 - Current: Continuous width of 80 feet
 - Proposed: Varying width, ranging from 72 feet to 88 feet
- Expand the sidewalk/parkway dimension from 8 feet to 12 feet

The result of the proposal will better reflect the changing land uses and development environment in the area while promoting the General Plan, Specific Plan, and Complete Streets concepts of pedestrian safety, beautification, and walkability within the Village Commercial Zoning District by increasing the sidewalk and landscaped parkway width of Avenida de la Carlota.

AUTHORITY:

Adoption of an amendment to the General Plan is a legislative act of the City Council subject to consideration and approval of a Resolution after a public hearing (LHMC § 9-06.050). Adoption of an amendment to a Specific Plan is a legislative act of the City Council subject to consideration and approval of an Ordinance after a public hearing (LHMC § 9-08.040).

BACKGROUND:

In 2002, the City Council adopted the UVSP. The Specific Plan encompasses the entire Village Commercial Zoning District (as shown below), and regulates development in the area by designating aesthetic improvements and encouraging a variety of public, regional commercial, recreational, and high density residential uses.

GPA/SPA 11-16-3681 (Carlota ROW)

October 10, 2017

Page 3



In 2009, the City completed a comprehensive update to the City's General Plan which establishes goals and policies for the City's long-term physical, social, and economic growth. Included with this update was the Mobility Element, a master circulation plan that covers multiple forms of travel including vehicles, public transit, bicycles, and pedestrians.

Both the UVSP and the 2009 General Plan Update encourage the concept of creating a pedestrian-friendly environment with increased pedestrian safety within the Village Commercial Zoning District. For public streets that connect residential uses to commercial areas that translates to landscaped and protected parkways, and wider sidewalks that provide adequate space for groups of pedestrians to walk safely. Currently, Avenida de la Carlota between El Toro Road and Los Alisos Boulevard is classified as a Secondary Arterial roadway (80-foot right-of-way) with four vehicular lanes of travel and four-foot wide sidewalks abutting the roadway. While the roadway meets vehicular circulation requirements, the narrow sidewalk next to a busy roadway does not provide for an optimal pedestrian-friendly environment.

The upcoming expansion of the Interstate 5 freeway, which is anticipated to commence in 2020, will impact Avenida de la Carlota. This impact creates an opportunity for the City to provide direction to the California Department of Transportation (Caltrans) regarding the reconstruction of the roadway. With new residential units (Reata Apartments) within close proximity to the Five Lagunas project, which is under construction, the intent of the proposed change is to have the reconstructed roadway incorporate a softer edge between the pedestrian and the roadway, and to encourage it as a pedestrian link between the residential and commercial areas.

In order to adjust the roadway configuration to achieve this pedestrian-friendly environment, a General Plan Amendment and Specific Plan Amendment are required to adjust the Avenida de la Carlota right-of-way.

PROPOSAL:

The proposed General Plan and Specific Plan Amendments would adjust the Avenida de la Carlota right-of-way adjacent to the Interstate 5 freeway, between El Toro Road and Los Alisos Boulevard. The proposed changes are summarized as follows:

- General Plan Amendment
 - Page M-6 of the Mobility Element describes the parameters that make up the Secondary Arterial roadway. The description of Avenida de la Carlota would be revised to read as follows:
 - “For the section of Avenida de la Carlota between El Toro Road and Los Alisos Boulevard, the typical right-of-way can vary between 72 feet to 88 feet. The right-of-way will include a total of 4 traffic lanes (including a left-turn lane) with up to 64 feet of roadway along with either two 12-foot landscape parkway/sidewalk or a single 12-foot landscape/sidewalk. The single 12-foot landscape/sidewalk will adjoin the westerly side of the street.”
 - The amendments to the Mobility Element are depicted in Exhibit A to the proposed Resolution amending the City’s General Plan (Attachment 1).
- Urban Village Specific Plan Amendment
 - Page 11 of the UVSP
 - Perimeter Streets section will have new language describing the overall concept to enhance walkability and safety for pedestrians.
 - General Characteristics section is amended to specifically describe the changes to the sidewalk and the addition of a new landscaped parkway.
 - Page 29 of the UVSP
 - Changes call for planting of street trees on a regular interval as well as ground cover.

The amendments are depicted in Exhibit A to the proposed Ordinance amending the Urban Village Specific Plan (Attachment 2).

CONCLUSION:

The proposed amendments to the General Plan and Urban Village Specific Plan will further the objectives in the Mobility Element and concepts expressed in the UVSP. The incorporation of a wider sidewalk, along with an improved landscaped parkway with shade trees, will enhance the pedestrian-friendly experience envisioned for the Village Commercial zoning district and be consistent with Complete Streets concepts. Thus, staff is recommending approval and adoption of the proposed Resolution and Ordinance.

TRIBAL CONSULTATION (SB18):

As per SB18 (2004) consultation requirements, information regarding the proposed Specific Plan Amendment was forwarded to those tribes referenced on the Tribal Consultation List provided by the Native American Heritage Commission. No tribes requested information or consultation. The requirements of SB18 have been satisfied.

PUBLIC NOTICE:

This project was advertised in an adjudicated newspaper of general circulation on September 29, 2017. To date, no comments have been received. Any written comments received will be handed out at the City Council Public Hearing.

CEQA FINDINGS:

The project is statutorily exempt from CEQA under Public Resources Code Section 21080.37 (Alteration of Existing Roadway). Section 21080.37 exempts from CEQA "any project or an activity to repair, maintain, or make minor alterations to an existing roadway" if the following conditions are satisfied:

1. The project is carried out by a city or county with a population of less than 100,000 persons to improve public safety;
2. The project does not cross a waterway;
3. The project involves negligible or no expansion of an existing use beyond that existing at the time of the lead agency's determination;
4. The roadway is not a state roadway;
5. The site of the project does not contain wetlands or riparian areas or have significant value as a wildlife habitat, the project does not harm any species

protected by the Endangered Species Act of 1973, the Native Plant Protection Act, or the California Endangered Species Act, and the project does not cause the destruction or removal of any species protected by local ordinance;

6. The project does not impact cultural resources;
7. The roadway does not affect scenic resources as provided in Section 21084(c).

The project will be carried out by the City of Laguna Hills, which has a population of less than 100,000 persons, to improve public safety by reconfiguring and improving an existing City roadway and expanding the adjacent sidewalk/parkway. The project will reconfigure the right-of-way of an approximately 2,000 foot stretch of the existing Avenida de la Carlota right-of-way between El Toro Road and Los Alisos Boulevard. The project site will include the existing Avenida de la Carlota roadway, the existing sidewalk/parkway, and portions of the Laguna Hills Mall parking lot. The project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 feet to 88 feet. The project will also expand the sidewalk/parkway dimension from 8 feet to 12 feet. Where practicable and possible, the 12-foot sidewalk/parkway will be constructed on both sides of the roadway. Where the right-of-way adjoins the Interstate 5 freeway, the 12-foot right-of-way will be located only on the Laguna Hills Mall side of the roadway. Under the reconfigured right-of-way, there will still be a total of four lanes dedicated to vehicular travel, along with left turn lanes. At certain locations, travel lane width will be reduced in order to accommodate the four lanes. As the number of vehicle lanes will remain unchanged and the sidewalk/parkway will only be expanded from 8 feet to 12 feet, the project involves negligible expansion of the existing use of the Avenida de la Carlota right-of-way.

The project site consists of an area that has already been graded and developed for urban use including a roadway and parking lot adjacent to the Laguna Hills Mall. That is, the project site does not contain open space or undeveloped land. The project site does not contain any waterways, wetlands, or riparian areas. As the project site consists of an area that has been developed for urban use, the project site does not have significant value as a wildlife habitat and the project will not harm or remove any protected plant or animal species. Further, as the project site has previously been graded, the project will not impact cultural resources. Finally, the project site does not include a highway designated as an official state scenic highway and the project will not affect scenic resources as provided in section 21084(c) (including "historic buildings, rock outcroppings, or similar resources, within a highway designated as an official state scenic highway"). Based on the above, the statutory exemption set forth in Section 21080.37 applies to the project.

The project is also exempt from CEQA under the Class 1 categorical exemption set forth in California Code of Regulations section 15301. Section 15301 exempts from CEQA the "minor alteration of existing public or private structures, facilities . . . or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination" including "(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety)."

As noted above, the project will not change the number of lanes dedicated to vehicular travel or left turn lanes. Rather, the project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 feet to 88 feet and will expand the sidewalk/parkway dimension from 8 feet to 12 feet. The project will not increase the vehicle capacity of the roadway or otherwise expand the current use of the right-of-way beyond increasing the sidewalk/parkway by four feet. Section 15301(c) specifically contemplates the exemption of minor alterations to existing streets, sidewalks, and pedestrian trails, and therefore applies to the project.

ATTACHMENTS:

- Attachment 1 – Proposed Resolution (General Plan Amendment)
- Attachment 2 – Proposed Ordinance (Specific Plan Amendment)

Attachment 1

GPA-11-16-3681 Resolution of Approval



RESOLUTION NO. 2017 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT NO. 11-16-3681, AN AMENDMENT TO THE GENERAL PLAN MOBILITY ELEMENT AMENDING THE RIGHT-OF-WAY, PARKWAY, AND SIDEWALK STANDARDS FOR AVENIDA DE LA CARLOTA BETWEEN EL TORO ROAD AND LOS ALISOS BOULEVARD

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY FINDS, DETERMINES, DECLARES, AND RESOLVES AS FOLLOWS:

WHEREAS, pursuant to Government Code Section 65300 et seq., cities and counties in California are required to adopt a comprehensive, long-term General Plan for development; and

WHEREAS, the City Council adopted the 2009 Comprehensive General Plan Update for the City of Laguna Hills on July 14, 2009; and

WHEREAS, the City is required to prepare a Circulation (Mobility) Element that addresses all modes of travel, including automobiles, transit, pedestrian, and bicycle traffic; and

WHEREAS, in the City's General Plan Mobility Element, Avenida de la Carlota is identified as a Secondary Arterial roadway that runs from Lake Forest Drive to Los Alisos Boulevard; the roadway segment under review runs from El Toro Road to Los Alisos Boulevard and will be affected by upcoming reconstruction of the Interstate 5 freeway, creating an opportunity to employ alternative street, parkway, and sidewalk standards that will enhance the pedestrian environment; and

WHEREAS, the City proposes to amend the Laguna Hills General Plan Mobility Element to amend the right-of-way standards for Avenida de la Carlota, between El Toro Road and Los Alisos Boulevard from a typical right-of-way of 80 feet to a range of 72 to 88 feet, while also altering parkway and sidewalk standards; and

WHEREAS, the proposed changes to the Avenida de la Carlota right-of-way will not require an amendment to the Orange County Master Plan of Arterial Highways, since the vehicular capacity of the roadway will not be affected by the subject amendment; and

WHEREAS, the proposed amendments do not constitute a "substantial amendment" to the City's existing General Plan triggering "Referral of Plans" as described by Section 65352 of the Government Code; and

WHEREAS, the City Council of the City of Laguna Hills has held a duly noticed public hearing and considered public comments and written and oral information

and testimony presented by City staff, community residents, and other interested parties at a public hearing held on October 10, 2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY 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 of the City of Laguna Hills hereby finds and determines that the project is statutorily exempt from CEQA under Public Resources Code section 21080.37 (Alteration of Existing Roadway; Application of Division). Section 21080.37 exempts from CEQA "any project or an activity to repair, maintain, or make minor alterations to an existing roadway" if the following conditions are satisfied:

1. The project is carried out by a city or county with a population of less than 100,000 persons to improve public safety;
2. The project does not cross a waterway;
3. The project involves negligible or no expansion of an existing use beyond that existing at the time of the lead agency's determination;
4. The roadway is not a state roadway;
5. The site of the project does not contain wetlands or riparian areas or have significant value as a wildlife habitat, the project does not harm any species protected by the Endangered Species Act of 1973, the Native Plant Protection Act, or the California Endangered Species Act, and the project does not cause the destruction or removal of any species protected by local ordinance;
6. The project does not impact cultural resources;
7. The roadway does not affect scenic resources as provided in section 21084(c).

The project will be carried out by the City of Laguna Hills, which has a population of less than 100,000 persons, to improve public safety by reconfiguring and improving an existing City roadway and expanding the adjacent sidewalk/parkway. The project will reconfigure the right-of-way of an approximately 2,000 foot stretch of the existing Avenida de la Carlota right-of-way between El Toro Road and Los Alisos Boulevard. The project site will include the existing Avenida de la Carlota roadway, the existing sidewalk/parkway, and portions of the Laguna Hills Mall parking lot. The project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet. The project will also expand the sidewalk/parkway dimension from 8 feet to 12 feet. Where practicable and possible, the 12 foot sidewalk/parkway will be constructed on both sides

of the roadway. Where the right-of-way adjoins the I-5 Freeway, the 12 foot right-of-way will be located only on the Laguna Hills Mall side of the roadway. Under the reconfigured right-of-way, there will still be a total of four lanes dedicated to vehicular travel, along with left turn lanes. At certain locations, travel lane width will be reduced in order to accommodate the four lanes. As the number of vehicle lanes will remain unchanged and the sidewalk/parkway will only be expanded from 8 to 12 feet, the project involves negligible expansion of the existing use of the Avenida de la Carlota right-of-way.

The project site consists of an area that has already been graded and developed for urban use, including a roadway and parking lot adjacent to the Laguna Hills Mall. That is, the project site does not contain open space or undeveloped land. The project site does not contain any waterways, wetlands, or riparian areas. As the project site consists of an area that has been developed for urban use, the project site does not have significant value as a wildlife habitat and the project will not harm or remove any protected plant or animal species. Further, as the project site has previously been graded, the project will not impact cultural resources. Finally, the project site does not include a highway designated as an official state scenic highway and the project will not affect scenic resources as provided in section 21084(c) (including "historic buildings, rock outcroppings, or similar resources, within a highway designated as an official state scenic highway.") Based on the above, the statutory exemption set forth in section 21080.37 applies to the project.

The project is also exempt from CEQA under the Class 1 categorical exemption set forth in California Code of Regulations section 15301. Section 15301 exempts from CEQA the "minor alteration of existing public or private structures, facilities . . . or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination" including "(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety)."

As noted above, the project will not change the number of lanes dedicated to vehicular travel or left turn lanes. Rather, the project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet and will expand the sidewalk/parkway dimension from 8 feet to 12 feet. The project will not increase the vehicle capacity of the roadway or otherwise expand the current use of the right-of-way beyond increasing the sidewalk/parkway by four feet. Section 15301(c) specifically contemplates the exemption of minor alterations to existing streets, sidewalks, and pedestrian trails, and therefore applies to the project.

SECTION 3. The following findings for approving General Plan Amendment No. 11-16-3681 are hereby made in accordance with Section 9-92.080(A) of the Laguna Hills Municipal Code:

- (1) That the amendment is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof.

The proposed General Plan Amendment is consistent with the intent of the goals and policies of the General Plan, particularly as they pertain to the General Plan

Mobility Element. Goals and policies are contained within the Mobility Element that promote the concepts of traffic calming, pedestrian safety, and beautiful streets. The proposed change to Avenida de la Carlota will expand the parkway and sidewalk area while still maintaining the secondary arterial minimum of four vehicular travel lanes. Street trees will be planted along the parkway, creating a more walkable street and increasing pedestrian safety. Increasing the width of the sidewalk promotes pedestrian activity, linking newly constructed residential units with commercial uses, helping to promote a walkable community.

- (2) That the amendment is necessary to prescribe reasonable controls and standards for affected land uses to insure compatibility and integrity of those uses with other established uses.

The proposed General Plan Amendment will strengthen the compatible and integrity of adjoining uses, creating a pedestrian link between residential and commercial uses as contemplated in the Mobility Element. Proposed changes in the right-of-way will not affect the capacity of the roadway, but strengthen pedestrian linkage.

- (3) That the general plan amendment is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species.

The proposed General Plan Amendment will not materially affect the development rights of adjoining properties. Avenida de la Carlota currently exists as a Secondary Arterial roadway with four vehicular travel lanes and a sidewalk. Changes to the roadway will maintain four vehicular travel lanes while enhancing pedestrian travel and increasing landscaping along the roadway. Pedestrian linkage between residential units and commercial uses will be increased. Since the roadway currently exists and proposed changes will not reduce vehicular capacity, the proposed changes to the right-of-way will have no environmental effect to sensitive land uses or species.

- (4) That the amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category.

The proposed General Plan Amendment builds upon the Mobility Element concepts of walkability, pedestrian safety and beautiful streets. Changes in standards will serve to implement specific Goals such as M-3 (Walking and

Cycling) and Goal M-4 (Enhance the City's streetscapes and beautify the overall driving experience on Laguna Hills).

- (5) That the amendment is necessary to protect the general health, safety, or general welfare of the community as a whole.

The intent of this General Plan Amendment is to specifically address walkability and pedestrian safety along the identified stretch of Avenida de la Carlota, in accordance with stated goals and policies in the Mobility Element. The combination of creating a parkway with streets and landscaping and widening the width of the sidewalk should aid in promoting pedestrian safety and would aid in protecting the general health, safety, and general welfare of the community

SECTION 4 Based on the findings set forth herein, the City Council hereby approves and adopts General Plan Amendment No. 11-16-3681, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by reference, amending the Laguna Hills General Plan Mobility Element. General Plan Amendment No. 11-16-3681 is to be depicted in both graphic and text form within the Laguna Hills Mobility Element. Changes are shown in "underline/strikeout" format. The City Clerk is hereby authorized and directed to update the appropriate sections of the Laguna Hills General Plan Mobility Element in accordance with Exhibit "A" attached hereto.

