



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, November 10, 2020 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Janine Heft, Mayor

Erica Pezold, Mayor Pro Tempore

Don Sedgwick, Council Member

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

Dave Wheeler, Council Member

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

NOTICE REGARDING CORONAVIRUS (COVID-19): Please be advised that some, or all, of the City Council Members may attend this meeting telephonically. This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. If you wish to attend the City Council meeting in person, the City Council Chamber is located at 24035 El Toro Road, Laguna Hills, CA 92653. The public shall have the right to observe and offer public comment at this location. If you plan on attending, please follow the California Department of Health Guidelines by wearing a mask, washing your hands often, refraining from handshakes and maintaining social distance of six feet between individuals. You may also view the live stream of the meeting online at <http://lagunahillsca.igm2.com/Citizens/Default.aspx>.

Submission of Public Comments: While you may attend this meeting in person, given the health risks associated with COVID-19, the City encourages those wishing to make public comments at the November 10, 2020, City Council meeting, to submit your comments by email to the City Clerk at publiccomments@lagunahillsCA.gov, by 5:00 p.m. on November 10, 2020. In the subject line of the email, please state your name and the item number you are commenting on. Any public comment received that does not specify a particular agenda item number will be announced during the general public comment portion of the agenda. If you wish to submit a public comment on more than one agenda item, please send a separate email for each item you are commenting on. All comments received by 5:00 p.m. on the date of the meeting will be provided to the City Council in advance to allow time for the Council Members to read them. Email comments will NOT be read by the City Clerk during the meeting, but will be announced and made part of the record. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, Twitter, etc.) will not be accepted.

Announcement of Public Comments: During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all email comments received by 5:00 p.m. on November 10, 2020. The email comments, including your name, will become part of the record of the City Council meeting and will be public information.

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**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 oral report from Laguna Hills High School Student Liaison Sofia Kachani

1.2 Presentation of Proclamation for National Nurse Practitioner Week

Recommendation: That Mayor Heft present a Proclamation to Rachel Aragon, Laguna Hills resident and Nurse Practitioner on behalf of California Association of Nurse Practitioners, Orange County, proclaiming November 8, 2020, through November 14, 2020, as National Nurse Practitioner Week.

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 October 13, 2020, Regular Meeting

Recommendation: That the City Council approve the Minutes for the October 13, 2020, Regular Meeting.

3.3 Ratification of November 10, 2020, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from October 2, 2020, to October 29, 2020, in the amount of \$1,111,675.62.

3.4 City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus and Confirmation of the Director of Emergency Services/City Manager's Executive Orders Related Thereto

Recommendation: That the City Council: 1) Review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus; and 2) Confirm the Director of Emergency Services/City Manager's executive orders related thereto.

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

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

3.6 Approval of Proposed Contract Services Agreement for School Crossing Guard Services with All City Management Services, Inc., for a Three-Year Term

Recommendation: That the City Council:

1) Approve the proposed Contract Services Agreement with All City Management Services, Inc., to provide school crossing guard services. The proposed contract is for a three-year term from November 10, 2020, through November 9, 2023, for a total not-to-exceed maximum contract amount of \$567,484.80. The total not-to-exceed maximum contract amount is an aggregate of the following anticipated amounts: \$171,838.80 for Year 1 (2020/2021); \$184,237.20 for Year 2 (2021/2022); \$196,404.80 for Year 3 (2022/2023); and an additional \$5,000 per year (\$15,000) to cover unanticipated costs.

2) Authorize the Mayor to execute the proposed Contract Services Agreement for school crossing guard services with All City Management Services, Inc.

3.7 Assignment and Assumption Agreement for Professional Independent Auditor and Accounting Services

Recommendation: That the City Council approve and authorize the City Manager to execute the Proposed Assignment and Assumption Agreement for Professional Independent Auditor and Accounting Services by and between the City of Laguna Hills, White Nelson Diehl Evans LLP, and Clifton Larson Allen LLP.

3.8 M2 Expenditure Report for the Fiscal Year Ended June 30, 2020

Recommendation: That the City Council: 1) Approve the M2 Expenditure Report for the Fiscal Year ended June 30, 2020, for submittal to OCTA; and 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, concerning the Measure M2 (M2) Expenditure Report for the City of Laguna Hills for the Fiscal Year ended June 30, 2020."

3.9 Fiscal Year 2019/2020 Budget Amendment to Interfund Transfers

Recommendation: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, amending the Fiscal Year 2019/2020 Budget for Interfund Transfers to the General Fund from the SB1 RMRA Gas Tax Fund, Measure M Fund, Grants & Contributions Fund, and the SLESF/COPS Brulte Fund."

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 October 13, 2020, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the October 13, 2020, 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****6.2. Assistant City Manager/Director of Public Services****6.2.1 Approval of the Plans and Specifications and Authorization to Advertise for Bids for Electric Vehicle Charging Stations at 24035 El Toro Road, Laguna Hills Civic Center, CIP No. 505**

Recommendation: That the City Council approve the plans and specifications and authorize the advertisement for bids for Electric Vehicle Charging Stations at 24035 El Toro Road, Laguna Hills Civic Center, CIP No. 505.

6.3. Community Development Director**6.3.1 2021-2029 Housing Element Overview**

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

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

The next Regular Meeting of the City Council/Planning Agency will be November 24, 2020, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by November 4, 2020, at 5:00 pm.



City Clerk

November 4, 2020

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 10, 2020
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Deputy City Manager
ISSUE: Presentation of Proclamation for National Nurse Practitioner Week

RECOMMENDATION: That Mayor Heft present a Proclamation to Rachel Aragon, Laguna Hills resident and Nurse Practitioner on behalf of California Association of Nurse Practitioners, Orange County, proclaiming November 8, 2020, through November 14, 2020, as National Nurse Practitioner Week.

SUMMARY:

The City received a request from Dr. Beth Haney, Mayor of Yorba Linda, to issue a Proclamation declaring November 8, 2020 through November 14, 2020, as National Nurse Practitioner Week. Staff is recommending that the City Council issue the Proclamation to be presented to Rachel Aragon, Nurse Practitioner on behalf of California Association of Nurse Practitioners, Orange County.

ATTACHMENTS:

- Proclamation



CITY OF LAGUNA HILLS

PROCLAMATION

NATIONAL NURSE PRACTITIONER WEEK

NOVEMBER 8 - 14, 2020

WHEREAS, nurse practitioners (NPs) serve as trusted frontline providers of health care for patients in California; and

WHEREAS, NPs are advanced practice registered nurses (APRNs) who have advanced clinical education and training building upon their initial registered nurse preparation; and

WHEREAS, there are 270,000 licensed NPs in the United States providing primary, acute, and specialty care to patients of all ages and walks of life; and

WHEREAS, NPs diagnose, treat, and prescribe medications and other treatments to patients through a caring, patient-centered, holistic model of care; and

WHEREAS, citizens of our state and nation have great trust in the high-quality care nurse practitioners provide, resulting in over one billion patient visits annually to NPs across the country; and

WHEREAS, five decades of research demonstrates the high quality of care provided by nurse practitioners; and

WHEREAS, leading governmental and policy entities including the National Academy of Medicine, National Council of State Boards of Nursing, National Governors Association, and Federal Trade Commission have taken notice of the benefits of nurse practitioner Full Practice Authority and have endorsed such a regulatory model; and

WHEREAS, the City of Laguna Hills is proud to recognize and honor the service of NPs to our state.

NOW, THEREFORE, I, Janine Heft, Mayor, on behalf of the City Council of the City of Laguna Hills, California, in recognition of the countless contributions that nurse practitioners have made over the past half century, and will continue to make to the health and well-being of citizens in our state, hereby proclaim November 8 - 14, 2020, as National Nurse Practitioner Week in the City of Laguna Hills.

Dated this 10th day of November 2020.



JANINE HEFT, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Mayor and Council Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for October 13, 2020, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the October 13, 2020, Regular Meeting.

ATTACHMENTS:

- 201013 CC Minutes

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

**REGULAR MEETING
MINUTES
Tuesday, October 13, 2020**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE: Mayor Pro Tempore Pezold

ROLL CALL OF CITY COUNCIL MEMBERS

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

1. PRESENTATIONS AND PROCLAMATIONS

1.1 Laguna Hills High School Student Liaison

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

2. PUBLIC COMMENTS

The following individuals submitted electronic public comments that were received, forwarded to the Council prior to the meeting, and announced into the record by Deputy City Clerk Lee:

Michelle Schumacher expressed her opposition to the TCA.

Bethany Hernandez and Weijie Huang expressed their opposition to Proposition 16 that is on the November 3, 2020, ballot.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar with Council Member Wheeler removing Item No. 3.7 and Mayor Heft removing Item No. 3.9.

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

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

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

3.2 Approval of Minutes for September 22, 2020, Regular Meeting

Recommendation: That the City Council approve the Minutes for the September 22, 2020, Regular Meeting.

3.3 Approval of Minutes for October 6, 2020, Special Meeting

Recommendation: That the City Council approve the Minutes for the October 6, 2020, Special Meeting.

3.4 Ratification of October 13, 2020, Warrant Register

Recommendation: That the City Council ratify the accompanying Warrant Register for the period from September 11, 2020, to October 1, 2020, in the amount of \$483,270.55.

3.5 City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus and Confirmation of the Director of Emergency Services/City Manager's Executive Order Related Thereto

Recommendation: That the City Council: 1) Review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19

virus; and 2) Confirm the Director of Emergency Services/City Manager's executive order related thereto.

3.6 Records Retention Management

Recommendation: That the City Council adopt Resolution No. 2020-10-13-1: "A Resolution of the City Council of the City of Laguna Hills, California, authorizing and directing the City Clerk to dispose of certain City records in accordance with the City's Record Retention Schedule."

3.8 Approval of the Plans and Specifications and Authorization to Advertise for Bids for Tenant and Site Improvements at 24031 El Toro Road, Suite 160, Laguna Hills Civic Center

Recommendation: That the City Council approve the plans and specifications and authorize the advertisement for bids for Tenant and Site Improvements at 24031 El Toro Road, Suite 160, Laguna Hills Civic Center.

ITEMS REMOVED FROM THE CONSENT CALENDAR

3.7 2020 Orange County Operational Area Agreement of the County of Orange and Political Subdivisions

Council Member Wheeler removed Item No. 3.7 to request additional information.

Police Chief Lt. Stiverson responded to Council requests for additional information.

Recommendation: That the City Council: 1) Approve the 2020 Orange County Operational Area Agreement of the County of Orange and Political Subdivisions; and 2) Authorize the City Manager to execute the proposed agreement.

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

3.9 Award of Contract Agreement for Touchless Facility Upgrades at the Civic Center and Community Center Buildings, CIP No. 516

Mayor Heft removed Item No. 3.9 at the request of Assistant City Manager/Director of Public Services Rosenfield.

Assistant City Manager/Director of Public Services Rosenfield reviewed information provided as a Hot Envelope Memo and responded to Council requests for additional information.

Recommendation: That the City Council award the Contract Agreement for Touchless Facility Upgrades at the Civic Center and Community Center Buildings, CIP No. 516, to JCOS Development, Inc., in the low bid amount of \$98,390.00, waive any minor bid irregularities, reject all other Bids, and authorize the Mayor to sign the Contract Agreement.

Motion to approve staff's revised recommendation as provided in the Hot Envelope Memo to include rejecting the Bid Protest dated October 11, 2020, from New Millennium Contractors.

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

4. PLANNING AGENCY

Mayor Heft recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:33 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments.

4.3. APPROVAL OF MINUTES

4.3.1 Approval of Minutes for September 22, 2020, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the September 22, 2020, Regular Meeting.

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

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Heft reconvened the City Council Meeting at 7:34 p.m. Mayor Pro Tempore Pezold was present. Mayor Heft, Council Member Gilbert, Council Member Sedgwick and Council Member Wheeler were present via teleconference.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

6. ADMINISTRATIVE REPORTS

6.1. City Manager

6.1.1 Resolution Opposing Proposition 15

Recommendation: That the City Council adopt Resolution No. 2020-10-13-2: "A Resolution of the City Council of the City of Laguna Hills, California, opposing Proposition 15 on the November 3, 2020 ballot.

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

6.2. Assistant City Manager/Director of Public Services

6.2.1 Active Transportation Grant Program Cycle 5 Application for the La Paz Road Southerly Sidewalk, CIP No. 171

Assistant City Manager/Director of Public Services Rosenfield reviewed the information provided in the staff report and responded to Council requests for additional information.

Recommendation: That the City Council approve the submission to the State of an Active Transportation Program Grant Application for Cycle 5 funding of the La Paz Road Southerly Sidewalk Widening Project adjacent to Valencia Elementary School and authorize the Assistant City Manager/Director of Public Services to sign the application.

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

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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

8. CITY COUNCIL MEMBER COMMENTS

Council Member Wheeler

Council Member Wheeler requested that the issue of the Orange Coast Harley Owners Group using Laguna Hills as the beginning point for their annual Injured Warrior

Appreciate Run be agendized for consideration at a future meeting, and received a second from Mayor Heft.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Heft declared the meeting adjourned at 7:56 p.m.

Jennifer Lee, Deputy City Clerk

ATTEST:

Janine Heft, Mayor

Approved at meeting of November 10, 2020



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Ratification of November 10, 2020, Warrant Register

RECOMMENDATION: That the City Council ratify the accompanying Warrant Register for the period from October 2, 2020, to October 29, 2020, in the amount of \$1,111,675.62.

SUMMARY:

The City issues accounts payable disbursements on a regular basis and presents it to City Council for ratification at its next regularly scheduled City Council Meeting. The attached Warrant Register containing checks and electronic funds transfers for the period from October 2, 2020, to October 29, 2020, is being presented for ratification by the City Council. Payments have been reviewed and approved by the appropriate departmental staff. The Director of Finance certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

ATTACHMENTS:

- Warrant Register - November 10, 2020
- Warrant Register, Payables Detail Report - November 10, 2020



City of Laguna Hills, CA

Warrant Register - November 10, 2020

By Check Number

Date Range: 10/02/2020 - 10/29/2020

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Regular				
8818483	C-1139	COMPLETE OFFICE OF CALIFORNIA	10/08/2020	2,583.74
8818484	C-0023	COX COMMUNICATION	10/08/2020	407.67
8818485	D-0561	DOCU-TRUST LAGUNA VAULT	10/08/2020	75.00
8818486	E-0554	ECONOMICS, INC.	10/08/2020	8,042.41
8818487	G-0710	GOV'T FINANCE OFFICERS ASSN	10/08/2020	250.00
8818488	Z-CS-0352	GRAUPMAN, KATHY	10/08/2020	500.00
8818489	H-0934	HOME DEPOT	10/08/2020	74.44
8818490	K-1196	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	10/08/2020	11,046.25
8818491	Z-CS-0353	MOORE, CHRISTIE	10/08/2020	250.00
8818492	O-1568	OC COUNCIL OF GOVERNMENTS	10/08/2020	3,768.79
8818493	C-1003	PARKING VIOLATIONS OC TREASURER-TAX COLLECTOR	10/08/2020	777.00
8818494	S-1902	SAN DIEGO GAS & ELECTRIC	10/08/2020	9,739.34
8818495	S-1949	SMART & FINAL	10/08/2020	97.20
8818496	S-2209	STUDIO TWO BLACK DIAMOND	10/08/2020	48.49
8818497	T-2698	TPX COMMUNICATIONS	10/08/2020	561.52
8818498	B-0442	BOULDER EARTHWORK INC	10/15/2020	3,166.00
8818499	B-0437	BRINKS, INCORPORATED	10/15/2020	156.65
8818500	B-0440	BUCKNAM INFRASTRUCTURE GROUP, INC.	10/15/2020	2,814.00
8818501	C-1133	CALIFORNIA YELLOW CAB	10/15/2020	290.00
8818502	Z-CS-0073	CHO, JIN	10/15/2020	250.00
8818503	Z-CS-0354	CHRIST COMMUNITY CHURCH	10/15/2020	500.00
8818504	C-1139	COMPLETE OFFICE OF CALIFORNIA	10/15/2020	319.02
8818505	C-1122	CROSTOWN ELECTRICAL & DATA, INC.	10/15/2020	8,408.06
8818506	D-0461	DATA TICKET, INC.	10/15/2020	309.57
8818507	D-0453	DEPARTMENT OF CONSERVATION	10/15/2020	1,490.22
8818508	H-0829	HARTZOG & CRABILL, INC.	10/15/2020	3,209.00
8818509	I-0909	INSTITUTE OF TRANSPORTATION ENGINEERS	10/15/2020	320.00
8818510	I-0942	IRVINE RANCH WATER DISTRICT	10/15/2020	169.67
8818511	J-1057	JAMEY CLARK, INC.	10/15/2020	376.00
8818512	K-1193	KOSMONT COMPANIES	10/15/2020	25,053.60
8818513	M-1600	MERCY HOUSE LIVING CENTERS, INC.	10/15/2020	632.17
8818514	M-1590	MILLENNIUM ALARM SYSTEMS, INC.	10/15/2020	1,000.00
8818515	M-1302	MOULTON NIGUEL WATER DISTRICT	10/15/2020	26,788.59
8818516	C-1008	NPDES OC TREASURER-TAX COLLECTOR	10/15/2020	2,809.02
8818517	O-1546	OFFICE SOLUTIONS	10/15/2020	489.09
8818518	O-1500	ORANGE COUNTY REGISTER	10/15/2020	72.40
8818519	O-1575	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER PARTNERSHIP	10/15/2020	952.00
8818520	P-1834	PLACEWORKS, INC.	10/15/2020	13,671.83
8818521	R-1976	REAL ESTATE CONSULTING & SERVICES, INC.	10/15/2020	120.00
8818522	R-1977	RJ ELECTRIC	10/15/2020	2,311.70
8818523	R-1946	RK ENGINEERING GROUP, INC.	10/15/2020	5,732.50
8818524	Z-CS-0164	SOUTH COUNTY OUTREACH	10/15/2020	500.00
8818525	S-1904	SOUTHERN CALIFORNIA EDISON	10/15/2020	3,971.07
8818526	S-2201	SUNSET PROPERTY SERVICES JONSET CORPORATION	10/15/2020	12,991.84
8818527	T-2605	TUTTLE CLICK FORD	10/15/2020	2,932.13
8818528	U-2165	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	10/15/2020	184.99
8818529	V-2249	US BANK VOYAGER FLEET SYSTEM	10/15/2020	668.81
8818530	V-2224	VERIZON WIRELESS	10/15/2020	717.25
8818531	V-2251	VIZUAL SYMPHONY, INC.	10/15/2020	9,183.00
8818532	W-2337	WEST COAST ARBORISTS, INC.	10/15/2020	2,912.20
8818533	W-2448	WEST GATE CONTRACTOR	10/15/2020	4,000.00
8818534	W-2426	WHITE NELSON DIEHL EVANS LLP	10/15/2020	7,000.00

Attachment: Warrant Register - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Warrant Register - November 10, 2020

Date Range: 10/02/2020 - 10/29/2020

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
8818535	A-0365	AT&T - CALNET 3	10/22/2020	227.28
8818536	C-1160	CALIFORNIA SPECIAL DISTRICTS ASSOCIATION	10/22/2020	1,482.00
8818537	C-1177	CANON FINANCIAL SERVICES, INC.	10/22/2020	1,473.09
8818538	C-1179	CANON SOLUTIONS AMERICA	10/22/2020	18.78
8818539	C-1191	COMMUNICATIONS CHGS- LAW ENF - COUNTY OF ORANGE	10/22/2020	1,039.30
8818540	C-1139	COMPLETE OFFICE OF CALIFORNIA	10/22/2020	544.01
8818541	C-0023	COX COMMUNICATION	10/22/2020	851.98
8818542	D-0541	DIAMOND ENVIRONMENTAL SERVICES	10/22/2020	2,580.48
8818543	C-1190	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	10/22/2020	1,388.00
8818544	H-0804	HINDERLITER, DE LLAMAS & ASSOC., INC.	10/22/2020	2,746.71
8818545	J-1071	JCTEES.COM CORPORATION	10/22/2020	190.04
8818546	L-1381	LEE, JENNIFER	10/22/2020	675.00
8818547	M-1388	MOBILE MINI, INC.	10/22/2020	82.97
8818548	O-1546	OFFICE SOLUTIONS	10/22/2020	113.89
8818549	O-1500	ORANGE COUNTY REGISTER	10/22/2020	72.40
8818550	Z-CD-0203	PACIFIC CREST ROOFING	10/22/2020	1,020.00
8818551	P-1832	PRINTEX PRINTING AND GRAPHICS INC.	10/22/2020	1,454.63
8818552	R-1830	RALPHS GROCERY COMPANY	10/22/2020	36.51
8818553	S-2296	SHUTE, MIHALY WEINBERGER LLP	10/22/2020	126.80
8818554	S-2250	SPARKLETTS	10/22/2020	108.69
8818555	V-2254	VITUITY - URGENT CARE SERVICES, PC	10/22/2020	100.00
8818556	Z-CS-0164	SOUTH COUNTY OUTREACH	10/28/2020	500.00
8818557	A-0254	A. C. LANDSCAPE, INC.	10/29/2020	2,618.70
8818558	A-0138	ALL CITY MANAGEMENT, INC.	10/29/2020	3,182.20
8818559	Z-CS-0355	ALMIERI, KRISTIN	10/29/2020	83.00
8818560	A-0359	ANDERSON PENNA PARTNERS, INC.	10/29/2020	14,927.00
8818561	A-0365	AT&T - CALNET 3	10/29/2020	21.81
8818562	C-1022	CDW GOVERNMENT, INC.	10/29/2020	914.73
8818563	C-1144	CHARLES ABBOTT ASSOCIATES, INC	10/29/2020	19,073.29
8818564	C-1096	CODE PUBLISHING COMPANY, INC.	10/29/2020	109.50
8818565	C-1139	COMPLETE OFFICE OF CALIFORNIA	10/29/2020	183.16
8818566	C-0023	COX COMMUNICATION	10/29/2020	402.98
8818567	E-0504	EL TORO WATER DISTRICT	10/29/2020	16,452.03
8818568	H-0805	HARRINGTON GEOTECH ENGINEERING	10/29/2020	250.00
8818569	H-0934	HOME DEPOT	10/29/2020	28.91
8818570	J-1085	JACKSON LEWIS P.C.	10/29/2020	1,150.50
8818571	Z-CD-0147	JIM MURRAY ROOFING INC.	10/29/2020	1,110.00
8818572	J-1086	JL GROUP, LLC	10/29/2020	8,000.00
8818573	G-0709	JOE A. GONSALVES & SON	10/29/2020	2,900.00
8818574	Z-CS-0356	LAWRENCE, STACY	10/29/2020	166.00
8818575	M-1600	MERCY HOUSE LIVING CENTERS, INC.	10/29/2020	719.27
8818576	C-1008	NPDES OC TREASURER-TAX COLLECTOR	10/29/2020	24,400.26
8818577	P-1839	PAPER DEPOT	10/29/2020	33.75
8818578	P-1832	PRINTEX PRINTING AND GRAPHICS INC.	10/29/2020	215.50
8818579	S-1902	SAN DIEGO GAS & ELECTRIC	10/29/2020	26,665.89
8818580	S-1904	SOUTHERN CALIFORNIA EDISON	10/29/2020	13,388.36
8818581	S-2250	SPARKLETTS	10/29/2020	70.21
8818582	S-2201	SUNSET PROPERTY SERVICES JONSET CORPORATION	10/29/2020	69.36
8818583	W-2302	THOMSON REUTERS - WEST	10/29/2020	266.61
8818584	T-2605	TUTTLE CLICK FORD	10/29/2020	1,961.24
8818585	R-1801	WOODRUFF, SPRADLIN & SMART	10/29/2020	70,471.79
			Total Regular:	411,362.84

Attachment: Warrant Register - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Warrant Register - November 10, 2020

Date Range: 10/02/2020 - 10/29/2020

Check Number	Vendor Number	Vendor Name	Payment Date	Payment Amount
Payment Type: Bank Draft				
DFT0001370	B-0276	BANK OF AMERICA VISA CARD	10/14/2020	6,307.72
DFT0001371	B-0276	BANK OF AMERICA VISA CARD	10/14/2020	535.93
DFT0001372	B-0276	BANK OF AMERICA VISA CARD	10/14/2020	345.00
DFT0001373	B-0276	BANK OF AMERICA VISA CARD	10/14/2020	542.03
DFT0001374	B-0276	BANK OF AMERICA VISA CARD	10/14/2020	1,132.39
DFT0001383	C-1007	OCSD LAW ENFORCEMENT CONTRACT, OC TREASURER-TAX	10/15/2020	691,449.71
Total Bank Draft:				700,312.78

Bank Code AP Bank Summary

	Payable	Payment		
Payment Type	Count	Count	Discount	Payment
Regular Checks	139	103	0.00	411,362.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	6	6	0.00	700,312.78
EFT's	0	0	0.00	0.00
	145	109	0.00	1,111,675.62

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All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	139	103	0.00	411,362.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	6	6	0.00	700,312.78
EFT's	0	0	0.00	0.00
	145	109	0.00	1,111,675.62

Fund Summary

Fund	Name	Period	Amount
998	POOL	10/2020	1,111,675.62
			1,111,675.62



City of Laguna Hills, CA

Warrant Register - Payables Detail Report

By Fund

Payment Dates 10/02/2020 - 10/29/2020

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
Fund: 100 - GENERAL FUND					
10/08/2020	DOCU-TRUST LAGUNA VAULT	041035	Offsite Data Storage, Sep '20	100-155-700030	75.00
10/08/2020	COX COMMUNICATION	091920	WiFi, City Hall, Sep '20	100-195-630000	179.62
10/08/2020	COX COMMUNICATION	091920a	Cable, City Hall, Sep '20	100-195-630000	32.19
10/08/2020	COX COMMUNICATION	092820	WiFi, Community Center, Sep '20	100-195-630000	195.86
10/08/2020	SAN DIEGO GAS & ELECTRIC	100720	Street Lights, Traffic Control, Sep '20	100-355-631400	9,739.34
10/08/2020	TPX COMMUNICATIONS	134725652-0	Communications Expense, Oct '20	100-195-630000	561.52
10/08/2020	OC COUNCIL OF GOVERNMENTS	2020-280	Demographic Research & Aerial Data, FY 20/21	100-155-610003	3,768.79
10/08/2020	GOV'T FINANCE OFFICERS ASSN	2042002	Membership, DW, JR, FY 20/21	100-155-610000	250.00
10/08/2020	COMPLETE OFFICE OF CALIFORNIA	2494280-0	Operating Supplies, Comm Ctr, Sep	100-310-622005	38.72
10/08/2020	COMPLETE OFFICE OF CALIFORNIA	2495773-0	Computer Supplies, Sep '20	100-195-621000	99.12
10/08/2020	COMPLETE OFFICE OF CALIFORNIA	2497112-0	Office Supplies, Comm Ctr, Oct '20	100-310-620500	96.95
10/08/2020	SMART & FINAL	3831400053918	Office & Operating Supplies, Sep '20	100-155-622000	28.27
10/08/2020	SMART & FINAL	3831400053918	Office & Operating Supplies, Sep '20	100-195-620000	54.65
10/08/2020	SMART & FINAL	3831400053918	Office & Operating Supplies, Sep '20	100-195-622000	14.28
10/08/2020	HOME DEPOT	4052782	Supplies, Adult League, Aug '20	100-310-622502	74.44
10/08/2020	STUDIO TWO BLACK DIAMOND	96613	Printing Services, Sep '20	100-420-622000	48.49
10/08/2020	GRAUPMAN, KATHY	FRDCOV-0056	Refund, Facility Deposit, R #1033199.002	100-000-222000	500.00
10/08/2020	MOORE, CHRISTIE	FRDCOV-0057	Refund, Facility Deposit, R #1034265.002	100-000-222000	250.00
10/08/2020	PARKING VIOLATIONS OC	SEP 20	Parking Fee Surcharge, Sep '20	100-420-720823	777.00
10/14/2020	TREASURER-TAX COLLECTOR				
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMDEV	Departmental Expenditure, Sep '20	100-225-622000	119.88
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMDEV	Departmental Expenditure, Sep '20	100-225-626000	422.15
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMSVCS	Departmental Expenditure, Sep '20	100-000-120000	(125.46)
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMSVCS	Departmental Expenditure, Sep '20	100-310-611000	246.59
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMSVCS	Departmental Expenditure, Sep '20	100-310-695502	9.99
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMSVCS	Departmental Expenditure, Sep '20	100-310-695507	250.20
10/14/2020	BANK OF AMERICA VISA CARD	092020 GENGOV1	Departmental Expenditure, Sep '20	100-155-612000	25.00
10/14/2020	BANK OF AMERICA VISA CARD	092020 GENGOV1	Departmental Expenditure, Sep '20	100-155-613100	55.00
10/14/2020	BANK OF AMERICA VISA CARD	092020 GENGOV1	Departmental Expenditure, Sep '20	100-155-622000	74.93
10/14/2020	BANK OF AMERICA VISA CARD	092020 GENGOV1	Departmental Expenditure, Sep '20	100-155-646100	6,152.79
10/14/2020	BANK OF AMERICA VISA CARD	092020 POLSVCS	Departmental Expenditure, Sep '20	100-000-120000	(9.41)
10/14/2020	BANK OF AMERICA VISA CARD	092020 POLSVCS	Departmental Expenditure, Sep '20	100-420-622000	1,141.80
10/14/2020	BANK OF AMERICA VISA CARD	092020 PUBSVCS	Departmental Expenditure, Sep '20	100-355-611000	345.00
10/15/2020	ORANGE COUNTY REGISTER-FREEDOM CA. NEWSPAPER	0000493936	Legal Advertising, Sep '20	100-155-624001	952.00
10/15/2020	MILLENNIUM ALARM SYSTEMS, INC.	040802-4178	Annual Maintenance, Cameras, CS, 11/1/20-10/31/21	100-195-720050	1,000.00
10/15/2020	DEPARTMENT OF CONSERVATION	093020	Remittance, SMIP Fee, Jul - Sep '20	100-000-221001	160.56
10/15/2020	DEPARTMENT OF CONSERVATION	093020	Remittance, SMIP Fee, Jul - Sep '20	100-000-221002	1,329.66
10/15/2020	ORANGE COUNTY REGISTER	093020	Subscription, Comm Ctr, 8/16 - 9/13/20	100-310-626000	72.40
10/15/2020	IRVINE RANCH WATER DISTRICT	100220	Water Usage, Public Services, Sep '20	100-355-635000	169.67
10/15/2020	INSTITUTE OF TRANSPORTATION ENGINEERS	101420	Annual Membership Dues, FY 20/21	100-355-610000	320.00
10/15/2020	SOUTHERN CALIFORNIA EDISON	101420	Street Lights, Traffic Control, Sep '20	100-355-631000	53.52
10/15/2020	SOUTHERN CALIFORNIA EDISON	101420	Street Lights, Traffic Control, Sep '20	100-355-631400	36.07
10/15/2020	SOUTHERN CALIFORNIA EDISON	101420	Street Lights, Traffic Control, Sep '20	100-355-631900	3,881.48
10/15/2020	MOULTON NIGUEL WATER DISTRICT	101420	Water Usage, Public Services, Sep '20	100-355-635000	26,788.59
10/15/2020	BRINKS, INCORPORATED	11319698	Courier Fee, Armored Transport, Oct '20	100-155-625000	156.65
10/15/2020	DATA TICKET, INC.	117638	Process Fee, Parking Citations, Sep	100-420-720823	309.57