SECTION 5 This Resolution shall take effect on the 31st day following the adoption by the City Council.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2017.

DON SEDGWICK, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

Resolution No. 2017-

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. _____ was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the _____ day of _____ 2017, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the _____ day of _____ 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

Exhibit “A”

GPA-11-16-3681



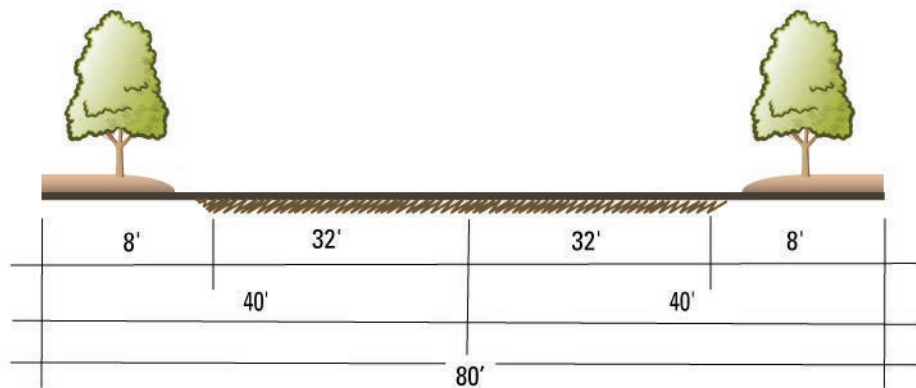
Secondary Arterials

Secondary arterials are 4 lane undivided (no median) roadways, with a typical right-of-way of 80 feet. A secondary arterial serves as a collector, distributing traffic between local streets and major and primary arterials. Although some secondary arterials serve as through routes, most provide more direct access to surrounding land uses than major or primary arterials. A secondary arterial is designed to accommodate approximately 10,000 to 20,000 vehicle trips per day at LOS C.

Secondary arterials in the City include:

- Avenida de la Carlota Note: For the section of Avenida de la Carlota between El Toro Road and Los Alisos Blvd, the typical right-of-way can vary between 72 to 88 feet. The right-of-way will include a total of 4 traffic lanes (including a left turn lane) with up to 64 feet of roadway along with either two 12 foot landscape parkway/sidewalk or a single 12 foot landscape parkway/sidewalk. The single 12 foot landscape parkway/sidewalk will adjoin the westerly side of the street.
- Cabot Road (south of Oso Parkway)
- Paseo de Valencia (La Paz Road to Cabot Road)

SECONDARY 4 Lane Undivided Roadway



Collector (Commuter) Arterials

Collector or commuter arterials are 2 lane undivided, unrestricted access roadways, with a typical right-of-way width of 56 feet. A collector or commuter arterial functions primarily as a commuter facility but differs from a local collector street in its ability to handle through traffic movements between two arterials. A collector or commuter arterial is provided to accommodate up to approximately 10,000 vehicle trips per day at LOS C.

Collector arterials in the City include:

- Santa Vittoria Drive
- Mill Creek Drive
- Aliso Hills Drive

Attachment 2

SPA-11-16-3681 Ordinance of Approval



ORDINANCE NO. 2017 -

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT NO. 11-16-3681, AN AMENDMENT TO SECTIONS OF THE URBAN VILLAGE SPECIFIC PLAN AMENDING THE RIGHT-OF-WAY, PARKWAY, AND SIDEWALK STANDARDS FOR AVENIDA DE LA CARLOTA BETWEEN EL TORO ROAD AND LOS ALISOS BOULEVARD

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

WHEREAS, the City of Laguna Hills adopted the Urban Village Specific Plan (UVSP) on November 26, 2002 by the adoption of Ordinance No. 2002-8; and

WHEREAS, on October 10, 2017, the City Council adopted a Resolution approving General Plan Amendment No. 11-16-3681 to amend the Laguna Hills General Plan Mobility Element to amend the right-of-way standards for Avenida de la Carlota, between El Toro Road and Los Alisos Blvd a Secondary Arterial, from a typical right-of-way of 80 feet to a range of 72 to 88 feet, while also altering parkway and sidewalk standards; and

WHEREAS, the City of Laguna Hills proposes to amend the UVSP to be consistent with the aforementioned General Plan Amendment, amending the right-of-way sections for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard, creating a new parkway and widening the sidewalk while including sufficient right-of-way for four lanes of vehicular travel; and

WHEREAS, the proposed changes to the Avenida de la Carlota right-of-way will not require an amendment to the Orange County Master Plan of Arterial Highways, since the vehicular capacity of the roadway will not be affected by the subject amendment; and

WHEREAS, the City Council of the City of Laguna Hills has held a duly noticed public hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties at a public hearing held on October 10, 2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that the project is statutorily exempt from CEQA under Public Resources

Code section 21080.37 (Alteration of Existing Roadway; Application of Division). Section 21080.37 exempts from CEQA "any project or an activity to repair, maintain, or make minor alterations to an existing roadway" if the following conditions are satisfied:

1. The project is carried out by a city or county with a population of less than 100,000 persons to improve public safety;
2. The project does not cross a waterway;
3. The project involves negligible or no expansion of an existing use beyond that existing at the time of the lead agency's determination;
4. The roadway is not a state roadway;
5. The site of the project does not contain wetlands or riparian areas or have significant value as a wildlife habitat, the project does not harm any species protected by the Endangered Species Act of 1973, the Native Plant Protection Act, or the California Endangered Species Act, and the project does not cause the destruction or removal of any species protected by local ordinance;
6. The project does not impact cultural resources;
7. The roadway does not affect scenic resources as provided in section 21084(c).

The project will be carried out by the City of Laguna Hills, which has a population of less than 100,000 persons, to improve public safety by reconfiguring and improving an existing City roadway and expanding the adjacent sidewalk/parkway. The project will reconfigure the right-of-way of an approximately 2,000 foot stretch of the existing Avenida de la Carlota right-of-way between El Toro Road and Los Alisos Boulevard. The project site will include the existing Avenida de la Carlota roadway, the existing sidewalk/parkway, and portions of the Laguna Hills Mall parking lot. The project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet. The project will also expand the sidewalk/parkway dimension from 8 feet to 12 feet. Where practicable and possible, the 12 foot sidewalk/parkway will be constructed on both sides of the roadway. Where the right-of-way adjoins the I-5 Freeway, the 12 foot right-of-way will be located only on the Laguna Hills Mall side of the roadway. Under the reconfigured right-of-way, there will still be a total of four lanes dedicated to vehicular travel, along with left turn lanes. At certain locations, travel lane width will be reduced in order to accommodate the four lanes. As the number of vehicle lanes will remain unchanged and the sidewalk/parkway will only be expanded from 8 to 12 feet, the project involves negligible expansion of the existing use of the Avenida de la Carlota right-of-way.

The project site consists of an area that has already been graded and developed for urban use, including a roadway and parking lot adjacent to the Laguna Hills Mall. That is, the project site does not contain open space or undeveloped land. The project site does not contain any waterways, wetlands, or riparian areas. As the project site consists of an area

that has been developed for urban use, the project site does not have significant value as a wildlife habitat and the project will not harm or remove any protected plant or animal species. Further, as the project site has previously been graded, the project will not impact cultural resources. Finally, the project site does not include a highway designated as an official state scenic highway and the project will not affect scenic resources as provided in section 21084(c) (including "historic buildings, rock outcroppings, or similar resources, within a highway designated as an official state scenic highway.") Based on the above, the statutory exemption set forth in section 21080.37 applies to the project.

The project is also exempt from CEQA under the Class 1 categorical exemption set forth in California Code of Regulations section 15301. Section 15301 exempts from CEQA the "minor alteration of existing public or private structures, facilities . . . or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination" including "(c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety)."

As noted above, the project will not change the number of lanes dedicated to vehicular travel or left turn lanes. Rather, the project will alter the roadway right-of-way from the current single width of 80 feet to a varying width ranging from 72 to 88 feet and will expand the sidewalk/parkway dimension from 8 feet to 12 feet. The project will not increase the vehicle capacity of the roadway or otherwise expand the current use of the right-of-way beyond increasing the sidewalk/parkway by four feet. Section 15301(c) specifically contemplates the exemption of minor alterations to existing streets, sidewalks, and pedestrian trails, and therefore applies to the project.

SECTION 3. The following findings for approving Specific Plan Amendment No. 11-16-3681 are hereby made in accordance with Section 9-92.080(A) of the Laguna Hills Municipal Code:

- (1) That the amendment is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof.

The proposed amendment to the UVSP is consistent with the intent, goals, and policies of the General Plan, in particular as they pertain to the General Plan Mobility Element. With proximity of the proposed redeveloped Five Lagunas project to existing and proposed residential units, the City's General Plan encourages concepts that promote a walkable city along with concepts related to beautiful streets, and increasing pedestrian safety. This amendment to the UVSP will further those concepts and objectives. Adding a new parkway and widening

the sidewalk will link residential units to the mall, promoting a pedestrian friendly environment, helping to promote a walkable community.

- (2) That the amendment is necessary to prescribe reasonable controls and standards for affected land uses to insure compatibility and integrity of those uses with other established uses.

The proposed amendment to the UVSP will strengthen the pedestrian link between existing and proposed residential units and the redeveloped Five Lagunas project, while not compromising the vehicular capacity of Avenida de la Carlota. Therefore, there are reasonable controls in place such that the proposed amendments will aid in creating a more walkable community and increase pedestrian safety while not impacting the vehicular capacity of the roadway. The proposed amendment is compatible with and complements the proposed redevelopment plans for the mall as well as adjoining residential units.

- (3) That the amendment is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species.

The proposed amendment to the UVSP will not materially affect the development rights of adjoining properties. Avenida de la Carlota currently exists as a Secondary Arterial roadway with four vehicular lanes and a sidewalk. Changes to the roadway will maintain four vehicular travel lanes while enhancing pedestrian travel and increasing landscaping along the roadway. Pedestrian linkage between residential units and commercial uses will be increased. Since the roadway currently exists and proposed changes will not reduce vehicular capacity, the proposed changes to the right-of-way will have no environmental effect to sensitive land uses or species.

- (4) That the amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category.

The proposed amendment to the UVSP will alter the existing pedestrian environment in the subject area in an effort to effect a change that will strengthen pedestrian linkage between proposed and existing residential units and the Five Lagunas project. The existing pedestrian environment is not conducive to a safe or walkable streetscape, so retaining these current standard will not promote or achieve the desired change. Only through these amendments can the city correct these standards and achieve the goals identified in the city's General Plan.

- (5) That the amendment is necessary to protect the general health, safety, or general welfare of the community as a whole.

The intent of this amendment to the UVSP is to alter the pedestrian environment and promote walkability and pedestrian safety along the subject stretch of Avenida de la Carlota, in accordance with stated goals and policies in the Mobility Element.

The combination of creating a parkway and widening the sidewalk along with landscaping should aid in promoting pedestrian safety and would aid in protecting the general health, safety, and general welfare of the community.

SECTION 4 Based on the findings set forth herein, the City Council hereby approves and adopts Specific Plan Amendment No. 11-16-3681, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by reference, amending the Urban Village Specific Plan. Changes are shown in "underline/strikeout" format. The City Clerk is hereby authorized and directed to update the appropriate sections of the Laguna Hills Urban Village Specific Plan in accordance with Exhibit "A" attached hereto.

SECTION 5. This Ordinance shall not take effect until and unless General Plan Amendment No. 11-16-3681 takes effect.

SECTION 6 This Ordinance shall take effect on the 31st day following the adoption of this Ordinance by the City Council.

SECTION 7 Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code and/or the Laguna Hills Urban Village Specific Plan.

SECTION 8 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 9 The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this _____ day of _____ 2017.

DON SEDGWICK, MAYOR

Ordinance No. 2017-

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 Ordinance No. _____ was duly introduced
and placed upon its first reading at a Regular Meeting of the City Council on the
_____ day of _____ 2017, and that thereafter, said Ordinance
was duly adopted and passed at a Regular Meeting of the City Council held on the
_____ day of _____ 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. _____, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT NO. 11-16-3681, AN AMENDMENT TO SECTIONS OF THE URBAN VILLAGE SPECIFIC PLAN AMENDING THE RIGHT-OF-WAY, PARKWAY, AND SIDEWALK STANDARDS FOR AVENIDA DE LA CARLOTA BETWEEN EL TORO ROAD AND LOS ALISOS BOULEVARD

on the _____ day of _____ 2017, was published in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the _____ day of _____ 2017, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

Exhibit “A”

SPA-11-16-3681



Specific Plan Amendment No. 11-16-3681
Urban Village Specific Plan

Key: ~~Strikethrough~~ text indicates that text is deleted.
Underline text indicates text that has been inserted.

Page 11:

2. Perimeter Streets (Figure 9 & 9.1)

The perimeter streets (Avenida de la Carlota, Los Alisos, and Paseo de Valencia) surrounding the Urban Village will have a consistent look so that the boundaries are clearly delineated. A landscaped area of 8'-0" min. behind sidewalk will be required. There are two design concepts that will be utilized within the parkway, to allow flexibility depending upon the location of existing buildings, trees or other structures.

The first alternative provides for planting of the theme trees within this parkway at 30'-0" on center with 30" high stone walls curving around them with pilasters capping the ends of the wall. Coloring ground cover will be placed in front of the stone wall to accent the theme trees. Stone pilasters with lights will be placed in between the theme trees at 30'-0" on center. A thick dense ground cover will be planted in between the theme trees.

The second alternative parkway design will consist of a curing 30" high screen (to help screen parking lots) made up of both a stone wall and a hedge. Stone pilasters with lights will be placed at equal intervals as this wall touches the sidewalk. Coloring groundcover will be placed in front of the wall section (as shown in Figure 9) to give visual interest and continuity to the overall perimeter of the Urban Village.

Regarding the right-of-way cross section for Avenida de la Carlota between El Toro Road and Los Alisos Blvd., the overall concept is to enhance the walkability and safety of the roadway for pedestrians by creating a parkway with street trees adjacent to the sidewalk. Additionally, a wider sidewalk for this street will encourage pedestrian use between newly constructed residential units and commercial uses in the area. These design features are in line with goals and policies of the City's General Plan and Complete Streets concepts that promote walking as an option for both recreation and commuting and as an alternative to the automobile. Specific design features for the parkway and sidewalk are detailed in General Characteristics.

General Characteristics

- 10'-0" min. landscape setback from behind sidewalk
- A 4'-0" sidewalk is required within the parkways behind the curb
- For Avenida de la Carolta, a 6'-0" landscape parkway and a 6'-0" sidewalk will be used between El Toro Road and Los Alisos Blvd. For the area of roadway adjacent to the I-5 Freeway, the landscape parkway and sidewalk will be built on the westerly side of the road only.
- All landscape material should be the same along these perimeter edges.

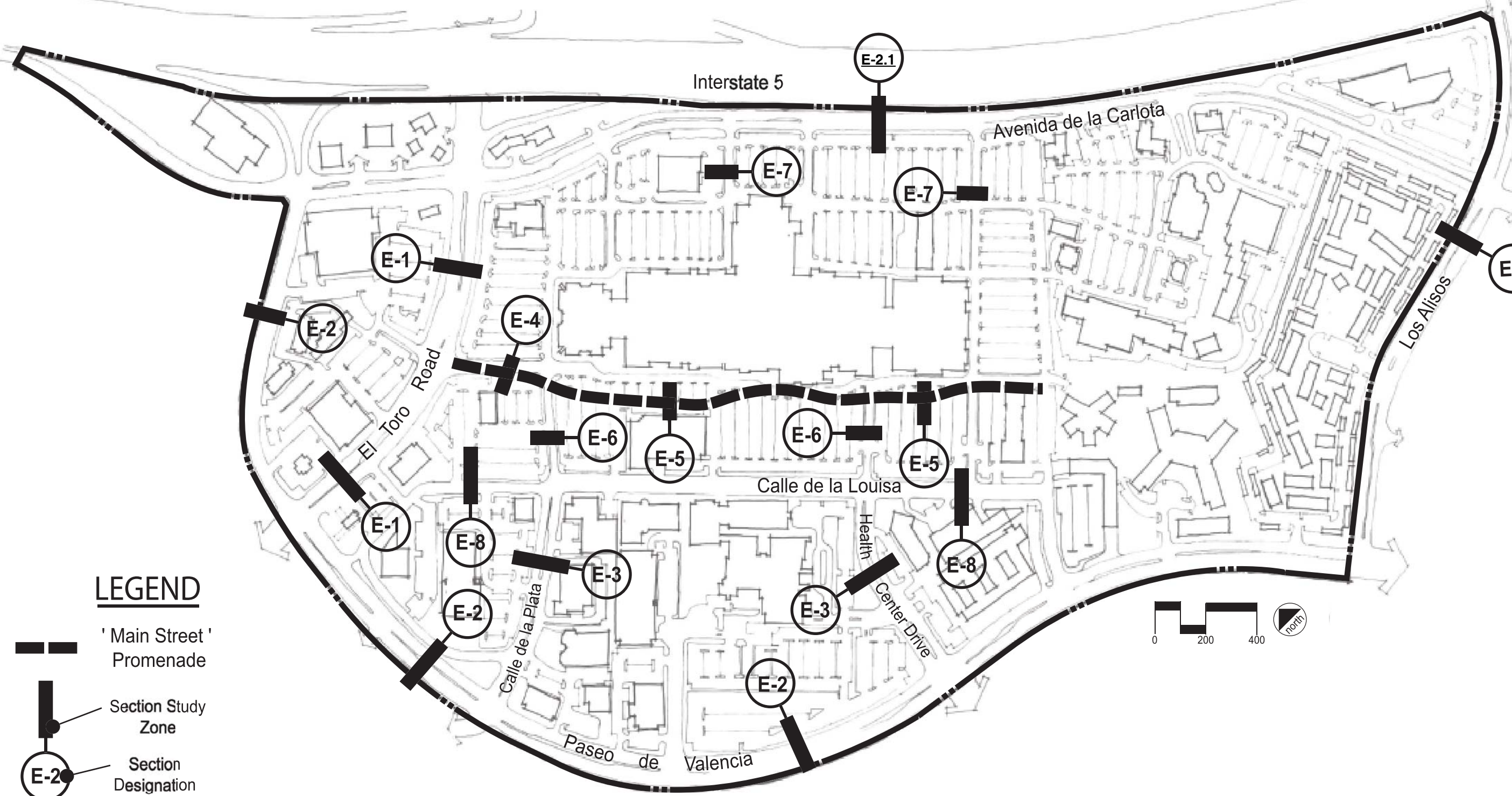
Page 29:

- The various streets within the interior of the Village should have their own style of tree and landscaping to help differentiate them from each other. See figure 35.
- Perimeter landscaping should have one consistent look completely around the Urban Village. Evergreen plant material should be used to maintain color and mass in this zone year round. The 6 foot parkway along Avenida de la Carlota will include a street tree planted at regular intervals and using suggested examples shown in this section. Ground cover will utilize drought tolerant species that are evergreen and complement landscaping used in the development landscape setback. A water saving irrigation system should be employed to save water and reduce run-off. See Figure 36.

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PHASING PROGRAM

- Implementation of the Perimeter Street Edge condition improvements (Figure 9 & 9.1) should closely follow the El Toro Road improvements so as to create the identity for the area. Because implementation of the Perimeter Street Edge Condition improvements will include improvements to the private property landscaped setback areas along the perimeter streets, the City will need to work with the property owners to implement those improvements.



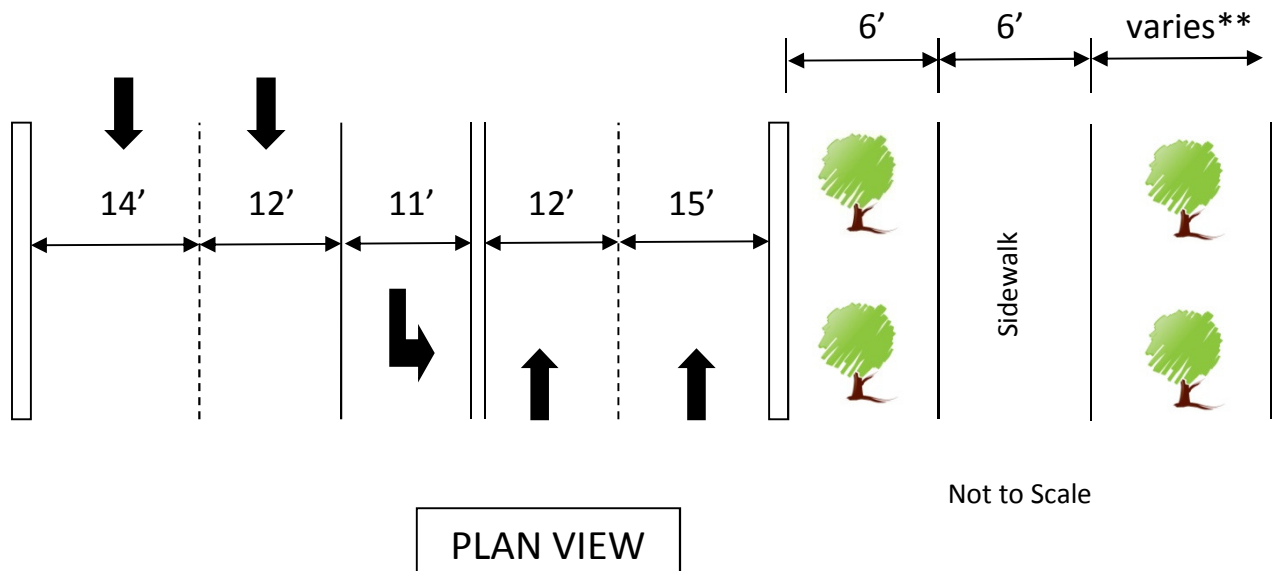
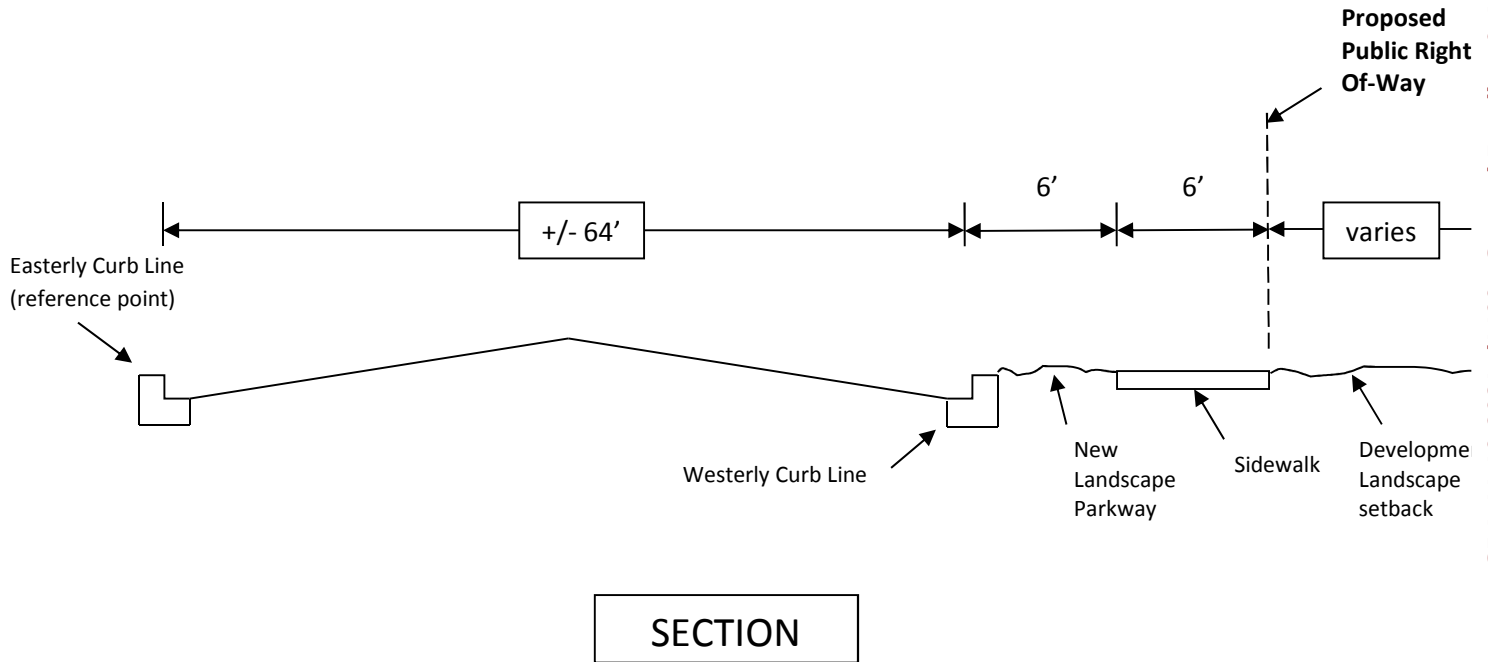
LEGEND

- 'Main Street' Promenade
- Section Study Zone
- Section Designation

Street Edge Condition Plan
date: Nov. 2002 fig. 7

Livermore Hills and San Ramon Valley

AVENIDA DE LA CARLOTA ROAD DIMENSIONS Typical Cross Section* Between El Toro Road and Los Alisos Blvd.



Not to Scale

*Roadway section flares to wider dimensions at intersections with El Toro Road and with Los Alisos Blvd.

**Refer to Figure 9 for edge treatments A and B

Section E-2.1
Perimeter Streets
Figure 9.1



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Community Assistance Funding for the Laguna Hills Chamber of Commerce

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing Community Assistance Funding for the Laguna Hills Chamber of Commerce, a California 501 (C)(3) Nonprofit Public Benefit Corporation."

SUMMARY:

At the September 12, 2017, City Council meeting, the City Council approved the membership of the City of Laguna Hills as a Platinum Level Sponsor of the Laguna Hills Chamber of Commerce and directed staff to prepare an authorizing Resolution for a one-time community assistance funding in the amount of \$5,000.

The community assistance funding will provide the City of Laguna Hills with membership to the Laguna Hills Chamber of Commerce as a Platinum Level Sponsor, which includes the following membership benefits:

- City representative to serve as ex-officio member of the Chamber Board of Directors
- Annual luncheon for the Mayor's State of the City Address
- Recognition as a Platinum Level Sponsor on the Laguna Hills Chamber of Commerce website and on all email communications to Chamber members

Community Assistance Funding for Laguna Hills Chamber of Commerce

November 14, 2017

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- Verbal recognition and logo signage as Platinum Level Sponsor at all live Chamber events
 - Four complimentary invitations to all live Chamber events
 - E-Newsletter ad with a link to the City of Laguna Hills website
 - Featured articles in the E-Newsletter provided by the City of Laguna Hills to promote City events and initiatives
 - Monthly recognition as a Platinum Level Sponsor on all Chamber social media pages
 - Chamber Plaque, member badges, and a listing in the Chamber's Member Directory

A draft Resolution authorizing the City to provide one-time community assistance funding in the amount of \$5,000 for Fiscal Year 2017/2018 is attached to this Staff Report for City Council consideration.

FISCAL IMPACT:

The one-time community assistance funding for membership to the Laguna Hills Chamber of Commerce as a Platinum Level Sponsor in the amount of \$5,000 would be funded by the City's General Fund.

ATTACHMENTS:

- Resolution - Laguna Hills Chamber of Commerce Funding

RESOLUTION NO. 2017-11-14-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, AUTHORIZING
COMMUNITY ASSISTANCE FUNDING FOR THE LAGUNA
HILLS CHAMBER OF COMMERCE, A CALIFORNIA
501(C)(3) NONPROFIT PUBLIC BENEFIT CORPORATION

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

WHEREAS, at the discretion of the City Council, the City may provide community assistance funding to certain community groups and nonprofit organizations that provide community service, support, and/or programming efforts intended to enhance the quality of life of the City's residents, provided the City Council finds and determines that the expenditure of such community assistance funding fulfills a public purpose and provides a direct public benefit within the City of Laguna Hills; and

WHEREAS, at the September 12, 2017, City Council meeting, and following a public presentation, the City Council voted to approve and directed staff to prepare an authorizing Resolution for community assistance funding for the Laguna Hills Chamber of Commerce, a California 501(c)(3) nonprofit public benefit corporation; and

WHEREAS, the Laguna Hills Chamber of Commerce assists its members to enhance and grow their business to produce economic growth in Laguna Hills; and

WHEREAS, the Laguna Hills Chamber of Commerce was formed: to provide opportunities and benefits for Chamber Members to help strengthen their business; to promote and assist businesses in Laguna Hills by creating a climate where they can operate in a productive and profitable manner; to educate, inform and encourage residents to shop and dine in Laguna Hills; and to increase the economic base of Laguna Hills while preserving its historic resources, quality of life, and the interest of its members; and

WHEREAS, through the adoption of this Resolution, a majority of the City Council desires to make public purpose findings in order to authorize the expenditure of community assistance funding to the Laguna Hills Chamber of Commerce in recognition and in support of the programming, events, and services the Laguna Hills Chamber of Commerce provides to enhance the quality of life within the City of Laguna Hills and the surrounding community.

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. The City Council hereby authorizes and directs that the City provide community assistance funding in the amount of \$5,000 for Fiscal Year 2017/2018 to the Laguna Hills Chamber of Commerce, a California 501(c)(3) nonprofit public benefit corporation.

SECTION 3. The City Council hereby finds and determines that the expenditure of community assistance funding in the Fiscal Year 2017/2018 Operating Budget to the Laguna Hills Chamber of Commerce, as authorized herein, fulfills a public purpose and provides a direct public benefit to the residents of the City of Laguna and surrounding community.

PASSED, APPROVED, AND ADOPTED this 14th day of November 2017.

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. 2017-11-14-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 14th day of November 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Resolution No. 2017-11-14-X

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Resolution - Laguna Hills Chamber of Commerce Funding (1412 : Community Assistance Funding for Laguna Hills Chamber of



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017

TO: Mayor and Council Members

FROM: Roland Chacon
Police Chief

ISSUE: Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

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 Parking Citation Processing Agency Services Agreement with Data Ticket, Inc., as it is hereby found and determined, pursuant to LHMC Sections 3-08.110(G), (I) and (J), that the decision to use and rely on the 2015 County of Orange competitive selection process for parking citation processing services is appropriate based on the analysis and facts provided herein by City _____ staff; _____ and

(2) Approve a proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc. for parking citation processing services for an initial five-year term, commencing on November 14, 2017, and ending on November 14, 2022. The City will have the unilateral option, at its sole discretion, to automatically renew the proposed Agreement for no more than one additional three-year term; and

(3) Authorize the City Manager to execute the proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

SUMMARY:

On June 23, 1998, the City entered into an Agreement with Data Ticket, Inc. for parking citation processing, a service for which most cities contract due to the necessary personnel, equipment, training, and specialized expertise required to perform the services. The original evergreen Agreement is outdated and it is necessary to incorporate new contractual standards and practices.

The Orange County Sheriff's Department (OCSD) continues to issue parking citations for the City and will perform the administrative review functions as stated in the proposed updated Agreement. Many OCSD contract-partner cities utilize Data Ticket, Inc. for the processing of parking citations. Data Ticket, Inc. will continue to provide these services, as well as provide the City with the data necessary to comply with all reporting requirements.

As an alternative, staff researched issuing a Request for Proposal (RFP) for parking citation processing services. Staff contacted two other companies that provide the same or similar types of services and requested an informal rate quote. The Phoenix Group and Turbo Data Systems provided quotes to the City. Staff also reviewed the County of Orange's 2015 contract for parking citation processing with Data Ticket, Inc. This Agreement extends the rates to those cities that contract with the County, and it was determined that Data Ticket, Inc. had actually been charging the City of Laguna Hills the lower rates as listed in the County's Agreement instead of the higher rates included in the City's 1998 Agreement with Data Ticket, Inc. Therefore, the County's 2015 Agreement with Data Ticket, Inc. provided the most favorable rate structure for the City.

As a result of this research, staff requested that Data Ticket, Inc. provide a new Proposal/Scope of Work and corresponding rates consistent with the rate structure included in the 2015 County of Orange contract. Data Ticket, Inc. submitted a citation processing proposal that offered the same or lower rates provided to the County of Orange. For instance, the proposed Agreement to the City includes a lower rate for the collection process using the Franchise Tax Board's Interagency Intercept program and there is no monthly bank account service fee.

The City's Procurement Code requires informal bidding for purchases greater than \$25,000, up to and including \$50,000, and formal bidding for purchases over \$50,000.

However, the bidding requirements and procedures set forth in Sections 3-08.080 and 3-08.090 of the LPMC (Procurement Code) may be waived at the discretion of the Purchasing Officer or City Council when any of the exemptions listed in Section 3-08.110 apply. In this case, the rates provided in the proposed Agreement are available to the City based on a prior competitive selection process performed in September 2015 by the County of Orange. The County's 2015 contract with Data Ticket, Inc. specifically extends such terms to several Orange County cities, including the City of Laguna Hills. Over the last 17 years, Data Ticket, Inc. has established that they bring a particular expertise, performance history, and reputation that makes them uniquely qualified for these services. Based on these reasons, it can be determined that going out for an RFP is not in the best interest of the City, as the informal quotes provided by the two other firms were higher than the rates currently contained in the County of Orange 2015 Agreement. Therefore, exemptions (G), (I), and (J) of Section 3-08.110 apply as discussed below.

Section 3-08.110 (G) provides for an exemption when goods and supplies, equipment, or non-professional services are available from a vendor who has been selected as the lowest bidder through a procurement with another government entity using competitive bidding procedures substantially the same as or similar to those normally utilized by the City for the acquisition of such goods and supplies, equipment, or services, and when the price offered to the City is substantially equivalent to that offered to the other public agency. The County of Orange went through a competitive selection process in September 2015, and the City is receiving the same, and in some cases even lower, rates than are provided to the County of Orange by Data Ticket, Inc.

Section 3-08.110 (I) provides for an exemption when in the opinion of the Purchasing Officer or City Council it is determined that an unusual or unique situation exists, in that due to experience, specialized qualifications, the unique nature of the goods and supplies, equipment, or nonprofessional services, particular expertise, performance history, and/or reputation, a particular vendor is uniquely qualified for a particular task or project, which makes application of the requirements for competitive solicitation under this chapter contrary to either the intended purpose of the project or the public interest. Historically, Data Ticket, Inc. has provided parking citation processing services to the County of Orange as well as many other Orange County cities at cost effective rates. Data Ticket, Inc. will also continue to provide the particular expertise and knowledge consistent with the parking citation service industry. In addition, the City contracts with OCSD for law enforcement services who provides the parking citation function for the City as well as the County's unincorporated areas surrounding the City.

Therefore, having the same vendor provides for continuity in service and process, as well as affording the City competitive rates.