Attachment: Warrant Register, Payables Detail Report - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Warrant Register - Payables Detail Report

Payment Dates: 10/02/2020 - 10/29/2020

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
10/15/2020	SUNSET PROPERTY SERVICES JONSET CORPORATION	122761	Street Sweeping Services, Sep '20	100-355-720410	271.25
10/15/2020	SUNSET PROPERTY SERVICES JONSET CORPORATION	122767	Street Sweeping Services, Sep '20	100-355-720410	12,720.59
10/15/2020	REAL ESTATE CONSULTING & SERVICES, INC.	13542	Parks Contract Repair, Sep '20	100-355-720701	120.00
10/15/2020	WEST COAST ARBORISTS, INC.	1-6045	Tree Trimming Services, Jul '20	100-355-720702	900.00
10/15/2020	WEST COAST ARBORISTS, INC.	164212	Tree Trimming Services, Sep '20	100-355-720702	2,012.20
10/15/2020	WEST GATE CONTRACTOR	17	Graffiti Removal, Public Services, Sep '20	100-355-720500	4,000.00
10/15/2020	HARTZOG & CRABILL, INC.	20-0532	Traffic Signal Mgmt Services, Aug '20	100-355-700101	2,896.50
10/15/2020	HARTZOG & CRABILL, INC.	20-0532	Traffic Signal Mgmt Services, Aug '20	100-600-790600	312.50
10/15/2020	RK ENGINEERING GROUP, INC.	200907	Traffic Study, Taco Bell Project, Sep	100-000-223000	1,667.50
10/15/2020	RK ENGINEERING GROUP, INC.	200907	Traffic Study, Taco Bell Project, Sep	100-000-442004	(1,667.50)
10/15/2020	RK ENGINEERING GROUP, INC.	200907	Traffic Study, Taco Bell Project, Sep	100-225-700201	1,667.50
10/15/2020	RK ENGINEERING GROUP, INC.	200909	Parking Study, Sep '20	100-225-700200	970.00
10/15/2020	WHITE NELSON DIEHL EVANS LLP	208885	Partial Audit Fees, 19/20	100-155-700051	7,000.00
10/15/2020	COMPLETE OFFICE OF CALIFORNIA	2493819-1	Computer Supplies, Sep '20	100-195-621000	245.45
10/15/2020	COMPLETE OFFICE OF CALIFORNIA	2498346-0	Operating Supplies, Comm Ctr, Oct	100-310-622005	38.72
10/15/2020	COMPLETE OFFICE OF CALIFORNIA	2498926-0	Office Supplies, Comm Ctr, Oct '20	100-310-620500	34.85
10/15/2020	CROSSTOWN ELECTRICAL & DATA,	3266 - 3297	Traffic Signal Maintenance, Sep '20	100-000-120000	2,825.39
10/15/2020	CROSSTOWN ELECTRICAL & DATA,	3266 - 3297	Traffic Signal Maintenance, Sep '20	100-355-720420	5,582.67
10/15/2020	BUCKNAM INFRASTRUCTURE GROUP, INC.	361-01.09	City Engineer Services, Sep '20	100-355-700100	2,814.00
10/15/2020	MERCY HOUSE LIVING CENTERS, INC.	5003-20-08	Contract Services - Homelessness, Aug '20	100-310-720302	632.17
10/15/2020	RJ ELECTRIC	59064	Parks Contract Repair, Sep '20	100-355-720701	2,125.00
10/15/2020	RJ ELECTRIC	59081	Maint & Repair, Comm Ctr, Sep '20	100-310-645500	186.70
10/15/2020	BOULDER EARTHWORK INC	6389	Parks Contract Repair, Oct '20	100-355-720701	3,166.00
10/15/2020	JAMEY CLARK, INC.	72082	Graffiti Removal, Public Services, Sep '20	100-355-720500	376.00
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869321901039 GENGOV:	Vehicle Fuel, Sep '20	100-155-613100	107.98
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869321919039 COMDEV	Vehicle Fuel, Sep '20	100-225-613100	60.75
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869321927039 COMSVC:	Vehicle Fuel, Sep '20	100-310-613100	118.90
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869322032039 POLSVCS	Vehicle Fuel, Sep '20	100-420-613100	165.77
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869322040039 PUBWKS	Vehicle Fuel, Sep '20	100-355-613100	203.41
10/15/2020	US BANK VOYAGER FLEET SYSTEM	869322040039 PUBWKS	Vehicle Fuel, Sep '20	100-355-646100	12.00
10/15/2020	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	920200368	Street Maintenance, Sep '20	100-355-720400	133.75
10/15/2020	VERIZON WIRELESS	9863623024	Communication Expense, Sep '20	100-195-630000	717.25
10/15/2020	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA	dsb20195340	Street Maintenance, Sep '20	100-355-720400	51.24
10/15/2020	TUTTLE CLICK FORD	F2CS23264	Vehicle Maintenance, Community Services, Sep '20	100-310-646100	2,932.13
10/15/2020	CHRIST COMMUNITY CHURCH	FRDCOV-0058	Refund, Facility Deposit, R #1033735.002	100-000-222000	500.00
10/15/2020	CHO, JIN	FRDCOV-0059	Refund, Facility Deposit, R #1034201.002	100-000-222000	250.00
10/15/2020	SOUTH COUNTY OUTREACH	FRDCOV-0060	Refund, Facility Deposit, R #1034115.002	100-000-222000	500.00
10/15/2020	OFFICE SOLUTIONS	I-01802063	Office Supplies, Oct '20	100-155-620000	119.70
10/15/2020	OFFICE SOLUTIONS	I-01802063	Office Supplies, Oct '20	100-195-620000	103.23
10/15/2020	OFFICE SOLUTIONS	I-01802423	Office Supplies, Oct '20	100-420-622000	69.98
10/15/2020	OFFICE SOLUTIONS	I-01802468	Office Supplies, Oct '20	100-195-620000	3.63
10/15/2020	OFFICE SOLUTIONS	I-01802529	Operating Supplies, Oct '20	100-355-622000	192.55
10/15/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210199	San Juan Creek, Watershed Monitoring, CIP#410	100-600-790600	2,809.02
10/15/2020	OCSO LAW ENFORCEMENT CONTRACT, OC TREASURER-TAX	SH 57468	Law Enforcement Services, Oct '20	100-420-720800	691,449.71
10/22/2020	AT&T - CALNET 3	000015428214	Alarm, Com Ctr & City Hall Lines, Oct '20	100-195-630000	142.77

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Warrant Register - Payables Detail Report

Payment Dates: 10/02/2020 - 10/29/2020

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
10/22/2020	AT&T - CALNET 3	000015428214	Alarm, Com Ctr & City Hall Lines, Oct '20	100-310-630100	84.51
10/22/2020	RALPHS GROCERY COMPANY	0920120765	Operating Supplies, Comm Svcs, Oct '20	100-310-622005	36.51
10/22/2020	CALIFORNIA SPECIAL DISTRICTS ASSOCIATION	100120	Membership, 2021	100-155-610000	1,482.00
10/22/2020	COX COMMUNICATION	100520	T-1 Line, Oct '20	100-195-630000	851.98
10/22/2020	ORANGE COUNTY REGISTER	100520	Subscription, Comm Ctr, 9/13/20 - 10/11/20	100-310-626000	72.40
10/22/2020	LEE, JENNIFER	102220	TTC Training Reimbursement, 9/17/20 - 1/27/21	100-155-611000	675.00
10/22/2020	VITUITY - URGENT CARE SERVICES,	165C20515	Recruitment, Oct '20	100-195-617000	100.00
10/22/2020	PRINTEX PRINTING AND GRAPHICS INC.	21088 (1)	Special Events-Program Service, Oct '20	100-310-695500	441.78
10/22/2020	CANON FINANCIAL SERVICES, INC.	22029193	Lease - Copier, Comm Ctr, 10/1/20 - 10/31/20	100-195-641200	279.86
10/22/2020	CANON FINANCIAL SERVICES, INC.	22029194	Lease - Copier, City Hall, 10/1/20 - 10/31/20	100-195-641200	253.83
10/22/2020	CANON FINANCIAL SERVICES, INC.	22029195	Lease - Copier, New Admin Copier, 10/1 - 10/31/20	100-195-641200	939.40
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	2501870-0	Office & Operating Supplies, Oct '20	100-310-620500	20.73
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	2501870-0	Office & Operating Supplies, Oct '20	100-310-622005	20.13
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	2501870-1	Operating Supplies, Comm Ctr, Oct	100-310-622005	19.36
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	2502355-0	Computer Supplies, Oct '20	100-195-621000	107.74
10/22/2020	SHUTE, MIHALY WEINBERGER LLP	270092	Professional Services, Legal, Aug '20	100-155-700011	126.80
10/22/2020	CANON SOLUTIONS AMERICA	4034118662	Copier Usage, Community Services, Sep '20	100-195-641200	18.78
10/22/2020	SPARKLETTS	4228482 100920	Operating Supplies, Oct '20	100-195-622000	108.69
10/22/2020	JCTEES.COM CORPORATION	6861	Program Expense, Community Services, Oct '20	100-310-695500	190.04
10/22/2020	MOBILE MINI, INC.	9009226188	Storage Rental, Community Center, 10/6 - 11/2/20	100-310-641000	82.97
10/22/2020	PACIFIC CREST ROOFING	CD-0632-BLDR-0350-202	Refund, C&D Deposit, R #6555	100-000-227001	1,020.00
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	CM0000087	Credit C#2472442-1, Office Supplies, Sep '20	100-310-620500	(52.80)
10/22/2020	OFFICE SOLUTIONS	I-01804275	Office Supplies, Oct '20	100-195-620000	113.89
10/22/2020	COMMUNICATIONS CHGS- LAW ENF - COUNTY OF ORANGE	SC12447	Communications Charges, 7/1/20 - 9/30/20	100-420-646000	1,039.30
10/22/2020	FINGERPRINT ID (AFIS) LAW ENF. - COUNTY OF ORANGE	SH 57493	Fingerprint ID System Charges, Oct	100-420-720835	1,388.00
10/22/2020	HINDERLITER, DE LLAMAS & ASSOC., INC.	SIN003518	Sales Tax 3rd Qtr, Audit Sales 1st Qtr	100-155-700052	2,746.71
10/28/2020	SOUTH COUNTY OUTREACH	FRD-0213	Refund, Facility Deposit, R #1033669.002	100-000-222000	500.00
10/29/2020	AT&T - CALNET 3	000015422674	Traffic Signal, Public Services, Sep '20	100-355-630000	21.81
10/29/2020	A. C. LANDSCAPE, INC.	00019868	Irrigation Repairs, Oct '20	100-355-720700	2,618.70
10/29/2020	COX COMMUNICATION	101720	T-1 Line, Oct '20	100-195-630000	402.98
10/29/2020	SAN DIEGO GAS & ELECTRIC	102820	Street Lights, Traffic Control, Com Ctr, Sep '20	100-310-631100	5,386.38
10/29/2020	SAN DIEGO GAS & ELECTRIC	102820	Street Lights, Traffic Control, Com Ctr, Sep '20	100-355-631000	5,981.08
10/29/2020	SAN DIEGO GAS & ELECTRIC	102820	Street Lights, Traffic Control, Com Ctr, Sep '20	100-355-631400	11,934.45
10/29/2020	SAN DIEGO GAS & ELECTRIC	102820	Street Lights, Traffic Control, Com Ctr, Sep '20	100-355-631900	3,363.98
10/29/2020	SOUTHERN CALIFORNIA EDISON	102820	Street Lights, Traffic Control, Oct '20	100-355-631900	333.59
10/29/2020	EL TORO WATER DISTRICT	102820	Water Usage, Public Services, Oct '20	100-355-635000	16,452.03
10/29/2020	SOUTHERN CALIFORNIA EDISON	102820a	Street Lights, Traffic Control, Sep '20	100-355-631000	695.60
10/29/2020	SOUTHERN CALIFORNIA EDISON	102820a	Street Lights, Traffic Control, Sep '20	100-355-631400	12,359.17
10/29/2020	SPARKLETTS	12194330 101420	Operating Supplies, Comm Ctr, Oct	100-310-622005	70.21
10/29/2020	SUNSET PROPERTY SERVICES JONSET CORPORATION	122786	Street Sweeping Services, Oct '20	100-355-720410	69.36
10/29/2020	JOE A. GONSALVES & SON	158566	Legislative Services, Nov '20	100-155-700020	2,900.00

Attachment: Warrant Register, Payables Detail Report - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Warrant Register - Payables Detail Report

Payment Dates: 10/02/2020 - 10/29/2020

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
10/29/2020	JL GROUP, LLC	20-1023	Legal Services, 5/2/20 - 7/30/20	100-155-700011	8,000.00
10/29/2020	HARRINGTON GEOTECH	20118	Professional Svcs, CIP # 112	100-600-790600	250.00
10/29/2020	COMPLETE OFFICE OF CALIFORNIA	2504011-0	Office Supplies, Comm Ctr, Oct '20	100-310-620500	214.42
10/29/2020	COMPLETE OFFICE OF CALIFORNIA	2504548-0	Computer Supplies, Oct '20	100-195-621000	107.74
10/29/2020	CDW GOVERNMENT, INC.	2858327	Computer Hardware, Gen Gov, Oct	100-195-940000	914.73
10/29/2020	MERCY HOUSE LIVING CENTERS, INC.	5003-20-09	Contract Services - Homelessness, Sep '20	100-310-720302	719.27
10/29/2020	CHARLES ABBOTT ASSOCIATES, INC	61619	Road Maintenance, Sep '20	100-355-720400	19,073.29
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	100-155-700010	24,638.54
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	100-155-700011	242.00
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	100-155-700014	154.00
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	100-225-700012	44.00
10/29/2020	CODE PUBLISHING COMPANY, INC.	68009	Municipal Code Update, Oct '20	100-155-700030	109.50
10/29/2020	ALL CITY MANAGEMENT, INC.	68106	Crossing Guard Services, 9/20/20 - 10/3/20	100-420-720822	2,182.08
10/29/2020	JACKSON LEWIS P.C.	7610031	Legal Services, Jul '20	100-155-700011	531.00
10/29/2020	JACKSON LEWIS P.C.	7616550	Legal Services, Aug '20	100-155-700011	619.50
10/29/2020	THOMSON REUTERS - WEST	843068830	Subscription, City Clerk, Sep '20	100-155-626000	266.61
10/29/2020	ANDERSON PENNA PARTNERS, INC.	8668	Inspection Services, Sep '20	100-355-700255	13,835.50
10/29/2020	ANDERSON PENNA PARTNERS, INC.	8679	Inspection Services, Sep '20	100-355-700255	1,091.50
10/29/2020	JIM MURRAY ROOFING INC.	CD-0633-BLDR-0549-202	Refund, C&D Deposit, R #7650	100-000-227001	1,110.00
10/29/2020	COMPLETE OFFICE OF CALIFORNIA	CM0000088	Credit Memo C2438363-0, Computer Supplies, Oct '20	100-195-621000	(139.00)
10/29/2020	ALMIERI, KRISTIN	CSPCOV-0051	Refund, Program Fee, R	100-000-451000	83.00
10/29/2020	LAWRENCE, STACY	CSPCOV-0052	Refund, Program Fee, R	100-000-451000	166.00
10/29/2020	TUTTLE CLICK FORD	F2CS39308	#1017776.001 & #1017777.001 Vehicle Maintenance, Community Services, Oct '20	100-310-646100	1,961.24
10/29/2020	PAPER DEPOT	IN15092	Professional Services, City Clerk, Oct '20	100-155-700030	33.75
10/29/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210254	Watershed Monitoring, CIP #410	100-600-790600	24,400.26
Fund 100 - GENERAL FUND Total:					988,130.01

Fund: 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT

10/08/2020	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	100220	Professional Services, Sep '20	101-000-223000	11,046.25
10/08/2020	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	100220	Professional Services, Sep '20	101-000-450000	(11,046.25)
10/08/2020	KELLY ASSOCIATES MANAGEMENT GROUP, LLC	100220	Professional Services, Sep '20	101-225-700040	11,046.25
10/15/2020	KOSMONT COMPANIES	1911.5-011	Prof Services, Village at Laguna Hills, Sep '20	101-000-223000	25,053.60
10/15/2020	KOSMONT COMPANIES	1911.5-011	Prof Services, Village at Laguna Hills, Sep '20	101-000-450000	(25,053.60)
10/15/2020	KOSMONT COMPANIES	1911.5-011	Prof Services, Village at Laguna Hills, Sep '20	101-225-700000	25,053.60
10/15/2020	RK ENGINEERING GROUP, INC.	200908	Traffic Study, Village at Laguna Hills, Sep '20	101-000-223000	610.00
10/15/2020	RK ENGINEERING GROUP, INC.	200908	Traffic Study, Village at Laguna Hills, Sep '20	101-000-450000	(610.00)
10/15/2020	RK ENGINEERING GROUP, INC.	200908	Traffic Study, Village at Laguna Hills, Sep '20	101-225-700101	610.00
10/15/2020	RK ENGINEERING GROUP, INC.	200910	Traffic Study, Village at Laguna Hills, Sep '20	101-000-223000	2,485.00
10/15/2020	RK ENGINEERING GROUP, INC.	200910	Traffic Study, Village at Laguna Hills, Sep '20	101-000-450000	(2,485.00)
10/15/2020	RK ENGINEERING GROUP, INC.	200910	Traffic Study, Village at Laguna Hills, Sep '20	101-225-700101	2,485.00
10/15/2020	PLACEWORKS, INC.	73375	Prof Services, Village at LH Expenses, Sep '20	101-000-223000	7,856.55
10/15/2020	PLACEWORKS, INC.	73375	Prof Services, Village at LH Expenses, Sep '20	101-000-450000	(7,856.55)

Attachment: Warrant Register, Payables Detail Report - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Warrant Register - Payables Detail Report

Payment Dates: 10/02/2020 - 10/29/2020

Payment Date	Vendor Name	Payable Number	Description (Payable)	Account Number	Amount
10/15/2020	PLACEWORKS, INC.	73375	Prof Services, Village at LH Expenses, Sep '20	101-225-700200	7,856.55
10/15/2020	PLACEWORKS, INC.	73464	Prof Services, Village at LH Expenses, Sep '20	101-000-223000	5,815.28
10/15/2020	PLACEWORKS, INC.	73464	Prof Services, Village at LH Expenses, Sep '20	101-000-450000	(5,815.28)
10/15/2020	PLACEWORKS, INC.	73464	Prof Services, Village at LH Expenses, Sep '20	101-225-700200	5,815.28
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	101-000-223000	43,963.25
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	101-000-450000	(43,963.25)
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	101-225-700012	43,963.25
Fund 101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT Total:					96,829.93
Fund: 221 - SENIOR MOBILITY PROGRAM					
10/15/2020	CALIFORNIA YELLOW CAB	9406020	Senior Mobility Program, Sep '20	221-310-720000	290.00
Fund 221 - SENIOR MOBILITY PROGRAM Total:					290.00
Fund: 307 - C & D FORFEITED DEPOSITS					
10/08/2020	ECONOMICS, INC.	2017-2018.39	Professional Services, Recycling Program, Sep '20	307-355-700000	8,042.41
10/14/2020	BANK OF AMERICA VISA CARD	092020 COMSVCS	Departmental Expenditure, Sep '20	307-250-622000	154.61
Fund 307 - C & D FORFEITED DEPOSITS Total:					8,197.02
Fund: 430 - CARES Act Assistance - State					
10/08/2020	COMPLETE OFFICE OF CALIFORNIA	2487528-0	Glass Install, Comm Ctr Front Desk	430-420-910000	2,348.95
10/15/2020	VIZUAL SYMPHONY, INC.	13922	Deposit for AV Upgrade, Sep '20	430-420-940000	9,183.00
10/22/2020	DIAMOND ENVIRONMENTAL	0002872925	Contract Serv - Sanitation, Comm Ctr, Nov '20	430-420-721505	860.16
10/22/2020	DIAMOND ENVIRONMENTAL	0002872926	Contract Serv - Sanitation, Cabot Park, Nov '20	430-420-721505	860.16
10/22/2020	DIAMOND ENVIRONMENTAL	0002872927	Contract Serv - Sanitation, Civic Ctr, Nov '20	430-420-721505	860.16
10/22/2020	PRINTEX PRINTING AND GRAPHICS INC.	21028 (2)	Printing - Public Safety, COVID-19, Oct '20	430-420-623000	1,012.85
10/22/2020	COMPLETE OFFICE OF CALIFORNIA	2496035-0	Equip & Machinery-Public Safety, COVID-19, Oct '20	430-420-910000	428.85
10/29/2020	PRINTEX PRINTING AND GRAPHICS INC.	21107 (1)	Printing - Public Safety, COVID-19, Oct '20	430-420-623000	215.50
10/29/2020	HOME DEPOT	5022421	Supplies - Public Safety, COVID-19, Oct '20	430-420-622000	28.91
10/29/2020	WOODRUFF, SPRADLIN & SMART	66604-66605	Professional Services Legal, Sep '20	430-420-700010	1,430.00
10/29/2020	ALL CITY MANAGEMENT, INC.	68106	Crossing Guard Services, 9/20/20 - 10/3/20	430-420-720000	1,000.12
Fund 430 - CARES Act Assistance - State Total:					18,228.66
Fund: 600 - CAPITAL IMPROVEMENT PROJECT					
10/15/2020	HARTZOG & CRABILL, INC.	20-0532	Traffic Signal Mgmt Services, Aug '20	600-000-490100	(312.50)
10/15/2020	HARTZOG & CRABILL, INC.	20-0532	Traffic Signal Mgmt Services, Aug '20	600-251-950168	312.50
10/15/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210199	San Juan Creek, Watershed Monitoring, CIP#410	600-000-490100	(2,809.02)
10/15/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210199	San Juan Creek, Watershed Monitoring, CIP#410	600-254-950410	2,809.02
10/29/2020	HARRINGTON GEOTECH	20118	Professional Svcs, CIP # 112	600-000-490100	(250.00)
10/29/2020	HARRINGTON GEOTECH	20118	Professional Svcs, CIP # 112	600-251-950112	250.00
10/29/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210254	Watershed Monitoring, CIP #410	600-000-490100	(24,400.26)
10/29/2020	NPDES OC TREASURER-TAX COLLECTOR	PW210254	Watershed Monitoring, CIP #410	600-254-950410	24,400.26
Fund 600 - CAPITAL IMPROVEMENT PROJECT Total:					-
Grand Total:					1,111,675.62

Attachment: Warrant Register, Payables Detail Report - November 10, 2020 (2253 : Warrant Register, November 10, 2020)

Report Summary

Fund Summary

Fund	Expense Amount	Payment Amount
100 - GENERAL FUND	988,130.01	988,130.01
101 - MGP DEVELOPMENT APPLICATION - VALH PROJECT	96,829.93	96,829.93
221 - SENIOR MOBILITY PROGRAM	290.00	290.00
307 - C & D FORFEITED DEPOSITS	8,197.02	8,197.02
430 - CARES Act Assistance - State	18,228.66	18,228.66
600 - CAPITAL IMPROVEMENT PROJECT	-	-
Grand Total:	1,111,675.62	1,111,675.62

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-000-120000	Accounts Receivable	2,690.52	2,690.52
100-000-221001	SMIP - Residential	160.56	160.56
100-000-221002	SMIP - Commercial	1,329.66	1,329.66
100-000-222000	Refundable Deposits	2,500.00	2,500.00
100-000-223000	Plan Application Deposit	1,667.50	1,667.50
100-000-227001	SecurityDeposit-WasteRecycling	2,130.00	2,130.00
100-000-442004	Plan Check Fees - CLH	(1,667.50)	(1,667.50)
100-000-451000	Recreation Fees	249.00	249.00
100-155-610000	Memberships and Dues Expense	1,732.00	1,732.00
100-155-610003	Memberships and Dues - OCCOG	3,768.79	3,768.79
100-155-611000	Training and Education	675.00	675.00
100-155-612000	Travel, Conferences & Meetings	25.00	25.00
100-155-613100	Vehicle-Fuel	162.98	162.98
100-155-620000	Office Supplies	119.70	119.70
100-155-622000	Operating Supplies	103.20	103.20
100-155-624001	Advertising - Legal	952.00	952.00
100-155-625000	Postage & Delivery	156.65	156.65
100-155-626000	Subscriptions & Books	266.61	266.61
100-155-646100	Maint & Repairs - Vehicles	6,152.79	6,152.79
100-155-700010	Legal Services-General Counsel	24,638.54	24,638.54
100-155-700011	Legal Services-Litigation	9,519.30	9,519.30
100-155-700014	Legal Services - Luna Bonita	154.00	154.00
100-155-700020	Professional Services - Legislative	2,900.00	2,900.00
100-155-700030	Professional Svcs- City Clerk	218.25	218.25
100-155-700051	Professional Services - Annual	7,000.00	7,000.00
100-155-700052	Compliance Audit Services - Sales	2,746.71	2,746.71
100-195-617000	Recruitment	100.00	100.00
100-195-620000	Office Supplies	275.40	275.40
100-195-621000	Computer Supplies	421.05	421.05
100-195-622000	Operating Supplies	122.97	122.97
100-195-630000	Telephone & Communication	3,084.17	3,084.17
100-195-641200	Rent/Lease - Copier	1,491.87	1,491.87
100-195-720050	Contract Serv-Software Support	1,000.00	1,000.00
100-195-940000	Computer Hardware & Software	914.73	914.73
100-225-613100	Vehicle-Fuel	60.75	60.75
100-225-622000	Operating Supplies	119.88	119.88
100-225-626000	Subscriptions & Books	422.15	422.15
100-225-700012	Legal Services - Community	44.00	44.00
100-225-700200	General Planning Services	970.00	970.00
100-225-700201	Plan Application	1,667.50	1,667.50
100-310-611000	Training and Education	246.59	246.59
100-310-613100	Vehicle-Fuel	118.90	118.90
100-310-620500	Office Supplies - Comm Ctr	314.15	314.15
100-310-622005	Operating Supplies Comm Ctr	223.65	223.65
100-310-622502	Supplies-Adult Leagues	74.44	74.44
100-310-626000	Subscriptions & Books	144.80	144.80
100-310-630100	Phone & Communication Comm	84.51	84.51

Account Summary

Account Number	Account Name	Expense Amount	Payment Amount
100-310-631100	Utilities - Electric Comm Ctr	5,386.38	5,386.38
100-310-641000	Rent/Lease - Equipment	82.97	82.97
100-310-645500	Maint&Repair-Facility Comm Ctr	186.70	186.70
100-310-646100	Maint & Repairs - Vehicles	4,893.37	4,893.37
100-310-695500	Special Events-Program Service	631.82	631.82
100-310-695502	Special Needs Program	9.99	9.99
100-310-695507	Marathon 5k	250.20	250.20
100-310-720302	Contract Services - Homelessness	1,351.44	1,351.44
100-355-610000	Memberships and Dues Expense	320.00	320.00
100-355-611000	Training and Education	345.00	345.00
100-355-613100	Vehicle-Fuel	203.41	203.41
100-355-622000	Operating Supplies	192.55	192.55
100-355-630000	Telephone & Communication	21.81	21.81
100-355-631000	Utilities - Electric	6,730.20	6,730.20
100-355-631400	Electric-Street Lights/Signals	34,069.03	34,069.03
100-355-631900	UtilitiesElectricOnBillFinancing	7,579.05	7,579.05
100-355-635000	Utilities - Water	43,410.29	43,410.29
100-355-646100	Maint & Repairs - Vehicles	12.00	12.00
100-355-700100	City Engineer Services	2,814.00	2,814.00
100-355-700101	Traffic Engineer Services	2,896.50	2,896.50
100-355-700255	Improvement Inspection	14,927.00	14,927.00
100-355-720400	Street Maintenance	19,258.28	19,258.28
100-355-720410	Street Sweeping	13,061.20	13,061.20
100-355-720420	Traffic Signal Maintenance	5,582.67	5,582.67
100-355-720500	Graffiti Removal	4,376.00	4,376.00
100-355-720700	Landscape Maintenance Contract	2,618.70	2,618.70
100-355-720701	Parks Contract Repair	5,411.00	5,411.00
100-355-720702	Tree Maintenance	2,912.20	2,912.20
100-420-613100	Vehicle-Fuel	165.77	165.77
100-420-622000	Operating Supplies	1,260.27	1,260.27
100-420-646000	Maint & Rep-Equip & Machinery	1,039.30	1,039.30
100-420-720800	General Law Enforcement	691,449.71	691,449.71
100-420-720822	Crossing Guard Services	2,182.08	2,182.08
100-420-720823	Parking Citation Processing	1,086.57	1,086.57
100-420-720835	Fingerprint Identification Svc	1,388.00	1,388.00
100-600-790600	Transfers Out - Capital Imprv	27,771.78	27,771.78
101-000-223000	Plan Application Deposit	96,829.93	96,829.93
101-000-450000	Planning Fees	(96,829.93)	(96,829.93)
101-225-700000	Consultant Services	25,053.60	25,053.60
101-225-700012	Legal Services	43,963.25	43,963.25
101-225-700040	Consultant Services, Project	11,046.25	11,046.25
101-225-700101	Consultant Services, Traffic	3,095.00	3,095.00
101-225-700200	Consultant Services, Planning	13,671.83	13,671.83
221-310-720000	Contract Services	290.00	290.00
307-250-622000	Operating Supplies	154.61	154.61
307-355-700000	Professional Services	8,042.41	8,042.41
430-420-622000	Supplies - Public Safety, COVID-	28.91	28.91
430-420-623000	Printing - Public Safety, COVID-19	1,228.35	1,228.35
430-420-700010	Legal Services, COVID-19	1,430.00	1,430.00
430-420-720000	Contract Services - Public Safety,	1,000.12	1,000.12
430-420-721505	Contract Services-	2,580.48	2,580.48
430-420-910000	Equipment & Machinery-Public	2,777.80	2,777.80
430-420-940000	Computer Hard/Software- Public	9,183.00	9,183.00
600-000-490100	Transfer In- General Fund	(27,771.78)	(27,771.78)
600-251-950112	CIP-Traffic Signal	250.00	250.00
600-251-950168	TrafficSignalImprovCoordination	312.50	312.50
600-254-950410	NPDES Permit & Fees	27,209.28	27,209.28
Grand Total:		1,111,675.62	1,111,675.62

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Project Account Summary

Project Account Key

None

Expense Amount

Payment Amount

1,111,675.621,111,675.62

Grand Total:

1,111,675.62

1,111,675.62

Attachment: Warrant Register, Payables Detail Report - November 10, 2020 (2253 : Warrant Register, November 10, 2020)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020

TO: Mayor and Council Members

FROM: Donald J. White
City Manager

ISSUE: City Council Review and Confirmation of the Necessity for Continuing the Local Emergency Related to the On-Going Threat of the Novel COVID-19 Virus and Confirmation of the Director of Emergency Services/City Manager's Executive Orders Related Thereto

RECOMMENDATION: That the City Council: 1) Review and confirm the necessity for continuing the local emergency declared in response to the Novel COVID-19 virus; and 2) Confirm the Director of Emergency Services/City Manager's executive orders related thereto.

SUMMARY:

On March 18, 2020, the City Manager, acting in his capacity as Director of Emergency Services, proclaimed the existence of a local emergency relating to COVID-19 (the "coronavirus"), at which time the City Council was not in session. On March 24, 2020, during a special meeting the City Council ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency. Since that time, the rate of infection and threat to public health and safety have not abated, as the number of cases continue to grow. As of October 9, 2020, there were more than 36.5 million worldwide cases of COVID-19, and 1.06 million deaths. Locally, there were 56,800 confirmed cases and 1,306 deaths in Orange County. Since then, the worldwide cases have increased to more than 47.7 million, and the worldwide deaths have increased to more than 1.22 million. County-wide, the number of confirmed cases has increase from 56,800 to 62,589 and deaths have increased from 1,306 to 1,484. Pursuant to Laguna Hills Municipal Code ("LHMC") Section 2-32.060, the City Council must review the necessity

Continuation of Local Emergency and Confirmation of Executive Orders

November 10, 2020

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for continuing the local emergency no less frequently than at every subsequent regular meeting of the City Council until the emergency is terminated. LPMC Section 2-32.150 further requires any rules and regulations, such as Executive Orders, issued by the Director of Emergency Services/City Manager that are reasonably related to the local emergency, such as for the protection of life and property as affected by the emergency, to be confirmed as soon as practicable by the City Council.

BACKGROUND:

On January 30, 2020, the World Health Organization ("WHO") declared the outbreak of COVID-19 a "public health emergency of international concern" and by March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange and County Health Officer Dr. Nichole Quick declared a local emergency and a local health emergency to prepare for COVID-19, and on March 4, 2020, the Governor declared a State of Emergency in California allowing state agencies to take any action necessary to address COVID-19.

On March 11, 2020, the Governor and the California Department of Health issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19" determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of six (6) feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than ten (10) people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function.

Within a short period of time thereafter COVID-19 began to spread rapidly throughout California necessitating more stringent public health emergency orders. On March 12, 2020, the Governor issued Executive Order N-25-20, ordering that all residents are to heed the orders and guidance of state and local public health officials. Subsequently, on March 13, 2020, President Donald J. Trump declared a National

Continuation of Local Emergency and Confirmation of Executive Orders

November 10, 2020

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Emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem. By March 16, 2020, President Trump advised the public to avoid groups of more than ten (10) people to fight the COVID-19 outbreak. On March 17, 2020, the Orange County Health Officer issued a Public Health Order prohibiting all public and private gatherings of any number of people, including at places of work, occurring outside a single household or living unit, until March 31, 2020, except for the purposes of engaging in an Essential Activity, as defined. This Public Health Order was superseded by the State's Executive Order and continues in effect until further notice.

In light of these events, on March 18, 2020, the City Manager, acting as the Director of Emergency Services pursuant to LHMC Section 2-32.060(B), proclaimed the existence of a local emergency within the City of Laguna Hills by enacting Proclamation No. 2020-03-18-1, at which time the City Council was not in session. A copy of Proclamation No. 2020-03-18-1 is attached hereto. On March 24, 2020, the City Council unanimously ratified and confirmed the City Manager's proclamation declaring the existence of a local emergency during a special meeting, as required by LHMC Section 2-32.060(B).

In order to mitigate the impact of COVID-19 across the State, on March 19, 2020, the Governor issued Executive Order N-33-20, which directed and ordered all residents to: 1) immediately heed the current State public health directives; and 2) to stay at home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors. On March 22, 2020, President Donald J. Trump declared California a major disaster area, thereby making federal emergency aid available for the State to supplement state, tribal, and local recovery efforts in the areas affected by the COVID-19 pandemic beginning on January 1, 2020, and continuing.

Effective August 31, 2020, Governor Newsom implemented a "Blueprint for a Safer Economy," within the COVID-19 portion of the state's website at: <https://covid19.ca.gov/safer-economy/>, which allows the public to enter a County and a desired activity to verify if it is open. The system also labels each county's risk level using a four color-coded tier system for COVID-19 monitoring that will replace any former county-based monitoring systems. As you can see in the graphic below, the system is based on the amount of positive cases and positivity rates as either widespread, substantial, moderate or minimal.

Continuation of Local Emergency and Confirmation of Executive Orders

November 10, 2020

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Your County Color Determines Operations		
COUNTY RISK LEVEL	NEW CASES	POSITIVE TESTS
WIDESPREAD Most non-essential indoor business operations are closed.	More than 7 Daily new cases (per 100k)	More than 8% Positive tests
SUBSTANTIAL Some non-essential indoor business operations are closed.	4-7 Daily new cases (per 100k)	5-8% Positive tests
MODERATE Some business operations are open with modifications.	1-3.9 Daily new cases (per 100k)	2-4.9% Positive tests
MINIMAL Most business operations are open with modifications.	Less than 1 Daily new cases (per 100k)	Less than 2% Positive tests

As to the continuing need for the proclamation of emergency and the rules, measures, and orders issued to date by the City Council, the following facts are instructive. The County of Orange continues to be labeled with a risk factor of Substantial. As of October 9, 2020, there were more than 36.5 million worldwide cases of COVID-19, and 1.06 million deaths. Locally, there were 56,800 confirmed cases and 1,306 deaths in Orange County. Between October 9, 2020, and the date of publication of this staff report (November 4, 2020), the worldwide cases have increased to more than 47.7 million and the worldwide deaths have increased to more than 1.22 million. County-wide cases have increase from 56,800 to 62,589 and county-wide deaths have increased from 1,306 to 1,484. These figures continue to grow on a daily basis. The rate of infection, potential impact to health care systems, and the threat to public health and safety have not abated. The state of local emergency continues to exist.

It is recommended that the City Council: 1) Review the necessity for continuing the local emergency related to the COVID-19 pandemic; and 2) Confirm the Director of Emergency Services/City Manager's executive orders related thereto. Based on the recommendations of the Director of Emergency Services/City Manager and the Chief of Police Services, it has been determined that the need for the locally declared emergency, pursuant to Proclamation No. 2020-03-18-1, continues to exist and should not be terminated at this time.

Continuation of Local Emergency and Confirmation of Executive Orders

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ATTACHMENTS:

- Proclamation No. 2020-03-18-1, Declaration of Existence of a Local Emergency
- Executive Order, Director of Emergency Services/City Manager, October 23, 2020

PROCLAMATION NO. 2020-03-18-1

A PROCLAMATION OF THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DECLARING THE EXISTENCE OF A LOCAL EMERGENCY

WHEREAS, Laguna Hills Municipal Code Section 2-32.060 empowers the City Council (while in session), or the Director of Emergency Services (if the City Council is not in session), to declare the existence or threatened existence of a local emergency; and

WHEREAS, California Government Code Section 8550 *et seq.*, including Section 8558(c), authorizes the Director of Emergency Services to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, a novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan City, Hubei Province, China in December 2019. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness and in some cases death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a significant public health threat; and

WHEREAS, Chinese health officials have reported tens of thousands of cases of COVID-19 in China, with the virus reportedly spreading from person-to-person. COVID-19 illnesses, most of them associated with travel from Wuhan, are also being reported in numerous countries, with thousands of cases, including the United States; and

WHEREAS, on January 30, 2020, the World Health Organization (WHO) declared the outbreak a "public health emergency of international concern" and on March 11, 2020, the WHO elevated the public health emergency to the status of a pandemic. On January 31, 2020, United States Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On February 26, 2020, the County of Orange declared a local emergency and a local health emergency. On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California; and

WHEREAS, on February 2, 2020, the federal government initiated the suspension of entry of foreign nationals who were in China during the 14-day period preceding their entry or attempted entry into the United States; and

WHEREAS, as of March 10, 2020, the WHO reported that, to date, 125,048 confirmed cases of COVID-19, 4,613 of which resulted in death, across 117 countries; and

WHEREAS, the Governor and the California Department of Health on March 11, 2020, issued a statement entitled "California Public Health Experts: Mass Gatherings Should be Postponed or Canceled Statewide to Slow the Spread of COVID-19," determining that gatherings should be postponed or canceled across the state until at least the end of March. Non-essential gatherings must be limited to no more than 250 people, while smaller events can proceed only if the organizers can implement social distancing of 6 feet per person. Gatherings of individuals who are at higher risk for severe illness from COVID-19 should be limited to no more than 10 people, while also following social distancing guidelines. Furthermore, essential gatherings should only be conducted if the essential activity could not be postponed or achieved without gathering, meaning that some other means of communication could not be used to conduct the essential function; and

WHEREAS, the Governor on March 12, 2020, issued Executive Order N-25-20, ordering, inter alia, that all residents are to heed the orders and guidance of state and local public health officials; and

WHEREAS, President Donald J. Trump on March 13, 2020, declared a national emergency to provide disaster funding, speed up the United States response to the crisis created by COVID-19, and to offer maximum flexibility to attack the problem; and

WHEREAS, on March 15, 2020, Governor Newsome requested bars and nightclubs to close, restaurants to reduce capacity by half, and all Californians aged 65 and older to self-isolate; and

WHEREAS, on March 16, 2020, President Donald J. Trump advised the public to avoid groups of more than 10 people to fight the coronavirus outbreak; and

WHEREAS, the City of Laguna Hills has the authority to impose measures to promote social distancing including, but not limited to, limitations on public events; and

WHEREAS, the City of Laguna Hills is a significantly populated city within Orange County, which is the sixth largest county in the United States; and

WHEREAS, conditions of extreme peril to the safety of persons and property have arisen due to the potential introduction of COVID-19 to the City of Laguna Hills and Orange County; and

WHEREAS, such conditions are beyond the control of the services, personnel, equipment, and facilities of the City of Laguna Hills and require the combined forces of other political subdivisions to combat; and

WHEREAS, it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS, if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the community, and limits the spread of infection in the community and within the healthcare delivery system; and

WHEREAS, the mobilization of local resources, ability to coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, the Director of Emergency Services has the authority to declare a local emergency as authorized by California Government Code Section 8630 and Laguna Hills Municipal Code Section 2-32.060.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED BY DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF LAGUNA HILLS AS FOLLOWS:

Section 1. As contemplated in the Emergency Services Act contained in California Government Code Section 8550 *et seq.*, including Section 8558(c), and Chapter 2-32 of Title 2 of the Laguna Hills Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by an epidemic, as detailed in the recitals set forth above.

Section 2. The area of the City of Laguna Hills which is endangered/imperiled is the entire city.

Section 3. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Operations Plan.

Section 4. The City Council shall review and ratify this proclamation of the City Manager within **seven (7) days** as required by state law, and if ratified, shall continue to exist until the City Council proclaims the termination of this local emergency. The City Council shall review the need for continuing the local emergency as required by state and local law until it terminates the local emergency, and shall terminate the local emergency at the earliest possible date that conditions warrant.

Section 5. A copy of this proclamation shall be forwarded to the Director of California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with state law; that the Governor of California, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Laguna Hills; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief programs.

PROCLAIMED this 18th day of March 2020.


Donald J. White,
Director of Emergency Services/
City Manager

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 Proclamation No. 2020-03-18-1 adopted by the Director of Emergency Services of the City of Laguna Hills, California, on the 18th day of March 2020.

(SEAL)


MELISSA AU-YEUNG, CITY CLERK



CITY OF LAGUNA HILLS

City Manager

OFFICE OF THE CITY MANAGER/DIRECTOR OF EMERGENCY SERVICES

Executive Orders

**Pursuant to Proclamation No. 20-03-18-01
Declaring the Existence of a Local Emergency**

RE: NOVEL CORONAVIRUS, COVID-19

Issue Date: October 23, 2020

On March 18, 2020, in my capacity as the Director of Emergency Services (LHMC 2-32.060), I issued Proclamation 20-03-18-01 Declaring the Existence of a Local Emergency in response to severe public health concerns and economic impacts relating to the COVID-19 pandemic. The novel coronavirus, COVID-19, causes infectious disease and was first detected in Wuhan, Hubei Province, China in December 2019. Symptoms of COVID-19 include fever, cough, and shortness of breath; outcomes have ranged from mild to severe illness and, in some cases, death. The Center for Disease Control and Prevention (CDC) has indicated the virus is a significant public health threat, and States of Emergency have been declared by the County of Orange, the State of California, and the federal government of the United States. On March 19, 2020, California Governor Gavin Newsom issued Executive Order N-33-20, which bans gatherings, public and private, and orders residents to stay at home at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, as defined, in order to mitigate the impact of COVID-19. Executive Order N-33-20 is enforceable pursuant to California law per Government Code Section 8665.

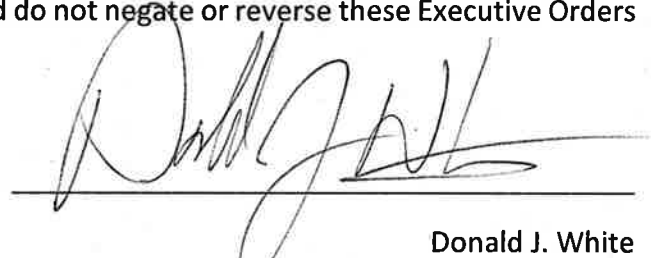
In order to comply with all applicable Public Health and Executive Orders and to protect public health in the City of Laguna Hills, the following Executive Orders are in effect until further notice:

31. The City-owned Skate Park facility, located at the Laguna Hills Community Center and Sports Complex, is hereby re-opened to the public on a limited basis and will operate in accordance with the public health guidelines issued by the California Department of Public Health (CDPH) on October 14, 2020. Attendees must adhere to physical distancing requirements and mask wearing as outlined in the CDPH's Outdoor Playground

Guidance. Executive Order No. 27 related to the operational status of the City-owned Skate Park, dated July 3, 2020, is hereby rescinded.

32. Subsection (K) of Executive Order No. 23, dated June 3, 2020, entitled "Interim Procedures to Allow for the Operation of Certain Outdoor Business Activities," is hereby amended and restated in its entirety to read as follows: "K. **Expiration.** Any emergency temporary use permit shall expire fourteen (14) days after the locally declared emergency pursuant to Proclamation No. 2020-03-18-1 is terminated, unless such temporary use permit is revoked earlier by order of the Community Development Director, as authorized herein

Additional Executive Orders may be issued at any time relating to this public health emergency. Additional Executive Orders are cumulative, and do not negate or reverse these Executive Orders contained herein unless explicitly stated.



Donald J. White
Director of Emergency Services/City Manager

Cc:

Mayor and City Council
Greg Simonian, City Attorney
Kenneth Rosenfield, Public Works Director/City Engineer
Melissa Au-Yeung, Deputy City Manager
David Reynolds, Deputy City Manager
David Chantarangsu, Community Services Director
Janice Reyes, Finance Director
Matthew Stiverson, Police Chief



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Deputy City Manager

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

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

SUMMARY:

At the November 14, 2017, City Council meeting, the City Council approved a three-year lease with First American Advisors, Inc., ("Tenant") for 24031 El Toro Road, Suite 304. First American Advisors, Inc., provides retirement and financial planning and insurance services. The three-year lease term commenced on December 1, 2017, and is set to expire on November 30, 2020. The Tenant has reached out and expressed interest in renewing for an additional three-year term, beginning on December 1, 2020 and expiring on November 30, 2023.

Effective Date: December 1, 2020

Term: Three-year term

Rentable Square Feet: 614

Rate: Year 1 - \$2.22 sq. ft.
Year 2 - \$2.29 sq. ft.
Year 3 - \$2.36 sq. ft.

Total Rent Payments: \$50,558

First Amendment to Civic Center Lease for Suite 304

November 10, 2020

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The City Attorney has reviewed and approved the First Amendment to Lease and staff is recommending approval. For reference, staff has also included the original Lease.

FISCAL IMPACT:

The First Amendment to Lease will result in Total Rent Payments of \$50,558 and will require no additional upfront capital.

ATTACHMENTS:

- Proposed First Amendment to Lease
- Lease



First AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE is made and entered into as of November 10, 2020, 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").

WHEREAS, on or about November 14, 2017 a Lease was entered into by and between Lessor and Lessee relating to certain real property commonly known as (street address, city, state, zip): 24031 El Toro Road, Suite 304 Laguna Hills CA 92654 (the "Premises"), and

WHEREAS, Lessor and Lessee ☐ have ☒ have not previously amended said Lease, and

WHEREAS, the Lessor and Lessee now desire to amend said Lease,

NOW, THEREFORE, for payment of TEN DOLLARS and other good and valuable consideration to Lessor, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree to make the following additions and modifications to the Lease:

☒ TERM: The Expiration Date is hereby ☐ advanced ☒ extended to 11/30/2023.

☐ AGREED USE: The Agreed Use is hereby modified to: _____.

☒ BASE RENT ADJUSTMENT: Monthly Base Rent shall be as follows: 12/1/2020-11/30/2021 \$1,362.00,
12/1/2021-11/30/2022 \$1,403.97 12/1/2022-11/30/2023 \$1,446.09.

☐ OTHER: _____.

This Amendment shall not be construed against the party preparing it, but shall be construed as if all parties jointly prepared this Amendment and any uncertainty and ambiguity shall not be interpreted against any one party. Signatures to this Amendment accomplished by means of electronic signature or similar technology shall be legal and binding.

All other terms and conditions of this Lease shall remain unchanged and shall continue in full force and effect except as specifically amended herein.

EXECUTED as of the day and year first above written.

By Lessor:

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

By: _____
Name Printed: Donald J. White
Title: City Manager
Phone: _____
Fax: _____
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: _____
Federal ID No.: _____

By Lessee:

First American Advisors, Inc. a California corporation

By: _____
Name Printed: David Novak
Title: President
Phone: _____
Fax: _____
Email: _____

By: _____
Name Printed: David Novak
Title: Vice president
Phone: _____
Fax: _____
Email: _____

Address: _____
Federal ID No.: _____

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Attachment: Proposed First Amendment to Lease (2257 : First Amendment to Civic Center Lease for Suite 304)



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:

[Signature]
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[Signature]
INITIALS

- ☐ 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


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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 8 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, 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


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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 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' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

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


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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.


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

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

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

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

8.2 Liability Insurance.

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

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

8.3 Property Insurance - Building, Improvements and Rental Value.

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

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

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

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

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

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

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

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

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

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

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

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.


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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.


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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 of the cost thereof.

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

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

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

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

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

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

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

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

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

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, 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


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

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

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

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

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 (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


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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


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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.

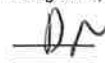
30. **Subordination; Attornment; Non-Disturbance.**

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,


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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


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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:

The City of Laguna Hills

By LESSEE:

First American Advisors Inc., a California corporation

By: _____

Name Printed: Bruce E. Channing

Title: City Manager

By: _____

Name Printed: David Novak

Title: President

By: _____

Name Printed: _____

Title: _____

Address: _____

By: _____

Name Printed: David Novak

Title: Vice President

Address: 29421 Del Plata Lane

Laguna Niguel, CA 92677

Telephone: (____) _____

Telephone: (949) 398-2200

Facsimile: (____) _____

Facsimile: (____) _____

Email: _____

Email: _____

Email: _____

Email: _____

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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.

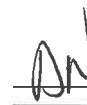
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ADDENDUM TO LEASE

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.

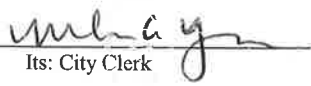
"Lessor"

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

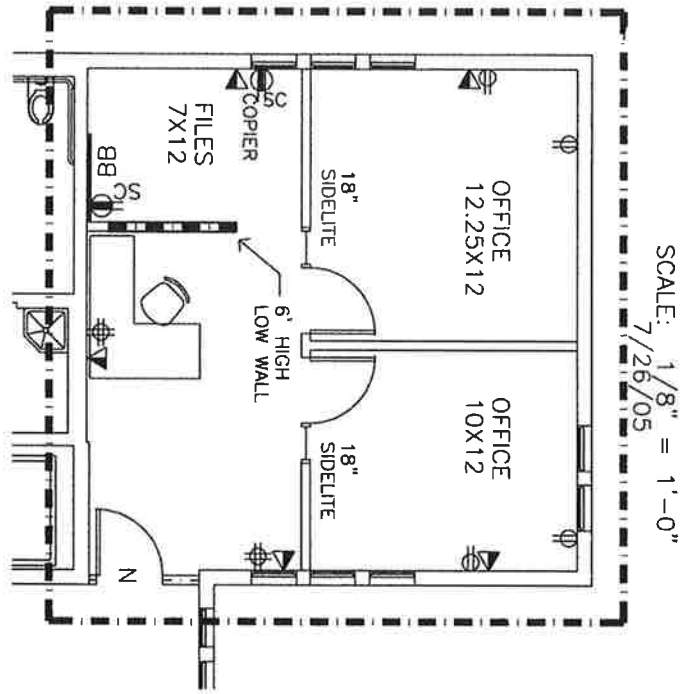
By: 
David Novak

Its: Vice President

Attachment: Lease (2257 : First Amendment to Civic Center Lease for Suite 304)

Exhibit "A"

AREA OF PERMIT SPEC SUITE 304



Page

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 or 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: 11/14/17

Lessor's Initials: RG

Date: 11.13.17

Lessee's Initials: DN

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: 11.13.17Lessee's Initials: DN


Attachment: Lease (2257 : First Amendment to Civic Center Lease for Suite 304)

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 full 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 10, 2020

TO: Mayor and Council Members

FROM: Lieutenant Matthew Stiverson
Chief of Police Services

ISSUE: Approval of Proposed Contract Services Agreement for School Crossing Guard Services with All City Management Services, Inc., for a Three-Year Term

RECOMMENDATION: That the City Council:

1) Approve the proposed Contract Services Agreement with All City Management Services, Inc., to provide school crossing guard services. The proposed contract is for a three-year term from November 10, 2020, through November 9, 2023, for a total not-to-exceed maximum contract amount of \$567,484.80. The total not-to-exceed maximum contract amount is an aggregate of the following anticipated amounts: \$171,838.80 for Year 1 (2020/2021); \$184,237.20 for Year 2 (2021/2022); \$196,404.80 for Year 3 (2022/2023); and an additional \$5,000 per year (\$15,000) to cover unanticipated costs.

2) Authorize the Mayor to execute the proposed Contract Services Agreement for school crossing guard services with All City Management Services, Inc.

BACKGROUND:

The City of Laguna Hills requires the services of a qualified contractor equipped and trained in appropriate procedures for crossing pedestrians in designated marked crosswalks in school crossing areas throughout the City. There are currently seven (7) school crossing guard locations identified within the City of Laguna Hills servicing three elementary schools. All City Management Services, Inc., (ACMS) is a full-service crossing guard contractor that has successfully provided specially trained crossing guard services

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to the City since 1994. ACMS has been in the crossing guard services industry for over 35 years, and currently administers over 260 programs in 25 states. ACMS manages all crossing guard program functions including screening, recruitment, staffing, equipment, payroll, and supervision. ACMS assigns area supervisors who are responsible for overseeing the day-to-day operations of the program; ACMS maintains alternate guards to ensure adequate response and immediate replacement for any crossing guard absent from service for any reason; and ACMS establishes communications with each school to ensure proper scheduling. ACMS has continued to provide both quality and reliable services to the City and has been responsive to the needs of the City and the schools that are served. The City's last contract services agreement for crossing guard services expired on June 30, 2020. Due to the COVID-19 pandemic, the City was delayed in preparing and issuing a new formal competitive Notice Inviting Bids. In order to allow more time to prepare and complete the required competitive selection process, the City entered into a Temporary On-Call School Crossing Guard Services Agreement, which will remain in effect until December 30, 2020, or until the competitive procurement is completed and a new three-year contract services agreement is awarded.

BILLING RATE HISTORY (2015 to present):

Fiscal Year	Hourly Rate	% Increase	Contract Amount	Amount Used	Additional Data
2015/16	\$16.79	n/a	\$72,532.00	\$72,532.80	
2016/17	\$16.79	n/a	\$72,532.00	\$72,532.80	
2017/18	\$17.99	7.1%	\$77,717.00	\$77,703.31	CA Minimum Wage
2018/19	\$19.34	7.5%	\$79,920.00	\$83,471.44	CA Minimum Wage
2019/20	\$21.08	8.9%	\$89,380.00	\$61,637.92	COVID-19 Closure

AUTHORITY:

Pursuant to Laguna Hills Municipal Code (LHMC) Section 3-08.090, the procurement of nonprofessional services with an estimated value greater than \$50,000 are required to be led by established competitive formal bidding procedures. Such contracts are required to be awarded by the City Council to the lowest responsible bidder consistent with the best qualified vendor selection criteria set forth in Section 3-08.100 (See LHMC Section 3-08.090(F)).

In determining the best qualified vendor consideration is to be given to price, quality, and performance of nonprofessional services to be provided by the vendor. Criteria for determining the best qualified vendor includes, but is not limited to the following:

Contract Services Agreement for School Crossing Guard Services

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- A. The cost and quality of the nonprofessional services;
 - B. The ability, capacity, and skill of the vendor to perform the contract and to provide the nonprofessional services requested;
 - C. The ability of the vendor to provide the nonprofessional services requested promptly or within the time specified, without delay, interference, or service interruption;
 - D. The ability of the vendor to demonstrate the attributes of trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform;
 - E. The character, integrity, reputation, judgment, references, experience, and efficiency of the vendor
 - F. The quality of vendor's performance history and record on previous purchases or contract with the city;
 - G. The ability of the vendor to provide future maintenance, repair parts, and services for the use of the goods and supplies, equipment, or materials purchased; and
 - H. The ability of the vendor to demonstrate its prior, current, and continued compliance during the contract term with all applicable federal, state, and local laws, statutes, ordinances and lawful orders, rules, and regulations promulgated thereunder.

On September 10, 2020, staff issued a formal competitive Notice Inviting Bids (NIB) for school Crossing Guard Services (NIB No. PS-20-001). The NIB invited qualified and experienced companies to submit bids to provide Crossing Guard Services for three (3) Public (K-8) Schools in the City of Laguna Hills, for a proposed contract term of three (3) years, with a projected commencement date of October 13, 2020. Due to unforeseen delays related to the COVID-19 pandemic, the projected commencement date has been revised to November 10, 2020.

Three qualified bidders responded to the City's NIB: 1) ACMS; 2) Citiguard Inc.; and 3) American Guard Services, Inc. The proposed hourly rates that were provided by the bidders in their proposals are summarized below:

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1) ACMS

Proposed Hourly Rate(s): YEAR 1 (2020/2021) = \$22.73 per hour, per guard
 YEAR 2 (2021/2022) = \$24.37 per hour, per guard
 YEAR 3 (2022/2023) = \$25.98 per hour, per guard

2) Citiguard, Inc.

Proposed Hourly Rate(s): YEAR 1 (2020/2021) = \$28.00 per hour, per guard
 YEAR 2 (2021/2022) = \$28.00 per hour, per guard
 YEAR 3 (2022/2023) = \$28.00 per hour, per guard

3) American Guard Services, Inc.

Proposed Hourly Rate(s): YEAR 1 (2020/2021) = \$29.48 per hour, per guard
 YEAR 2 (2021/2022) = \$30.40 per hour, per guard
 YEAR 3 (2022/2023) = \$31.30 per hour, per guard

To determine the lowest bid price, staff applied the per hour, per guard proposed billing rates provided by each bidder to the City's current COVID-19 Hybrid Schedule crossing guard service levels, which includes seven (7) crossing guards for six (6) billable hours per day for 180 school days per year for a total of 22,680 hours over the proposed three-year contract term. (See Table 1 and Table 2 for further details)

COVID-19 HYBRID SCHEDULE**TABLE 1: Adult Crossing Guard Locations**

Site ID	Intersection / Location	Crosswalk	Control	School
1.1	Alicia Parkway / Wilkes Place	NB, SB, EB, WB	TS	Lomarena Elementary
1.2	Alicia Parkway / Wilkes Place			
2	Barents / Wilkes Place	EB	UC	Lomarena Elementary
3	Earhart Rd. / Velasquez Rd.	NB, SB, EB, WB	4WS	Lomarena Elementary
4	Santa Vittoria Drive / Barbera	EB	CSS	San Joaquin Elementary
5.1	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary
5.2	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary

NB: Northbound, SB: Southbound, EB: Eastbound, WB: Westbound

CSS: Cross Street Stop, TS: Traffic Signal, UC: Uncontrolled Intersection

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TABLE 2: Site Staffing

Site Location	School Served	Billable Hours							
		Monday		Tuesday		Wednesday		Thursday	
1.1	Lomarena Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
Alicia Parkway/	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Wilkes Place	949.581.1370	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)
1.2	Lomarena Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
Alicia Parkway/	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Wilkes Place	949.581.1370	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)
2	Lomarena Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
Barents /	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Wilkes Place	949.581.1370	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)
3	Lomarena Elementary	2 hours	(AM)*	2 hours	(AM)*	2 hours	(AM)*	2 hours	(AM)*
Earhart Rd. /	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Velasquez Rd.	949.581.1370	2 hours	(PM)*	2 hours	(PM)*	2 hours	(PM)*	2 hours	(PM)*
4	San Joaquin Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
Santa Vittoria Dr./	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Barbera	949.581.3450	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)
5.1	Valencia Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
La Paz Rd /	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Paseo de Valencia	949.830.3650	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)
5.2	Valencia Elementary	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)	2 hours	(AM)
La Paz Rd /	Saddleback Valley USD	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*	2 hours	(Mid)*
Paseo de Valencia	949.830.3650	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)	2 hours	(PM)

(*) = Modifications due to COVID-19 Hybrid Model School Schedule

Based in the competitive pricing level of the contract, the ability to perform the services requested, and the vendor's past performance history, staff has determined ACMS has met or exceeded the City's best qualified vendor selection criteria. ACMS has been providing school crossing guard services for the City of Laguna Hills for the past 26 years. ACMS has performed well as this service provider for the City. They have demonstrated the ability to staff all locations and quickly respond and address any concerns that arise. ACMS has an established history of providing continuous quality service to the schools in Laguna Hills. They are responsive to changes in staffing and task orders and quick to resolve any crossing guard issues or concerns. ACMS has demonstrated a lengthy performance history for successfully fulfilling the contract with the City.

ACMS is determined to be the lowest responsive, responsible bidder and to be the most qualified bidder based on the best qualified vendor selection criteria set forth in section 3-08.100 of the LHMC. Therefore, staff recommends awarding the contract to ACMS.

The proposed contract services agreement with ACMS will provide school crossing guard services at 7 locations throughout the city. The City will be billed for 6 hours each day at all 7 locations. The number of billable hours may fluctuate due to changes in the number of school days during the next three years; the number of crossing guard locations designated by the City; and the number of schools in the City that may host summer school. For the purposes of this bid, an estimate of 180 school days per year

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was used to calculate the total 3-year contract cost, although that number is ultimately set by the school district. The proposed annual contract amount for the next three years is based on approximately 7,560 billable hours per year plus an additional \$5,000 per year to cover any changes in school schedules, locations, or other unanticipated costs. The end result is a proposal to provide 22,680 billable hours of service for a total not-to-exceed maximum contract amount of \$567,484.80.