Section 3-08.110 (J) provides for an exemption when in the opinion of the City Council, it is determined that compliance with the procurement policies, procedures and/or requirements is not in the best interest of the City. Based on the reasons set forth above, such as the City is able to capture the lower rates by exercising the ability to use and rely on the 2015 County of Orange competitive selection process, Data Ticket, Inc.'s history with the City in providing low cost and particular expertise as well as continuity in the parking citation processing service establishes that the proposed Agreement from Data Ticket, Inc. is in the best interest of the City.

ALTERNATIVES:

The City Council may choose to not approve the proposed Agreement with Data Ticket, Inc. and direct staff to issue an RFP for a citation processing services; however, this is not recommended as the selection process performed by the County of Orange resulted in the most competitive rates available, and it is likely that a proposal procurement process will result in higher rates.

FISCAL IMPACT:

The City is required to deposit funds from the processing of parking citations with the County of Orange who subsequently distributes the funds to the required County and State agency funds. Data Ticket, Inc. processes this deposit on behalf of the City and the amount is based on the number of parking citations processed. This cost to the City was approximately \$27,033.25 in Fiscal Year 2016/2017.

There is a separate cost paid directly to Data Ticket, Inc. for their processing of parking citations, and this cost is based on the fees provided within the Agreement. Based on the invoices provided by Data Ticket, Inc. for the period of July 1, 2016, through June 30, 2017, the annual cost to the City was approximately \$7,165.67. The total combined annual cost for processing citations is on average \$34,198.92. It is important to note that the total annual cost for parking citation processing will fluctuate annually, and the cost is offset by parking citation revenues. The proposed Agreement with Data Ticket, Inc. does not include a provision for a CPI or annual rate increase.

ATTACHMENTS:

Data Ticket, Inc. Parking Citation Agreement

November 14, 2017

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- Proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

PARKING CITATION PROCESSING AGENCY SERVICES AGREEMENT

Data Ticket, Inc.

(Parking Citation Processing and Management Services)

THIS CONSULTING SERVICES AGREEMENT (hereinafter “Agreement”) is made and entered into, to be effective this 14th day of November 2017, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as “City”), and DATA TICKET, INC., a California corporation (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has determined that there is a need to retain the services of an experienced and qualified parking citation processing agency to provide parking citation processing and management services to City, as the City’s designated processing agency, for the administration and processing of parking citations issued within the City’s jurisdiction (the “Project”).

B. Consultant has submitted to City a formal written proposal, dated October 18, 2017, to provide parking citation processing and management services to City for the Project pursuant to the terms of this Agreement.

C. Consultant represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise to provide these services to City for the Project and has agreed to provide such services as provided herein. City does not have the personnel, equipment, training, or specialized expertise able to perform the work or services contracted for herein.

D. City desires to retain Consultant to provide parking citation processing and management services to City for the administration and processing of parking citations issued within the City’s jurisdiction for the Project.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform the parking citation processing agency and management services to City for the Project as set forth in the Consultant’s Proposal/Scope of Work, dated October 18, 2017, in accordance with the City’s

Administrative Regulation No. 27, dated April 11, 2017, (“A.R. No. 27”) entitled “Policy for Review and Appeal of Parking Citations,” which administrative regulation is hereby adopted by the City Council and may be amended from time to time, and which are both attached hereto as Exhibit “A” and Exhibit “B” (hereinafter collectively referred to as the “Scope of Services,” the “Services” or “Work”). Consultant shall process all parking citations on behalf of the City in accordance with the established schedule of fines and penalties adopted by resolution of the City Council, which may be amended from time to time. As a material inducement to the City entering into this Agreement, Consultant acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Consultant’s Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such Services and Work and with the standards recognized as being employed by processing agency service providers in the same discipline in the State of California. Consultant represents and warrants that it is skilled in the services/trade discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Consultant represents and warrants that it and all of its employees, subconsultants and subcontractors providing any Work or Services under this Agreement shall have sufficient skill and experience to perform the Work or Services assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Consultant’s signed, original October 18, 2017 proposal to provide Parking Citation Processing Services submitted to the City (“Consultant’s Proposal”), and (3) City’s Administrative Regulation No. 27, dated April 11, 2017, (“A.R. No. 27”) entitled “Policy for Review and Appeal of Parking Citations,” which shall all be referred to collectively hereinafter as the “Contract Documents.” The Consultant’s Proposal, attached hereto as Exhibit “A,” is hereby incorporated by reference and is made a part of this Agreement. The City’s Administrative Regulation No. 27, dated April 11, 2017, (“A.R. No. 27”) entitled “Policy for Review and Appeal of Parking Citations,” which administrative regulation may be amended from time to time, attached hereto as Exhibit “B,” is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; (2nd) the regulations established in the City’s Administrative Regulation No. 27, dated April 11, 2017, (“A.R. No. 27”) entitled “Policy for Review and Appeal of Parking Citations” (Exhibit “B”); and, (3rd) the provisions of the Consultant’s Proposal (Exhibit “A”).

1.3 Compliance with Law. Consultant shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards and Cal/OSHA requirements. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all

violations of such laws and regulations in connection with performing the Work and Services. If Consultant performs any Work or Services in violation of such laws, rules, and regulations, Consultant shall be solely responsible for all penalties and costs arising therefrom. Consultant shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

1.4 Licenses, Permits, Fees, and Assessments. Prior to performing any Services or Work hereunder Consultant shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

1.5 Familiarity with Work. By executing this Agreement, Consultant represents and warrants that it (a) has thoroughly investigated and considered the Scope of Work or Services to be performed, (b) has carefully considered how the Services should be performed and has carefully examined the location or locations at or with respect to where such Services or Work is to be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement.

1.6 Care of Work. Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

1.8 Additional Services. City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services (Exhibit "A") or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City to the Consultant, incorporating therein any adjustment in (i) the Maximum Contract Amount, as defined below, if any, and/or (ii) the time to perform this Agreement, which adjustments are subject to the written approval of the Consultant. It is expressly understood by

Consultant that the provisions of this section shall not apply to the Work and Services specifically set forth in the Scope of Services or reasonably contemplated therein, regardless of whether the time or materials required to complete any Work or Service identified in the Scope of Services exceeds any time or material amounts or estimates provided therein.

1.9 Reserved.

1.10 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other contractors, consultants, or vendors for services similar to the services that are the subject of this Agreement. Consultant further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Rates and Services Charges. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the rates and service charges set forth in the Schedule of Compensation/Cost Proposal, which is attached hereto as Exhibit "A" and is incorporated herein by reference. The method of compensation shall be as set forth in Exhibit "A". The rates and service charges set forth in the Schedule of Compensation/Cost Proposal (Exhibit "A") shall remain fixed during the Initial Term of this Agreement, with no CPI adjustments, as well as during any authorized renewal period.

2.2. Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation/Fees (Exhibit "A"), in any month in which Consultant wishes to receive payment, no later than the tenth (10th) working day of such month, Consultant shall submit to the City, in a form approved by the City's Finance Manager, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional professional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance.

3.2 Schedule of Performance. Consultant shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Schedule of Performance, if any, which is attached hereto as Exhibit "A" and is incorporated herein by reference. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant such an extension.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the Services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Consultant, within ten (10) days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall continue in full force and effect from the Effective Date for an initial term of five (5) years ("Initial Term"), commencing on November 14, 2017, and ending on November 14, 2022. The City shall have the unilateral option, at its sole discretion, to automatically renew this Agreement for no more than one additional three (3) year term ("Renewal Option").

4. COORDINATION OF WORK

4.1 Representative of Consultant. The following principal of Consultant is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: **Brooke Westcott, Chief Operating Officer**. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing

principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City, and is subject to change by the City Manager. It shall be the Consultant's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required without prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant.

4.4 Independent Contractor.

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Consultant a City employee. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers'

compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Consultant, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 and Subsection 1.8 herein, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, representatives, agents, or subconsultants or subcontractors, Consultant shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

A. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employee Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

5. INSURANCE

5.1 Compliance with Insurance Requirements. Consultant shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Consultant shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this

section. If Consultant's existing insurance policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

5.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, Consultant shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

A. Commercial General Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance written on an occurrence basis with limits of at least one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) in the general aggregate, and one million dollars (\$1,000,000.00) for products and completed operations. 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 the Agreement.

B. Automobile Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) 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 Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, 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. Consultant agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) per accident for bodily injury or disease.

5.3 Acceptability of Insurers. Insurance required by this section 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 Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly

upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

5.4 Insurance Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

A. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to provide the following:

1. Additional Insured: The City, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

2. Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of Consultant, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile 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 the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Consultant’s failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, Consultant shall provide endorsements for ongoing operations and completed operations to effectuate this requirement.

5.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the City in advance and shall protect the City, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

5.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

5.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the City, its officials, officers, employees, agents and volunteers, or shall specifically allow Consultant or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Consultant hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Consultant hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

5.8 Evidence of Coverage. Concurrently with the execution of the Agreement, Consultant shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City 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 the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Consultant shall promptly furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City requires to verify coverage.

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

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

5.11 Insurance for Subconsultants. Consultant shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for Consultant relating to this Agreement as additional named insureds under the Consultant's insurance policies; or (2) Consultant shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by Consultant's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the City,

its officials, officers, employees, agents and volunteers, as additional insureds. Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section.

5.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Consultant pursuant to this Agreement:

A. Consultant shall provide immediate written notice to City 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 Consultant and available or applicable to this Agreement 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 Agreement or any other agreement relating to the City 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 section 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 the City 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 commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Consultant agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant 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 section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Consultant agrees to provide immediate written notice to City of any claim, demand or loss against Consultant arising out of the Work or Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

6. **INDEMNIFICATION**

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its officials, officers, employees, agents and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to Consultant's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder.

7. **REPORTS AND RECORDS**

7.1 Accounting Records. Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement as the Contract Officer shall require.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder.

7.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.

7.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such

access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such County, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

8.3 Termination. City may terminate this Agreement for any reason, with or without cause, upon giving Consultant thirty (30) days written notice. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Consultant reserves the right to terminate this Agreement at any time upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

8.4 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

8.5 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.6 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7 Attorneys' Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses, including but not limited to reasonable attorneys' fees, expert witness fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of any state statute or regulation. Consultant represents and warrants that it has not paid or given and will not pay or give any third party any money or other consideration in exchange for obtaining this Agreement.

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. **MISCELLANEOUS PROVISIONS**

10.1 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Notices or other communications shall be addressed as follows:

To City: City of Laguna Hills
 Attention: City Manager
 24035 El Toro Road
 Laguna Hills, California 92653
 Telephone: (949) 707-2600
 Facsimile: (949) 707-2633

To Consultant: Data Ticket, Inc.
 Attention: Brooke Westcott, Chief Operating Officer
 2603 Main Street, Suite 300
 Irvine, California 92614
 Telephone: (866) 912-1919
 Cell: (916) 730-2014

10.2 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

10.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

10.4 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.5 Third Party Beneficiary. Nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

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

10.7 Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

“CITY”
City of Laguna Hills,
 a California municipal corporation

 BRUCE E. CHANNING,
 City Manager

ATTEST:

 (SEAL)
 MELISSA AU-YEUNG,
 Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

“CONSULTANT”
Data Ticket, Inc.,
 a California corporation

By: _____
 Marjorie A. Fleming, President

By: _____
 Brook Westcott, COO

EXHIBIT “A”**CONSULTANT’S PROPOSAL/ SCOPE OF WORK
FOR
PARKING CITATION PROCESSING AGENCY SERVICES****DATED: OCTOBER 18, 2017**

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

RESUMES AND QUALIFICATIONS OF ASSIGNED DATA TICKET PERSONNEL,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ COST PROPOSAL

2017

3.10.a

CITY OF LAGUNA HILLS

PARKING CITATION PROCESSING SERVICES

October 18, 2017

SUBMITTED BY

DATA TICKET, INC.

**Brook Westcott, Chief Operating Officer
Heather Nowlan, Director of Client Services**

2603 Main Street, Suite 300

Irvine, CA 92614

Phone: (949) 428-7241

Fax: (949) 281-3195



Attachment: Proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc. (1411 : Data Ticket, Inc. Parking Citation

Data Ticket, Inc.
Irvine, CA
O: 949 752-6937; F: 949 281-3195

City of Laguna Hills
Parking Citation Processing Services

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COVER LETTER

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

October 18, 2017



Dear Selection Committee:

Data Ticket has been providing parking citation processing for over 28 years to cities, counties, districts and universities. Data Ticket has been providing the Parking Citation Processing Services described in this proposal to the City for over 19 years. In addition to parking citation processing services, we also provide administrative citation processing services and parking permit services to our nationwide clientele.

We believe Data Ticket is the most forward-thinking parking citation processing vendor in the industry and we believe we are the right partner to continue providing these services to the City.

Our business model is simple: We offer our software and our services to our clients at fair prices. We offer "living" software that is consistently enhanced to provide the most advanced features in the industry. We offer services to our clients and to the public to create a cohesive experience for the public regardless of communication points. We believe that consistency in messaging and transparency in processing and services is the key to an efficient, effective parking citation program.

The individual authorized to negotiate and bind the firm contractually to all statements in this proposal is Brook Westcott, Chief Operating Officer.

Questions regarding this proposal should be directed to Brook Westcott at Data Ticket's corporate headquarters, where all work will be performed.

2603 Main Street, Suite 300 | Irvine, CA 92614 | Office: 949-428-7240

We believe after review of the enclosed proposal, you will agree that Data Ticket, Inc. is the most qualified partner to continue to provide the professional, focused service necessary for superior parking citation processing and collections.

Best Regards,

A handwritten signature in black ink, appearing to read "Brook Westcott".

Brook Westcott
Chief Operating Officer

RESUMES & QUALIFICATIONS OF DATA TICKET'S PERSONNEL

Data Ticket, Inc.
Irvine, CA
O: 949 752-6937; F: 949 281-3195

City of Laguna Hills
Parking Citation Processing Services

Project Management

Data Ticket understands that our service and technology offerings are only as good as our Staff. It is our goal with each and every client to ensure we have a partnership based on solid, effective communication.

We will continue to provide City Personnel with a fully dedicated Project Manager to facilitate the ongoing requirements of the City and to manage all aspects of the relationship. In addition to a Project Manager, we will provide a supplemental Project Manager. These two individuals will be available during normal business hours, Monday – Friday 8am – 5pm Pacific and City Personnel will have their cell numbers for after hour assistance. This is normal protocol for Data Ticket as we service clients on the east coast and in other states.

Individual	Assignment of Tasks
Heather Nowlan, Director Client Services, Project Manager for the City of Laguna Hills	User setup and maintenance On-going User Training Correspondence Review Daily Questions
Brook Westcott, Chief Operating Officer & Supplemental Project Manager for the City of Laguna Hills	IT Oversight Enhancement Prioritization Accounting Oversight Performance Review Collection Rate Statistics / Financial Analysis Internal Oversight of Operational Processes

Heather Nowlan, Director of Client Services, will be the individual responsible for working directly with the City on a day to day basis. Specifically, she will be responsible for processing any requests the City may have, including providing each of the City's Personnel with unique usernames and passwords that will provide access to the Citation Processing System at the appropriate, requested level. In addition, Heather will be responsible for providing all user training with regard to the Citation Processing System Software. This training will be performed in person, via the Internet and over the phone. Finally, Heather will be responsible for reviewing all noticing and correspondence to be sent on behalf of the City.

Brook Westcott, Chief Operating Officer, will be responsible for ensuring the IT, Accounting, FTB, Noticing and DMV Functions work properly for the City. She will also be responsible for all financial analysis required by the City. In addition, Brook will be responsible for contractual oversight.

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Both Brook and Heather stay active with their Parking Education by attending California Public Parking Association meetings and events as well as by attending the International Parking Institute's meetings and events. Brook and Heather recently completed the California Public Parking seminar for Parking Fundamentals for Frontline Staff.

In the even the City elects to utilize handheld ticket writers, Wanda Stone, Mobile Support Manager, will be responsible for providing training to all Officers at the City's preferred location(s). Wanda will also be responsible for providing regular enhancements to our Mobile Software and she will be responsible for working directly with City Personnel to ensure the handhelds are being utilized accurately to provide the most benefit to the Officers and to the City.

Brook Westcott, Chief Operating Officer

Brook brings more than 14 years of parking citation experience in addition to 10 years of administration citation processing experience. Brook has been a key member of the Data Ticket team for the past 14 years, actively managing each client's citation processing to ensure each implementation is successful. Brook's expertise in Project Management includes planning, designing, testing and executing client conversion, IT enhancements, new IT development, data management and process re-engineering. Brook's focus since joining Data Ticket has been to develop new processes to streamline the flow of data through the system in order to provide more detailed data to our clients via real-time, online reporting. Brook also focuses her time on significantly increasing the collection rates that Data Ticket provides for its clients. Her goal is to keep Data Ticket's collection rates above the competition, while enhancing continually enhancing operational efficiencies.

Brook is a graduate of Baylor University with a Bachelor of Business Administration in Business Management. Prior to joining Data Ticket, Brook was a Senior Manager at Accenture for 11 years. During her time there, she served as project manager for high-profile projects in Spain, France, Italy, Chicago, New York, San Francisco, Minneapolis, Memphis and Orange County. Brook is responsible for overseeing the Information Technology, Accounting, Data Entry, Adjudication, and Operations Departments at Data Ticket.

Heather Nowlan, Director Client Services

Heather joined Data Ticket 7 years ago and is responsible for managing our clients' needs via email, phone, and personal visits. She is responsible for assisting in the implementation of new clients, as well as for the retention of existing clients by ensuring Data Ticket staff understands our clients' business rules and processing needs.

Heather is a graduate of Texas Christian University and her experience includes more than 17 years of customer service in a fast paced, high energy, client-facing business. She brings a solid foundation to Data Ticket by utilizing effective communication skills with a detail-oriented service mentality. She has worked on numerous CRM (customer relationship management) programs in her prior experience and has been able to apply this knowledge directly to Data Ticket. Heather's goal is to enhance the experience that our clients receive through personalized attention.

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Wanda Stone, Mobile Support Manager

Wanda is a Microsoft Certified Applications Developer with a Henley Certificate in Supervisory Management 1995 from the Graduate Institute of Management and Technology, South Africa. She has been with Data Ticket for 9 years and serves as a Senior Programmer within our IT Department. Wanda is responsible for managing the IT staff that focus their time on development, as well as improving and maintaining our proprietary applications including our website and our electronic handheld units.

Wanda has been primarily responsible for releasing a wireless handheld unit to our clients in 2009. This unit allows our clients to transmit citations wirelessly to our database so citizens can pay for and/or appeal instantaneously. Wanda is responsible for all handheld software development, integration into existing database and implementation. This includes all hardware and software research. In addition, our IT Department has released a new look and feel for our website this year to provide a more user-friendly and sleeker image. Our IT Department also excels in developing and maintaining existing software solutions using VB.net, as well as for maintaining the Microsoft SQL Server and creating and maintaining databases.

Data Ticket Staff Access

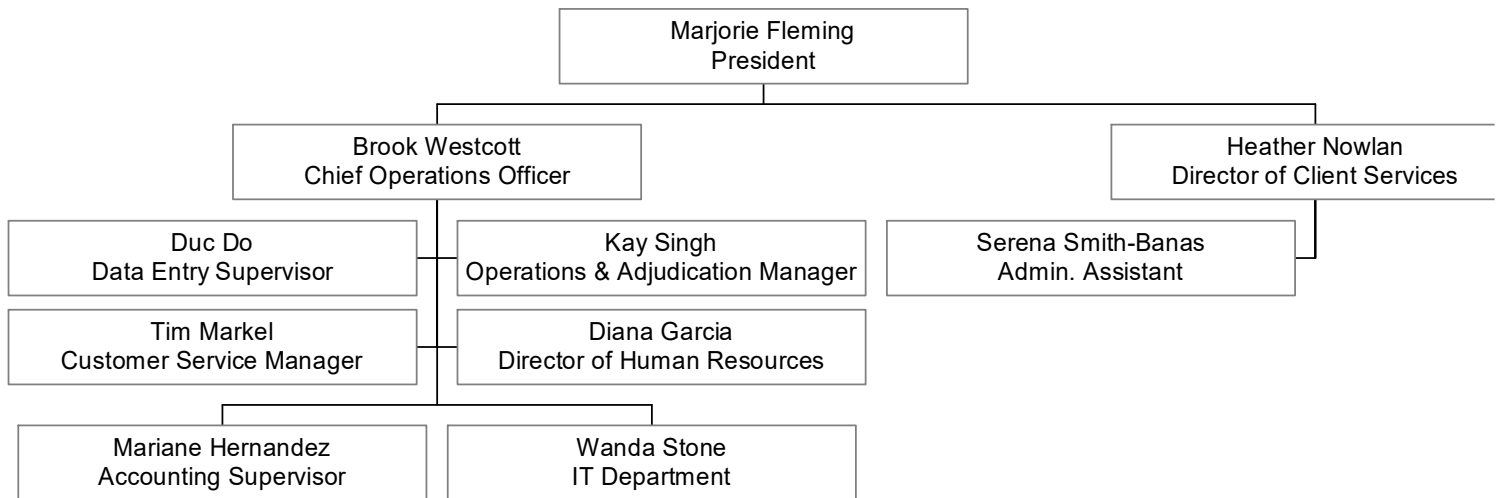
In addition to the individuals dedicated to the City on the prior pages, Data Ticket will continue to provide the highest level of services to the City by providing access via phone, email and in person to all our Department Managers. We have adequately staffed each Department to accommodate each and every client's needs. We do not share resources across Department; rather we have hired and maintain each Department such that there is no need to share resources; however personnel are cross-trained to ensure our entire staff is well versed in the entire citation processing lifecycle.

City Personnel will have access to all Managers, as well as individuals within each Department. In addition, individual and group emails as well as direct phone lines will be provided to City Personnel to ensure Data Ticket is always accessible. Finally cell numbers for specific individuals will be provided to City Personnel should the need for after-hours assistance ever be required.

On the following page, we have provided the City with a high level organization chart for Data Ticket. All of the individuals identified on the chart work in the Irvine, California office and each of the individuals identified in the organization chart provided below will be made available to City Personnel throughout the life of the contract.

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In addition to the information provided on the prior pages, we have provided a summary of the individuals City Personnel will have access to throughout the life of the contract:

Name	Department	Function	Years of Experience
Marjorie Fleming	President	Overall contract management	23 Years
Brook Westcott	Chief Operating Officer	Contract management, IT oversight, Accounting oversight, enhancement management, City Council attendance – Project Manager	14 Years
Heather Nowlan	Client Services	Implementation management, training coordination, report generation	7 Years
Kay Singh	Operations & Adjudication	Daily operational assistance, including citation adjustments, DMV access, real-time DMV lookups, etc. Daily adjudication assistance, Hearing Office Scheduling and 1 st Level Administrative Review dispositions	20 Years
Duc Do	Data Entry	Daily data entry assistance	7 Years
Mariane Hernandez	Accounting	Daily accounting / banking assistance	6 Years
Wanda Stone	Programming	Daily assistance with the handheld solution chosen	9 Years
Tim Markel	Customer Service	Daily customer service assistance	9 Years

Finally, Data Ticket does not intend to use any contractors or sub-contractors to perform any of the responsibilities identified in the City's RFP.

REFERENCES

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Below and on the following page we have provided 3 references for the City's references. Should the City require additional references we would be happy to supply them.

Reference #1

Customer Name	City of Santa Ana
Project Description	
Data Ticket was recently awarded the contract to process the City's parking citations, including: Daily & Delinquent citations, in state and out of state citations, CA and out of state registered owner retrieval, CA DMV Holds and releases, manual citation processing, citation issuance software, payment processing, FTB processing, credit card collections, online adjudication, adjudication correspondence, in-house, bi-lingual customer service, NSF processing, refund processing and chargeback processing.	
Project Start and End Dates	February 2017 to current
Contact Individual	Enrique Esparza, Commander Traffic Division
Telephone Number	(714) 245-8210

Reference #2

Customer Name	City of Seal Beach
Project Description	
Daily & Delinquent in state and out of state citation processing, CA and out of state registered owner retrieval, CA DMV Holds and releases, Manual citation processing, Payment processing, Delinquent payment processing, FTB processing and FTB refunds, Credit Reporting collections, Online Appeals –First Level Support, Second Level Hearings, Third Level Court, Custom adjudication letters, Indigence forms for appeal processing, Payment plan processing, In-house, bi-lingual customer service , Handheld ticket writers, Full service – Customer service, Online Adjudication documents, Online credit card payment and settlement and a multi-faceted Permit Solution	
Project Start and End Dates	Continuous since October 2015
Contact Individual	Vikki Beatley, Director of Finance / City Treasurer
Telephone Number	(562) 431-2527, ext 1311

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Reference #3

Customer Name	City of Laguna Beach
Project Description	
Data Ticket was awarded the contract outside the bid process to process the City's parking citations, including: Daily & Delinquent citations, in state and out of state citations, CA and out of state registered owner retrieval, CA DMV Holds and releases, manual citation processing, citation issuance software, payment processing, FTB processing, credit card collections, online adjudication, adjudication correspondence, in-house, bi-lingual customer service, NSF processing, and chargeback processing.	
Project Start and End Dates	October 2013 to current
Contact Individual	Jim Beres, Civilian Services Administrator
Telephone Number	(949) 464-6669

SCOPE OF WORK

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Scope of Work – Recommendations the City is not Currently Utilizing

Data Ticket is fully capable of continuing to meet the parking citation services the City requires and we exceed the service and technology level expectations of the City and the public. Below we have provided a summarization of the technology and services we recommend the City utilize.

Service / Technology	Data Ticket's Recommendation	Sample City of Laguna Hills - branded Parking Citation Public Experience
Automated Online Processing	Our Solution is 100% web-based The Solution is accessible by City Personnel via unique usernames and passwords We recommend providing the public with a branded web interface to reflect the City's branding for the payment and appeal of citations We recommend the Public is provided with as many search options as possible to find their citation(s)	Picture deleted as we are not permitted to label anything proprietary or confidential

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Service / Technology	Data Ticket's Recommendation	Sample Android Handheld Device / GPS Mapping Feature
Handheld Ticket Writers	We recommend the use of Android-based handheld ticket writers that provide the most advanced features, including: - 12MP photos - Video Recording - Voice Recording - GPS Mapping - Cite by Voice - Real-time Connection to DMV - Real-time Communication with other handhelds while in the field - Real-time Scofflaw, Permit, VIP and other files - Real-time transmission of citations - Auto-population of vehicle fields - Integrated, customized camera feature - License Plate Picture to Text Translation - Digital Chalking	Picture deleted as we are not permitted to label anything proprietary or confidential Samsung Galaxy S8 & S8 

Attachment: Proposed Parking Citation Processing Agency Services Agreement with Data Ticket, Inc.

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Handheld Ticket Writers -

Data Ticket offers our Clients a range of handheld ticket writers to select from in order to meet the City's needs. Below and on the following pages, we have provided descriptions of 2 of the most commonly used handheld devices offered to our Clients

If City Personnel does not see the unit they would like to utilize, we are happy to work with the City to determine which unit(s) the City prefers and install our Handheld Citation Issuance Application on the preferred solution. Additionally, the City would not be confined to selecting a single handheld unit. A combination of units may be utilized across issuing Officers in order to accommodate each Officer's needs. If 2 Officers like the N5 Print and 1 Officer likes the Android-based Unit, we will accommodate that.

The units offered on the following pages are:

- ☀ **Samsung Galaxy S8 or Similar Android Device** – This unit is being used more frequently by Officers because of its flexibility in offerings. The units typically act as phones, are capable of texting and are generally very easy to use as many Officers carry a similar device today. In addition, the screen is typically larger than the more ruggedized devices. These units, similar to the Motorola units, are two piece units that connect to a separate printer via a Bluetooth connection.
- ☀ **N5 Print** – This unit is a single piece unit that incorporates a Samsung Android Device and a printer to provide those Clients looking for a single piece unit combined with the Android Operating System.

Below, we have provided a brief comparison of the units provided so City Personnel can easily compare each unit against the other:

Item	Samsung Galaxy S8 or Similar Device	N5 Print
Dimensions:		
W	2.67"	4.73"
L	5.866"	10.8"
D	.318"	2.65"
Screen Size	5.8" Diagonal	5.7" Diagonal
Weight	.341 lbs	1.66 lbs
Wirelessly Enabled	With a cellular plan	With a cellular plan
Printer Type	External	Integrated Thermal
Operating System	Android 7.0 Nougat	Android OS 5

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Item	Samsung Galaxy S8 or Similar Device	N5 Print
Camera	Front: 8MP Color Rear: 12 MP - Color	Front: 2 MP Color Rear: 16 MP - Color
Keyboard	Virtual Keyboard with separate numbers / letters	Virtual Keyboard with separate numbers / letters
Operating Period	~14 – 37 hours	~ 14 -32 hours
Charge Time	2 hours	5 hours
Drop Durability	Not measured	Not measured
Temperature Range	-4 F to 122 F	-4 F to 122 F
Bar Code Reader	1D / 2D	1D / 2D

Samsung Galaxy or Similar Device



N5 Print



Printers Offered by Data Ticket for 2 Piece Units

Data Ticket recommends the use of a 3" or 4" Bluetooth printer. The selection of a printer is similar to the selection of a handheld ticket writer. City Personnel may select a single

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printer to use for all Officers or City Personnel may wish to use a variety of printers. Of course, we do recommend City Personnel use a single ticket width so a single ticket order will work, regardless of the printer selected.

Below we have provided 2 of the popular models used by our Clients that elect a 2-piece unit:

- ☛ **3" or 4" TSC Printer** – The TSC Alpha-3R and the Alpha-4L 4-inch direct thermal portable printers features a rugged design and reliable performance that will continue to operate long after other printers have failed. Both units are comfortable, light-weight printers capable of working with any mobile printing application where you need citations printed wherever you are. With its optional cases, the printers are IP54-rated to resist dust and water and each printer endures to a 6 foot fall and keeps printing. These small and light printers can be worn comfortably for a full shift, without interfering with the Officer's tasks.

Handheld Printer Images

3" TSC Printer



4" TSC Printer



Citation Issuance Application

All handheld software is developed, owned and fully supported by Data Ticket, Inc. Should you need to replace or repair a unit, we have dedicated handheld resources available to you for troubleshooting, repairs, upgrades, general question inquiry and technical support.

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Data Ticket has provided the City with multiple options for handheld ticket writers that we believe meet or exceed the City's requirements. Below and on the following pages is a short list of the features available in our citation issuance application:

- ✱ **Live, Wirelessly Enabled Software** – Citation data is transferred wirelessly to our solution using either an automated transmission mode or a batch mode. **No workstation or software is required to wirelessly transmit citations to our Solution.**
- ✱ **Immediate Payment** – Because the handheld can transmit citations in real-time, **citation recipients can immediately pay on their cell phone, PDA, PC or other internet connected device.**
- ✱ **Bar Code / OCR Scan Line Usage** - Our handheld software utilizes the printing of barcodes and OCR scan lines **to better integrate our client's financial and or cashiering systems and eliminate data entry by cashiers.**
- ✱ **Real-Time Scofflaw / Permit / VIP Alerts** - Officers in the field can be notified by a visual and audible alert when a license plate is a scofflaw (habitual offender), has a valid permit or does not, or is on a VIP list.
- ✱ **Pre-population of Citation Data** – Upon entering a meter number, the citation will automatically populate the location of the violation. Similarly, if a vehicle has been cited in the past, upon entry of the license plate number, the vehicle information will be pre-populated on the citation
- ✱ **Prior Citation Look-up** – Upon entry of a license plate that has been cited in the past, the Officer will be alerted to the number of and types of violations issued in the past and the amount owed, if any. In addition, the citation information is used to pre-populate the current citation, saving the Officer valuable time.
- ✱ **Electronic Chalking** – Officers are able to perform electronic chalking that alerts them of a violator, automatically.
- ✱ **Integrated Video Recordings, Audio Recordings and Pictures** – The android based software solution includes the ability to capture video, audio and pictures and transmits them at the time the citation is transmitted. These items are then displayed to City Personnel when viewing the citation online.
- ✱ **GPS** – Wirelessly enabled citation writers have the ability to utilize the built-in GPS capabilities that provide for tracking of each device, as well as tracking and images of citation issuance areas.
- ✱ **Multiple Violation Issuance** – If authorized by the City, Officers are able to issue up to 3 violations per citation. Should the City require the ability to issue more or fewer violations per citations, a simple configuration change will update the handhelds immediately.
- ✱ **Warning / Courtesy Notice Citations** – The Solution provides Officers with the ability to issue warning or courtesy citations, as well as track those citations.
- ✱ **Issuance Mapping** – Our Solution has the ability to track the issuance of citations and display that in map format to understand what types of violations are being issued and where they are being issued. An image of this feature is provided below.

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As you can see, the map displays violations by color and provides the ability to zoom in and out of a particular area, as well as to click in a citation and have it take the user directly to the citation in question.

Picture deleted as we are not permitted to label anything proprietary or confidential

Regardless of the handheld units the City decides to move forward with, the electronic transmission of the citation files occurs automatically. This capability means **the City can transmit cites 24/7 and they will be automatically loaded into our Solution without ever having to be touched. This means the City's electronic citations will be available on the web faster than with any other vendor can provide.**

Franchise Tax Board Collections – Interagency Interception Program Process

- Data Ticket signs the Agency up to participate in the Interagency Intercept Program (either as a new or as a repeat participant). This includes all paperwork and interface with the Agency on behalf of the Program and the Franchise Tax Board.
- Once the paperwork is completed and submitted, Data Ticket will merge all debts under an individual name and social security number and send a final FTB required notice
- This notice allows the citizen 30 days to pay the entire amount due, prior to placement of their debt with the Interagency Intercept Program. During this time Data Ticket handles all payments, adjustments and responds to citizen questions and concerns.
- If the debt is still unpaid after the 30 day period, Data Ticket will place the citation on the Interagency Intercept Program list for submission at the appropriate time (submission is normally in the month of December and file adjustments, additions and deletions continue throughout the next calendar year.
- Prior to submission the Agency and Data Ticket agree to the age of the debts and the minimum amount of debts to be sent for each citizen.
- Data Ticket verifies and attaches social security numbers to each record that is eligible for the program.
- All citations attached to the same social security number will be grouped together for submission, with a total amount due showing.
- When Data Ticket places a citation with the Interagency Intercept Program the amount of the fines plus any additional charges will be included on the total amount due by the citizen and may be paid in full or in part depending on the amounts available at the state for dispersal.
- When the citizen submits an income tax return (but owes the Agency a debt) their return becomes eligible to have that debt (or a portion of it) deducted from that return and sent directly to the Agency.

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- During this time Data Ticket adjust files, responds to citizen inquiries and concerns and in the case of attachments made in error, documents the issue, verifies the refund and notifies the Agency to issue the refund.
- Data Ticket will receive a weekly notification from the Franchise Tax Board for amounts deducted from eligible citizen's returns to be paid to the Agency. Once received, the Agency will fax those reports to Data Ticket for entry into the system.
- The month following any notification of deductions from citizen's tax returns the Agency will receive a check for the aggregate amount withheld the prior month. The Agency will forward a copy of that check to Data Ticket for reconciliation against the weekly notifications previously sent.