FISCAL IMPACT:

Due to the ongoing COVID-19 pandemic the number of hours for crossing guard services are difficult to predict and subject to change. The proposed contract is based on seven (7) guards per day for six (6) billable hours per day for 180 school days for an estimated 7,560 hours for a typical year, including summer school. The anticipated contract cost for Year 1 (2020/2021) is \$171,838.80 at a billing rate of \$22.73 per hour/guard; Year 2 (2021/2022) is \$184,237.20 at a billing rate of \$24.37 per hour/guard; and Year 3 (2022/2023) is \$196,408.80 at a billing rate of \$25.98 per hour/guard. There is an increase in each year's amount due to new increased minimum wage requirements for all employees. The proposed contract is for a three-year term from November 10, 2020 through November 9, 2023, for a total not-to-exceed amount of \$567,484.80, which incorporates an additional \$5,000 per year (\$15,000) to cover unanticipated costs.

ATTACHMENTS:

- Proposed Contract Services Agreement with All City Management Services, Inc.

CONTRACT SERVICES AGREEMENT

All City Management Services, Inc.
(Citywide School Crossing Guard Services)

THIS AGREEMENT FOR CITYWIDE SCHOOL CROSSING GUARD SERVICES (hereinafter "Agreement") is made and entered into, to be effective this 10th day of November 2020, 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 ALL CITY MANAGEMENT SERVICES, INC., a California corporation (hereinafter referred to as "Contractor"). City and Contractor 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 a qualified contractor equipped and specially trained in appropriate procedures for crossing pedestrians in crosswalks for general pedestrian safety within designated marked crosswalks in the City, including but not limited to designated school crosswalk areas (the "Project").

B. In response to City's formal competitive Notice Inviting Bids for Citywide School Crossing Guard Services (NIB No. PS-20-001), dated September 10, 2020, Contractor has submitted to City a written proposal, dated September 30, 2020, to provide for citywide school crossing guard services to City for the Project, pursuant to the terms of this Agreement.

C. Contractor 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, training, or specialized equipment able to perform the work or services contracted for herein.

D. City desires to retain Contractor to provide such crossing guard services 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 CONTRACTOR

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Contractor agrees to provide and perform the crossing guard services for the Project as set forth in Contractor's Proposal, dated September 30, 2020, which is attached hereto as Exhibit "A" and is incorporated herein by reference, as modified by the COVID-19 Hybrid Schedule, Table 1 (Adult Crossing Guard Locations) and Table 2 (Site

Staffing), which is attached hereto as Exhibit "C" and is incorporated herein by reference (hereinafter collectively referred to as the "Scope of Services," the "Services" or "Work"). As a material inducement to the City entering into this Agreement, Contractor acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Contractor'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 professionals in the same discipline in the State of California. Contractor represents and warrants that it is skilled in the professional 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. Contractor represents and warrants that it and all of its employees, subconsultants, 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 Work or Services 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 Proposal, dated September 30, 2020, ("Consultant's Proposal") and submitted to City; (3) the City's Notice Inviting Bids for Citywide School Crossing Guard Services, dated September 10, 2020, and (4) the City's COVID-19 Hybrid Schedule, Table 1 (Adult Crossing Guard Locations) and Table 2 (Site Staffing), which shall all be referred to collectively hereinafter as the "Contract Documents." The Consultant's Proposal, the City's Notice Inviting Bids, and the City's COVID-19 Hybrid Schedule, which are each attached hereto as Exhibits "A," "B," and "C" respectively, are hereby incorporated by reference and are made a part of this Agreement. All provisions of this Agreement, the Consultant's Proposal, and the City's Notice Inviting Bids and COVID-19 Hybrid Schedule 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 provisions of the City's Notice Inviting Bids (Exhibit "B"); (3rd) the City's COVID-19 Hybrid Schedule (Exhibit "C"); and (4th) the provisions of the Consultant's Proposal (Exhibit "A").

1.3 Compliance with Law. Contractor 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 and Labor Code laws. Contractor 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 applicable labor laws, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Contractor performs any Work or Services in violation of such laws, rules, and regulations, Contractor shall be solely responsible for all penalties and costs arising therefrom. Contractor 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 Contractor 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. Contractor represents and warrants to City that Contractor 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 Contractor to perform the Work and Services under this Agreement. Contractor 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 Contractor'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, Contractor 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. Contractor 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 Unauthorized Aliens. Contractor hereby represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of any Work and/or Services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.

1.9 Non-Exclusive Agreement. Contractor 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. Contractor 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 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Contractor shall be compensated by City for the services performed in accordance with the hourly rates and charges as established and set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Five Hundred Sixty-Seven Thousand Four Hundred Eighty-Four Dollars and Eighty Cents (\$567,484.80) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

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 Contractor wishes to receive payment, no later than the tenth (10th) working day of such month, Contractor shall submit to the City, in a form approved by the City's Finance Director, 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 Contractor 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 Contractor within forty-five (45) days after receipt of the invoice or a soon thereafter as is reasonably practical.

2.3 Changes in Scope.

A. 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 fees and/or charges. 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 Contractor's profession.

B. Notwithstanding the foregoing, the City shall have the right, at its sole discretion, to determine the hours and locations where and when such Services and Work shall be performed by Contractor. Toward this end, the Contract Officer is hereby authorized to modify, adjust, increase, decrease or delete from, or otherwise revise, the work schedule/crossing guard locations established and set forth in Contractor's Proposal, attached hereto as Exhibit "A," as modified by the COVID-19 Hybrid Schedule, Table 1 (Adult Crossing Guard Locations) and Table 2 (Site Staffing), which is attached hereto as Exhibit "C", at any time during the term of this Agreement due to scheduling needs, priorities, budget considerations, the COVID-19 pandemic, any applicable public health orders and/or guidelines, state or locally declared

emergencies, and/or other circumstances. The Contract Officer shall promptly notify Contractor in writing of such changes or modifications to the work schedule/crossing guard locations. Such changes or modifications to the work schedule/crossing guard locations shall not be considered a change in the Scope of Services and shall not require a written amendment to this Agreement, provided such changes or modifications do not exceed the Maximum Contract Amount.

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 term of this 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 Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance (Exhibit "A" and Exhibit "C").

3.2 Schedule of Performance. Contractor 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, which is attached hereto as Exhibit "A" and is incorporated herein by reference, as modified by the COVID-19 Hybrid Schedule, Table 1 (Adult Crossing Guard Locations) and Table 2 (Site Staffing), which is attached hereto as Exhibit "C" and is incorporated herein by reference. When requested by Contractor, 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 Contractor (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Contractor, 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 Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor'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 for a period of three (3) years, commencing on November 10, 2020 and ending on November 9, 2023, unless extended by mutual written

agreement of the Parties.

4. **COORDINATION OF WORK**

4.1 Representative of Contractor. The following principal of Contractor is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: Baron Farwell, President/General Manager. 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 Contractor and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Contractor 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 Contractor's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Contractor 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 Contractor, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Contractor 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. Contractor shall not contract with any other entity to perform the Services required without prior written consent of City. If Contractor is permitted to subcontract any part of this Agreement by City, Contractor 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 Contractor. City will deal directly with and will make all payments to Contractor.

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 Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Contractor 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 Contractor shall at all times be under Contractor's exclusive direction and control. Neither City

nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, 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 Contractor's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Contractor 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 Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

B. Contractor 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 Contractor, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to Contractor, 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, of any nature relating to salary, taxes, or benefits of Contractor's officers, employees, representatives, agents, or subconsultants or subcontractors, Contractor shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

A. In the event that Contractor or any employee, agent, or subcontractor of Contractor 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, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor 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, Contractor 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. Contractor 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. Contractor 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. In addition, Contractor shall not allow any subconsultant or subcontractor to commence any Work or Services until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section. If Contractor's existing insurance policies do not meet the insurance requirements set forth herein, Contractor 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, Contractor 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. Contractor 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. Contractor 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. Contractor 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. Contractor 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. Contractor 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 Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Contractor 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 Contractor 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 Contractor, 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, Contractor 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 Contractor 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. Contractor hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Contractor 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, Contractor 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, Contractor 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. Contractor 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 Contractor may be held responsible for payments of damages to persons or property.

5.10 Enforcement of Agreement (Non-Estoppel). Contractor acknowledges and agrees that actual or alleged failure on the part of the City to inform Contractor 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. Contractor shall include all subconsultants or subcontractors engaged in any Work or Services for Contractor relating to this Agreement as additional insureds under the Contractor's insurance policies, or Contractor 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 Contractor'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. Contractor shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Contractor agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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

A. Contractor 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 Contractor 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 Contractor's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Contractor 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 Contractor, provide the same minimum insurance coverage required of Contractor. Contractor 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.

Contractor agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Contractor agrees to provide immediate written notice to City of any claim, demand or loss against Contractor 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, Contractor shall defend (at Contractor's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its elected and appointed officials, officers, directors, 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 (Contractor'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 the negligent acts or omissions, recklessness, or willful misconduct of Contractor, its agents, employees, or subcontractors. Notwithstanding the foregoing, such obligation to defend, hold harmless, and indemnify the City, its elected and appointed officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims arise out of, pertain to, or are related to the City's sole or active negligence or willful misconduct. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Contractor's indemnification obligation or other liability hereunder.

7. REPORTS AND RECORDS

7.1 Accounting Records. Contractor shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Contractor 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. Contractor 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 Contractor, 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 Contractor 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 Contractor 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 Contractor in the performance of this Agreement shall be considered confidential and shall not be released by Contractor 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, Contractor shall provide City, or other agents of City, such access to Contractor'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 Contractor's performance under this Agreement. Contractor 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 Contractor 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 Contractor thirty (30) days written notice. Upon such notice, City shall pay Contractor for Services performed through the date of termination. Upon receipt of such notice, Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Contractor shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Contractor shall submit to the City an invoice for work and services performed prior to the date of termination. In

addition, Contractor 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 Contractor 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 Contractor, 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 Contractor 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. Contractor 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, Contractor 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. Contractor 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 Contractor: All City Management Services, Inc.
 Attention: Baron Farwell, President/General Manager
 10440 Pioneer Boulevard, Suite 5
 Sante Fe Springs, California 90670
 Telephone: (800) 540-9290
 Fax: (310) 202-8325

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.

10.8 Criminal Background Checks. All persons directly providing services to minors as a part of the Agreement are requested to voluntarily submit to and pass a criminal background investigation by providing a complete set of fingerprints to the City at least thirty (30) calendar days prior to providing any services related to the Agreement. Said criminal background investigation shall be conducted pursuant to City policy and practice. Any person who has not completed said criminal background investigation or who has been identified by City as being ineligible to perform services shall not provide services related to the Agreement. Any person with a record of a conviction (or guilty plea) of a felony or a misdemeanor involving a violent or sexual crime, including those crimes set forth in Penal Code section 11105.3, shall not perform any services or work related to the Agreement. All persons undergoing a criminal background investigation under this section shall submit for said investigation on an annual basis throughout the term of the Agreement.

[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

 JANINE HEFT,
 Mayor

ATTEST:

 (SEAL)
 MELISSA AU-YEUNG,
 Deputy City Manager/City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

“CONTRACTOR”
All City Management Services, Inc., a
 California corporation

By: _____
 BARON FARWELL,
 President/General Manager

By: _____
 DEMTRA FARWELL,
 Corporate Secretary

EXHIBIT “A”**CONTRACTOR’S PROPOSAL****DATED: SEPTEMBER 30, 2020****AND****DESCRIPTION OF SCOPE OF SERVICES/WORK****Inclusive of Contractor’s Proposal Letter,****and****Scope of Services**

SCOPE OF SERVICES FOR PROJECT**INCLUDING,****SCHEDULE OF PERFORMANCE****AND****SCHEDULE OF COMPENSATION/ HOURLY FEES**

ALL CITY MANAGEMENT SERVICES

“The Crossing Guard Company”

**A Proposal for
City of Laguna Hills
Bid for City Wide
Crossing Guard Services**

September 30, 2020

Presented by



10440 Pioneer Boulevard, Suite 5, Santa Fe Springs, CA 90670

OFFICE PHONE: 800.540.9290 FAX: 310.202.8325

EMERGENCY DISPATCH: 877.363.2267

www.thecrossingguardcompany.com

Tab A – Cover Letter



ALL CITY MANAGEMENT SERVICES

September 30, 2020

City of Laguna Hills
 Assistant City Clerk's Office
 Bid for Citywide Crossing Guard Services
 24035 El Toro Rd., Laguna Hills, CA 92653

Dear Jennifer Lee:

On behalf of All City Management Services, Inc. (ACMS), I would like to express our sincere appreciation for the potential opportunity to continue to serve the City of Laguna Hills Crossing Guard program. We are proud to have served the community of Laguna Hills for the past twenty-six years and our experience in this area is considerable.

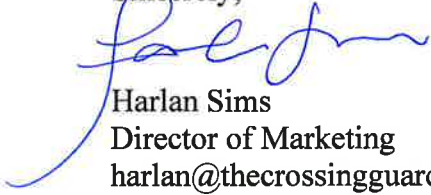
We have received the Notice Inviting Bids and Specification for Crossing Guard Services with services effective October 14, 2020. I have reviewed the Bid Requirements, Scope of Services and Sample Services Agreement and agree to have the terms and conditions set forth with exception of: Indemnification language used in Sample Contract Services Agreement; Item 6 – Indemnification. If selected, we will request modification to the language used. Please see our Exceptions Tab with recommended indemnification language.

Our goal is simple, to continue to relieve the City of Laguna Hills of the day to day responsibilities of managing a Crossing Guard Program. As your full services contractor, we have assumed complete responsibility for the day to day operations of the Laguna Hills Crossing Guard program. This includes recruitment, background clearance, hiring, training, equipment, payroll, supervision, management of the program. We maintain local supervision, alternate guards, a paging system, and a 24-hour 800 number to ensure adequate response and immediate back-up for any Crossing Guard absent from duty for any reason. We also establish communication with each school to ensure proper scheduling.

We have become the nation's largest provider of private crossing guards as a result of our singular focus to this industry as well development of benchmark training. This includes our **"Employee Handbook for School Crossing Guards"** which details our Job Requirements, the initial and ongoing Training we provide, including our Site Evaluations, our Rules of Conduct, Crossing Guard of the Year recognition and the Certification Requirements for all ACMS Crossing Guards.

We are certainly excited about the possibility of providing Crossing Guard services for the City of Laguna Hills once again. If you have any questions, please feel free to contact me at 800 540-9290

Sincerely,

A handwritten signature in blue ink, appearing to read 'Harlan Sims', is written over the printed name and title.

Harlan Sims
Director of Marketing
harlan@thecrossingguardcompany.com

Statement of Qualifications / Experience

All City Management Services, Inc. (ACMS) Serving over 250 cities, counties, and school districts, we have successfully privatized and exclusively provided Crossing Guard services for over 34 years. ACMS currently employs over 6,500 Crossing Guards who are supported by over 150 locally assigned Area Supervisors and second level management. We have experience managing small programs (19 or less), mid-sized programs (20 to 99) and large programs in excess of 100 Crossing Guards.

Our ability to operate and manage the City of Laguna Hills Crossing Guard program is supported by our success operating the Laguna Hills program and with similar programs in Southern California, a few of these programs include: Aliso Viejo, Lake Forest, Laguna Niguel, Costa Mesa, Huntington Beach, Santa Ana, Garden Grove, Tustin, San Clemente and Orange County Sheriff's and many others.

Another defining component that distinguishes ACMS as the industry leader is our focus on providing School Crossing Guard services. We are not a security guard company with a few clients based upon a low-cost offering. Our singular area of service; "School Children Safety" enables all of our resources to be devoted to the development and delivery of programs that provide exceptionally high safety standards and client satisfaction. It should be noted that ACMS has never lost a client agency due to the level of service provided.

It should be noted that ACMS has never lost a client agency due to the level of service provided.

Tab B – Company Data

Company Data

All City Management Services, Inc.

Corporate Office

10440 Pioneer Blvd., Suite 5
 Santa Fe Springs, CA 90670
 Phone: 310 202 8284 Fax: 800 430 1059
 24 hour number is 877 363 2267
<https://thecrossingguardcompany.com>
 Federal Tax Identification Number: 95-3971517

Bid Direct Point of Contact

Harlan Sims, Director of Marketing
 Phone: 310 202 8284 Ext. 105
Harlan@thecrossingguardcompany.com

Satellite Offices

Texas

2950 N. Loop West, Ste. 500
 Houston, TX 77092
 Phone: 713 581 8235
 Fax: 800 430 1059

Nevada

848 Rainbow Blvd., Ste. 2198
 Las Vegas, NV 89107
 Phone: 702 666 8765
 Fax: 800 430 1059

Florida

6801 Lake Worth Rd., Ste. 102
 Lake Worth, FL 33467
 Phone: 800 540 9290
 Fax: 800 430 1059

All City Management Services, Inc. was established on May 3, 1985 as an S Corporation and has not conducted business under any other business name. All City Management Services, Inc. is not partially owned by another business organization or individual. All City Management Services, Inc. has 34 years of experience providing crossing guard services. Baron Farwell; President and General Manager owns one hundred percent (100%) of stock outstanding.

All City Management Services, Inc. has not lost a client agency due to failure or refusal to complete a contract and has never lost a client agency due to the level of service provided. All City Management Services, Inc. financial interests are associated with Crossing Guard / School Safety services and has no financial interest in other lines of business.



ALL CITY MANAGEMENT SERVICES

COMPANY PROFILE

All City Management Services, Inc. (ACMS), is a California based Corporation founded in 1985. We are the largest provider of School Crossing Guard services, managing both large and small Crossing Guard Programs. We currently have over 6,500 employees dedicated to safety, serving cities, towns, communities, schools, and school districts nationwide.

One defining issue that distinguishes **ACMS** is that we are the only company that *exclusively* provides School Crossing Guard Services. It is our commitment to limiting the scope and focus of the company to School Crossing Guards that has helped us emerge as ***“The Crossing Guard Company”***. We have successfully privatized the Crossing Guard programs for over 250+ agencies. Ultimately our clients become the beneficiaries of our single-minded approach toward this industry.

The heart of our business is in assuming responsibility for the task and challenges of conducting a successful Crossing Guard Program. Toward that end, in our typical contractual arrangement we assume responsibility for; recruitment, local hiring, background clearance compliant with Department of Justice standards, initial and ongoing training, payroll and administrative support functions, coordination of assigning qualified substitutes during absences, local supervision, complaint investigation and resolution, communicating with schools and site safety inspections.

One of the benefits we bring to any agency is our expertise in overseeing a seamless transition from public to private management of the program. The continuity of the Crossing Guards' employment is a key component of a seamless transition. We value the experiences and understanding of the Crossing Guards currently working in each program we manage. Much of our success with individual programs is a result of the experience and knowledge these Crossing Guards bring to our management.

With over 34 years of experience, **ACMS** leads the Crossing Guard Industry in the development of Crossing Guard standards for training, supervision, and safety.

Each program we have taken on has brought a unique set of issues and challenges. The heart of our success has been our ability to articulate these challenges and experiences into our training, policies, and procedures to benefit all Crossing Guards in all the cities, towns, and communities we service.

Comparable Crossing Guard Contracts Since 2015 in California

Agency: Colton Joint USD

Project Manager: Donna Gage

Started: July 2015 - Current

Agency: City of Cupertino

Project Manager: Mary Davis-Mehari

Started: August 2015 - Current

Agency: City of Monrovia

Project Manager: Donna Gage

Started: August 2015 - Current

Agency: Placentia Yorba Linda USD

Project Manager: Michele Busch

Started: September 2015 - Current

Agency: Transportation Authority of Marin

Project Manager: Alan Stone

Started: August 2015 - Current

Agency: City of Upland

Project Manager: Donna Gage

Started: February 2015 - Current

Agency: City of Alameda

Project Manager: Alan Stone

Started: August 2016 - Current

Agency: Contra Costa County

Project Manager: Alan Stone

Started: August 2016 - 2019

Agency: County of Alameda

Project Manager: Alan Stone

Started: August 2016 - Current

Agency: City of Davis

Project Manager: Alan Stone

Started: July 2016 - 2019

ACMS Proprietary
Information

Agency: Emery USD
 Project Manager: Alan Stone
 Started: September 2016 - Current

Agency: ICEF Public Schools
 Project Manager: Kelly Hudson
 Started: August 2016 - Current

Agency: Los Alamitos
 Project Manager: Michele Busch
 Started: September 2016 - Current

Agency: Los Alto SD
 Project Manager: Donna Gage
 Started: February 2016 - Current

Agency: Mountain View SD
 Project Manager: Donna Gage
 Started: August 2016 - Current

Agency: Norwalk-La Mirada USD
 Project Manager: Kimberly Craig
 Started: August 2016 - Current

Agency: City of Pasadena
 Project Manager: Donna Gage
 Started: April 2016 -Current

Agency: City of Patterson
 Project Manager: Alan Stone
 Started: July 2016 - 2020

Agency: City of Pomona
 Project Manager: Donna Gage
 Started: January 2016 - 2019

Agency: Pressman Academy
 Project Manager: Kelly Hudson
 Started: November 2016

Agency: San Carlos SD
 Project Manager: Mary Davis-Mehari
 Started: August 2016 - Current

Agency: Etiwanda SD
 Project Manager: Donna Gage
 Started: August 2017 - Current

ACMS Proprietary
 Information

Agency: City of Freemont

Project Manager: Mary Davis-Mehari

Started: July 2017 - Current

Agency: City of Lomita

Project Manager: Michele Busch

Started: August 2017 - Current

Agency: Port of L.A. High School

Project Manager: Michele Busch

Started: September 2017 - Current

Agency: Las Lomitas ESD

Project Manager: Alan Stone

Started: August 2017 - Current

Agency: Orange USD

Project Manager: Michele Busch

Started: October 2017 - Current

Agency: City of South Pasadena

Project Manager: Donna Gage

Started: August 2017 - Current

Agency: City of Sunnyvale

Project Manager: Mary Davis-Mehari

Started: January 2017 - Current

Agency: Temple City USD

Project Manager: Donna Gage

Started: January 2017 - Current

Agency: Center for Early Education

Project Manager: Michele Busch

Started: January 2018

Agency: City of Albany

Project Manager: Mary Davis-Mehari

Started: August 2018 - Current

Agency: Buena Park SD

Project Manager: Michele Busch

Started: August 2018

Agency: Chapman University

Project Manager: Michele Busch

Started: August 2018

ACMS Proprietary
Information

Agency: City of Lawndale

Project Manager: Kelly Hudson

Started: August 2018 - 2020

Agency: Orange County Sheriff's

Project Manager: Michele Busch

Started: November 2018 - Current

Agency: Palmdale Aerospace Academy

Project Manager: Donna Gage

Started: October 2018

Agency: City of Palo Alto

Project Manager: Mary Davis-Mehari

Started: August 2018

Agency: Playa Vista Elementary

Project Manager: Kelly Hudson

Started: August 2018

Agency: City of Pleasant Hill

Project Manager: Alan Stone

Started: July 2018 - Current

Agency: City of Solana Beach

Project Manager: Michele Busch

Started: August 2018 - Current

Agency: Twin Rivers USD

Project Manager: Alan Stone

Started: August 2018 - Current

Agency: Upland USD

Project Manager: Donna Gage

Started: August 2018 - Current

Agency: City of Duarte

Project Manager: Donna Gage

Started: July 2019 - Current

Agency: Green Dot Public Schools

Project Manager: Donna Gage

Started: September 2019 - Current

Agency: Hueneme ESD

Project Manager: Kelly Hudson

Started: February 2019 - Current

ACMS Proprietary
Information

Agency: Lifeline Education Charter
Project Manager: Kelly Hudson
Started: April 2019 - Current

Agency: City of San Clemente
Project Manager: Michele Busch
Started: August 2020 - Current

Agency: City of Santa Paula
Project Manager: Kelly Hudson
Started: December 2019 - Current

Agency: City of Walnut Creek
Project Manager: Alana Stone
Started: February 2019 - Current

Agency: City of Claremont
Project Manager: Michelle Jackson
Started: July 2020 - Current

ACMS Proprietary
Information

Agency: City of Irwindale
Project Manager: Michelle Jackson
Started: February 2020 - Current

Tab C – Resumes

Michele Busch

23 Greenbough
Irvine, CA 92614

T (949) 922-5364

michele.busch@cox.net

EXPERIENCE

Regional Manager, All City Management Services; Santa Fe Springs, CA — 2012-present

Management of 8 area supervisors and 350 crossing guards in Southern California. Maintain communication with area supervisors; provide feedback, support, guidance and training. Investigate complaints; enforce safety and disciplinary measures. Serve as a liaison to school and city officials and operations management. Assist in the development of new company procedures.

Area Supervisor, All City Management Services; Santa Fe Springs, CA — 2009-2012

Managed the crossing guard program for the Newport-Mesa school district. Responsible for the recruiting, hiring, training and supervision of 36 crossing guards. Conducted regular field safety training and maintained a program of high standards. Handled scheduling and payroll; served as a liaison to school officials, city officials and operations management.

Owner, Bella Michele Jewelry; Irvine, CA — 2005-2012

Responsible for product development, analysis and marketing. Handled purchasing, bookkeeping, organization of inventory as well as training and management of 4 employees. Created and maintained a large website and online database. Sought out advertising using social media.

Executive Director, Cancer Camp Connections; Irvine, CA — 1998-2007

Created a national database of summer camp programs for children with life threatening diseases. Developed from the ground up a 501(c)3 charity; provided leadership in fulfillment of the mission, vision and goals of the organization. Implemented policies and decisions of the Board of Directors. Secured funds and managed budget; sought grant opportunities. Supported and sustained growth; served as spokesperson; conducted program planning and development.

EDUCATION

Gunderson High School, San Jose, CA - 1984

University of Colorado, Boulder; Bachelor of Arts, Social Work - 1989

SKILLS

Strong communication skills. Ability to adapt to difficult and stressful situations. Detail oriented. Capable problem solver. Excellent organizational and leadership skills.

Kimberly M. Brooks

15607 W. 83rd Street • Lenexa, KS 66219 • (913)952-9159
kim@thecrossingguardcompany.com

REGIONAL SUPPORT MANAGER

Proven advocate for pedestrian safety by effectively administering company policies and procedures to employees. Operations leader that utilizes training and mentoring techniques to develop continuous improvement efforts with Regional Managers toward staff development.

Skilled in organizing staff and planning for complete site coverage. Effective in recruiting from various sources and using system planning to align resources. Excellent communicator capable of building relationships with clients, supervisory staff, guards, and internally at any organizational level.

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ Client engagement ✓ Recruiting & Training ✓ Relationship Builder | <ul style="list-style-type: none"> ✓ Safety focused ✓ Coaching & Mentoring ✓ Problem-solver |
|--|--|

Professional Experience

ALL CITY MANAGEMENT SERVICES

2016 to Present

Regional Support Manager – May 2020 to Present

- Responsible for overseeing the day-to-day functions of the Regional Manager.
- Identify challenge programs in cooperation with Regional Manager.
- Oversee Client Relationships.
- Assist in the development and transition of new programs.

National Advertising and Recruiting Coordinator – February 2018 – May 2020

- Manage advertising and nationally.
- Recruit, hire and train Recruiting Coordinators to build relationships within their community.
- Collaborate directly with Regional Manager to combat staffing issues within areas directly.
- Develop new strategies for recruiting.

Regional Supervisor – September 2016 to 2018

- Administer policies through training of supervisory staff and monitoring compliance of guard performance.
- Serve as liaison with contracting point of contacts and company to communicate and resolve any operational issues such as site modifications and pedestrian counts.
- Oversee programs covering over 200 sites in Kansas, Missouri and Iowa.
- Other duties include approving payroll, onboarding and training employees.

Area Supervisor – July 2016 to 2018

- Recruit, train and staff crossing guards in the City of Lenexa.
- Overall administrative functions for the area.

Kimberly M. Brooks

Page 2

SECURITAS

2015 to 2016

Crossing Guard – August 2015 to May 2016

- Conduct safe crossings for pedestrians.

VARIOUS DENTAL PRACTICES

1992 to 2013

Expanded Functions Dental Assistant – 9 years

- Expanded functions include placing composite and amalgam fillings, polishing fillings, packing retraction cord, taking impressions for crowns, bite splints, and making temporary crowns.
- Working with children that have special needs.
- Charting treatment plans and patient chart maintenance.
- Dietary, preventive and treatment consultations with patients.

Dental Assistant – 12 years

- Chair-side duties include assisting in all procedures including fillings, crown preps, root canals and surgical extractions.
- Scheduling appointments, creating treatment plans and presenting them to patients.
- Supply management, equipment repairs and maintenance. Maintain OSHA standards.

Education and Training

Johnson County Community College
Prerequisites for Dental Hygiene

State of Pennsylvania
Certificate of Radiology

York Vocational Technical School
Dental Assistant Technical School

PATRICIA J. POHL
21896 Red River Drive, Lake Forest, CA 92630 • 310.877.7045

WORK HISTORY

2010 to present All City Management Services, Inc.
 10440 Pioneer Blvd., Suite 5
 Santa Fe Springs, California 90670

Vice President of Operations: Full responsibility for the planning, direction and coordination of all field-based leadership personnel nationwide (250+). Accountable for development and implementation of cost-effective procedures to meet current and future company needs. Responsible for all aspects of operations to ensure successful compliance with policies and procedure resulting in achieving optimum safety standards.

1998 to 2010 All City Management Services, Inc.
 1749 South La Cienega Blvd.
 Los Angeles, California 90035

Operations Manager: Accountable for management of day-to-day operations of field 50+ area supervisors. Responsible for development, implementation and compliance for all training programs as well as Safety Certification standards for all Crossing Guards.

1994 to 1998 All City Management Services, Inc.
 1749 South La Cienega Blvd.
 Los Angeles, California 90035

Area Supervisor: Responsible for hiring, training, coordinating and scheduling 45 school crossing guards. Served as company liaison to city governments, school districts and community.

1967 to 1994 Various Management, Sales and Administrative Positions

Restaurant Manager, Advertising Sales Account Representative, Executive Assistant, Office Manager:
 Employment history of repeated promotion to positions of leadership and management based on work ethic and commitment to the success of employer.

PROFESSIONAL ASSOCIATIONS

Previously invited to serve as the only private sector representative on:
 California Crossing Guard Training Expert Review Panel
 Safe Routes to School Technical Assistant Resource Center (SRTS TARC) a project of California Active Communities within the California Department of Public Health (CDPH)

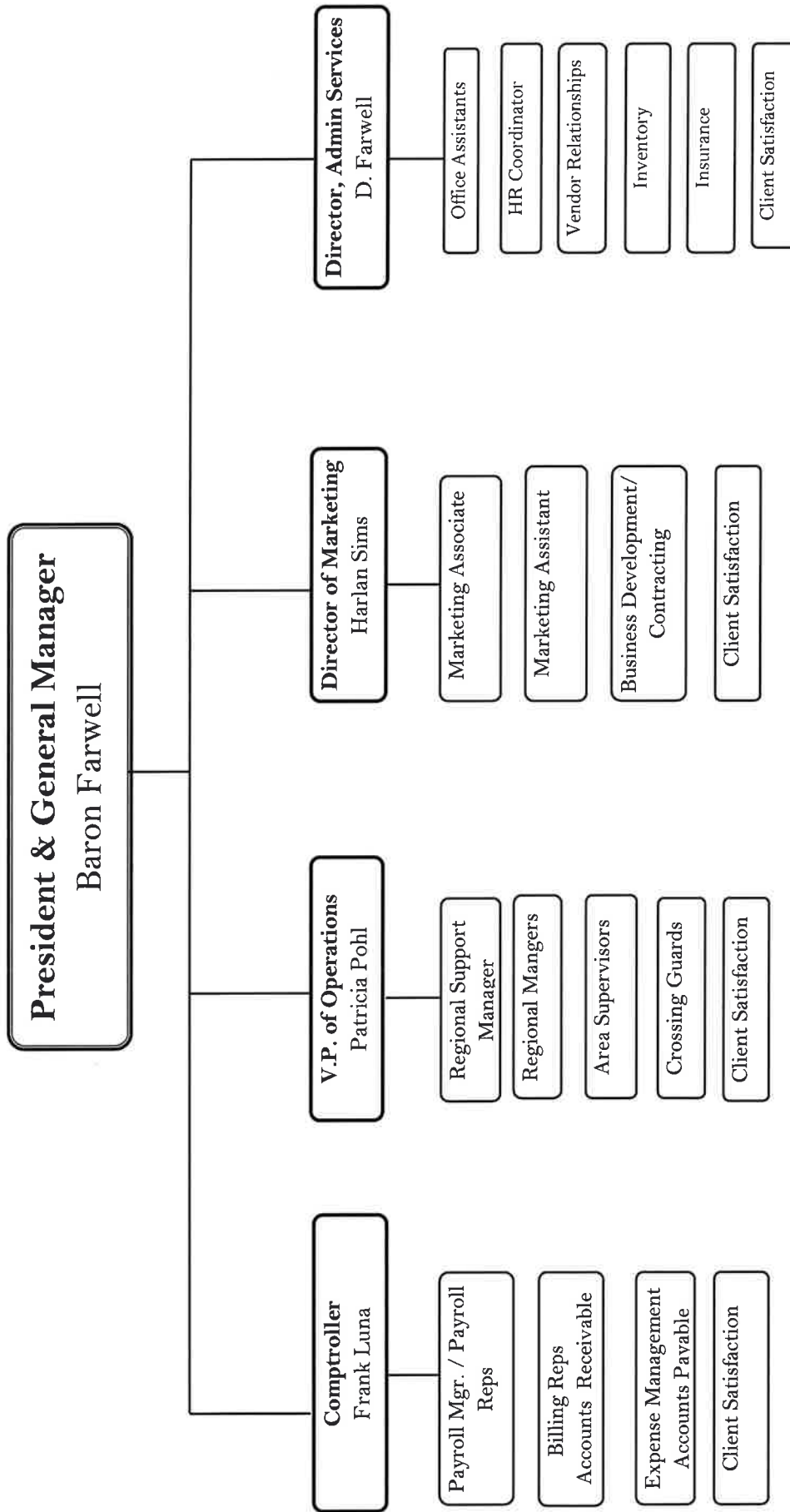
Previously retained as Expert Witness and Person Most Knowledgeable in several litigations related to personal injury accidents involving School Crossing Guards.

Florida Department of Transportation
 School Crossing Guard Trainer Certification, currently status; active

Tab D – Organizational Charts / Program Personnel

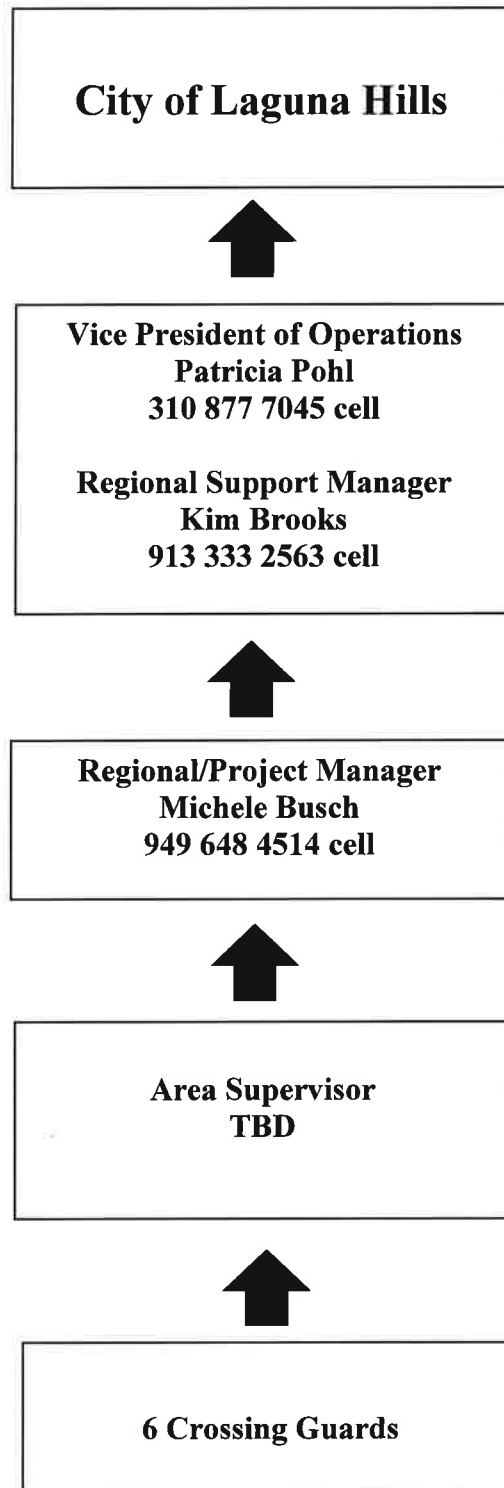


ALL CITY MANAGEMENT SERVICES





ALL CITY MANAGEMENT SERVICES



Field Management Personnel

The most significant resources ACMS brings to any Crossing Guard program is the depth and scope of **management** provided by the years of experience brought by our operational management team. The community of Laguna Hills will continue to benefit from a team concept which consists of Area Supervisor, Regional Manager, Regional Support Manager and Vice President of Operations. Each Member of our management team is available 24 hours a day via cellular telephone. The following is a brief synopsis of the respective duties of each.

Area Supervisor (TBS): Area Supervisor will continue to handle all aspects of the daily supervision of the program of six (6) Crossing Guards and alternate pool. With support from the Regional Manager they will typically recruit, hire, train and provide personnel management for all the sites they oversee and will interface with school staff as needed. In addition to communicating with the City and School staff, they are responsible for ensuring each employee receives the proper number of Site Performance Evaluations and completed the Certification mandates. The Area Supervisor will be available by telephone on all occasions for discussion with City staff and will be locally available for meetings in person upon 24-hour written or telephonic notice. Area Supervisor reports directly to the Regional Manager.

Regional Manager (Michele Busch): Michele will serve as **Project Manager** and will continue to directly manage your Area Supervisor and provide training and support. She will continue to interface with the City of Laguna Hills representative and School staff as needed. She will assist in the hiring of the Crossing Guards as well as the development and implementation of training programs and certification standards. Michele has considerable experience as a Project Manager overseeing many programs in Southern California. She will continue to ensure compliance with Company standards and City of Laguna Hills expectations and be the liaison to the City. Michele Busch reports directly to Regional Support Manager.

Regional Support Manager (Kim Brooks): Kim has over 5 years in the industry providing field management and support for ACMS. She is responsible for the development and implementation of operational standards, training programs, safety instruction and compliance with all legal requirements and restrictions. Works directly with Project Manager to ensure all program standards are being met. Kim has extensive experience implementing and managing comparable and larger programs. She is responsible for initial training and orientation for all new client programs. Kim Brooks reports directly to Vice President of Operations.

Vice President of Operations (Pat Pohl): Pat has over 26 years of industry experience. She is responsible for overall contract compliance. Works with the Regional Support Manager on the development of training programs and implementation of safety standards. Coordinates the flow of information between operations and administrative staff.

Tab E – References



ALL CITY MANAGEMENT SERVICES

References for Crossing Guard Services (All listed references are current clients)

City of Garden Grove PD (Since 1/2009)

Client Contact: Kevin Brody, Captain

Address: 11222 Acacia Parkway
Garden Grove CA 92840

Phone: 714 741 5819

City of Lake Forrest (Since 6/2003)

Client Contact: Brett Channing, Director

Address: 25550 Commerce Center Dr Suite 100
Lake Forest CA 92630

Phone: 949 461 3419

City of Laguna Niguel (Since 7/1993)

Client Contact: Matthew Barr, Lieutenant

Address: 30111 Crown Valley Blvd.
Laguna Niguel CA 92677

Phone: 949 362 4310

City of Huntington Beach PD (Since 7/2007)

Client Contact: David Dereszynski, Sergeant

Address: 2000 Main Street
Huntington Beach CA 92648

Phone: 714 374 1534

City of Yorba Linda (Since 8/2009)

Client Contact: Tony Wang, Manager

Address: P.O. Box 87014
Yorba Linda CA 92885

Phone: 714 961 7184

City of Costa Mesa (Since 9/2006)

Client Contact: David Cho, Administrator

Address: P.O. Box 1200
Costa Mesa CA 92626

Phone: 714 754 5182

City of Cypress (Since 4/1997)

Client Contact: Brain Heally, Sergeant

Address: 5275 Orange Avenue,
Cypress CA 90630

Phone: 714 229 6600

City of Brea (Since 8/1998)

Client Contact: David Dickinson, Lieutenant

Address: One Civic Center
Brea, CA 92821

Phone: 714 990 7625

City of Buena Park PD (Since 12/2010)

Client Contact: Nghia Nguyen, Sergeant

Address: 6640 Beach Blvd.
Buena Park CA 90621

Phone: 714 562 3943

City of Tustin (Since 8/2009)

Client Contact: Ryan Coe, Sergeant

Address: 300 Centennial Way
Tustin CA 92780

Phone: 714 573 3219

City of La Palma PD (Since 12/1998)

Client Contact: Jim Engen, Captain

Address: 7792 Walker Street
La Palma CA 90623

Phone: 714 690 3381

City of Fullerton PD (Since 7/2000)

Client Contact: Mike Chlebowsky, Commander

Address: 237 Commonwealth Avenue
Fullerton CA 92832

Phone: 714 738 6816

Michele Busch is the program manager for all programs listed, we would be happy to provide additional references upon request.

In addition to our numerous current clients, ACMS believes the best reference for our services is when a client returns to ACMS after trying services of another contractor that does not specialize in Crossing Guard Services.

The City of Fremont was a client that decided to contract with a lower price security guard company following a number of years with ACMS.

The City of Fremont staff report highlights the issues they had with their service and their justification for returning to All City Management Services "The Crossing Guard Company". Staff report is available upon request.

We cannot think of a stronger recommendation than a City that has returned to ACMS after poor service from another contractor.

Additionally, the following agencies have returned to ACMS following their experience with this same security guard company:

City of Pleasant Hill

City of Palo Alto

County of Marin

Twin Rivers USD

City of Lawndale

Orange County Sheriff's



Fremont City Council
3300 Capitol Avenue
Fremont, CA 94538
SCHEDULED

Meeting: 07/11/17 07:00 PM
Div/Dept: Police Department
Category: Agreements and Contracts

STAFF REPORT (ID # 3102)

Sponsors:
DOC ID: 3102

SCHOOL CROSSING GUARD SERVICES - Authorize the City Manager, or His Designee, to Execute an Agreement with All City Management Services, Inc. for School Crossing Guard Services In an Amount Not-to-Exceed \$771,000 over three years.

Contact Persons:

Name: Mark Dang
Title: Police Sergeant
Div/Dept: Police Department
Phone: 510-790-6761
E-Mail: mdang@fremont.gov

Deirdre Rockefeller-Ramsey
Business Manager
Police Department
510-790-6991
dramsey@fremont.gov

Executive Summary: The purpose of this report is to recommend that the Council enter into a one year contract with All City Management Services, Inc. for adult crossing guard services, with options for two additional one year extensions.

BACKGROUND: The City of Fremont's Adult Crossing Guard Program was outsourced to All City Management Services ("ACMS") in 2001 in order to reduce the amount of police staff time required to manage and supervise the crossing guard program. From 2001 to June 2014, ACMS provided services for the community by safely crossing school-aged children walking to and from specified elementary schools. Services provided by ACMS included the recruiting and hiring of crossing guards, training, processing payroll, providing crossing guard coverage, daily supervision of the crossing guards, and overall management of the program. The Police Department oversaw ACMS's activities to ensure that the program ran smoothly.

In 2014, the City went out to bid for crossing guard services for the 2014/2015 school year and the award went to the lowest bidder, American Guard Services (AGS). The Service Agreement provided for a one year term, with two optional one year extensions. The City has had several issues with AGS' services during the three years, more particularly in the last school year. Staffing during the first few months of the 2014/2015 school year had periodic unexpected vacancies, which were resolved by the second half of the school year. AGS overbilled the City during the months of August and September 2014. The City discovered the billing error, which was refunded by AGS. AGS' service was adequate during the 2015/2016 school year.

During the 2016/2017 school year, crossing guard positions near Cabrillo Elementary School, Forest Park Elementary School and Leitch Elementary School became vacant. On April 3, 2017, a school aged pedestrian was hit by a vehicle and suffered a severe injury at the vacant crossing near Cabrillo Elementary School. The crossing guard position at this location near Cabrillo Elementary School was restored after the collision. AGS was never able to again staff the locations near Forest Park Elementary School and Leitch Elementary School during the 2016/2017 school year. In addition, the City discovered another billing error in AGS' invoices in the spring of 2017, dating back to the beginning of the 2016/2017 school year. AGS had under-billed the City as a result of a discrepancy between actual hours

worked by guards as reported by the field supervisor and hours reported to the City by AGS office staff.

DISCUSSION/ANALYSIS:

2017 Traffic Survey

In the second quarter of 2017, staff conducted traffic surveys at known school pedestrian crossings in the City of Fremont to provide a one hour peak vehicle, bicycle, and pedestrian movement counts. The survey was completed in June 2017 and the counts were analyzed by staff to determine which intersections needed crossing guards. Pursuant to the criteria of the California 2014 Manual on Uniform Traffic Control Devices (MUTCD), three additional intersections require crossings guards, increasing the total number of crossing guard staffed locations from 19 to 22.

Request for Proposal

In May 2017, a Request for Proposal was issued for adult crossing guard services (RFP#18-005), requesting a consultant to recruit, select, and employ crossing guards, provide program management, and provide field supervision. Three vendors responded with proposals to provide the required services: American Guard Services, All City Management Services, and BRM Investments.

American Guard Services listed three California municipalities where they currently perform crossing guard services. Two of the three references for American Guard Services responded to an inquiry. One municipality reported adequate service with the exception of a history of billing errors. The second municipality reported consistent billing errors, unanticipated vacancies, and substandard crossing guard performance. The administrator for the latter municipality spent the majority of their staff time managing the crossing guard operations due to difficulties with AGS performance issues.

All Cities Management Services listed six California municipalities where they are currently performing crossing guard services. Three references responded to inquiries and reported good service, reliability, and responsive oversight of their programs. Staff contacted four additional municipalities that currently contract with ACMS, all reported satisfaction with ACMS and recommended their services.

BRM Investments listed four references for which BRM provided vehicle towing, impound, storage, emergency service; and one reference for which BRM provided logistical and transport management and services. BRM did not list any references for providing crossing guard services. Staff contacted BRM and confirmed that company has no experience with providing crossing guard services. As a result, staff did not conduct any further research of BRM.

After careful consideration, staff concluded that All City Management Services, Inc. is the preferred vendor. The City has previous history of good service from ACMS, the company has the highest qualifications for crossing guard services, and references provided feedback of satisfactory service. The City has experience poor staffing and billing inaccuracy with AGS in the recent school year. AGS also received poor feedback in billing and crossing guard performance from references. BRM Investments has no experience of providing crossing guard services, and their bid came in at the highest amount.

Hourly rates and first year annual costs were submitted by the potential vendors in response to an initial request for 19 crossing guard posts. Following receipt of the bids, results of a survey of school crossings identified three (3) additional locations that warranted a crossing guard, increasing the total number of post from 19 to 22. Vendors were asked to resubmit first year annual costs with staffing for 22 posts. ACMS responded to the request with a lower hourly rate based on 22 posts. AGS and BRM Investments did not provide revised costs for 22 posts.

Contractor	Hourly Rate	Annual Cost – 19 Posts	Annual Cost – 22 Posts
American Guard Services	\$16.39	\$168,161	\$194,713 (projected)
All City Management Services	\$20.85/\$20.73	\$219,238	\$246,273
BRM Investments	\$30.20	\$332,200	\$384,653 (projected)

FISCAL IMPACT: The annual costs for crossing guard services at 22 locations in the City is \$246,273 (11,880 hours X \$20.73). The total number of hours is based on staffing a guard at 22 locations, on 180 school days, at 3 hours per location per day. The first year cost of the contract was included in the FY 2017/18 Police Department adopted operating budget. However, the FUSD Superintendent is recommending to the School Board that FUSD and the City equally share the budget increase due to the additional cost of the approved vendor and the cost of adding three posts. Funding from FUSD is pending School Board approval. Staff recommends the City accept funding from FUSD if approved by the School Board. The cost of the second and third year optional extensions will be included in the Police Department operating budget.

ENVIRONMENTAL REVIEW: The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) in that it is not a project which has the potential for causing a significant effect on the environment.

ATTACHMENTS: None.

RECOMMENDATION: Authorize the City Manager, or his designee, to execute a contract with All City Management Services, Inc. for adult crossing guard services in an amount not to exceed \$246,400 for the 2017/2018 school year, \$255,900 for the 2018/2019 school year and \$268,700 for the 2019/2020 school year and to accept any funding provided by FUSD.

Tab F – Approach & Management

Approach and Management Plan

ACMS employs a Team Concept of management which results in efficient field operations as well as providing a multifaceted response to potential problems. The Vice President of Operations and Regional Support Manager work together (with input from City of Laguna Hills) to establish specific program objectives and expectations. These Senior Managers then work directly with your Regional/Project Manager and Area Supervisor to implement the management plan.

The Project Manager along with your local Area Supervisor; has responsibility for the direct management of the Crossing Guards and together they will continue to ensure City of Laguna Hills operational expectations are met. Standards and expectations are communicated to Crossing Guards personally by their local supervisor so as to allow the employee a better understanding of the decision-making process. This helps reduce confrontational attitudes by establishing and enhancing the common goal of providing for the safety of school children.

Crossing Guard performance and compliance with safety standards will continue to be accomplished through regular site visits by the local Area Supervisor and Project Manager. In addition to verbal training and counseling, these managers are supported by the use **Field Training Check Lists, Field Training Cards, Site Performance Evaluations**, independent Field Observations and a professionally produced Crossing Guard Safety DVD. Reports of satisfactory completion of all levels of training and ongoing safety reviews will be summarized and available to the City of Laguna Hills representative.

Background checks and fingerprinting will be completed on all potential employees as allowed by California state law. Successful completion of the background check, Social Security verification via E-Verify is required prior to the employee being hired. ACMS understands eligible employees should be at least twenty-one (21) years old and have no current or prior felony convictions. ACMS will comply within the Equal Employment Opportunity Commission guidelines when making hiring decision based on criminal records.

After pre hire screening ACMS may conduct random field testing for drugs and or alcohol when use is suspected or at the discretion of management. ACMS has a strict policy on Drug and Alcohol abuse. This policy is included in our Employee Manual.

Internal minimum passing standards along with City of Laguna Hills established standards would prevent any person from working as a Crossing Guard for the program who has been convicted of any crime of moral turpitude or a crime against children, including, but not limited to:

- Conduct in violation of California Penal Code or which requires registration under California Penal Code
- Conduct which requires registration under California Health and Safety Code.

- Any offense involving the use of force or violence upon another person.
- Any offense involving theft, fraud, dishonesty, or deceit.
- Any offense involving the manufacture, sales, possession or use of a controlled substance
- Conspiracy or attempt to commit any of the aforementioned offenses.
- Any registered sex offender or narcotics offender.

Summary reports of background clearance on employees within the City of Laguna Hills Crossing Guard program will be regularly available to the City.

ACMS will investigate all public complaints concerning crossing guard services. All incidents shall be reported to City within two (2) hours to advise the nature of complaint. ACMS shall furnish a written report within five (5) business days after the date of the incident, which includes the course of action/remedy/resolution of said complaint.

Communications with individual school sites is facilitated by the Field Supervisor. Personal visits are made regularly (minimum quarterly) to each school site in an effort to develop relationships with staff and establish a collaborative environment for information exchange. Calendars and bell schedules are obtained for each school both at the beginning of the school year and periodically throughout the year. Key school personnel are supplied with appropriate contact information (business cards) and reminded to inform ACMS of any changes. Additionally, schools are provided with large magnets which can be easily displayed making contact information effectively available to all staff. The email address of the Office Manager is also obtained which enables ACMS administrative support staff to regularly contact each school and proactively solicit information regarding potential schedule changes.

The establishment of accurate and responsive shift times is critical to the effectiveness of Crossing Guard services. Sites further from the school would be expected to start earlier in the morning and finish later in the afternoon. These staggered shifts effectively address the time it takes for students to walk from a remote location to the school site (or vice versa in the afternoon) and optimize the protected periods. Additionally, locations are continually monitored for actual pedestrian traffic patterns enabling a better understanding of site needs and any potential deviation from established guidelines.

ACMS Area Supervisors are in the field daily when crossings are covered by the guards and they ensure all guards arrive on time and are ready for duties as scheduled. ACMS is in the final stages of developing an application (App) that will monitor guard attendance via cellphone and will improve efficiency in our timekeeping.

Recruitment and Staffing

ACMS Managers will continue to assess the **staffing** needs of the City of Laguna Hills on an ongoing basis. We will focus further recruitment efforts in the geographical areas where additional Crossing Guards will be needed.

We have developed a comprehensive plan for **recruitment** of new Crossing Guards. As a part of our Staffing strategy we encourage a very aggressive recruitment program. We utilize soft advertising, local media advertising, targeted flyers, on-site solicitation, school flyers and employee referral bonuses as parts of our overall recruitment strategy. We often work closely with school districts in some of our recruitment drives.

Our ability to effectively staff a Crossing Guard Program remains a fundamental benefit that ACMS brings to most Crossing Guard Programs. Staffing sites is one of the primary responsibilities of the Area Supervisors. They are trained to continuously recruit and train prospective Crossing Guards. New recruits are first processed and submitted to the Department of Justice for background clearance.

Supervisors are also responsible for coordinating the staffing for all sites under their supervision. As part of our staffing strategy Area Supervisors aggressively enforce the following policies and procedures for Crossing Guards.

- ◆ Supervisors must maintain an adequate alternate or substitute guard roster. We encourage at least a 5 to 1 ratio of sites versus alternate guards
- ◆ We require any guard not reporting for duty to notify the Area Supervisor as early as possible utilizing our 24/7 Guard Hotline or directly notifying their Area Supervisor. Notifications less than 1 hour prior to shift starts are considered unexcused absences.
- ◆ Our employee policy is "No call, No show, No Job" Throughout our training we emphasize the importance of insuring the safety of children by our presence. As such, we cannot allow the children's safety to be compromised by failing to call or show for duty.

Supervisor Teams – The City of Laguna Hills would benefit from our presence in nearby cities such as: Aliso Viejo, Lake Forest, Laguna Niguel, Costa Mesa, Huntington Beach, Santa Ana, Garden Grove, Tustin, San Clemente and Orange County Sheriff's. Area Supervisors are grouped together by their geographic location. These Teams meet every quarter and team members are encouraged to work together. This cooperative effort allows them to share alternate guards with each other, if needed. This has resulted in alternates guards getting more hours as they are "shared" with other Supervisors. Consequently, we are able to retain a more stable group of alternate guards.

Training

Effective initial and ongoing training is essential in a profession dedicated to the safety of children. With over 34 years of experience and a commitment to working cooperatively with other public safety professionals, ACMS is recognized as an industry leader in the development and implementation of School Crossing Guard training and standards of excellence.

The process begins during the first contact with a potential employee when our phone interview process outlines job expectations and our zero-tolerance policy for failure to report for a scheduled shift. Throughout the application process prospective employees are reminded about the critical nature of our assignments and the work ethic and integrity required of our employees.

Once hired, the training process starts in the classroom where employees review sections of the ***“Employee Handbook for School Crossing Guards”*** and are shown the professionally produced training DVD, “Crossing Guard Safety”. The process then moves to a practicum where the trainer demonstrates proper procedures and allows the employee to practice correct techniques. The employee’s progress is closely noted on the detailed steps outlined on the **Field Training Check List** to ensure the employees’ field competence. This cross-modality approach not only exposes the employee to the necessary training components but also addresses the needs of the visual, auditory and kinesthetic learner. While the classroom setting is expected to require approximately one hour and the field training approximately two hours, it’s important to note that the low ratio of students to trainer allows for accurate assessments of the employees readiness to move forward.

The new employee is typically assigned to alternate work and closely supervised during their early assignments. They benefit from their trainer completing of a written assessment of their work which better allows them to understand their strengths and weakness and make improvements where necessary (the **Site Performance Evaluation**). Additionally, all new employees are required to carry and regularly refer to the **Field Training Cards**. This pocket-sized card (listing all steps for a safe cross) allows the employee to self-evaluate their performance prior to the time they have all steps of the procedures memorized.

Throughout their employment, employees are subjected to the same Site Performance Evaluation as an ongoing training and assessment tool. These evaluations happen in both side-by-side sessions as well as unannounced observations without the knowledge of the employee.

The standard issue equipment and clothing includes:

- ANSI II compliant high-visibility retro-reflective vest marked with the required insignia of a Crossing Guard
- MUTCD compliant 18” STOP/STOP paddle
- Picture Identification Card with emergency contact information
- Company-issued cap or visor with corporate logo
- Whistle for emergency alert to vehicles and pedestrians
- High-visibility ANSI II compliant wind-breaker jacket

Tab G – Fee Schedule



ALL CITY MANAGEMENT SERVICES

Proposed Hourly Rate Year 1 (2020/2021)

As a full service contractor, the hourly rate quoted is a fully loaded rate, meaning all of our costs are included in the proposed hourly billing rate. This would include but be not limited to; recruitment, background clearance, training, equipment, insurance, supervision and management of the **City of Laguna Hills, CA** Crossing Guard Program.

Proposed Hourly Rate: Twenty-two Dollars and Seventy-three Cents (**\$22.73**) per hour, per guard. This pricing is based upon 6 crossing guards compensated an average of 4.0 hours per day, for 180 school days annually. Local field supervision and substitute guards are also included in the rate, as are all other costs except as noted below. Based upon 4,320 hours, we project a **Not to Exceed price of \$98,194.**

Invoices for services are mailed every two weeks. Included with each invoice is a Work Summary, which details each site, each day and the hours worked at that site. **City of Laguna Hills** would only be billed for Crossing Guard services rendered on designated "school days" unless otherwise requested by the City.

The hourly rate does not include additional safety equipment, crosswalk delineators, cones or safety devices. If the City should desire any such additional equipment the additional cost would be billed to the City.

ACMS Contact Information

Business Address: 10440 Pioneer Blvd, Suite 5 Santa Fe Springs, CA 90670

Phone numbers: 310.202.8284 or 800.540.9290

Fax number: 310.202.8325

Website address: www.thecrossingguardcompany.com

24 Hour Emergency Dispatch: 877.363.2267

General Manager: Baron Farwell: baron@thecrossingguardcompany.com

Vice President of Operations: Patricia Pohl: pat@thecrossingguardcompany.com

Director of Marketing: Harlan Sims: harlan@thecrossingguardcompany.com

Comptroller Frank Luna: frank@thecrossingguardcompany.com

This pricing is valid for a period of 90 days.



ALL CITY MANAGEMENT SERVICES

Proposed Hourly Rate Year 2 (2021/2022)

As a full service contractor, the hourly rate quoted is a fully loaded rate, meaning all of our costs are included in the proposed hourly billing rate. This would include but be not limited to; recruitment, background clearance, training, equipment, insurance, supervision and management of the **City of Laguna Hills, CA** Crossing Guard Program.

Proposed Hourly Rate: Twenty-four Dollars and Thirty-seven Cents (**\$24.37**) per hour, per guard. This pricing is based upon 6 crossing guards compensated an average of 4.0 hours per day, for 180 school days annually. Local field supervision and substitute guards are also included in the rate, as are all other costs except as noted below. Based upon 4,320 hours, we project a **Not to Exceed price of \$105,278.**

Invoices for services are mailed every two weeks. Included with each invoice is a Work Summary, which details each site, each day and the hours worked at that site. **City of Laguna Hills** would only be billed for Crossing Guard services rendered on designated "school days" unless otherwise requested by the City.

The hourly rate does not include additional safety equipment, crosswalk delineators, cones or safety devices. If the City should desire any such additional equipment the additional cost would be billed to the City.

ACMS Contact Information

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24 Hour Emergency Dispatch: 877.363.2267

General Manager: Baron Farwell:	baron@thecrossingguardcompany.com
Vice President of Operations: Patricia Pohl:	pat@thecrossingguardcompany.com
Director of Marketing: Harlan Sims:	harlan@thecrossingguardcompany.com
Comptroller Frank Luna:	frank@thecrossingguardcompany.com

This pricing is valid for a period of 90 days.



ALL CITY MANAGEMENT SERVICES

Proposed Hourly Rate Year 3 (2022/2023)

As a full service contractor, the hourly rate quoted is a fully loaded rate, meaning all of our costs are included in the proposed hourly billing rate. This would include but be not limited to; recruitment, background clearance, training, equipment, insurance, supervision and management of the **City of Laguna Hills, CA** Crossing Guard Program.

Proposed Hourly Rate: Twenty-five Dollars and Ninety-eight Cents (**\$25.98**) per hour, per guard. This pricing is based upon 6 crossing guards compensated an average of 4.0 hours per day, for 180 school days annually. Local field supervision and substitute guards are also included in the rate, as are all other costs except as noted below. Based upon 4,320 hours, we project a **Not to Exceed price of \$112,234.**

Invoices for services are mailed every two weeks. Included with each invoice is a Work Summary, which details each site, each day and the hours worked at that site. **City of Laguna Hills** would only be billed for Crossing Guard services rendered on designated “school days” unless otherwise requested by the City.

The hourly rate does not include additional safety equipment, crosswalk delineators, cones or safety devices. If the City should desire any such additional equipment the additional cost would be billed to the City.

ACMS Contact Information

Business Address: 10440 Pioneer Blvd, Suite 5 Santa Fe Springs, CA 90670

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Director of Marketing: Harlan Sims: harlan@thecrossingguardcompany.com

Comptroller Frank Luna: frank@thecrossingguardcompany.com

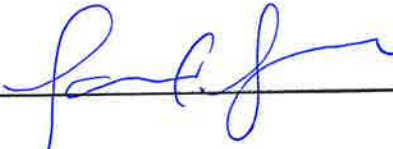
This pricing is valid for a period of 90 days.