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Detailed Scope of Work – Currently Providing to the City

On the prior pages, we provided the City with a high-level summary of the services we recommend the City utilize. Below and on the following pages, we have provided a detailed accounting of how we believe our services and technology will continue to serve the City and its Customers.

Citation Processing –

Data Entry of Handwritten/Manual Citations

Data Ticket's Mail Department accepts, data enters and updates manually written citations Monday – Friday from 8am -5pm, Pacific. Citations manually issued can be sent to Data Ticket via email, regular US Mail, FedEx or some other expedited mail delivery service. If received via paper, the citations will be opened, batched and provided to our on-site Data Entry Department. If manually written citations are emailed to Data Ticket, the citations will be opened and keyed immediately. Manually written citations are keyed and available on the Internet within 24-48 hours of receipt. In addition, electronically received citations are confirmed via an email from our Data Entry Department. Data Ticket will utilize the transmittal receipt provided by the issuing agency.

Electronically Issued Citations

Data Ticket will accept the City's electronically issued citations via our Secure File Transfer Protocol or via a wireless connection, depending on the City's preference. If the City elects not to use wireless transmission, electronic files can be sent as often as the City requires and do not require any human intervention on our side. Once a file has been received, it is automatically downloaded to the database and available for viewing on our website. This process is automated and can be performed 24/7.

Reconciliation and Verification

Data Ticket's Mobile Support Department will run daily real-time reports that detail every citation in the system. In the event a missing citation is noted, we will email or call the appropriate contact at the City to resolve the issue.

In the event any required citation data is missing from a manually issued citation, the City will be notified via email of the missing data so that a correction can be made. In the event a handheld does not download on a daily basis into our Solution, our Mobile Support Department will notify the appropriate City Contact to resolve any issue.

Registered Owner Name Retrieval:

Data Ticket is online with California DMV for registered owner information, and has been for the past 28 years. We are the only vendor in the industry who, within 1-2 minutes of receipt of a citation, obtains CA registered owner information via an online connection with CA DMV.

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In addition, Data Ticket has the ability to lookup registered owner information and place holds and releases manually. In the event the City requires a manual hold or release be placed, that will be processed the same business day the request is received.

Data Ticket's in-house Operations Department reviews all citations daily that are returned as a make/mismatch from DMV. In the event a Make Mismatch occurs, the citation is automatically placed on real-time report available to the City 24/7. In addition, Data Ticket supplies our Clients with real-time notification of all make mismatches via our online, real-time reports. Of course, these reports can also be generated at month-end if the City prefers.

Our Operations Department reviews all "No Hits" to ensure the data provided on the citation is accurate. In addition, Data Ticket provides our Clients with a real-time report where they can view all citations for which a "No Hit" was received. Finally, Data Ticket attempts to obtain a registered owner once every 30 days from all DMVs to ensure we obtain a registered owner as soon as one is available. In addition, we will also resubmit citations upon request to determine if a registered owner is available. Finally, we treat citations written with a VIN in the same manner we treat citations issued with a Plate.

Registered Owner Retrieval from Out-of-State DMV

Data Ticket obtains registered owner information for out-of-state plates utilizing NLETs. NLETs functions much like a CLETs interface whereby Data Ticket has access to out-of-state registered owner information 24/7, compared with dependence on each individual state.

Payment Collection and Processing –

Utilizing our Solution provides the City with the ability to accept walk-ins, if that is desired. Data Ticket provides for the acceptance of payments via US Mail. Correspondence and payments accepted via our Newport Beach PO Box are picked up daily by 7:00am and delivered via bonded, insured courier to our office for processing.

All incoming mail is sorted and batched by postmark or received date, depending on the City's preference. In the event a postmark date is not available, we will utilize either the receipt date or the check date, depending on which date the City prefers. Utilizing the postmark date will automatically reverse penalties that may have applied from the postmark date to the receipt date.

Payments received via US Mail are processed in-house and deposited within 24 hours of receipt. As payments are made, the City will have access to real-time reports, available 24/7 and reflecting each payment. Daily and monthly, Data Ticket reconciles deposits made to ensure all payments have been properly accounted for.

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All backup received with payment data is scanned and stored on our network for as long as the City is a Client. In addition, all bank deposit information will be stored on behalf of the City for as long as the City requires.

Our Solution accepts Visa, MasterCard, Discover and American Express credit / debit cards via the Internet, our bi-lingual automated voice response system (IVR), via our live, bi-lingual Customer Service Representatives and via Client specific locations.

Online payments are authorized and processed real-time via VISA, MasterCard, Discover and American Express and the Citizen is provided with a confirmation number that matches the real-time authorization number. Our website and IVR will be available to the City 24/7. We do not have any scheduled downtime during which our Solution is not available. Our live, bi-lingual Customer Service Representatives are available Monday – Friday from 8am – 5pm Pacific. Our Solution is PCI Compliant to provide the City and the public with the peace of mind that our Solution is hacker-safe and credit card information is kept in the highest regard.

Payments received and processed via check, cash and money order are currently deposited into an escrow bank account. Through the escrow account, daily all checks and money orders are deposited directly into the escrow account using Remote Check Deposit (RCD). Weekly, Data Ticket's Accounting Department reconcile the account and issue refunds to those individuals who are due a refund. Additionally, the account is reconciled at month-end using the funds in the account to pay the Data Ticket invoice, pay the City's County / State surcharges, and issue a check or wire to the City for the net collections. Finally, credit / debit cards accepted are reconciled and disbursed at month-end.

Online System –

Access to our Solution is provided 24/7 via a unique username and password. City Personnel have the ability to manage user access or our Client Services Department can manage access to the Solution on behalf of the City. Data Ticket's Citation Management Solution is 100% web-based. The entire system is accessible using a unique username and password.

City Personnel with access to the Internet and a web browser may access the system using a unique username and password that will be provided during the implementation phase. In the event new individuals require access to the system or individuals with existing access need their access level modified, Data Ticket will update the access levels the same day the request is made at no cost to the City or the City may elect to have an individual provided with "Administrator" access to the Solution who can manage the City's users. This feature is available through the "Maintenance" menu item on our website.

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Access to our Citation Management Solution is granted by a citation number, notice number, vehicle license number and state, name, or VIN. Data displayed once a valid search criterion is used is:

- ✿ All citation level information that was entered on the citation, including VIN
- ✿ All photographs taken at the time of the citation issuance and transmitted to Data Ticket
- ✿ Current status of the citation, provided in bolded text
- ✿ DMV inquiry date and hold and release information and dates, including registered owner information, with address and registration expiration date
- ✿ Delinquent notice history, including date sent, date due, address sent to, registered owner, make of the vehicle, and amount due
- ✿ Adjudication history, including date the citation was placed on a review and hearing hold, date hearing was scheduled for, date hearing schedule letter was sent, judgment, date judgment was entered, date judgment letter was sent, disposition information, hearing officer name, complete appeal description, images attached as part of the adjudication process and a complete description of the reason for appeal if the appellant appealed online
- ✿ Payment information, including payment type, payment received date, check date, check number, deposit date, payment location, amount paid, and returned check date or credit card charge-back date
- ✿ Penalty history including penalty date, penalty amount
- ✿ Registered owner information as provided by DMV, including registration date and any names listed on the registration, VIN, make and model
- ✿ All phone notes as entered by our customer service representatives and any other personnel who have a username and password
- ✿ The number of citations for each registered owner and the number of citation issued for each state / plate
- ✿ Vehicle registration history
- ✿ A complete audit trail of the citation, including a username and date for every transaction
- ✿ Citation simulation for reproduction and printing at the City
- ✿ Scanned images related to Adjudication, payment backup and other matters

In the Citation Detail screen shot provided, real-time information is displayed to the user, including all the items mentioned above. In addition to those items, you will see many data fields are underlined. These fields are actually hyperlinked so that by clicking on them the user will be taken to a pop-up that details more information about the specific data. **The following fields are hyperlinked:**

- ✿ **This person: \$0.00:** When clicked, this field displays a pop-up box that lists all citations issued to this person, the date of the citation, the plate to which the citation was issued (which may be different from the plate on the current citation), and the amount owed on the citation.

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- ✿ **This plate: \$0.00:** When clicked, this field displays a pop-up box that lists all citations issued to this license plate, the date of the citation, the registered owner to which the citation was issued (which may be different from the RO on the current citation), and the amount owed on the citation.
- ✿ **Responsible Party History:** When clicked, this field displays a pop-up box that lists prior registered owners, responsible parties, lessees and renters associated with the citation.
- ✿ **Vehicle History:** When clicked, this field displays a pop-up box that lists the vehicle information provided on the citation and the vehicle information returned from the appropriate DMV.
- ✿ **Payment Plan:** When clicked, this feature provides the ability for the user to enter a payment plan for the citation
- ✿ **Notice History:** When clicked, this field displays a new tab that displays the front and back of the actual notice sent to the registered owner. A copy of each notice sent is associated with each citation so City Personnel never need to request a copy of a letter sent on its behalf

In addition to the above-mentioned fields, our Solution also displays all Regular Notices and Adjudication Letters via **hyperlinks so City Personnel can see the actual letters** sent on its behalf.

Picture deleted as we are not permitted to label anything proprietary or confidential

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Throughout the life of the contract, the City will have the opportunity to define the user access levels for each individual provided with access to the system. Access to the system by the City includes the ability to:

Homepage	
✗ View recent enhancements	✗ View online help documents
✗ View upcoming events	✗ View recent / pending legislation
Search	
✗ Perform advanced search capabilities	✗ Perform advanced adjudication searches
Citations	
✗ View citation detail	✗ Add a manually written citation
✗ Edit a citation	✗ Edit violations
✗ Edit the responsible party	✗ Change the original bail amount
✗ Change the violation amount (original bail + penalties)	✗ Dismiss a citation
✗ Void a citation	✗ Close a citation
✗ Place a hold on a citation	✗ Add attachments to a citation
✗ Add a note to a citation	✗ Reverse a penalty
✗ Generate, print and re-print all notices sent	✗ View all images, video recordings and voice recordings associated with a citation
Payments and Refunds	
✗ Enter a credit / debit card payment at the citation level or plate level	✗ Enter a check, cash or money order payment at the citation level or the plate level
✗ Remove a payment	✗ Transfer a payment to another citation
✗ Create a payment plan	✗ Enter a NSF
✗ Request a refund	✗ Approve refunds
✗ Process a refund	✗ Print a receipt with or without RO information
Adjudication	
✗ Enter a judgment	✗ Deny an appeal for the bail not being paid & auto-generate a letter
✗ Deny an appeal for the appeal time being expired & auto generate a letter	✗ Generate a letter of non-responsibility
✗ Edit the appellant	✗ Place a citation on a Review Hold
✗ Place a citation on a Hearing Hold	✗ Remove an adjudication hold
✗ Schedule & manage hearing locations	✗ Schedule hearings
✗ Place a citation on a court hold	✗ Schedule a court date
✗ Manage hearing locations	✗ Cancel scheduled hearings
✗ Generate, print and re-print adjudication disposition letters	✗ Generate, print and re-print hearing schedule letters

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Reporting	
✖ Generate real-time standard reports – of which there are 39 from which to choose	✖ Generate and view month-end operational and financial reports
✖ Generate real-time adjudication reports	✖ Generate real-time custom reports from a standard report or from a data collection
✖ Save custom reports to your “My Reports” menu item to run at a later time	✖ Share custom reports with co-workers
✖ View graphics associated with report data	✖ View an online reporting video
Maintenance	
✖ Add users to the system	✖ Edit users of the system
✖ View user authorities	✖ View the last browser used by each user

In addition, our website provides a complete audit trail of the registered owner and any changes made due to a release of liability, a change due to a renter or lessee, or any other change. Finally, City Personnel will have the ability to view a complete audit trail for every citation in the system.

Data Ticket’s website is housed on a secure Windows 2012 server with the following security precautions:

- ✱ The server is behind the Cisco firewall
- ✱ Integrated security is employed between the IIS and SQL servers
- ✱ All passwords are encrypted
- ✱ Several pages on the website are encrypted using a strong, 256-bit encryption scheme from VeriSign services
- ✱ Nightly backups are made in the event of a hacker accessing the web server
- ✱ Data is not kept on the web server, and hacking into the data server is virtually impossible

Throughout the life of the contract, the City will retain all ownership of the data and at no time is the data considered property of any entity other than the City before, during and after the life of the contract.

Our citation management system employs a wide variety of safety measures in order to be prepared for the eventuality of an emergency or disaster. All data is backed up off-site daily in order to be prepared for disaster recovery.

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In the event of an earthquake, fire, flood, hurricane, evacuation, bomb, blackout, theft, riot, or any other emergency or disaster, the following procedures will be used to restore data and hardware. Should the City require viewing our detailed disaster recovery plan, we are happy to provide it upon request.

Customer Service –

Data Ticket will provide the City with a fully staffed bi-lingual Customer Service Department Monday – Friday from 8am – 5pm Pacific to answer inbound calls and to return calls previously made. In addition, Data Ticket provides a bi-lingual IVR Solution that is available 24/7 to provide callers with general information about their citation(s), specific information about their citation(s) and to pay their citation(s).

Data Ticket's Customer Service Department has all of the City's business rules regarding the acceptance of payment, adjudication business rules, sign-off and handicap placard business rules, and all other City specific business rules so that they may act as an extension of the City. As these business rules are updated, so to is our Customer Service Department.

In order to best service callers, Data Ticket provides several toll-free, bi-lingual telephone numbers. The first number is provided to individuals on their citation and on their 1st Notice. The second number is provided to individuals on their 2nd – 5th Notices and the third number is provided to individuals on their adjudication correspondence. This division of phone numbers helps our Customer Service Representatives understand the nature of the call before the line is picked up and it helps prepare the Representative with the correct information to provide.

Finally, all Customer Service Representative answered and made calls are recorded digitally and can be provided to the City upon request and all matters are handled within 24 hours to ensure the highest level of customer service available.

DMV Registration Holds / Releases -

Real-time, through our online connection with DMV, Data Ticket places California registration holds and releases. In addition, our connection to California DMV is different from the City's current vendor and many other vendors. Our connection ***automatically provides us with next day confirmation that a registration hold or release was successful.*** Other processing vendors including the City's prior vendor do not get that confirmation until the monthly DMV file is provided by DMV. This significantly impacts the ability to process holds and releases effectively as it means there could be up to 4 weeks of duration before the City can be guaranteed a hold or release was successful.

Process Correspondence -

Data Ticket will be responsible for accepting and processing all correspondence received. Our on-site Mail Department will be responsible for the receipt, tracking and processing of all inbound correspondence via US Mail. The Mail Department will ensure all received correspondence is provided to the correct department for processing.

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Our full-service Adjudication Department will be responsible for the receipt of all mailed-in 1st Level, 2nd Level and 3rd Level Adjudication requests and correspondence. All requests and correspondence will be scanned onto our network and attached to the applicable citation. This eliminates the need for any paper to be mailed to the City and increases the efficiency of processing.

Requests for a 2nd Level Hearing are received, reviewed, and if eligible, setup for an Administrative Hearing in accordance with the City's business rules. Data Ticket contracts with independent, fully trained and qualified Hearing Officers who conduct hearings on our client's behalf.

All other correspondence will be routed to the appropriate department where it will be scanned onto our network and attached to the applicable citation.

All emailed correspondence is responded to within 2 hours of receipt of received prior to 4:00pm Pacific. All emailed correspondence and the resulting responses are stored on the network for future reference as needed.

Notice Letters -

Data Ticket sends all notices daily, dependent upon the event and/or the timeframe defined by the City. Each citation is treated independently so as each citation has fulfilled the requirements set forth by the City, the appropriate notices are sent. All notices sent by Data Ticket have the citation number, citation date, plate and state, make, notice date, violation(s) and amount due prominently positioned on them. In addition, each notice identifies the due date and dollar amount owed at each of the escalation dates so the recipient is clear on what is owed and when. In addition, all notices define how to pay for the citation, appeal the citation (if applicable), inquire about the citation and provide a signoff section (if applicable) for the citation or show proof of non-liability.

Each notice, with the exception of the FTB notice, allows for customized text to be defined by the City and each notice provides a toll-free, bi-lingual telephone number that is answered by both a bi-lingual IVR (integrated voice response) system and bi-lingual customer service agents that are all in-house. All notices are sent to the recipients with a #10 windowed envelope that allows the recipient to send a portion of their notice and their payment for processing. In addition to the allowance of the submission of check or money order, recipients may also submit a credit/debit card number for processing.

Administrative Hearings -

Data Ticket's online adjudication processing solution will allow City Staff, Appellants and Data Ticket to expedite the adjudication process.

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Specifically, Data Ticket, Appellants, and City Staff can place an Administrative Review Request Hold or an Administrative Hearing Hold Request on a citation and attach supporting documentation via the web 24/7. This process places the citations on hold immediately so that no further processing occurs on the citations.

Data Ticket solution automatically produces and tracks all correspondence and all scheduling activities associated with the entire adjudication process. Our Adjudication Solution is 100% integrated with our Parking Citation Processing Solution.

Our Citation Processing Solution provides many search options to our Clients to find a single citation in the adjudication process, to find all citations in the adjudication process or to find one or many citations in a specific step of the adjudication process.

Data Ticket contracts with Independent Hearing Officers who currently perform Hearings on behalf of our Clients in Southern California. Our Hearing Officers all meet the requirements set forth by California Vehicle Code 40215.

Reporting –

The Reporting capability within our Solution will provide the City with the ability to run, print and save real-time Standard Reports. A list of these reports with descriptions has been provided on the following pages.