APPENDIX 3 CERTIFICATION OF BID TO THE CITY OF LAGUNA HILLS

The undersigned hereby submits its Bid and agrees to be bound by the terms and conditions of this Request for Bid (RFP) Bid for Citywide School Crossing Guard Services. By signing the Certification of Bid (Appendix 3) and submitting a Bid to the City in response to this Request for Bids, the Proposer hereby represents and certifies that:

- 1) Proposer declares and warrants that no elected or appointed official, officer or employee of the City has been or shall be compensated, directly or indirectly, in connection with this Bid or any work connected with this Bid. Should any agreement be approved in connection with this Request for Bid, Proposer declares and warrants that no elected or appointed official, officer or employee of the City, during the term of his/her service with the City shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.
- 2) By submitting the response to this request, Proposer agrees, if selected to furnish services to the City in accordance with this RFP.
- 3) Proposer has carefully reviewed its Bid and understands and agrees that the City is not responsible for any errors or omissions on the part of the Proposer and that the Proposer is responsible for them.
- 4) It is understood and agreed that the City reserves the right to accept or reject any or all Bids and to waive any informality or irregularity in any Bid received by the City.
- 5) The Bid response includes all of the Bid response requirements listed in the Request for Bid, dated September 17, 2020.
- 6) The Bid shall be valid for 120 days from September 30, 2020.

Name of Proposer:

By:  (Authorized Signature)

Name: Harlan Sims

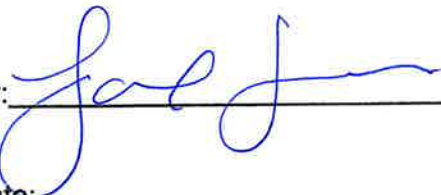
Title: Director of Marketing

Date: 9/29/20

**APPENDIX 2
CONSULTANT'S ACKNOWLEDGEMENT OF COMPLIANCE WITH INSURANCE
REQUIREMENTS FOR
AGREEMENT FOR CONSULTANT SERVICES**

Consultant agrees, acknowledges and is fully aware of the insurance requirements as specified. Insurance Requirements of the sample Agreement for Professional Services (**Appendix 4**) and accepts all conditions and requirements as contained therein.

Consultant: All City Management Services, Inc. Name (Please Print or Type)

By:  _____ Consultant's Signature & Title

Date: _____

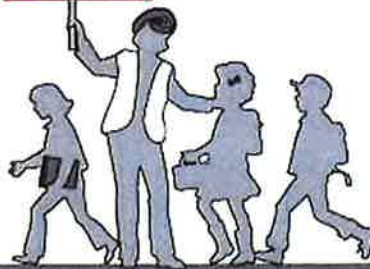
Tab H – Training Manual

ALL CITY MANAGEMENT SERVICES

“The Crossing Guard Company”

Employee Handbook for School Crossing Guards

ACMS Proprietary
Information



10440 Pioneer Boulevard, Suite 5, Santa Fe Springs, CA 90670

OFFICE PHONE: 800.540.9290 FAX: 310.202.8325

www.thecrossingguardcompany.com

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ACMS Proprietary
Information



Welcomes You!

A Letter from the General Manager ---

Congratulations! You are now a valued employee of All City Management Services, Inc., "The Crossing Guard Company." You join a family of School Crossing Guards who dedicate their efforts to the safety of school children on their way to and from school.

All City Management Services (ACMS) was founded in 1985 as a multifaceted corporation to service public agencies. We are the largest employer of School Crossing Guards in the nation with over 5,000 individuals currently working as Adult School Crossing Guards.

This *"Employee Handbook for School Crossing Guards"* will familiarize you with many aspects of Company procedures and your rights and responsibilities as an employee of ACMS. Also outlined here are the general duties of a Crossing Guard. It is your responsibility to familiarize yourself with the contents of this handbook and keep it for reference for the length of your employment with ACMS.

You will work under the direction of an Area Supervisor. S/he is available to answer any questions or concerns which you may have during the performance of your duties. You are also free to contact our Main Office (800.540.9290) at any time if you have a question or concern that is not addressed by your supervisor.

The community and the students we serve expect and deserve professional and knowledgeable conduct from you. Remember, your actions reflect on the entire School Crossing Guard program. We are confident that your employment with ACMS will be a rewarding experience for both of us.

Sincerely,

Baron Farwell

Baron Farwell General Manager



INTRODUCTION

Please read this handbook carefully and keep it handy for future reference. If you have any questions, please feel free to discuss them with your Area Supervisor or any member of management.

All City Management Services, Inc. ("the Company") may add, modify, alter or delete policies and provisions of this handbook at its sole and absolute discretion. The only policy which may not be modified or altered by anyone at the Company (except by the General Manager in writing) is the Company's at-will policy.

SECTION ONE – GENERAL DUTIES

100. Position Responsibilities

1. As a School Crossing Guard you are responsible for providing additional protection to any person crossing a street or highway at an assigned location.
2. You will be assigned to work under the direction of an Area Supervisor. S/he will give you your assignment(s), notify you of your hours, and is available to answer any questions about your work assignment. You are no longer working for any other agency and you are responsible for complying with the Company policies and procedures of All City Management Services, Inc.
3. As a Crossing Guard you must keep readily available the telephone numbers of your Area Supervisor and the Main Office (800-540-9290). Should any problem or questions arise concerning any part of your job you must contact your Area Supervisor. If your situation is an emergency (meaning you require an immediate or same-day response) and you do not hear back from your Supervisor right away, you must contact the Main Office. Complete the page in the back of this manual which includes the emergency and non-emergency numbers for safety personnel in your area.
4. If you require time off you must contact your Area Supervisor as soon as possible but not later than 48 hours in advance to arrange for a replacement guard.
5. If you are scheduled to work and have an unplanned absence, expect you may be late for work, or must leave your site for any reason during your scheduled hours of duty, you must consider this situation an EMERGENCY. When you experience an emergency it is mandatory that you contact your supervisor *immediately*. If you are unable to reach your supervisor, you must call the Main Office (800-540-9290) to report your emergency.
 - a. ***Again, any time your absence may result in your site being left without a Crossing Guard for ANY length of time, you must consider this an EMERGENCY and act accordingly. Excessive absences or tardiness will be cause for disciplinary actions, suspension or termination of employment.***
6. If you require more than three (3) consecutive days off you must request a Leave of Absence form from your supervisor. If your supervisor does not provide a Leave of Absence form, you must contact your Operations Manager and request one. A Medical Leave will require a doctor's release for your return to work. If a personal leave of absence is granted by your supervisor, you will be required to return to work on the pre- arranged date.
7. You are responsible for obtaining and reviewing the school schedule for the school(s) you serve. Review your schedule with your supervisor and discuss any upcoming minimum days, student-free days or other changes your school schedule(s) indicates will be necessary.

8. You should periodically inspect your site for potential hazards. This would include, but is not limited to, such items as potholes, standing water, trees or bushes that obstruct your view, and/or any road construction that might provide a safety hazard to you or the pedestrians you cross. To comply with the ACMS Injury and Illness Prevention Program it is necessary for you to notify your supervisor if you identify any such safety concerns. You may also choose to complete the Injury and Illness Prevention Form and submit it to your supervisor.
9. All Crossing Guards working for All City Management Services must successfully complete the Certification process to qualify for work as a School Crossing Guard. All Crossing Guards must continue to perform their duties at the competence level necessary to maintain certified status.
10. All Crossing Guards must pass and maintain the level of clearance appropriate for this type of work as determined by state, local and/or client mandate. This clearance must be maintained throughout the length of employment. Failure to maintain this clearance may necessitate termination. Other levels of infractions may be cause for disciplinary action(s) up to and including termination of employment.
11. All employees taking prescription medications that may affect the performance of their job and/or compromise their safety or public safety, must maintain proper medication levels while on duty. Any incident, accident or injury that occurs and can be reasonably determined to be the result of not properly taking prescription medicines may result in legal and/or disciplinary action up to and including termination of employment.
12. All Crossing Guards must be able to perform their duties according to the Job Description as included herein.



101. Job Description

POSITION: Seasonal Adult School Crossing Guard

FUNCTION: To provide additional protection to any person crossing a street or highway in a marked crosswalk at an assigned location during the school season.

RESPONSIBILITIES:

- Works under the direction of an Area Supervisor, District Supervisor or Lead Supervisor
- Must read, understand and comply with all Company policies as outlined in the "Employee Handbook for School Crossing Guards."
- Must wear Company-issued high visibility vest and hat (or visor) at all times while on duty.
- Must wear sturdy, well-fitting shoes while on duty. Shoes must have closed toe and heel (no sandals), low or no heel and have soft soles with a no-slip tread in good condition.
- Must show good judgment and make common sense decisions while providing for the enhanced safety of pedestrians.
- Must successfully complete certification testing and maintain certified status.

PHYSICAL REQUIREMENTS:

- Must submit to and successfully complete all pre-employment tests and screenings as required by ACMS policy and/or required client specifications.
- Must maintain compliance with all safety and functional capacity evaluation standards as outlined by AMCS policy. Compliance with standards is determined by both bi-annual review and random field observation and testing.
- Must have physical ability and stamina to remain on duty (without interruption) for up to two hours per shift.
- Must be able to lift a STOP sign (weighing up to two pounds) over the head repeatedly.
- Must be able to stand and/or walk for extended periods of time, often on uneven terrain.
- Must be able to work outside in seasonal weather conditions.

OTHER REQUIREMENTS:

- Must be at least 18 years of age.
- Must submit to and successfully clear a fingerprint-based background check which meets specific client contractual mandates and/or meets the qualifications of working with school children. Said clearance must be maintained throughout the duration of employment.
- May be subject to drug/alcohol screening prior to and/or at random during employment.
- Must immediately notify supervisor of any temporary or long term accommodations needed due to limitations and/or restrictions regarding employee's physical or mental ability to perform duties of the job.

This job description is not intended to be, and should not be construed to be, an all-inclusive list of all the responsibilities, skills, or working conditions associated with the position. While it is intended to accurately reflect the position activities and requirements, the Company reserves the right to modify, add or remove duties and assign other duties as necessary with or without notice. The position is seasonal based on the assigned locations(s) school schedules. School closings for holiday observances, weather closings or summer break are considered off season.

102. Hours of Duty

Individuals who work for All City Management Services as Crossing Guards are classified as either Regular Guards or Alternate Guards. Regular Guards are those individuals who work consistently at an assigned intersection. Alternate Guards are those individuals who work on an as needed basis and substitute when Regular Guards are absent. It should be noted that both Regular and Alternate guards work for a Crossing Guard program within a city and not for a particular school or site. Changes in assignments can be made by the Company at any time to accomplish a variety of management needs.

Regardless of your classification, the following rules apply:

- Each Crossing Guard will be assigned their hours of duty by the Area Supervisor. Because of the nature of this job, it is mandatory that all Crossing Guards be in uniform and at their site at the designated time. ACMS has a zero tolerance policy for arriving late or leaving early.
- Employees working as Alternate Crossing Guards will be required to notify their supervisor of their hours of availability for work by noon Friday of the previous week.
- You must be visible at your intersection at all times and may not leave your assigned location during your hours of duty. Only if and when weather conditions present an inordinate risk to your personal safety may you take refuge in your vehicle. If taking refuge becomes necessary, you must continue to maintain full visual contact with your assigned crosswalk(s) while parked legally. Additionally, you must be able to respond adequately so as to continue to provide established enhancement to safety for all pedestrians.
- You must be aware of the schedules for the schools you serve and are required to visit the school site at least once a month to obtain a calendar and bell schedule. Schedules for minimum days with early dismissal, student-free days, special school functions, or any changes in your normal hours of duty must be discussed with your Area Supervisor. Report any of these changes to your supervisor as soon as they come to your attention.
- If you have a commitment that requires you to miss one shift during the day you may be required by your supervisor to take the entire day off. Alternate guards must often rearrange their schedule for an entire day to cover regular guards who are absent. It is ACMS policy that this commitment should be rewarded with a full day's pay whenever possible.
- Some Crossing Guards may have the opportunity to work during summer school sessions. Area Supervisors will survey guards as to their availability for work. In most cases, Crossing Guards should not plan to have work available during the summer months.
- Any permanent changes in the assigned hours of duty will be communicated to you by the Area Supervisor or other management personnel. Do not change your schedule or work before or after your scheduled shift times for any reason unless first approved by management.



103. Personal Conduct

Your attitude while performing your duties will contribute to your success in gaining the cooperation of the individuals you cross as well as that of the motoring public.

Good judgment and courtesy is very important and cannot be over emphasized. An energetic, confident and friendly manner is the best evidence of an attentive and competent Crossing Guard. Do not assume an overbearing manner in your contacts with the general public or the school children. Try to be helpful even under adverse conditions.

Develop and maintain a friendly attitude toward the pedestrians you cross. Do not, however, allow your relationships to hinder you from carrying out your assigned duties. You should be friendly and professional at all times -- not personal or intimate. You must maintain a pleasant, but not an overly affectionate attitude.

THE FOLLOWING INAPPROPRIATE PERSONAL CONDUCT WILL RESULT IN DISCIPLINARY ACTION, SUSPENSION OR TERMINATION (DEPENDING ON THE CIRCUMSTANCES, ACMS MAY UTILIZE ALL OR ANY OF THESE STEPS AND IN NO PARTICULAR ORDER).



- Permitting children to enter your vehicle or to loiter near it.
- Unnecessarily delaying children going to or returning from school
- Giving children anything to eat.
- Using reading materials, cell phones, radios, headsets, portable TV's or other items that might distract you from your duties.
- Allowing anyone to socialize with you at your site during working hours.
- Littering while on duty. Remain mindful of the fact that most crossing sites are in public areas where a good neighbor policy is very important.
- Parking your car illegally while on duty.
- Smoking, gambling or solicitation of any kind while on duty.
- Indications of the use or influence of drugs and/or alcohol while on duty
- Possession of a weapon while on duty.
- Threatening or intimidating behavior, abusive language, fighting, and/or participation in immoral, indecent or undesirable conduct while on duty
- Insubordination in the form of refusal to obey the instruction of a supervisor, refusal to perform job assignments or inappropriate comments or actions toward management personnel.
- Loss of Department of Justice clearance and/or and conviction on a misdemeanor or felony for moral turpitude, sex offense, or crimes.
- Misrepresenting facts or circumstances relating to your employment with All City Management Services.

This list is not intended to be and should not be construed as an all-inclusive list of the conduct that will result in disciplinary action, suspension or termination. While it is intended to accurately reflect job requirements, the Company reserves the right to modify or add items as necessary. Notwithstanding this list of rules, the Company reserves the right to discharge or demote any employee with or without cause and with or without prior notice.

104. Uniforms and Appearance

You must be clean and neat in your appearance at all times. Consideration should be given to the importance of daily personal hygiene. Your professional appearance will impact your success as a Crossing Guard.

Proper shoes are important to the safety of Crossing Guards. Shoes must be well-fitting and sturdy. They must have closed toe and heel (no sandals), low or no heel and have soft soles with a no-slip tread in good condition.

The following equipment will be issued to you at the time of your employment and must be used while

on duty:

- Stop sign;
- High visibility hat;
- High visibility vest; and
- Company-issued picture identification (or temporary identification if newly hired).

The issued safety vest and hat may be worn **ONLY** while on duty at your site. Do not wear your vest and/or hat at any other time. Crossing Guards are responsible for the care and maintenance of the safety gear and equipment issued to them. Requests for replacement of worn or defective equipment must be made with the Area Supervisor.

In some jurisdictions you will be required to follow a dress code to conform to local requirements. If a specific uniform is required, it will be provided by the Company (or you will be provided an allotment for same). In addition to the previous requirements, the following items are **NOT** to be worn while on duty:

- Shorts or skirts that are more than two inches (2") above the knees;
- Tank tops or sleeveless tops (men and women); or
- Revealing or suggestive clothing (men and women).



105. Training

Based on our commitment to achieving the highest level of safety for our employees and the children we serve, ACMS provides mandatory initial and ongoing training.

New Employee Orientation: Prior to being assigned to work, you will be required to successfully complete the training program. The first phase of this training is the New Employee Orientation. This classroom training will allow you to become familiar with important aspects of your job such as requesting time off, emergency procedures, reporting of incidents/injuries and review of Illness and Injury Prevention standards. At this time you will be issued your personal copy of the *Employee Handbook for School Crossing Guards* which you must keep available during the length of your employment for reference and review of safety procedures.

New Employee Field Training Program: This field training is designed to be the foundation for developing good habits that will increase your safety on the job. A Certified Trainer will conduct the training at a marked crosswalk so you can better understand the environment in which you will work. Together you will follow the training points outlined in the Field Training Check List and Field Training Card. It is very important that you understand every portion of the training. You must question your trainer about any procedures that are not clear. You are required to keep your Field Training Card with you while on duty and you should refer to it often. Your trainer will complete a Site Performance Evaluation and provide you with a copy so you can better understand areas where you may be able to improve your performance.

New Employee Assessment: Within approximately the first ten (10) days of work you can expect a Certified Trainer to visit you at your work site. At this time the trainer will conduct another Site Performance Evaluation with you. S/he will discuss the results of the evaluation, provide any necessary retraining, ask you to sign the form, and provide you with a copy. If you have successfully completed each step of your training, you will now be a Certified School Crossing Guard.



Certification. All School Crossing Guards working for All City Management Services must be certified. To become certified you must successfully complete the ACMS Certification Program. Individuals who do not successfully complete the certification process will no longer qualify to work as a Crossing Guard for ACMS. Certification is valid for five (5) years. Certified School Crossing Guards must continue to comply with all safety standards to maintain their certified status. Employees who fail to maintain their certified status will no longer qualify to work as a Crossing Guard for ACMS.

Continued Compliance – All employees must comply with the minimum mandatory safety requirements at all times. If any employee is observed not complying with these standards, they are

subject to immediate disciplinary action up to and including termination of employment.

106. Site Performance Evaluation

S = SELDOM: Employee seldom performs the task at an acceptable level to meet position standards. Improvement in performance is mandatory.

U = USUALLY: Employee usually performs the task at an acceptable level to meet position standards. Performance demonstrates understanding of duties but improvement is necessary.

A = ALWAYS: Employee consistently performs the task at a level that meets position standards. Performance is fully acceptable and demonstrates commitment to duties

Must achieve and maintain a "Yes" grade indicating full compliance with items 1-5 in Section A: Mandatory Compliance. Must achieve and maintain minimum of "Usually" grade in Section B, C and D. Failure to achieve and maintain these grades will result in further disciplinary action up to and including termination of employment.

A: MANDATORY COMPLIANCE <i>must score YES on 1-5 or receive mandatory disciplinary action</i>		NO	YES
1.	Does guard cross all pedestrians who will allow themselves to be crossed safely?		
2.	Does guard attempt to hold all peds to curb on both sides of the street until guard takes control of the crosswalk?		
3.	Does guard make second attempt to hold to the curb those peds who do not comply with the first attempt?		
4.	Does guard enter the intersection far enough to assume and maintain control of the crosswalk?		
5.	Is guard alert, attentive (no phone, reading, visitors, etc) and at the crosswalk when not actively crossing?		

B: PEDESTRIAN CONTROL		S	U	A
1.	Does guard give all peds clear instructions to wait until called and to look both ways before leaving the curb?			
2.	Does guard control use of bicycles, scooters, skateboards and/or rollerblades in crosswalk?			
3.	Does guard refrain from using hand signals (other than stop) and give only voice commands to peds?			
4.	Does guard have all peds safely on the sidewalk before giving up control of the crosswalk?			
C: INTERSECTION CONTROL		--	--	--
1.	Does guard wait for prompt signal or adequate break in traffic before starting the cross?			
2.	Does guard look left-right-left for vehicles before stepping from curb?			
3.	Does guard continue to look in all directions for vehicles approaching the crosswalk during the entire cross?			
4.	Does guard maintain position primarily at edge of the crosswalk nearest to and facing center of intersection?			
5.	Does guard use two-handed cross with free hand extended in STOP signal to control peds and vehicles?			
6.	Does guard hold the STOP sign high above their head for entire time they are in the intersection?			
7.	Does guard refrain from directing traffic under all circumstances?			
D: PERSONAL CONDUCT		--	--	--
1.	Does guard wear company-issued hat with logo?			
2.	Does guard otherwise conform with proper uniform (clean/closed vest, ID badge, proper shoes and clothing)?			
3.	Does guard report to work on time and remain at their location for the entire scheduled shift?			
4.	Does guard give adequate notice in advance of requesting time off?			
5.	Does guard demonstrate the necessary strength and agility to perform job safely?			

I have had an opportunity to review and understand this evaluation of my performance. I have had an opportunity to ask questions and receive additional training where necessary. My signature below acknowledges my understanding of the job requirements outlined above.

EMPLOYEE NAME (Print)

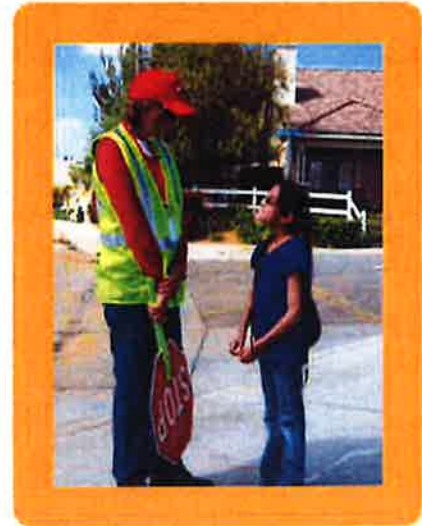
EMPLOYEE SIGNATURE

DATE

107. Crossing Procedures

Each intersection has its own unique characteristics and challenges. They vary in size and configuration, the number of pedestrians crossing, the number and speed of the vehicles passing through, and the types of traffic control devices that may be present. However, even with these differences, the procedures for safely crossing pedestrians remain constant. Following are general instructions that apply to all intersections.

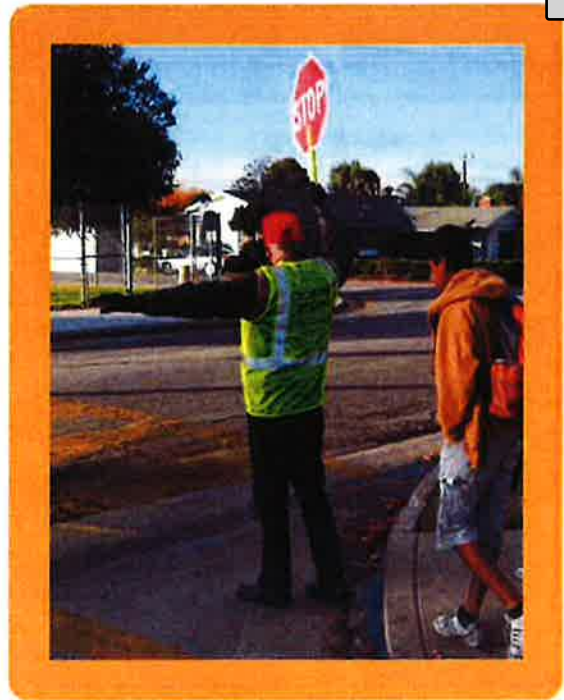
1. When assigned to cross only one crosswalk, position yourself at the side of the street closest to where the majority of the children approach to cross (known as the receiving end). This position will likely change for each shift depending on whether the students are traveling to or returning from school.
2. If pedestrians will not cooperate with your safety instructions, you are not required to cross them. If students who are unaccompanied by an adult refuse to follow your safety instructions, you should contact your Area Supervisor.
3. You must provide instruction to all pedestrians before each cross. Instruct them to:
 - a. Remain on the curb until you direct them to cross
 - b. Look both ways before entering the crosswalk.
4. Do not stand in the street until you are in the act of stopping traffic.
5. Always look to the left, to the right, and back to the left again before stepping from the curb. Pay particular attention to vehicles that might be turning into the crosswalk.
6. As you are preparing to cross pedestrians, you begin a critical phase of a safe cross. You must make every effort to keep pedestrians on the curb until you have ensured the crosswalk is safe. This is accomplished by turning towards the pedestrians, giving them the instructions to "please wait until I call you" in a pleasant but authoritative voice and holding your hand up in a "STOP" command. If pedestrians are approaching from the opposite side of the street you must hold up your free hand, show them a "STOP" signal and give them instruct to wait until called.
7. The next critical phase of a safe cross is when you determine it is safe to allow pedestrians to enter the crosswalk. As you are leaving the curb and taking the first few steps into the crosswalk, you must AGAIN turn towards the pedestrians, give them instructions to "wait" and hold your free hand up in a "STOP" command. This procedure is critical when pedestrians do not respond to your first attempt to hold them to the curb.
8. Only after you have secured the crosswalk may you allow pedestrians to leave the safety of the sidewalk by giving them a verbal command to proceed. If pedestrians are approaching from the opposite side of the street you must hold up your free hand, show them a "STOP" signal and continue to give them instructions to wait until you have secured the crosswalk and given them a verbal signal to proceed.
9. As you step from the curb the stop sign must be held above your head and faced towards oncoming vehicles so that drivers can easily see it. Always use the "curb cut" areas of the sidewalk if they are available. These gently sloped areas allow you to enter the crosswalk from street level without the need to step up or down. If a curb cut is not available, always be very careful when stepping off from or onto the curb.



10. After you have used your free hand to hold pedestrians to the curb, continue to use a two-handed crossing procedure as you move into the crosswalk. Do this by outstretching your free arm and using your hand to show vehicles a "STOP" signal.

11. Position yourself along the edge of the crosswalk nearest the center of the intersection between oncoming vehicles and the children. You must be primarily facing towards the center of the intersection and watching for vehicles approaching the crosswalk from all directions.

12. When you've determined that the intersection has been secured and it's safe to do so, call the pedestrians into the street with a verbal command only (no hand signals). An example of such a command is "look both ways and cross now".



13. The greatest degree of safety is provided by executing a complete cross. When you are performing a complete cross you must establish your position of control in the intersection and remain alert for potential danger from all directions. When all lanes are controlled (including vehicles turning right in the lanes furthest away from you at the opposite end of the crosswalk) allow the pedestrians to pass you and proceed toward the safety of the curb on the opposite side. After the last pedestrian in the group has passed you, you should follow them to the end of the crosswalk, step onto the curb and lower your sign. Again, this is known as a complete cross.

14. In some instances, the number and frequency of the students crossing does not allow you to perform a complete cross and follow the pedestrians onto the curb at the opposite end of the crosswalk. If the safety of the students approaching at the receiving end would be jeopardized by you being on the opposite side of the street, you should perform a partial cross. This is accomplished by proceeding far enough into the intersection to control all lanes of traffic (including vehicles turning right in the lanes furthest away from you at the opposite end of the crosswalk) and then allowing the pedestrians to pass you and proceed safely onto the sidewalk at the opposite end of the crosswalk. Once they have reached the safety of the sidewalk, you should return to your original position. If you are crossing only pedestrians approaching from the opposite side of the street, once they reach you in the crosswalk you should lead them back to the safety of the sidewalk at your original position.

15. Always remain alert for unresponsive and distracted drivers. Do not take for granted that approaching vehicles will stop -- even when you are displaying the STOP sign. Establishing eye contact with drivers can help assure you that you have their attention. If a driver appears to be inattentive and not responding to your instruction to stop, be prepared to move the children and yourself out of harm's way!

16. Be especially alert for drivers who may be experiencing SUN BLINDNESS. Depending on the time of year, drivers will be affected by the glare of the sun differently. If you notice drivers that have the sun shining in their eyes (no sunglasses and light reflection off the dash on their face and/or direct sun in their eyes), be particularly careful that they are able to see you and that they have brought their vehicle to a complete stop before you allow any pedestrians to enter the crosswalk.

17. If you encounter pedestrians who do not respond to the safety instructions you give (as outlined above), you may make a decision to not cross them. If these pedestrians are adults, you have

no enforcement authority to force them to cross with you. If the pedestrians are students you are assigned to protect, you should report the incident to your supervisor.

Do Not . . .

While these crossing procedures provide guidelines for performance of your duties, the following list of "don'ts" must be considered as areas that will require your extra effort to avoid.

1. **DO NOT** direct traffic! It is unlawful for you to direct traffic and motorists should always see and hear only a STOP command from Crossing Guards! Never give any signal for motorists to move their vehicle, back up or proceed through the intersection.
2. **DO NOT** start to cross until it is safe to do so! If there is a vehicle in the intersection or crosswalk that makes a safe crossing difficult -- do not start to cross! Wait for the intersection to clear. Always use your best judgment to evaluate every cross before you begin.
3. **DO NOT** allow children to run into the street or through the crosswalk.
4. **DO NOT** permit children to ride bicycles, skateboards, roller blades or scooters across the street. The children must always WALK their bikes while in the pedestrian crosswalk.
5. **DO NOT** allow children to cross the street unassisted even if there are no cars in sight.
6. **DO NOT** unnecessarily hurry yourself or the children (except in an emergency).
7. **DO NOT** blow the whistle to call pedestrians into the street. Your whistle is for emergency purposes only.

107.1 Crossing Signalized Intersections

If you are assigned to an intersection where traffic control devices (signal lights) are installed, the following general rules will apply.

1. If a push button is provided at the intersection to allow for pedestrian crossings, the guard must push the button and wait for the WALK prompt. The button must be activated to get the increased time necessary for crossing. Do not activate the button if there are no pedestrians present.
2. The signal lights and WALK prompt should be regarded only as an opportunity to cross and not a command to do so. That is, all precautions must be taken to ensure that conditions are safe for entering the street and starting the cross regardless of what the signal lights are displaying.
3. After completing a full cross at a signalized intersection, the Crossing Guard must activate the pedestrian crossing button and return to the receiving end at the next safe opportunity.



107.2 Crossing Non-Signalized Intersections

If you are assigned to an intersection where you must cross children without the benefit of signal lights the following general rules will apply.

1. Watch for a break in the flow of traffic. Patience in waiting for the right opportunity to enter the street equals increased safety in the cross. When a break is observed, raise the stop sign high above your head and enter the intersection as usual.



2. If traffic volume is too heavy to allow for a break, one must be created. This is accomplished by extending your stop sign out in front of you (towards traffic) while remaining on the curb. Do not enter the street until the traffic has responded to your stop signal.
3. After completing a full cross at a non-signalized intersection, the Crossing Guard must wait for the next break in the flow of traffic to return safely to the receiving end.

107.3 Crossing Two Crosswalks

If you are assigned to an intersection where you must cross two (2) crosswalks, this is referred to as an "L" cross.

1. The Crossing Guard at an "L" cross is always stationed at the place where the two (2) crosswalks meet. Unlike crossing a single crosswalk, this is NOT always the area of the intersection where the children approach to cross (the receiving end).
2. It is not usually possible for the Crossing Guard working an "L" cross to complete a full cross. The challenge is for the guard is to maintain control of the students as they arrive at the intersection on the opposite side of the street. This is accomplished by training the students to wait for you to call them into the street and always raising your hand in a STOP signal to pedestrians approaching the crosswalk.

107.4 Potential Problems

The following situations are provided to serve as guidelines which, when combined with your good judgment, will assist you in solving problems that might arise.