Report Title	Report Description
Bail Schedule	Displays the violation code, violation description, original bail amount, corresponding penalties and timing of each penalty for each violation for which a client writes citations.
Client Billing Summary Report	Provides details on each billing item on each invoice, including citation number, plate / state, notice type, adjudication matter, etc.
Client Billing Detail Report	Provides a summary level of each billed item as a category that matches each invoice.
Written Deposited Report by Data Ticket (Summary & Detail Levels)	Provides a summary level set of data, by day of the month that details the total funds deposited, total credit/debit cards accepted, total NSF's and credit card charge-backs and payments backed out by Data Ticket for each day of which the report is run. In addition, the report displays the details that make up each day's deposit, including citation number, payment received date, payment deposit date, check number, and amount paid.
Written Received and Posted by Client (Summary & Detail Levels)	Provides a summary level set of data, by day of month that details the total funds deposited, total credit/debit cards accepted, total NSF's and credit card charge-backs, and payments backed out by a Client for each day of which the report is run. In addition, the report displays the details that make up each day's deposit, including citation number, payment received date, payment deposit date, check number, and amount paid.

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Report Title	Report Description
Credit/Debit Card Payment Summary Report	Provides a summary level set of data, by day of the month that details the total funds deposited, total credit /debit cards accepted, total NSF's and credit card charge-backs and payments backed out by a Client for each day of which the report is run.
Refund Request Report	Displays citations for which a refund has been requested either by a registered owner, an appellant, or a responsible party. As refunds are issued, the citation is removed from the report real-time.
Officer Summary Report - Summary	Displays a summary level of citations, by issuing Officer, that includes total number of citations written, original bail amount, added penalties, number and dollar amount of citations dismissed, voided, adjusted and the total number and dollar amount of citations paid and outstanding. Citation Date drives this report. This report can be generated for all Officers or one.
Officer Summary Report - Detail	Displays the summary level information provided on the Summary report, as well as the detail, by Issuing Officer, for each citation issued. Citation Date drives this report. This report can be generated for all Officers or one.
Violation Statistics Report	Displays a cumulative view of the number of violations issued for each violation code the City writes per month.
Violation Statistics Report By Violation	Displays a summary level and detailed view of each citation for which a particular violation is written. This report can be generated for all violations or for one and is summarized by month.
Outstanding Collections Report	Displays the total number of citations written, their current status in the collections lifecycle and all activity as it pertains to the citation processing lifecycle. This report is divided into citations in the daily, delinquent, FTB and Third Party Collections stage and is generated by citation date.
Citation Status Report	Displays the citation written for a specified period of time and all activity that has taken place. The citation number, cite date, cite location, RO Hit, number of notices, original bail, applied penalties, payments, outstanding balance and whether the citation has been adjudicated are all fields that are displayed.
Citation Activity Report	Displays, by month, citations in various categories including RO Miss, Make Mismatch, Registration Hold Successful, Notices sent, Bad addresses, Proofs of non-liability, etc. The report displays the total number of citations for each category and the percentage of citation compared with the year.
Scofflaw Report (Summary and Detail)	Displays a summary level set of data, based on a plate / state, for the total number of citations issued and outstanding and the total amount due. This report then provides the detailed information behind each state / plate, including the RO information, citation number, citation date, citation location, violation and amount owed. This report can be generated for 3, 4, 5 or more citation issued and outstanding and it can also be generated to include or exclude vehicles determined to be 'Junked' by CA DMV.

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Report Title	Report Description
Closed/ Dismissed/ Void Report (Summary and Detail)	Displays citations as grouped into Closed, Dismissed and Voided sections in both a summary format and a detailed format. The summary version provides the original bail amount, penalties and charges, payments and amount owed. The detail then provides, for each grouping, the citation number, date, time, plate, State, make, location, status, number of notices sent, RO hit or miss, appeal status, DMV hold status, FTB status, the original bail amount, applied penalties and charges, payments and an amount owed, if any.
Payments By Violation Report	Displays, by date run, the citation number, citation date, payment amount, deposit date, type of payment received, violation code and violation description. This report can be generated for all violations or for a single violation.
Payments Grouped Report (Summary and Detail)	Provides an accounting of all payments received during a specified period of time, grouped by Department. For example if a client has multiple departments issuing citations for which they need to account separately, this report will can be run for all departments and will display the data grouped by department, or it can be run for a single department. A summary level of data display, by Department, the total number of citations issued, the amount paid and the amount owed. A detail section then displays, by Department, the citation number, amount paid and amount outstanding.
Payment Exception Report (Summary and Detail)	Provides any citation for which there is an overpayment, a partial payment or an orphan payment. The first section of the report displays a summary level of information that displays, by type, the number of payments and the total dollar amount per payment. The second section displays the citation details including, citation number, date paid, batch number, amount paid, original balance of the citation, the new balance of the citation, a description of the status and the violations for which the citation was written.
DMV Activity Report	Displays the citations for which a successful CA DMV Registration Hold was placed during the month, a payment was received at DMV and a successful CA DMV Registration Release was placed
DMV Additions Report	Displays the citations for which a successful CA DMV Registration Hold was placed during the month. This report is generated directly from the CA DMV file.
DMV Payments Report	Displays the citations for which a payment was made at CA DMV during the month. This report is generated directly from the CA DMV file.
DMV Removals Report	Displays the citations for which a successful CA DMV Registration Release was placed during the month. This report is generated directly from the CA DMV file.
Payment Plan Report	Displays all citations for which a payment plan has been set up and displays the status, all payments and amount owed.

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Report Title	Report Description
Appeal Report	Displays a summary level set of data that provides the user with the total number of citations in the adjudication process, including the number of review requests, hearing requests, and court requests and the outcome for each level. This report also provides the details of each adjudication matter.

On the following page, we have provided the City with a view of the Reporting Home page that displays citation statistics in a graphical manner for our clients. As you can see from this screen print, a drop down box is provided in the top right corner that allows the user to select the month that he/she wishes to view. In addition, this screen is configurable to display a variety of statistics.

Picture deleted as we are not permitted to label anything proprietary or confidential

In addition to the reports provided on the previous pages, our Solution provides our Clients with the most advanced reporting capabilities available in our Report Generator feature. This feature provides City Personnel with the ability to select a "Standard Report" or to select a "Data Grouping" and create custom, real-time reports. These reports can be saved, shared amongst co-workers, or just run and viewed.

On the following page we have provided a screen shot of our "Report Generator" capability.

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This capability provides our City Personnel with the ability to select a “Standard Report” from the table on the prior pages and set Optional Criteria, as well as drag and drop Report Columns into and out of the Report. If you choose, you can also start with a “Data Collection” and create a totally custom report.

Picture deleted as we are not permitted to label anything proprietary or confidential

Once you have created the report you would like to run on a regular basis, you can delete the report, clone the report or share the reports amongst co-workers.

In addition, City Personnel has the option to simply save the report to your “My Reports” list as depicted on the following screen shot. This feature provides users with the ability to re-run the report, delete it, share it or clone it for future use with a slightly different or altogether different set of criteria.

Picture deleted as we are not permitted to label anything proprietary or confidential

All the reports available to our clients are available on our website. This provides City Personnel with the ability to generate reports on their timeframe while reducing their dependency on a vendor. We find the more control we provide to our clients; the better able they are to do their jobs, on their timeframe. If there are specific reports City Personnel require on a specific timeframe to be provided by Data Ticket, we will provide those at no cost to the City.

COST PROPOSAL

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Cost Proposal:

To provide complete transparency into the services Data Ticket offers and the costs associated with those services, we have provided a detailed description on the following pages of each service proposed.

Below and on the following pages we have provided a detailed description of the services offered by Data Ticket. Some of these services are marked as "Optional" as the City may choose to use them or not.

Initial Setup Costs **\$0.00**

Manual Parking Citation Processing: **\$0.55**

Services for the above-mentioned items include:

- On-site data entry of manually written citations performed within 48 hours of receipt
- On-site quality assurance verification of manually entered citations
- Scanning of all manually written citations onto our network for storage and ease of retrieval
- Bi-monthly shredding of manually written citations

Electronic Parking Citation Processing: **\$0.42**

Services for the above-mentioned items include:

- Automated citation transmission into Data Ticket's Citation Management Solution 24/7
- Automated confirmation email detailing successfully transmitted citations
- Automated transmission of photos attached to citations

Courtesy Notice: **\$0.70**

Services for the above-mentioned item include:

- Semi-custom Courtesy Notice that is printed on an 8 ½ x 11" piece of paper with a perforated tear-off payment stub provided in a window envelope sent to the registered owner of a vehicle
- All notices are attached to the citation online and are viewable via the web
- All notices sent via 1st Class Mail
- All notices include a return envelope in which the responsible party may submit payment
- **This charge is only incurred if the individual does not pay off the windshield and a notice is sent to the individual as a result**

Out-of-State Collections: **23% of revenue collected**

- This fee will cover all expenses associated with obtaining out-of-state registered owner information and will only be due when a citation is paid
- Data Ticket is a recognized Strategic Partner with NLETs and we are currently utilizing the City's and our ORI
- **This fee is not combined with any other contingency fee.** For example, if a citation is rolled to a delinquent status, only 23% of revenue collected will be charged

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- **If Data Ticket does not collect on a citation that is issued to an out of state plate, the City does not owe this fee.**

Delinquent Collections:

23% of revenue collected

- This fee will be assessed when a citation is ninety (90) days past the citation issue date, assuming a first notice has been sent to the registered owner and the citation is not on hold for any reason
- Three Delinquent Notices will be sent to the registered owner at no cost to the City
- All notices are sent via First Class mail and all notices are printed on an 8 ½ x 11" sheet of paper and folded into a window envelope; in addition, a window envelope is provided for the recipient to return payment
- All notices are attached to the citation online and are viewable via the web
- **If Data Ticket does not collect on a citation that is delinquent, the Agency does not owe this fee**
- Notices will be sent via 1st Class Mail, and Data Ticket will be responsible for the cost incurred and all customer service and payment entry
- **If the City prefers to continue with its current processing timeline and not use Delinquent Collections, we have provided a cost of \$0.72 per notice for each 2nd notice sent.**

Franchise Tax Board Processing

SSN Look-up:

\$2.50 per SSN

- This fee will be assessed to lookup a social security number associated with a particular registered owner and address
- **This charge is charged per unique SSN, not per citation**

FTB Collections:

15% of revenue collected

- This fee is charged if a citation is paid at the Franchise Tax Board
- **This charge is not combined with any other charge;** for example if a citation is rolled to delinquent status and paid at FTB, only the 15% of revenue collected will be charged
- Data Ticket will send an FTB Notice to the Customer as required by the Interagency Intercept Program; **this notice will be sent via 1st Class Mail and will be sent at no cost to the City**
- **All notices are attached to the citation online and are viewable via the web**
- **Data Ticket will pay for the Agency's cost to participate in the FTB program;** annually, FTB will send an invoice to the Agency for the number of debts placed at FTB; the Agency will simply provide this invoice to Data Ticket and Data Ticket will pay it in full
- **If Data Ticket does not collect on a citation that is at FTB, the Agency does not owe the collection fee**

Adjudication:

1st Level Hold & Scanning of Review Request (Optional)

\$0.50 per citation

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- Data Ticket will review all documentation received by the Appellant and determine whether the request received within the required timeframe
- If the request was received within the required timeframe, Data Ticket's Adjudication Department will place the citation on an Administrative Review Request Hold and scan all received documentation into the Citation Management Solution where it is displayed on the web for the Agency's Staff
- If the request is received outside the required timeframe, the Agency will have the option to proceed as though the request was received within the timeframe or it may elect to have Data Ticket send a "time expired letter" rejecting the appeal

Disposition and Schedule Letters **\$0.75 per letter**

- Data Ticket will send a custom disposition letter to the Appellant via 1st Class Mail
- All letters are attached to the citation online and are viewable via the web

2nd Level Hearing Hold, Scanning and Scheduling of Hearing (Optional) **\$0.50 per citation**

- Data Ticket will review all documentation received by the Appellant and determine whether the request received within the required timeframe
- If the request was received within the required timeframe, Data Ticket's Adjudication Department will place the citation on an Administrative Hearing Request Hold and scan all received documentation into the Solution where it is displayed on the web for the Agency's Staff and the Hearing Officer
- If the request is received outside the required timeframe, the Agency will have the option to proceed as though the request was received within the timeframe or it may elect to have Data Ticket send a "time expired letter" rejecting the appeal
- Data Ticket will work with the designated Hearing Officer to schedule the Hearing based on either a pre-determined schedule or an ad hoc basis, depending on the Agency's schedule

2nd Level Hearings Performed (Optional) **\$85.00 per hour**

- Data Ticket's independent, certified, insured hearing officers will be provided to the to perform in-person, phone and written hearings
- Each hearing request will be reviewed, heard or read and all required research will be performed
- The Hearing Officer will enter a judgment into the Citation Processing System for viewing by the Agency, Appellant and Data Ticket
- Hearings will be scheduled
- The Agency will incur costs associated with mileage as defined by Federal guidelines
- Data Ticket will work with the Agency to arrange for the use of a conference room at an Agency location or the Agency may elect to have citations heard at a centralized location within the County

Joint / Escrow Banking Services (Optional) **\$0.00 per month**
Services for the above-mentioned item include:

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- Daily deposits of funds to the Agency's escrow account
- Online, real-time reconciliation reports that tie directly to the bank statement
- Processing of all credit card charge-backs and Insufficient Funds
- Month-end reconciliation of all funds collected
- Disbursement of County / State Surcharges at month-end
- Payment of Data Ticket's invoice
- Disbursement of the net remittance to the Agency
- Scanning of all payments directly to joint bank account daily using remote check deposit
- The Agency will be responsible for the purchase of banking supplies, including checks and endorsement stamps; these fees typically run \$200.00 per year

Charge-backs and NSF's (Optional) \$5.00 per issued instance

- Data Ticket will process credit card charge-backs and NSFs when notified of each occurrence
- Once processed, Data Ticket will send a custom letter to the individual detailing the returned item and the amount due on the citation

Refunds (Optional) \$5.00 per issued instance

- Data Ticket will process refunds when notified by the Agency
- In the event the Agency utilizes Joint Banking, Data Ticket will verify, generate and send each refund due when notified by the bank
- Refunds will be issued weekly
- Refunds will be sent via 1st Class Mail

Services Included in the Above Costs:

Online Access for the Agency's Customers: Included

The Agency's Customers will have the ability to perform the following functions online:

- View real-time citation(s) data
- Pay for a single or many citation(s)
- Request a 1st Level Administrative Review and attach up to three documents supporting their position
- Request a 2nd Level Administrative Hearing Request and attach up to three documents supporting their position
- Print a receipt
- View pictures of the citation taken by the issuing officer (if the Agency allows)

Online Access for the Agency's Staff: Included

Access to the Agency's data is based on unique usernames and passwords assigned to everyone who requires access to the system. **Data Ticket does not limit the number of individuals who have access to the system and the number and types of access can change at any point with a simple email request to Data Ticket.**

Our Solution is setup to maintain a complete audit trail for each transaction in the

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system, therefore, the username is displayed next to every transaction in the system, indicating who performed the transaction and when.

Dependent on the access rights provided to each Agency Staff member, the following capabilities are available:

- View real-time citation(s) data, including pictures taken by the Issuing Officer
- Accept payment via VISA, MasterCard, Discover and American Express credit/debit cards
- Accept payment via Cash, Check or Money Order
- Process NSF's, Chargebacks and Refunds
- Reduce or increase violation amounts, dismiss citations, void citations and place citations on hold
- Change citation data, including violations, date, time, plate, location, comments, make, model, color, registration expiration date and others
- Perform Administrative Reviews online by entering the disposition directly online
- Generate a time expired or letter of non responsibility for a citation in the adjudication process
- View the complete reason for the Review Request and supporting documentation provided by the Appellant directly online
- Edit Appellant information
- Upload disposition documents sent to the Agency via US Mail
- Add a note to a citation and see all comments added to the citation
- View the reason for the 2nd Level Administrative Hearing Request online and view the supporting documentation provided by the Appellant, directly online
- Print a receipt with or without registered owner information

Reporting:

Included

- Data Ticket offers 24 reports online for our Clients to generate, print and re-print 24/7. We provide real-time reports that can be generated for any timeframe required and we provide pre-processed/month-end reports that reflect the month-end view of data.
- All reports are available online and because we do not purge data unless specifically requested to do so by a Client, the data is available as long as the Agency is a Client.
- All reports are generated in HTML so our Clients can copy and paste the data into Excel for data manipulation purposes.
- If the Agency were to request a report that was not already available using the standard reports or report generator, Data Ticket would work with the Agency to design the report and provide it to the Agency at no cost.