1. Uncooperative Students – If students you are responsible for crossing refuse to follow your instructions, (e.g. entering the street too soon, riding bicycles, running, horseplay, etc.) you should contact your supervisor to discuss the situation. Your supervisor may ask you to attempt to find out the students' names and report them to the school principal. Noncompliance with safety procedures is a dangerous situation requiring your attention.
2. Uncooperative Parents – Some parents escorting children fail to follow your safety instruction. Ask for their cooperation in setting a good example for the children. Do not ask adults if they want you to cross them. Give everyone instructions in a friendly and professional manner in an attempt to gain their cooperation. Be aware that other children could be lured into crossing with an adult who may not be following your instructions. Always ensure that all unaccompanied students follow your instructions.
3. Uncooperative Motorists – If you encounter motorists who repeatedly disregard your instruction and/or the law, you should attempt to identify the make, model and color of the vehicle, note the specific time period the offense occurs and report this information to your supervisor. If a motorist does not appear to be stopping when you are in the crosswalk, immediately attempt to move pedestrians and yourself to a place of safety. Attempt to get any identifying information such as the make, model and color of the vehicle. Report the incident and all information to your supervisor as soon as possible.
4. Loitering Children – You may not allow children to linger at your site. This would include your own children, any students you cross, or children brought to the intersection early or left late by parents. You must encourage children to cross with you and continue on to their destination. If you experience problems with parents expecting you to supervise their children at your site before or after school, you should instruct the children to return to the school office and contact your Area Supervisor for assistance.

5. Confrontations – In a job such as this you may be confronted by situations where individuals verbally and/or physically challenge your authority. If you should experience such a threat it is critical for you to remain calm and professional. Never approach a vehicle or pedestrian to argue or comment about their conduct. Contact your Area Supervisor immediately for assistance. Any potential physical confrontation or threat should also be reported to the Area Supervisor immediately.
6. Suspicious Situations – In your job you are often considered the eyes and the ears of the community. Always remain alert to your surroundings while on duty. Familiarize yourself with regular occurrences to better enable you to recognize situations that are out of the ordinary. If you observe any individual or vehicle that seems suspicious in any way, do not hesitate to report it to your Area Supervisor.
7. Construction – Construction projects sometimes interfere with established pedestrian traffic routes. If a construction project affects your site, gather all information possible about the location and length of the project and report it to your supervisor as soon as possible.



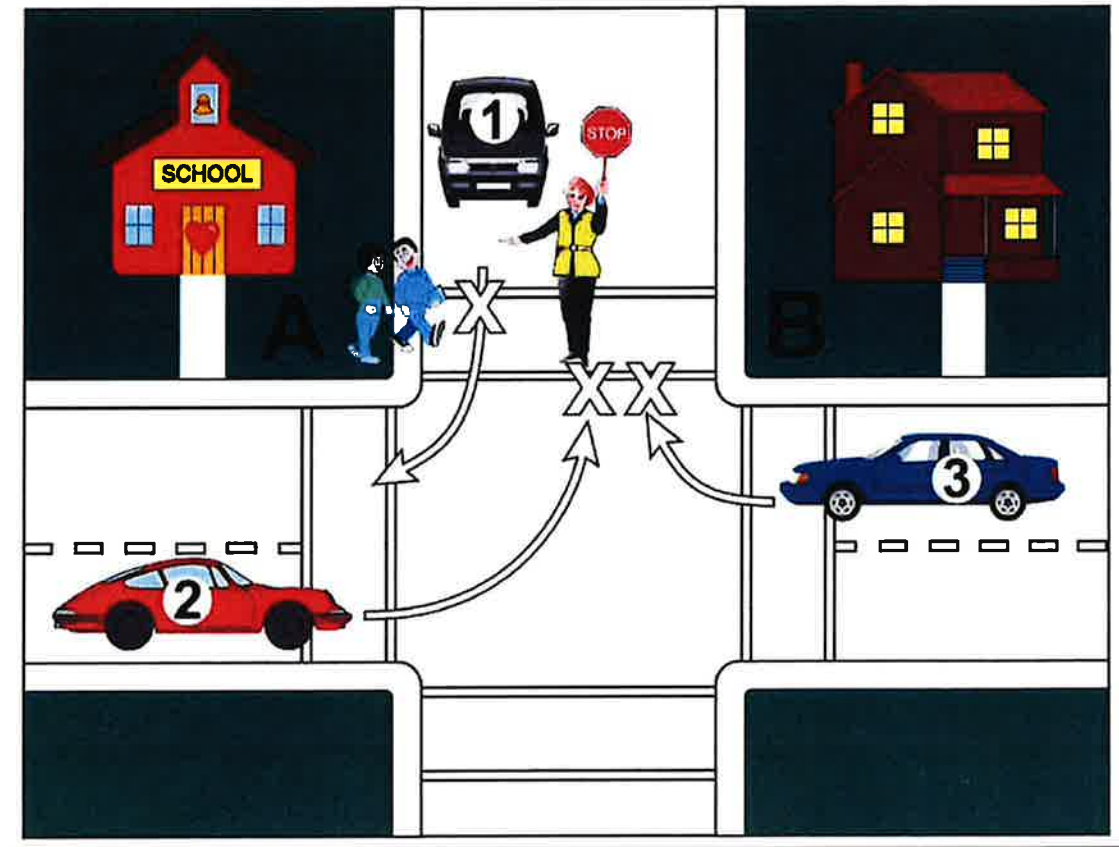


Figure 1. Danger Zones from Turning Vehicles

Figure 1 represents an intersection where a Crossing Guard is assigned. In this example, assume that the Guard is crossing children from A to B.

DANGER ZONE #1 is created by vehicle #1 possibly entering the crosswalk while making a right turn. This motorist may attempt to turn right and while looking for oncoming traffic to his left, may not notice pedestrians in the crosswalk.

DANGER ZONE #2 is created by vehicle #2 making a left turn and possibly entering the crosswalk. At a signalized intersection, this motorist may have a green light and may not notice pedestrians in the crosswalk.

DANGER ZONE #3 is created by vehicle #3 entering the crosswalk while making a right turn. If the intersection is controlled by a traffic signal, this motorist will have a green light and may not notice pedestrians in the crosswalk.

To ensure safety in each situation, the Crossing Guard must remain focused on potential dangers as the students proceed through the crosswalk. Eye contact with each driver, effective use of the stop sign, using your hand to signal the driver to stop and/or possible voice or whistle signals are ways that the Crossing Guard has to prevent inattentive drivers from endangering the pedestrians during the cross.

108. Accidents and Emergencies

In the unlikely event that you experience an accident at your assigned intersection, there are very specific steps to follow that you must have committed to memory. During the confusion of an emergency is not a time to be unfamiliar with procedures.

1. You must keep with you at all times (while on duty) the phone numbers of Emergency Dispatch and the Main Office. In the event of any incident or emergency, you must contact either Emergency Dispatch or the main office immediately.
2. Act promptly but make every effort to remain calm. Your professional attitude and clear thinking may make the difference between safety and chaos in an emergency.
3. ANY incident that involves a pedestrian and a vehicle must also be immediately reported to the Police. If you are not able to summon the police personally without leaving your site, you must ask someone to call "911" for you. Often someone at the scene has a cellular phone and will offer to make the emergency call.
4. When you (or the person you have designated) reach the police, request the dispatch of an officer and an ambulance (if necessary).
5. Do not administer first aid unless you are qualified to do so.
6. Do not move any injured person, even if they are lying in the street. Take every precaution to protect the injured from oncoming traffic.
7. The safest action is to use all means at your disposal to keep the injured warm, comfortable and still.
8. Remember, your primary responsibility is always the safety of pedestrians and your primary focus must remain with them. Do not allow pedestrians at the scene to linger as spectators. Firmly, but courteously, direct them to proceed to their destination.
9. Do not discuss details regarding what you have seen with anyone at the scene. You should provide information only to the police. Do not interview any other witnesses at the scene.
10. If any persons involved in an accident appears to be leaving the scene and the police have not yet arrived, if you can safely do so, attempt to get important information about the vehicle, driver and/or witnesses.
11. In the event of a less serious injury not involving a motor vehicle (e.g. child trips and falls), you may rely on your best judgment as to the course of action. Keep in mind that you can always send a messenger to the school site to ask for assistance.
12. Remember, NEVER transport a child in your personal vehicle.
13. If you are injured on duty and require immediate assistance, call or ask someone to call 911. An ambulance will take you to an emergency room for your initial treatment. If you are injured on duty and do not feel it is an emergency, you must contact your supervisor or the main office (800-540-9290) as soon as possible. You may choose a doctor from the ACMS Medical Provider Network or you will be referred to an appropriate facility by the Main Office.

Report any INJURIES immediately!

109. Workers' Compensation

As an ACMS employee any injury that occurs while you are working is covered by our Workers' Compensation Insurance. Please refer to the brochures you were issued at the time of employment regarding your Worker's Compensation rights and responsibilities.

A report will be completed indicating the details of your accident and/or you will be asked to write a statement regarding your injury. You will need to describe in detail what happened to cause the injury and include information on where and when the incident occurred. If you are asked to complete a report and/or you have doctor's work status information, promptly mail it to:

**Workers' Compensation Manager
All City Management Services, Inc.
10440 Pioneer Boulevard, Suite 5
Santa Fe Springs, CA 90670**

ACMS employees are entitled to receive medical treatment from a physician of their choice only if they have notified the Company in writing of that physician's name and address prior to being injured. Our insurance company has a Medical Provider Network (MPN) that must be used for all work related injuries/illnesses other than medical emergencies.

If you would like another copy of the pamphlets "Medical Provider Network" and "Guide to Workers' Compensation," please contact the main office at the number(s) noted above.

An accident or incident must be reported to your supervisor or manager or another member of management immediately. This policy is important to the safety and well-being of all our employees in order to ensure a continued safe and successful operation.

If you are involved in or are a witness to an accident or incident, you are required to provide information in order for the appropriate report to be completed. Please be aware of the importance of immediate action in reporting all details of the accident.

Injury Treatment: If you are injured on the job, the Companies prime concern is to provide you with the best medical care available.

- **Serious → 911:** If the injury is very serious and requires immediate attention or if it occurs when the closest medical provider is closed or unavailable, contact 911 and you will be taken to the nearest emergency room.
- **Less Serious:** If your injury is less serious and does not require you to contact 911, you must notify your Area Supervisor or the Main Office as soon as possible. If you are unable to reach your supervisor, you must contact the Main Office (800-540-9290 or 310-202-8284). When contacting the Main Office, ask to speak to the Workers' Compensation Manager.
- **Treatment:** If you are not satisfied with the initial MPN doctor, diagnosis, and/or treatment, please contact the Main Office immediately at (800) 540-9290. You may choose another doctor from the MPN.
- **Follow-Up Treatment:** All injured employees must follow the doctor's order of treatment. Failure to do so may result in the loss of benefits.
- **Company Notification:** If the doctor orders you to take time off from work due to an on-the-job injury, you must contact your supervisor or manager immediately. You should advise them of your progress and expected date of return.
- **Light Duty:** We want you back to work as soon as possible. If you are not able to return to your regular duty, we may consider you for a light duty schedule. Your doctor and the Company will determine which jobs you can perform.

110. Important Phone Numbers and Contact Information**EMERGENCY NUMBERS:**

If you carry a personal cell phone, it may prove helpful for you to program into that phone the number of the dispatch desk of your local Police Department. This number should only be used while on duty if you experience an emergency requiring immediate Police Assistance. Consult your supervisor for the correct phone number in your area and record it here:

LOCAL POLICE DISPATCH NUMBER: _____

EMERGENCY RESPONSE (Fire, Ambulance, Police, Rescue): **DIAL 911**

CONTACT INFORMATION:

Supervisor's Name

Supervisor's Phone

Regional Manager's Name

Regional Managers Phone

Operations Manager's Name

Operations Manager Phone

ASSIGNMENT INFORMATION:

City of Assignment	
Intersection of Assignment	
Name of School(s) Served	
Phone Number(s) of Schools Served	

Shift Times	IN	OUT	IN	OUT	IN	OUT	IN	OUT
Regular Schedule								
Other Schedule 1								
Other Schedule 2								

MAIN OFFICE PHONE NUMBER

Toll Free from Any Phone
24 hours a day ~ 7 days a week
800-540-9290

SECTION TWO – GENERAL COMPANY OPERATIONS

111. Equal Employment Opportunity

The Company is committed to a policy of equal employment opportunities for all applicants and employees. All employment decisions will comply with the applicable laws prohibiting discrimination in employment, including, but not limited to, all applicable provisions of Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990 and all corollary state equal employment opportunity statutes.

This policy applies to recruiting, hiring, job assignments, supervision, training, upgrading, transfers, compensation, promotions, education, termination, benefits, planned recreation and any other term, condition or privileges of employment, regardless of race, creed, color, national origin, sex, age, or mental or physical disability.

Employees who believe they are being discriminated against by a co-worker, manager, supervisor or other individual (whether employed by the company or not) or who believes their employment is adversely affected by such conduct, should report such incidents either to a managing representative or the Human Resources Department. A prompt and thorough investigation of their complaint will be conducted.

Employees who file a complaint under the policy will not be transferred, denied a raise, have their hours reduced, or be fired or punished in any other way because of their registering a complaint with management.

Where possible, reasonable accommodations that enable a qualified applicant with a disability to be considered for a position will be provided.

112. Employment At-Will

Employment with the Company is, and is intended to be, at-will. Accordingly, either the employee or the Company has the right to terminate the employment relationship at will, at any time, for any or no reason, with or without notice. Employees also may be demoted or disciplined and the terms of their employment may be altered at any time, with or without cause, at the discretion of the Company. Nothing contained herein is intended to create, imply or represent a contract of employment. There is no agreement, express or implied, between the Company and any employee for any specific period of employment, or for continuing or long term employment. No one other than the General Manager of the Company has the authority to make any agreement for employment other than employment "at-will", or to make any agreement limiting the Company's discretion to modify terms and conditions of employment. Only the General Manager has the authority to make any such agreement and then only in writing.

113. Integration Clause and the Right to Revise

This handbook contains the employment policies and practices of the Company in effect at the time of publication. All previously issued handbooks and any inconsistent policy or benefit statements or memoranda are superseded. Circumstances will obviously require that the policies, practices and benefits described in this handbook change from time to time. Therefore, the Company reserves the right to amend, modify, rescind, delete, supplement or add to the provisions of this handbook as it deems appropriate from time to time in its sole and absolute discretion. However, any such changes must be in writing and must be signed by the General Manager of the Company. The only policy that cannot and will not be changed is the at-will policy (described above).

Any written changes to this handbook will be distributed to all employees so employees will be aware

of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this handbook. This handbook sets forth the entire agreement between each employee and the Company as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this employee handbook or in any other Personnel document creates or is intended to create a promise or representation of continued employment for any employee.

114. Unlawful Harassment

The Company is committed to maintaining a work environment that is free of discrimination and harassment. In keeping with this commitment, we will not tolerate unlawful harassment of our employees by anyone, including any supervisor, co-worker, or third party. Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based on a person's race, color, national origin, religion, age, sex, gender, disability, or veteran status. Harassment that affects job benefits, interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment will not be tolerated.

Harassment may include derogatory remarks, epithets (defamatory or abusive words or phrases), offensive jokes, the display or circulation of offensive printed, visual or electronic, or offensive physical actions.

Sexual harassment deserves special mention. Unwelcome sexual advances, requests for sexual favors, or other physical, verbal or visual conduct based on sex constitutes harassment when (1) submission to the conduct is required as a term or condition of employment or is the basis for employment action, or (2) the conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive workplace. Sexual harassment may include sexual propositions, innuendo, suggestive comments, sexually oriented jokes or teasing, or unwelcome physical contact such as patting, pinching, or brushing against another.

All Company employees are responsible for helping to enforce this policy against harassment. Any employee who has been the victim of prohibited harassment or who has witnessed such harassment must immediately notify their supervisor in writing so the situation can be promptly investigated and remedied. If it is the supervisor who is responsible for the harassment or reporting the situation to the supervisor fails to remedy the situation, complaints of harassment must immediately be reported to the Human Resources Department. (Please See Section 116 for additional details on the Internal Complaint Procedure).

It is Company policy to investigate all harassment complaints thoroughly and promptly. To the fullest extent practicable, the Company will maintain the confidentiality of those involved. If an investigation confirms that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Remedial action may include disciplinary action up to and including immediate termination of employment. A Company representative will advise all parties concerned of the results of the investigation.

The Company forbids retaliation against anyone who has reported harassment or who has cooperated in the investigation of harassment complaints. Discipline up to and including immediate termination will be a consequence for any employee who retaliates.

Employees must immediately contact their supervisor or another member of management if they have concerns about this policy, feel they have been harassed or have witnessed someone else being harassed.

115. Workplace Violence

The Company is committed to providing a safe, violence-free workplace. In this regard, the Company strictly prohibits employees, consultants, customers, visitors, or anyone else on Company premises or engaging in a Company-related activity from behaving in a violent or threatening manner. Moreover, as part of this policy, the Company seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

The Company believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within Personnel for responding to any situation that presents the possibility of violence.

Workplace violence includes, but is not limited to, the following:

- Threats of any kind;
- Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- Other behavior that suggests a propensity towards violence, which can include belligerent speech, excessive arguing or swearing, sabotage, or threats of sabotage of Company property, or a demonstrated pattern of refusal to follow Company policies and procedures;
- Defacing Company property or causing physical damage to the facilities; or
- Bringing weapons or firearms of any kind on Company premises, in Company parking lots, or while conducting Company business.

If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify someone in the Personnel department immediately.

Further, employees should notify their Supervisor or Operations Manager if any restraining order is in effect, or if a potentially violent non work-related situation exists that could result in violence in the workplace. All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the Company will inform the reporting individual of the results of the investigation. To the extent possible, the Company will maintain the confidentiality of the reporting employee and of the investigation. The Company may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The Company will not tolerate retaliation against any employee who reports workplace violence.

If the Company determines that workplace violence has occurred, the Company will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, re-assignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the Company will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the Company may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the Company may request that the employee participates in counseling, either voluntarily or as a condition of continued employment.



116. Internal Complaint Procedure

116.1 Purpose and Scope

The purpose of the "Internal Complaint Procedure" policy is to afford all employees of the Company the opportunity to seek internal resolution of their work-related concerns.

116.2 Procedure

Employees should file written complaints with their Operations Manager as soon as possible after the events that give rise to the employee's work-related concerns. The written complaint should set forth in detail the bases for the employee's complaint.

The Operations Manager will date and log all written complaints and send the employee an acknowledgment that the complaint is under review. The Director of Operations or his/her designee will investigate the complaint, meeting separately with the employee and with others who are either named in the complaint or who may have knowledge of the facts set forth in the complaint. The Company will attempt to treat all internal complaints and their investigation as confidential, recognizing, however, that in the course of investigating and resolving internal complaints some dissemination of information to others may be necessary or appropriate. When appropriate, the Company may use the services of a neutral, third party to conduct the investigation. On completion of the investigation, the Director of Operations will report his/her findings and conclusions to the employee.

116.3 Non-Retaliation

Employees will not be disciplined or otherwise penalized for lodging a complaint. If an employee believes that he or she is being retaliated against for lodging a complaint, the employee should immediately notify the Operations Manager.

117. Dispute Resolution

If there is any dispute arising under or involving any provision of this Handbook or any dispute regarding employment, the Employee and the Company agree to submit any such dispute to mediation before a neutral mediator, mutually selected by the parties. The cost of the mediation will be borne by the Company.

Should the dispute not be resolved in mediation, then the Employee and Company agree to submit the dispute (with the exception of claims for Workers' Compensation, unemployment insurance and any wage and hour matter within the jurisdiction of the Employee's applicable state labor agency, to binding arbitration pursuant to the provisions of the Federal Arbitration Act, 9 U.S.C. Section I, et seq. or, if applicable, to the provisions of any arbitration rules or regulations in the Employee's state, within one year of the date the dispute first arose, or within one year of the termination of employment, whichever occurs first; provided, however, that if the employee's claim arises under a statute providing for a longer time to file a claim, that statute shall govern.

If the Employee and the Company are unable to agree on a neutral arbitrator, the Company will obtain a list of arbitrators from the Federal (or applicable state) Mediation and Conciliation Service.

Employee (first) and then the Company will alternately strike names from the list until only one name remains; the remaining person shall be the arbitrator. Arbitration proceedings shall be held at a location mutually convenient to the employee and the Company.

Following a hearing conducted by the arbitrator, in a manner to be determined as mutually agreed to by the parties and/or by the arbitrator, the arbitrator shall issue a written opinion and award that shall be signed and dated. The arbitrator's opinion and award shall decide all issues submitted and shall set forth the legal principles supporting each part of the opinion. The arbitrator shall be permitted to award only those remedies in law or equity which is requested by the parties and which the arbitrator determines to be supported by the credible, relevant evidence.

Each Employee and the Company agree that arbitration shall be the exclusive forum for resolving all disputes arising out of or involving the Employee's employment with the Company or the termination of that employment (with the exception of claims for Workers' Compensation, unemployment insurance and any wage and hour matter within the jurisdiction of the Employee's state labor agency); provided, however, that either party may file a request with a court of competent jurisdiction for equitable relief, including but not limited to injunctive relief, pending resolution of any dispute through the arbitration procedure set forth herein. If the Company does not receive a written request for arbitration from the employee within one year from the date of the employee's termination, the employee agrees that he/she will have waived any right to raise any claim, in any forum, arising out of the termination of employee's employment.

Nothing in this Handbook shall be construed as precluding any employee from filing a charge or complaint with the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB) or any other similar state or federal agency seeking administrative resolution of a dispute or claim. However, any claim that cannot be resolved administratively through such an agency shall be subject to this arbitration policy.

The employee and the Company shall each bear their own costs for legal representation at any such arbitration and the cost of the arbitrator, court reporter, if any, and any incidental costs of arbitration.

The employee and the Company hereby agree that nothing contained herein shall preclude either party from obtaining injunctive or other equitable relief to restrain violations of this Handbook or applicable law or to preserve the status quo pending the arbitration of any disputes subject to this section.

Nothing contained herein shall be deemed to alter or modify the Company's policy of at-will employment. Employment at the Company is at-will and can be terminated by either the Employee or the Company at any time, with or without cause or notice.

The Employee and the Company hereby agree that this section shall survive the termination of the Employee's employment and shall survive the amendment and/or revocation of any of the provisions of this Handbook.

The Employee's signature on the Acknowledgment and Receipt form provided at the time of their employment shall be deemed each Employee's certification that he or she has read the foregoing arbitration provision, that each employee understands such provisions and agrees to be bound thereby.

118. Employee Information & Personnel Records

The Company is required to maintain personnel records for applicants, employees and past employees in order to document employment-related decisions, evaluate and assess policies, and comply with legal record keeping and reporting requirements. We attempt to balance need to obtain, use, and retain employment information with a concern for individual employee rights of privacy; therefore, all personnel information is closely controlled. Personnel files are the property of the Company and may not be removed from the Company's premises without written authorization from the Office Manager.

It is the responsibility of the employee to keep the Company personnel files updated. The following information must be provided at the time of employment and any changes to original information should be submitted promptly to the Company by the employee in writing:

- Name; address; telephone number; marital status (for benefits and tax withholding purposes only); number of dependents; addresses and telephone numbers of dependents and spouse or former spouse for insurance purposes only; beneficiary designations for any of the company's insurance, disability, pension, and profit-sharing plans; and persons to be notified in case of an emergency.
- In addition, employees who have a change in the number of dependents or marital status must complete a new Form W-4 for income tax withholding purposes within ten (10) days of the change, if it results in a decrease in the number of dependents.

The Company will not normally release personnel information, other than date of hire, date of termination, and position held. Any other requested information will not be released unless employee authorizes release in writing. Exceptions may be made to cooperate with investigations and/or compulsory (required/obligatory/necessary) processes by federal, state, and local government agencies that provide proper identification and proof of legal authority. Any request for information from Personnel files must be directed to the Office Manager. Only the Office Manager is authorized to release information about current or former employees.

The Company reserves the right to seek advice of legal counsel. We may, subject to local, state or federal laws, permit a government investigator to review a personal file.

Employees have a right to inspect certain documents in your Personnel file, as provided by law, in the presence of a Company representative at a mutually convenient time during regular business hours of the Company. No copies of documents of an employee's file may be made, with the exception of documents that have previously signed. Employees may add your version of any disputed item to the file. An employee may inspect only his or her own Personnel file.

119. Drug and Alcohol Abuse

The Company encourages personal health and is committed to providing a safe and productive work environment for all of its employees.

Alcohol and drug abuse pose a threat to the safety and health of employees, customers, the community and the security of company equipment and facilities. Due to these threats, the Company will not tolerate on premises or on-duty use, possession, or distribution of illegal drugs or alcohol or the abuse of inhalants.

Whenever employees are present on Company or client premises, are working, operating any company vehicle, or are conducting company related work off-site, they are prohibited from:

- Being under the influence, using, possessing, buying, selling, manufacturing or dispensing an illegal drug or controlled substance or inhalant;
- Having possession of drug paraphernalia; and
- Being under the influence, possessing or consuming of alcohol.

The presence of any detectable amount of any illegal drug or illegal controlled substance in an employee's body system, while performing company business or while in a company facility, is prohibited.

At the request of the Company, based on reasonable suspicion or evidence of illegal sale, possession, or use of controlled substances, employees must submit to a search of

- Items within the employee's work area,
- Any personal vehicle brought on company premises or worksites by employee,
- Any company vehicle used or assigned to employee, and
- Any company locker or area used by the employee.

The Company will also not allow any employee to perform their duties while taking prescribed drugs that are adversely affecting the employee's ability to safely and effectively perform their job duties. Employees taking a prescribed medication must carry it in the container labeled by a licensed pharmacist or be prepared to produce this if asked. Prescribed drugs shall not be brought on company premises by any person other than the person for whom the drug is currently prescribed by a licensed medical practitioner and shall be used only in the manner, combination, and quantity prescribed.

Any illegal drugs or drug paraphernalia will be turned over to an appropriate law enforcement agency and may result in criminal prosecution.

An employee's conviction on a charge of illegal sale or possession of any controlled substance while off Company property will not be tolerated because such conduct, even though off duty, reflects adversely on the Company. In addition, the Company must keep people who sell or possess controlled substances off the Company's premises in order to keep the controlled substances themselves off the premises.

Employees must notify the Company of any conviction under a criminal drug statute for a violation occurring in the workplace or during any Company-related activity or event. Employees must notify the Company within five days after any such conviction. When required by federal law, the Company will notify any federal agency with which it has a contract of any employee who has been convicted under a criminal drug statute for a violation occurring in the workplace.

Employees will be terminated if they use illegal drugs or alcohol or inhalants while on-duty or if they use them off duty and report for work under their influence. The illegal use, sale, trade, or delivery of a drug or controlled substance or the illegal possession of same on or off duty is cause for termination.

Applicant Testing: All persons who seek employment for any position may be required to submit to drug testing only after a conditional offer of employment has been made. Collection sites, laboratory locations, the Medical Review Officer ("MRO"), and record keeping will all follow the guidelines set forth in this policy.

Employee Testing: All employees will be required to submit to the following tests:

- ***Post-Accident Testing:*** Drug and/or alcohol testing, concurrent with treatment for injury or as soon as practicable after non-injury property damage, will be required if the employee (1) Has sustained a personal injury or caused a co-worker or any other person to be injured or; (2) Has caused a work-related accident or was operating or helping to operate machinery, equipment, or a vehicle involved in a work-related accident or in damage to property.

- **Reasonable Suspicion Testing:** Drug and/or alcohol testing may be required if an employer has a "reasonable suspicion," based on specific facts and rational inferences from those facts, that an employee (1) Is under the influence of drugs or alcohol or; (2) Has violated the company's written work rules against the use, possession, sale, or transfer of drugs, alcohol, or inhalants.
- **Random Testing:** At the discretion of management, employees may be required to participate in random, spot-check drug screens. Drug tests are unannounced and every employee has an equal chance of being selected for testing.
- **Return-to-Duty/Follow-Up Testing:** the Company may conduct follow-up testing as permitted and/or required by law. Any positive test during this period will result in termination without notice.

All test results and related information will be maintained and treated as confidential, with distribution limited to those having a "need to know." Such records are property of the Company, but may be made available to the applicant or employee upon his or her request for inspection or copying.

Applicants and employees who refuse to submit to testing or who adulterate, dilute, or otherwise tamper with a test specimen or have a positive test result that is confirmed in accordance with federal, state, and local rules and regulations will be denied employment or will be subject to immediate termination from employment. Unless otherwise prohibited by law, any employee who is terminated from employment in accordance with this policy is considered to have been terminated for misconduct, and will not be eligible to collect unemployment compensation benefits.

Applicants and employees who refuse to submit to testing acknowledge and agree that such refusal is accepting a positive test result.

The Company will not take any action under this policy in violation of the Americans with Disabilities Act or any other law.

In accordance with federal, state, and local regulations, the Company has the right to make changes to this policy at any time. If any part of this policy is determined to be void or unenforceable under state or federal law, the remainder of the policy, to the extent possible, remains in full force and effect.

120. Prescription or Over-the-counter Drugs

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work.

Nothing in this policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Policy.

121. Termination

Since employment with the Company is based on mutual consent, the employee and the employer have the right to terminate employment at will, with or without cause, at any time. Terminations are an inevitable part of Personnel activity within any organization. There are a number of reasons for which an employee may be terminated, including but not limited to resignation, termination for cause (due to breach of Company policies or other matters set forth in this handbook), layoffs due to non-disciplinary reasons, and retirement initiated by an employee.

Terminated employees will receive their final pay in accordance with applicable state law. All Company owned property must be returned immediately upon termination of employment.

121.1 Voluntary Termination

The Company will consider an employee to have voluntarily terminated his or her employment if an employee does any of the following:

- Elects to voluntarily resign from the Company;
- Fails to return from an approved leave of absence on the date specified by the Company; or
- Fails to report to work for any shift and has not contacted their supervisor within three (3) hours of the time their shift was scheduled to begin.

121.2 Involuntary Termination

An employee may be terminated involuntarily for reasons that may include poor performance, misconduct, or other violations of the Company's rules of conduct as set forth below. Notwithstanding this list of rules, the Company reserves the right to discharge or demote any employee with or without cause and with or without prior notice.

122. Rules of Conduct

Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet Company standards, the Company will endeavor, when it deems appropriate, to provide the employee a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline up to and including termination.

Examples of impermissible conduct that may lead to disciplinary action and/or termination are identified below to promote understanding of what is considered unacceptable conduct and to encourage consistent action by the Company in the event of violations. However, it is impossible to provide an exhaustive list of types of conduct and performance that may result in disciplinary action. Therefore, employees should be aware that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of the Company, other employees, or customers, may also result in disciplinary action and/or termination. This policy serves as a guideline only and in no way alters or nullifies the Company's policy of at-will employment. Either you or the Company is free to terminate the employment relationship at any time, with or without cause or advance notice.

122.1 Job Performance

Employees may be disciplined for poor job performance, including but not limited to the following:

- Unsatisfactory work quality or quantity;
- Poor attitude (for example, rudeness, lack of cooperation, or insubordination);
- Excessive absenteeism, tardiness;
- Failure to follow instructions or Company procedures; or
- Failure to follow established safety regulations.