Manual Payment Processing:

Included

- Manually received payments (checks, cash, money orders and credit card payments sent via US Mail) are received at our PO Box in Newport Beach where a bonded and insured courier picks up the mail daily and delivers it to our Newport Beach office
- On-site Mail Department opens, sorts and batches the payments before providing them to our on-site Data Entry Department

Data Ticket, Inc.
Irvine, CA
O: 949 752-6937; F: 949 281-3195

City of Laguna Hills
Parking Citation Processing Services

- After double-blind entry of each payment, the citations are updated by our Quality Assurance team
- Payments are then provided to our Accounting Department where daily deposit slips are completed and provided to a bonded, insured courier who takes them to the bank

Registered Owner Information: **Included**

- Registered owner information for all citations issued on California license plates
- Turnaround time for acquisition of California registered owner information is **same day**
- Registered owner information for all citations issued on out of state license plates
- Data Ticket is a recognized Strategic Partner with NLETs and **has access to registered owner information nationwide real-time through NLETs service**
- Access to this system requires the use of the City's ORI for tracking purposes only; Data Ticket will utilize its own ORI for actually acquiring the out of state RO data

CA DMV Holds and Releases: **Included**

- California DMV Holds and Release performed daily via an online connection
- Holds and releases can also be performed real-time, upon request
- Citation amounts placed on hold are updated daily in the event a partial payment is made

Customer Service: **Included**

- Data Ticket provides a live, bi-lingual, on-site Customer Service Department that is fully trained to answer questions related to citation issuance, payment, adjudication, fix-it tickets, sign-offs, FTB, advanced credit reporting collections and more
- **All calls are recorded to quality assurance and recordings can be sent to the Agency at any time for review**
- Data Ticket's IVR is bi-lingual and accessible via several toll-free numbers; the IVR provides real-time information to the caller regarding current status, including the amount due
- The IVR accepts VISA, MasterCard, Discover, and American Express

Web Presence: **Included**

- Data Ticket's Solution is 100% web-based and Section 508 Compliant and is provided at: www.CitationProcessingCenter.com; this is a generic website in the sense that it is not Agency branded. **This website allows for the Agency and the Agency's Customers to access citations online**
- **If the Agency prefers to have an Agency branded website, one in which the look and feel mimics that of the Agency's website, Data Ticket can and will provide this feature to the Agency.**

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City of Laguna Hills
Parking Citation Processing Services

Cost Increases:

Postal Rate Increase Offset – If postal rates increase during the term of the agreement, fees to DTI shall be raised immediately to offset the effect of the actual postal rate increase.

CPI Increases – *There will be NO CPI increases for the duration of the agreement.*

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Parking Citation Processing Services

Detailed Android Pricing (Optional)

Data Ticket has provided the following handheld unit pricing for **Three Year Lease Price** option. If the City is interested in a purchase prices we are happy to provide that as an option.

Item	N5 Print	Samsung Galaxy S8 Plus w/ TSC 3" Printer
3 Year Lease Price	\$105.00 / per month	\$54.00 / per month

HANDHELD LICENSING AND SUPPORT COSTS

Handheld Software License Fee **\$500.00 per unit per year, 1st year only**
\$150.00 per unit per year, 2nd and subsequent years

This fee is for the software application and all enhancements.

OtterBox Case – for Samsung Galaxy S8 Plus **\$75.00 per case**

Support **\$25.00 per month per unit**

Support includes full repair or replacement of any units which fail to perform. There is no deductible charged.

Training **No Charge**

Onsite training at the City's preferred location will be provided free of charge for both the handheld ticket writer training and the system training. Training typically takes place over the course of a few hours and will be customized to meet the City's requirements.

Ticket Stock **to be Quoted based on Quantity**

Ticket stock pricing may vary depending on the quantity, coloring, artwork, and set up fee if applicable. We would be happy to supply pricing upon request.

Wireless Services **Actual Cost**

If the City elects to utilize a wireless data plan by which to transmit citations, Data Ticket will pass the cost of the data plan directly from the wireless vendor.

EXHIBIT “B”**CITY OF LAGUNA HILLS****ADMINISTRATIVE REGULATION NO. 27****DATED: APRIL 11, 2017****ENTITLED,****“POLICY FOR REVIEW AND APPEAL OF PARKING CITATIONS”**

CITY OF LAGUNA HILLS
ADMINISTRATIVE ORDER NO. 27
EFFECTIVE DATE: APRIL 11, 2017

General Subject: Miscellaneous Policies

Specific Subject: Policy for Review and Appeal of Parking Citations

Purpose:

This Policy governs the City's process and procedures for administrative review and appeal of parking citations. The City contracts with a private vendor or processing agency to process parking citations. The purpose of this Policy is to provide effective oversight of the vendor and to establish a written procedure to ensure compliance with California Vehicle Code Section 40200 et seq. for the administrative review and appeal of parking citations.

Statement of Policy:

THE RESPONSIBLE PARTY

For purposes of this policy, the "responsible party" includes both the registered owner and the operator, rentee, or lessee of the vehicle. The responsible party receiving a parking citation for any violation of any regulation governing parking a vehicle under the California Vehicle Code or City Municipal Code, or under any federal statute or regulation, shall be jointly liable for parking penalties imposed, unless the owner can show that the vehicle was used without their consent. An owner who pays any parking penalty, civil judgment, costs, or administrative fees shall have the right to recover the same from the operator, rentee, or lessee.

The operator of a vehicle who is not the owner but who uses or operates the vehicle with the express or implied permission of the owner shall be considered the agent of the owner to receive parking citations and may contest a parking citation.

HOW TO CONTEST A PARKING CITATION

There are three levels of review and appeal of a parking citation:

- Level 1: Initial Review
- Level 2: Administrative Hearing
- Level 3: Superior Court Appeal

LEVEL 1: INITIAL REVIEW

In accordance with California Vehicle Code Section 40215(a), the City, as the issuing agency, upon request from the responsible party, must complete an initial review of a parking citation. The City shall not charge a fee for the initial review.

The responsible party must request an initial review by the City within 21 calendar days of when the parking citation is issued, or within 14 calendar days of the mailing of a notice of delinquent parking citation. The request for an initial review may be made by telephone, in writing via regular mail or website, or in person. The City and/or processing agency may provide an online link to submit a written request on its website, or a request for the initial review may be submitted as follows:

By Mail:

City of Laguna Hills
c/o Citation Processing Center
P.O. Box 10479
Newport Beach, CA 92658-0479

In Person:

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

By Telephone:

800-989-2058

When making the request, the responsible party must indicate the reason(s) for requesting an initial review and include copies of all supporting documents related to the citation, i.e., photographs, permit holder information, witness statements, etc. All documents provided should be copies as the documents will not be returned following the initial review.

The following reasons will not justify dismissal of a parking citation:

- The responsible party has no money to pay the fine or the fine is too high.
- The responsible party has never received a parking citation in the past.
- The responsible party was unaware of the parking regulations.
- The parking violation was brief.
- The responsible party agrees not to commit the parking violation in the future.

If, based on the initial review, the City is satisfied that the parking violation did not occur, that the registered owner was not responsible for the violation, or that extenuating

circumstances make dismissal of the citation appropriate in the interest of justice, the City shall cancel the parking citation. The City shall advise the processing agency of the cancellation.

If the City instead upholds the parking citation, the results of the initial review must include the reason(s) the citation was upheld and must notify the responsible party of the ability to request an administrative hearing. The notice must also contain a statement that the responsible party may request the City waive prepayment of the parking penalty based upon the responsible party's inability to pay, as described below.

Level 1: Initial review – Handicap Placard Citation Only

If a responsible party is issued a parking citation for failure to display a handicap placard, the following two options are available:

Option 1: The responsible party may contest the citation by requesting an initial review of the citation within 21 calendar days of the citation date or 14 calendar days from the date of mailing of the notice of delinquent parking violation as described above.

Option 2: In lieu of contest, remit a \$25 Failure to Display Placard: Administrative Charge in accordance with California Vehicle Code Section 40226 to cancel a citation. The responsible party must demonstrate that the individual who received the citation had been issued a valid placard at the time the citation was issued. The remittal must include a signed statement by the placard owner that he/she was present at the time of citation issuance, a copy of the placard, and a copy of placard owner's photo identification.

Following the initial review, the City or the processing agency shall mail the results of the initial review to the responsible party contesting the parking citation.

LEVEL TWO: ADMINISTRATIVE HEARING

If the initial review is complete and the responsible party is not satisfied with the results of the initial review, they may request an administrative hearing in accordance with Vehicle Code Section 40215(b). Upon receipt of a request, the processing agency contracted by the City will complete the administrative hearing process in accordance with the procedures established by state law and outlined below.

The responsible party must request the administrative hearing to review the parking citation no later than 21 calendar days following the date the results of the City's initial review are mailed. The request may be made by telephone, in writing via regular mail or website, or in person. The City and/or the processing agency may provide an online

Administrative Order No. 27
Policy for Review and Appeal of Parking Citations
Page 4

link to submit a written request on its website, or a request for the administrative hearing may be submitted as follows:

By Mail:
City of Laguna Hills
c/o Citation Processing Center
P.O. Box 10479
Newport Beach, CA 92658-0479

In Person:
City of Laguna Hills City Hall
24035 El Toro Road
Laguna Hills, CA 92653

By Telephone:
800-989-2058

Level Two: Administrative Hearing – Request for Hearing

The request for administrative hearing must indicate whether the responsible party is requesting a hearing in-person or by mail. If an in-person hearing is requested, the processing agency will notify the responsible party of the date, time, and location of the hearing and the responsible party must appear at that time. If a hearing by written declaration is requested, the responsible party may submit additional documents prior to the hearing for consideration by the hearing examiner.

If the responsible party is a minor, the responsible party shall be permitted to appear at the hearing or admit responsibility for the parking violation without the appointment of a guardian. The City or processing agency may proceed against the minor in the same manner as it would against an adult.

To submit a request for an administrative hearing, the responsible party must also deposit the amount of the parking penalty with the processing agency.

Level Two: Administrative Hearing – Request for Parking Penalty Waiver

If the responsible party is unable to pay the parking violation penalty at the time of requesting an administrative hearing, he/she may request a parking penalty waiver. To request a parking penalty waiver, the responsible party must submit a Request for Parking Penalty Waiver - Administrative Hearing form and copies of required documents that demonstrate their inability to pay the penalty amount due by the due date indicated on the initial review results notice. The form must include the responsible party's name, driver's license number, license plate of the cited vehicle, and the citation number. The responsible party must provide their total monthly income and state all the reasons why

they are not able to pay the parking citation fine. Failure to submit documentation by the due date will result in normal processing of the citation and forfeiture of the opportunity to obtain an administrative hearing. If the hearing examiner upholds the citation, the penalty amount is due within 30 days of the administrative hearing decision. If the penalty is not paid within the stated time, a late fee and other penalties will be added.

Level Two: Administrative Hearing – Hearing Procedures

An administrative hearing shall be held within 90 calendar days following the receipt of a request for an administrative hearing. The person requesting the hearing may request one continuance, not to exceed 21 calendar days.

The administrative hearing shall provide an independent, objective, fair, and impartial review of contested parking violations and be conducted in accordance with the following hearing procedures:

- All oral evidence or testimony shall be taken only on oath or affirmation. The hearing examiner shall administer the oath. If many witnesses are expected to testify, the hearing examiner has the discretion to have all prospective witnesses rise and be sworn at the same time at the outset of the proceedings.
- The oath or affirmation may be administered as follows: Do you solemnly swear or affirm, that the evidence you shall give in this issue (or matter), pending before this body, shall be the truth, the whole truth, and nothing but the truth, so help you God.
- The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

- The responsible party may examine witnesses, introduce exhibits, cross-examine opposing witnesses on any matter relevant to the issues, impeach any witness, and rebut the evidence against him/her. The hearing examiner has the discretionary authority to: limit the number of witnesses to testify where their testimony would be cumulative or repetitive in nature; limit or curtail any abusive, argumentative, repetitive, or otherwise irrelevant cross-examination; and in conformance with other rules, place reasonable time limits on the right to cross-examine and the presentation of evidence.
- The hearing examiner shall determine the order of proceedings. If a party is absent, the hearing examiner may proceed with the hearing in that party's absence if due notice was given and no explanation for the absence was given.
- The officer or person who issues a notice of parking violation shall not be required to participate in an administrative hearing. The City shall not be required to produce any evidence other than the notice of parking violation or copy of the notice and information received from the Department of Motor Vehicles identifying the registered owner of the vehicle. The documentation in proper form shall be prima facie evidence of the violation.
- Other than at the hearing, there shall be no direct communication between the responsible party and the hearing examiner on any matter related to the hearing.
- The hearing examiner shall render his/her decision not later than 15 calendar days after the hearing is closed. The report shall be in writing and shall include findings of fact, a summary of the relevant evidence, a statement of the issues, a resolution of the credibility of witnesses, and a determination. If the citation is not cancelled, the written decision must include the reason(s) for the denial.
- Following the administrative hearing, the hearing examiner will notify the responsible party of the decision either by personal delivery or by first-class mail. If the responsible party is not satisfied with the hearing examiner's decision, he/she may file an appeal in Superior Court. It is the responsibility of the responsible party to follow up with the hearing examiner if they do not receive the results within three weeks of the administrative hearing.

The City shall appoint or contract with qualified examiners or administrative hearing providers that employ qualified examiners to conduct the administrative hearings. Examiners shall demonstrate those qualifications, training, and objectivity necessary to conduct a fair and impartial review. An examiner shall not be employed, managed, or controlled by a person whose primary duties are parking enforcement or parking citation processing, collection, or issuance. The examiner shall be separate and independent from the citation, collection, or processing function. An examiner's continued employment, performance evaluation, compensation, and benefits shall not, directly or indirectly, be linked to the amount of fines collected by the examiner.

The hearing examiner or the City may, at any stage of the initial review or the administrative hearing process, allow payment of the parking penalty in installments, or the City may allow for deferred payment if the responsible party provides evidence satisfactory to the hearing examiner or the City, of an inability to pay the parking penalty in full.

LEVEL 3: SUPERIOR COURT APPEAL

Within 30 calendar days after the mailing or personal delivery of the final decision of the hearing examiner, the responsible party may seek further review by filing an appeal with the Orange County Superior Court. The court appeal shall be heard de novo, except that the contents of the processing agency's file in the case shall be received in evidence. A copy of the notice of parking violation or, if the citation was issued electronically, a true and correct abstract containing the information set forth in the notice of parking violation shall be admitted into evidence as prima facie evidence of the facts stated therein.

A copy of the notice of appeal shall be served in person or by first-class mail upon the processing agency by the responsible party.

The fee for filing the notice of appeal is \$25 as established by Government Code Section 70615. The court shall retain the fee regardless of the outcome of the court appeal. The court shall request that the processing agency's file on the case be delivered to the court and received within 15 calendar days of the request. The court shall notify the responsible party of the appearance date by mail or personal delivery. If the court finds in favor of the responsible party, the amount of the fee shall be reimbursed by the processing agency.

If the responsible party does not file a Notice of Appeal of the hearing examiner's decision within the 30 days allotted, the hearing examiner's decision shall be deemed final.

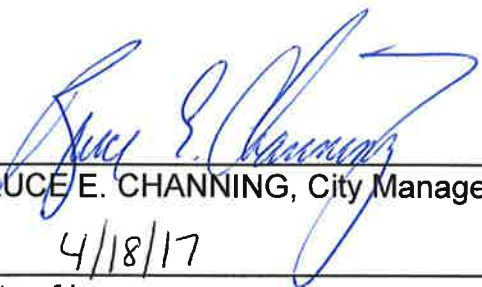
Interpretation of Policy and Revisions:

The City Manager or designee is responsible for interpreting and enforcing this Policy, monitoring its implementation, and recommending changes to this Policy. The City reserves the right to modify this Policy at any time.

Approval:

Administrative Order No. 27 shall be effective on the date set forth above for the City of Laguna Hills.

Approved as to Form:



BRUCE E. CHANNING, City Manager
4/18/17

Date of Issue



GREGORY E. SIMONIAN, City Attorney
4/18/17

Date of Issue



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for August 22, 2017, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the August 22, 2017, Regular Meeting.

ATTACHMENTS:

- PA Minutes 082217

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:05 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Present	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR JULY 11, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for July 11, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the July 11, 2017, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Agency Member
SECONDER:	Janine Heft, Agency Member
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member; Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no 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 7:06 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

6.2 Assistant City Manager

6.2.1 Memorandum of Understanding for Evaluation of Orange County Sheriff's Department Contract Law Enforcement Services

Assistant City Manager White reviewed in detail the information provided in the Staff Report.

Council Members and staff engaged in a detailed discussion regarding this item.

Recommendation: That the City Council approve the Memorandum of Understanding between the City of Mission Viejo and the Orange County Sheriff's Department Contract Cities for the Orange County Sheriff-Coroner Department's Contract Law Enforcement Cost and Efficiency Study and authorize the City Manager to execute the Agreement.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member; Barbara D. Kogerman, Council Member



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 14, 2017
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for October 10, 2017, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the October 10, 2017, Regular Meeting.

ATTACHMENTS:

- PA Minutes 101017

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and, acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:22 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR SEPTEMBER 12, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for September 12, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the September 12, 2017, Regular Meeting.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSENT:	Barbara D. Kogerman, Agency Member

4.4 ADMINISTRATIVE REPORTS

There were no 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 7:23 p.m. All Council Members were present with the exception of Council Member Kogerman.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 General Plan Amendment/Specific Plan Amendment 11-16-3681, an Amendment to the General Plan Mobility Element and Urban Village Specific Plan Related to the Avenida de la Carlota Right-Of-Way Between El Toro Road and Los Alisos Boulevard

Senior Planner Wu reviewed the information provided in the Staff Report and provided a PowerPoint Presentation. Senior Planner Wu and Community Development Director Chantarangsu 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; (2) Find and determine that the Project is Statutorily Exempt from CEQA under Public Resources Code Section 21080.37 (Alteration of Existing Roadway) and Categorically Exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA Guidelines; (3) Adopt Resolution No. 2017-10-10-4, A Resolution of the City Council of the City of Laguna Hills, California, approving General Plan Amendment No. 11-16-3681, an amendment to the General Plan Mobility Element amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard; and (4) Introduce for First Reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, approving Specific Plan Amendment No. 11-16-3681, an amendment to sections of the Urban Village Specific Plan amending the right-of-way, parkway, and sidewalk standards for Avenida de la Carlota between El Toro Road and Los Alisos Boulevard."