122.2 Prohibited Conduct

Employees may be disciplined for misconduct, including but not limited to the following:

- Smoking while on duty;
- Falsification of employment records, employment information or other Company records;

- Disclosing or using confidential or proprietary information without authorization;
- Engaging in an act of sabotage; negligently causing the destruction or damage of company property, or the property of fellow employees, customers, supplies or visitors in any manner;
- Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment, time, materials, facilities or property for personal reasons, using company equipment for profit;
- Provoking a fight or fighting during working hours on or off Company property;
- Participating in horseplay or practical jokes on Company time on or off Company property;
- Carrying firearms or any other dangerous weapons while on duty on or off Company premises at any time;
- Engaging in criminal conduct whether or not related to job performance;
- Spreading malicious gossip and/or rumors: engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same;
- Causing, creating or participating in a disruption of any kind while on duty;
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of obscene, abusive or threatening language or rudeness toward a supervisor or member of management;
- Failure to observe rules, policies and procedures of the Company, including safety regulations, as well as the failure to promptly report an on-the-job injury or accident involving an employee, customer, visitor, equipment or property;
- Failure to notify a supervisor when unable to report to work;
- Excessive absenteeism or tardiness;
- Failure to observe working schedules, including rest and lunch periods, including the failure to report for work or call in to report absence;
- Failure to provide a physician's certificate when requested or required to do so;
- Sleeping or malingering on the job;
- Wearing extreme, unprofessional or inappropriate styles of dress or hair while working;
- Violation of any safety, health, security or Company policies, rules or procedures;
- Committing a fraudulent act or a breach of trust under any circumstances;
- Engaging in unlawful harassment;
- Possession, sale or use of illegal drugs or alcohol while on duty, or reporting to work under the influence of alcohol or any unlawful drugs, or any arrest for the use, possession or sale of illegal drugs on or off the job;
- Failing to report to the Company, within 5 days, any conviction under any criminal drug statute for a violation occurring in the workplace.

Our Responsibility to



122.3 Attendance and Punctuality

As an employee of the Company, your attendance and punctuality is critical. To be part of a successful team and maintain a safe and productive work environment, the Company expects employees to be reliable and punctual in reporting for work. Employees are expected to be available for work as scheduled, report on time and be ready for work. The Company has a zero tolerance policy for being tardy.



For example, if an employee's shift begins at 8:00 A.M. and he or she begins work at 8:01 A.M., then that employee is tardy.

There are three categories that define occasions when an employee might be absent from their assigned duties:

- **Request for Time Off:** a Request for Time off must be made at least 48 hours in advance of the expected absence. If replacement personnel can be identified and normal operational standards can be met during the period of absence with no compromise to safety, a Request for Time off *may* be granted.
- **Absence:** any request for time off made with less advance notice than defined in paragraph 1, will be considered an absence.
 - **Excused absence:** An excused absence *may* be granted if replacement personnel can be identified and normal operational standards can be met during the period of absence with no compromise to safety.
 - **Unexcused absence:** An unexcused absence is when an employee has been denied any request to be absent from their assigned duties and yet fails to report to work as scheduled. Unexcused absences result in mandatory disciplinary action up to and including termination of employment.
- Excused and unexcused absences interfere with operational standards and compromise safety. As a result, excessive absenteeism (whether excused or unexcused) may result in further disciplinary action, up to and including termination of employment. The Company defines excessive absenteeism as three (3) or more absences in a period of 30 work days.

Employees who are absent for three (3) or more hours after the start of their scheduled shift time without notifying management are subject to immediate termination as a voluntary quit (no call no show).

122.4 Use of Personal Electronic Devices

Employees are prohibited from using personal electronic devices (with or without headphones or wireless ear devices) while they are working. These personal devices include, but are not limited to, cell phones and Bluetooth devices, PDAs, MP3 players, radios, CD players, video games, video recorders, and cameras. While working, employees are restricted from using any telephone (personal or Company owned) for personal business.

122.5 Social Media & Internet Use

The Company may network, market and conduct business online through use of social media. Social Media includes but is not limited to the following online sites (including company websites): YouTube; MySpace; Facebook; LinkedIn and Twitter. Employees may be asked to participate in online postings and other forms of online communication through use of social media to promote and support The Company business. Employees engaged in online communication using social media, both on-duty and off-duty, are expected to act in the best interests of The Company.

Employees are prohibited from behaving inappropriately when they are using social media to conduct business or communicate on behalf of the Company. Inappropriate online behavior includes but is not limited to the following: offensive language; verbal abuse or threats; violence; sexual or other forms of harassment; discrimination; intimidation; or the subjection of another person to inappropriate, abusive, threatening, or demeaning actions. Inappropriate online employee behavior, both on-duty and off-duty, is subject to disciplinary action up to and including termination.

Employees are prohibited from using social media for personal use while on company time.

The Company reserves the right to monitor and inspect employee use of the Internet accessed from company equipment and all forms of communication made using company equipment.

The Internet can be described as a union of the telephone, mail, television, radio, and any type of remote communications that can be carried out via the Internet. Even though there is no set of laws specifically regulating participation on the Internet (such as postal regulations), there is Netiquette. Netiquette describes the code of conduct all members of the Internet community expect from one another. Underlying all of them are three (3) primary tenets: don't break the law, be a good neighbor, and please use good judgment. Nothing in this policy should be deemed to prohibit an employee from conduct protected by state or federal law.

Activity based, in any part, on the Company Internet connection, if applicable, should not be considered confidential. This also includes the possibility of inspection of any mail and/or files tagged with an employee's user identification. The Company expressly reserves the right to monitor all Internet activity using their company Internet connection, to search an employee's computer and Internet files, and to report any illegal activities to the appropriate authorities.

Use of Company Internet access is strictly limited to company business. Employees are not to use Internet access for personal business at any time without the approval of management. Internet access origination at the Company is a privilege that may be withdrawn at any time.

Employees are prohibited from any activity that is contrary to state or federal law, including distributing or obtaining copyrighted software or information without proper authorization from the copyright holder.

Do not engage in any activity that could be construed as hostile to another company or institution. An example of this is making attempts to gain unauthorized access to another company's systems and/or information.

123. **Payroll**

All City Management Services pay periods are considered bi-weekly and pay is provided the Friday following the end of the pay period. All Crossing Guards will be provided with a yearly Pay Period Schedule. This schedule outlines the beginning and ending of each pay period along with the date of each payday.

Deductions from Wages: Deductions will be made from an employee's gross wages as required by law including, but not limited to, the following:

- Applicable federal income tax
- Social security tax (OASDI and Medicare portions of FICA)
- Applicable state and city taxes
- Court ordered child support
- IRS wage garnishments
- Student loan garnishments
- Other such legally mandated deductions

These garnishments are required by law and will be followed as required. Employees that disagree with garnishment deductions should contact the authority that initiated the garnishment. No deductions will be made for other miscellaneous transactions unless permitted by law.

Every employee must fill out and sign a federal withholding allowance certificate (IRS Form W-4) on or before the employee's first day of employment. Deductions will be made at the highest rate permitted by law for every employee who fails to fill out a Form W-4.

If an employee elects to participate in health or supplemental coverage and/or Individual Retirement Accounts (if eligible and available), deductions may be made based on the employee's written instructions and authorization.

Employees who believe that an improper deduction has been made from their wages should discuss it with their supervisor or manager personally or present it in writing before the next regular pay period. If an investigation reveals that a deduction was made in error, the Company will reimburse the employee for any improper deductions and take good faith efforts to prevent improper deductions in the future.

124. Time Sheets

All employees are required to keep an accurate record of their time worked. Accurate records allow management to properly calculate employee pay and benefits. On a regular basis, your supervisor will contact you by phone and review and confirm with you the hours you have worked. You must report any discrepancies between your hours worked and your hours paid within 30 days of the close of the pay period.

Serious offenses that will result in disciplinary action up to and including immediate termination of employment:

- Misrepresentation of time worked, leave taken or absences;
- Falsification of entries or signatures; and
- Defacement or alteration of time records.



125. Paycheck Distribution

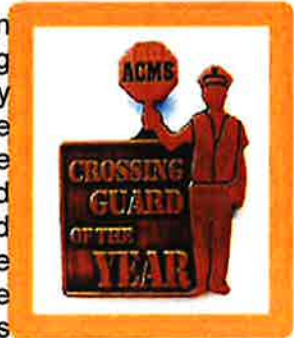
In the absence of enrollment in the Direct Deposit Program, payroll checks will be sent to the employee's address of record via the U.S. Mail. In the event that a check is not received, the employee should contact their Area Supervisor immediately. The supervisor will notify the Payroll Department which will report the check lost or stolen and place a "stop payment" on the check. A replacement check will be issued at the end of a five day waiting period.

126. Recognition and Rewards

The job of being a School Crossing Guard is sometimes difficult and often without as much recognition as it deserves. In an attempt to support and recognize employees for their contributions, ACMS has an ongoing Employee Recognition Program.

126.1 Crossing Guard of the Year

Our "Crossing Guard of the Year" honor is presented to one employee in each area who exemplifies the qualities of an outstanding School Crossing Guard. In light of the fact that there may be several employees who qualify for this award, the Area Supervisor uses evaluation tools such as Site Evaluations, personal observation, length of service and input from the school community, to aide them in their selection. The recipient is awarded a gift of appreciation, a custom-made lapel pin and a personalized plaque to commemorate the honor. Cities and school districts often choose to participate in ceremonies and awards on the local level as well. It is the Company's hope that in addition to recognizing a worthy employee, this program will help educate the public to the important work done by all Crossing Guards.



126.2 Length of Service Awards



Crossing Guards who reach anniversary milestones of five, ten or fifteen years of employment with All City Management Services receive lapel pins to honor their service.

126.3 Additional Merit Pins



EXCELLENCE



CERTIFICATION



OUTSTANDING ROOKIE



SAFETY AWARD



OUTSTANDING
ATTENDANCE



OUTSTANDING
EFFORT



COMMUNITY SERVICE



OUTSTANDING
ALTERNAT

127. Health & Safety

Employee health and safety is of paramount importance to the All City Management Services. The prevention of occupationally related injuries and illnesses is of such consequence that it will be given precedence over operations whenever necessary. ACMS strongly believes that a clean, safe and healthy environment should be provided for all employees, not only in accordance with all federal, state and local laws, but good business practices.

We pride ourselves on safety. All City Management's goal is to have no work-related injuries or illnesses. But the reduction of accidents in our operations is only possible through a team effort involving both employees and the Company. Only through a cooperative effort can a safety program in the best interest of all be established and preserved.

Employees are required to know and comply with the Company's general safety rules and to follow safe and healthy work practices at all times. Employees may be subject to discipline for engaging in any unsafe or unhealthy work practice or for violating established safety rules. Employees are required to report immediately to their supervisor any potential health or safety hazards, and all injuries or accidents. The Company will inform employees of any known exposure to a chemical known to cause cancer or reproductive toxicity.

Accordingly, the Company has instituted a Functional Capacity Evaluation Process, an Injury and Illness Prevention Program (IIPP), and a Heat Illness Prevention Program all designed to protect the health and safety of all personnel. A complete copy of the Injury and Illness Prevention Program is kept by each Operations Manager and the Director of Operations and is available for your review.

Health and Safety Programs

127.1 Functional Capacity Evaluation

All City Management Services requires each employee within defined departments or positions to complete a bi-annual Functional Capacity Examination (FCE). FCEs verify the employee's capability to perform their duties both safely and successfully by evaluating their aptitude at various work levels specific to their position. Should an employee not meet the minimum functional capacity aptitude requirements of their position (in all areas defined), employment will be terminated.

Annual FCE's will be administered by designated evaluators trained and certified by the Company. However, should an employee appear to lose their ability to perform their assigned duties safely and successfully, ACMS reserves the right to complete an FCE outside of the standard bi-annual requirement.

All City Management Services appreciates the cooperation of all required employees to help support our goal of ensuring safety and success. Employees must understand that FCE's are not optional and required as a condition of employment. Refusing to comply with this policy by completing an FCE as requested will be cause for immediate termination and considered a voluntary quit without good cause.

127.2 Injury and Illness Prevention Program (IIPP)

In an effort to ensure the highest level of safety for employees, All City Management Services maintains and distributes an Injury and Illness Prevention Program (IIPP).

Responsibility: It is the responsibility of the Operations Manager to answer questions and concerns regarding the maintenance and distribution of these policies. Inquiries should be directed to the Main Office at 310-202-8284 or 800-540-9290.

During your initial orientation you will receive training for the implementation of the ACMS Injury and Illness Prevention Program. Your Area Supervisor will answer your subsequent questions about this program and the associated policies. Your supervisor can also supply additional copies of the IIPP. Additionally:

- Your Area Supervisor is responsible for ensuring that injury and illness prevention safeguards are maintained. Tools to achieve this goal include ongoing safety training, completion of Illness/Injury Prevention Forms, and disciplinary actions.
- You should contact your Area Supervisor with any safety/health related questions and/or concerns.
- If you choose to report a health or safety concern anonymously you may call the 24-hour phone line at 800-540-9290 or 310-202-8284. Include details regarding what city, intersection, or people are involved.

Compliance - Each Crossing Guard is responsible for reading, understanding and complying with the procedures as set forth in your Employee Handbook for School Crossing Guards. These safety-related policies include wearing the high visibility vest and hat; reporting any hazardous conditions at your workplace; and successfully completing the Certification Training. In addition:

- Avoid heat stress by drinking plenty of water. Employees are instructed to bring an adequate supply of water to their work place and maintain access to that water. Additionally, use sunscreen, wear ACMS hat or visor, and wear UV-protective glasses.
- Certified Training Specialists will provide all necessary training, including complete field training, for each new employee.
- Certified Training Specialists will familiarize each guard with emergency procedures prior to their assignment to duty.
- Successful completion of the ACMS Certification Program for School Crossing Guards is mandatory.
- All new employees may satisfactorily complete two Site Performance Evaluations prior to being assigned to work. These field observations may include additional training.
- Corrective Action Reports and other disciplinary actions (including suspension and termination) may be necessary if you do not comply with Company policies and procedures.
- ACMS recognizes employees for outstanding service and commitment to Company policies and procedures. This recognition takes several forms including selection of a "Crossing Guard of the Year" in each area, awarding of various merit pins and badges as well as plaques and certificates noting achievements.

Communication - All employees must communicate their work related health and safety concerns to their supervisor. The following forums help facilitate this communication:

- Newly hired employees undergo new employee field training conducted one-on-one with a Certified Training Specialist.
- You may contact your supervisor via phone or pager.
- You will not be reprimanded for calling the 24-hour toll free number (800 540-9290) to leave a detailed message regarding unsafe conditions.
- You may call the 24-hour toll free number (800-540-9290) and leave an anonymous message with details of your health and safety concerns.
- You can expect to be contacted regularly by your Area Supervisor.

- As an employee, you must read and understand all policies and procedures in the Employee Handbook for School Crossing Guards.
- Your successful completion of the Certification Program for School Crossing Guards is mandatory.

Injury and Illness Prevention Assessments - Site inspections to identify and evaluate workplace hazards will be done by a Certified Training Specialist at each site periodically. As an employee you should evaluate the work site for hazards regularly. Other causes for hazard assessments include, but are not limited to:

- Addition of new sites.
- Testing of new equipment not previously used by ACMS.
- Occurrence of job-related injuries or illnesses.
- Report of hazardous conditions is made
- When training a new employee at a site.

An Injury/Illness Prevention form and/or an Incident Investigation form will be completed for each site where hazardous conditions are determined to exist.

Investigation of Employee Accident/Exposure – The Regional Manager or Operations Manager is responsible for investigating workplace accidents and hazardous substance exposures. Investigation will be timely and dependent on the severity of the hazard.

- If an accident or exposure occurs, notify your Area Supervisor as soon as possible. If you are unable to reach them, call the 24-hour office line at 800-540-9290.
- Your Area Supervisors will respond as soon as possible.
- If an accident or exposure occurs, your Area Supervisor will complete an Incident Investigation and/or an Injury/Illness Prevention Form. To ensure accurate completion of the forms, the following steps will be taken:
 - Interviewing of the injured worker and witnesses
 - Examination of the worksite for any contributing factors
 - Determination of the cause of the accident/exposure
 - Obtaining law enforcement report number and officer's name(s)
 - Instituting corrective action, if needed.

Corrective Action for Hazardous Work Environment -- Each employee should enter important phone numbers in the space provided on the last page of their Employee Handbook for School Crossing Guards. These important numbers include those for All City Management Services' 24-hour phone line (800-540-9290), the school to which you are assigned, emergency personnel (fire department and non-emergency law enforcement), and your Supervisor.

- Your Area Supervisors is responsible for contacting street maintenance, fire department, law enforcement or any other entity most appropriate to correct a situation that has been determined to create a hazardous work environment.
- Hazardous work environment complaints will be dealt with in a timely manner based on the severity of the hazard.
- Actions will be taken to correct a Crossing Guard who may be creating a hazardous work environment. This includes ongoing safety training, Hazard Assessments and disciplinary actions.

Training and Instruction -- As a Crossing Guard you are trained by a Certified Training Specialist. All employees are responsible for reading, understanding and complying with the procedures in their Employee Handbook for School Crossing Guards. These procedures include (but are not limited to), wearing the high visibility vest and hat; reporting any hazardous conditions at your workplace; and successfully completing the annual Certification Training. Additionally:

- Certified Training Specialists will provide all necessary training including the "New Employee Field Training Program" for each new employee.
- Certified Training Specialists will familiarize you with emergency procedures prior to your assignment to duty.
- Your successful completion of the ACMS Certification for School Crossing Guards is mandatory
- Certified Field Observers conduct periodic and unannounced observations of employees at their assigned locations. These field observations may include additional training and/or disciplinary action.
- Corrective Action Reports and other disciplinary actions (including suspension and termination) may be necessary if an employee does not comply with Company policies and procedures.
- All City Management Services recognizes Crossing Guards with various awards including "Crossing Guard of the Year."



**Safety is like a LOCK
and
YOU are the key!**

127.3 Injury and Illness Prevention Program Report

LOCATION OF ASSESSMENT			
City:		Site #:	Dept Code:
Intersection:			
ASSESSMENT			
18. Are all signal lights, pedestrian lights and activation buttons working properly?		YES	NO
If NO, detail problems with compass direction at intersection (e.g. SW corner) and landmarks if possible (e.g. gas station):			
19. Are there significant potholes or uneven pavement in the immediate vicinity of the cross walks?		YES	NO
If YES, give street name, compass direction and nature of hazard:			
20. Are sidewalks in the immediate vicinity in generally good condition and free of holes or uneven surfaces?		YES	NO
If NO, give street name, compass direction and nature of hazard:			
21. Are crosswalks where assigned clearly painted?		YES	NO
If NO, give street name, compass direction and nature of hazard:			
22. Are there additional potential hazards or unhealthy exposures (overgrown foliage, missing signage, persistent surface water, etc.)?		YES	NO
If YES, give street name, compass direction and nature of potential hazard:			
FOLLOW UP			
Were the potential hazards reported to the proper authorities (e.g. public works, police department, client, etc.) for remediation?		YES	NO
If YES, give authority, method and date:		PHONE	FAX
Authority:		Date:	
If NO, give reasons:			
FORM COMPLETED BY:			
Print Name:		Date:	
Supervisor:			

ACMS Proprietary Information

ACMS Proprietary Information

Attachment: Proposed Contract Services Agreement with All City Management Services, Inc. (2259 : Contract Services Agreement for School

127.4 Heat Illness Prevention Program

The Federal Occupational Safety and Health Administration (OSHA), has the responsibility for issuing standards to employers related to the health and safety of employees as well as carrying out inspections to enforce those regulations and to ensure compliance with the law. All City Management Services (ACMS) is required by the Federal Occupational Safety and Health Act of 1970 (OSHAct) "to ensure as far as possible every working man and woman safe and healthful working conditions."

In addition to our current Injury and Illness Prevention Program, OSHA requires that all employees working on job tasks where environmental risk factors for heat illness are present receive HEAT SAFETY TRAINING. Heat Illness (also known as Heat Stress) is a serious medical condition resulting from the body's inability to cope with a particular heat load. This situation is very dangerous and can result in heat cramps, heat exhaustion, and heat stroke..

Symptoms of Heat Illnesses:

- *Heat Exhaustion:*
 - Headaches, dizziness
 - Heavy Sweating, cold/clammy skin
 - Dizziness or fainting, cramps
 - Fast, shallow breathing
 - A weak and rapid pulse
- *Heat Stroke:*
 - Warm, dry skin
 - Confusion or unconsciousness
 - A strong and rapid pulse
 - Throbbing headache
 - Nausea, vomiting or both

How to Prevent Heat Illnesses:

- Drink plenty of water! You have been issued an ACMS water bottle and are required to bring an adequate supply of water to your work place. You must keep that water readily accessible (you may not leave your post) during shifts when temperatures are expected to be in excess of 65 degrees Fahrenheit.
- Use sunscreen, always wear your ACMS-issued head gear and choose light colored clothing on hot days.
- Between shifts, rest in an area where you are not exposed to the sun.

In addition to the training and the information provided above, All City Management Services provides every employee with a personal 32-ounce water bottle. You must fill this water bottle and have it with you for any shift when the temperature is expected to exceed 65 degrees Fahrenheit during the period of time you are assigned to that task. Ensure you start your shift with a full bottle of water and that you keep it readily accessible throughout your shift. Failure to comply with this policy will result in disciplinary action up to and including the termination of employment.

Immediately notify your Supervisor or the Main Office (800.540.9290) if you feel you are unable to provide yourself with an adequate amount of water during your shift.

If you become aware of any signs or symptoms of heat illness in yourself or a coworker, you should contact your Supervisor or the Main Office immediately. If your symptoms require immediate medical attention you are to call for help by dialing 9-1-1 immediately.

128. Leave of Absence

The Company may grant leaves of absence to employees in certain circumstances. It is important to request any leave in writing as far in advance as possible, to keep in touch with your Supervisor during your leave, and to give prompt notice if there is any change in your return date. It is understood that you will not obtain other employment or apply for unemployment insurance while you are on a leave of absence. Acceptance of other employment while on leave will be treated as a voluntary resignation from employment at the Company. Upon return from a leave of absence, you will be credited with the full employment status which existed prior to the start of the leave. You will not receive credit for the time during the leave, except that you will retain your original date of hire. You will be assigned to a location within reasonable proximity of your previous place of work.

128.1 Family Medical Leave Act

Employees may be entitled to a leave of absence under the Family and Medical Leave Act ("FMLA") or a similar state law. "Family Care Leave" may be requested for (1) the birth or adoption of an employee's child; (2) the placement of a foster child with the employee; or (3) the serious health condition of an employee's child, registered domestic partner, spouse, or parent. "Medical leave" may be requested for an employee's own serious health condition. A "serious health condition" is one that requires either in-patient care in a medical facility or continuing treatment or supervision by a health care provider.

Employee Eligibility: To be eligible for family care and medical leave, an employee must have worked for the Company for at least twelve months prior to the date on which the leave is to commence; and (2) have worked at least 1,250 hours in the twelve (12) months preceding the leave. However, employees who work at a location where the Company employs fewer than 50 persons within 75-miles are not eligible for family care and medical leave under the FMLA.

Leave Available: Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of family care and medical leave in a rolling 12-month period measured backwards from the date the employee's leave commences. Parents who are both employed by the Company may take a maximum combined total of 12 weeks of family care leave in a 12-month period for the birth, adoption, or foster care placement of their child.

Family care leave taken for the birth, adoption, or foster care placement of a child generally must be taken in blocks of at least two weeks' duration; however, the Company will provide employees with family care leave for birth, adoption, or foster care placement of less than two weeks' duration on any two (2) occasions. Family care leaves for the birth, adoption or foster care placement of a child must be concluded within one year of the birth, adoption or placement.

Family care or medical leave for the employee's own serious health condition, or for the serious health condition of the employee's spouse or registered domestic partner, parent, or child, may be taken intermittently or on a reduced schedule where medically necessary. If leave is taken intermittently or on a reduced schedule, the Company retains the discretion to transfer the employee temporarily to an alternative position with equivalent pay which better accommodates the employee's leave schedule.

Compensation During Leave: Family care and medical leave is unpaid. Some states provide additional leave benefits for employees. To determine whether your state provides such benefits, contact the Company's Human Resources Department prior to your leave.

Notice Requirements: Employees should notify the Company of their request for family care or medical leave as soon as they are aware of the need for such leave. For foreseeable events, if possible, the employee must provide 30 calendar days' advance notice to the Company of the need for family care or medical leave. For events that are unforeseeable 30 days in advance, but are not emergencies, the employee must notify the Company as soon as he or she learns of the need for the

leave, ordinarily no later than 1 to 2 working days after the employee learns of the need for the leave. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the Company's business.

If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the Company reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for family care or medical leave should include the anticipated date(s) and duration of the leave. Any requests for extensions of a family care or medical leave must be received at least five (5) working days before the date on which the employee was originally scheduled to return to work and must include the revised anticipated date(s) and duration of the family care or medical leave.

Medical Certification: Any request for medical leave for an employee's own serious health condition or for family care leave to care for a child, spouse, domestic partner or parent with a serious health condition must be supported by medical certification from a health care provider. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the Company's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts. Failure to provide the required medical certification may result in the denial of foreseeable leaves until such certification is provided. In the case of unforeseeable leaves, failure to provide the required medical certification within 15 days of being requested to do so may result in a denial of the employee's continued leave. Any request for an extension of the leave also must be supported by an updated medical certification.

The medical certification for a child, spouse, domestic partner or parent with a serious health condition must include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

The medical certification for leave for the employee's own serious health condition must include the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the employee is unable to perform the functions of his or her position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. In addition, the certification may, at the employee's option, identify the nature of the serious health condition involved. If the Company has reason to doubt the validity of the certification provided by the employee, the Company may require the employee to obtain a second opinion from a doctor of the Company's choosing at the Company's expense. If the employee's health care provider and the doctor providing the second opinion do not agree, the Company may require a third opinion, also at the Company's expense, performed by a mutually agreeable doctor who will make a final determination. Before permitting the employee to return to work, the Company may also require the employee to provide medical certification that he or she is able to return to work.

Reinstatement: Upon the submission of a medical certification from a health care provider that an employee is able to return to work, the employee will, in most circumstances, be offered the same position held at the time of the leave or an equivalent position. However, an employee is not entitled to any greater right to reinstatement than if the employee had been employed continuously rather than on leave. For example, if the employee would have been laid off if he or she had not gone on leave, then the employee would not be entitled to reinstatement. Similarly, if the employee's position has been filled in order to avoid undermining the Company's ability to operate safely and efficiently while the employee was on leave, and there is no equivalent position available, then reinstatement

would be denied. The Company retains the right to deny reinstatement to employees who are among the highest paid ten percent (10%) of the Company's employees and whose reinstatement would cause substantial and grievous economic injury to the Company's operations. Failure to return to work on the scheduled date will be considered a voluntary termination by the employee.

Benefits While On Leave: In the event that leave of absence is available and the employee is allowed to carry benefits of any type, the employee is solely responsible for payment of all premiums.

In the event the premium is not received on time and subject to any law to the contrary, the elected coverage policy may be cancelled without further notice. The cancellation will be retroactive to the date of the last full payment. The employee will remain responsible for any premiums that the company incurs because the policy could not be canceled retroactively for that period of time.

Employees should check with their supervisor or manager for the specifics of benefits while on a leave of absence.

128.2 Workers' Compensation Disability Leave

A workers' compensation leave of absence may be granted to an employee who is temporarily totally disabled from working due to "work-related" injury or illness. The term "work-related" injury is defined by applicable state law. Leave taken under the workers' compensation disability policy runs concurrently with family and medical leave under both federal and state law.

Employees who are injured or become ill as a direct result of work may be eligible for workers' compensation benefits. An employee who self-refers to a physician or an Emergency Care Unit for a work-related injury/illness may bear the cost of medical care. The employee may designate a treatment physician if notification is in writing and the physician has previously directed treatment of the employee and retains the employee's medical records including medical history. This notification must be placed in the employee's health file prior to the injury.

Notice and Certification Requirements: Employees must report all accidents, injuries and illnesses – no matter how small – to their immediate supervisor, who will send the employee to a medical clinic for evaluation. In addition, employees must provide the Company with a certification from a health-care provider.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which an employee becomes capable of performing the essential functions of his or her position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact the Operations Manager or Director of Operations.

Compensation During Leave: Workers' compensation disability leaves are without pay. Any payments for state disability, workers' compensation or other wage reimbursement benefits will be coordinated during the leave. At no time shall an employee receive a greater total payment than the employee's regular salary. Workers' compensation temporary disability benefits begin on the fourth (4) day of absence due to a work-related illness or injury and continue until the treating physician has returned the employee to work. If the work-incurred injury or illness results in hospitalization prior to the fourth day of absence or the employee is unable to work for more than fourteen (14) days, temporary disability benefits will be paid, including the first three days of lost service.

Reinstatement: Under most circumstances, upon submission of a medical certification that an employee is able to return to work from a workers' compensation leave, the employee will be reinstated to his or her same position held at the time the leave began or to an equivalent position, if available. An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if the employee on workers' compensation leave would have been laid off had he or she not

gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Company's ability to operate safely and efficiently during the leave, and there are no equivalent positions available, then the employee would not be entitled to reinstatement.

Fraudulent Claims: Any knowingly false or fraudulent behavior pertaining to the filing of a workers' compensation claim or subsequent related activities for the purpose of obtaining benefits is unlawful. Any such actions will result in termination of employment and prosecution for felony violations, some of which provide for fines of up to \$50,000 or double the value of the fraud, whichever is greater, and imprisonment of up to five (5) years.

128.3 Military Leave (Active And Reserve Service)

The Company provides military leaves of absence to employees who serve in the uniformed services as required by the Uniformed Services Employment and Reemployment Rights Act of 1994 and applicable federal and state laws. Leave under this Section will be unpaid. However, exempt employees who work any portion of a workweek in which they also are on temporary military leave will receive their full salary for that workweek, offset by any amount received as military pay.

128.4 Jury & Witness Duty Leave

The Company encourages employees to fulfill their civic responsibility by serving jury duty when required. Leaves under this Section will be unpaid.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate the employee's absence. Of course, the employee is expected to report to work whenever the court schedule permits (i.e., if the Court releases jurors in the morning, the employee is expected to return to work for the rest of the day). Either the Company or an employee may request an excuse from jury duty if, in the Company's judgment, an employee's absence would create serious operational difficulties.

128.5 Funeral Or Bereavement Leave Of Absence

Employees will be allowed a minimum of one unpaid working day off to arrange and attend the funeral of an immediate family member. For purposes of this policy an employee's immediate family is defined to include the employee's current spouse, domestic partner, father, mother, sister, brother, children, legal guardian, current parent-, sister-, brother-, son- or daughter-in- law, grandparents, and grandchildren.





ACKNOWLEDGMENT OF RECEIPT OF INFORMATION

HEAT ILLNESS PREVENTION PROGRAM

Heat Illness (also known as Heat Stress) is a serious medical condition resulting from the body's inability to cope with a particular heat load. This acknowledgement form provides information on recognizing the signs of heat illness, what to do if symptoms occur, and your responsibilities as an employee. You are required to read and abide by the policies set forth on this form and in your *Employee Handbook for School Crossing Guards*.

Symptoms of Heat Illnesses

Heat Exhaustion

- Headaches, dizziness
- Heavy Sweating, cold/clammy skin
- Dizziness or fainting, cramps
- Fast, shallow breathing
- A weak and rapid pulse

Heat Stroke

- Warm, dry skin
- Confusion or unconsciousness
- A strong and rapid pulse
- Throbbing headache
- Nausea, vomiting or both

How to Prevent Heat Illnesses

- Drink plenty of water! ACMS has issued to you a personal 32-ounce water bottle and you are required to bring an adequate supply of water to your work place. You must keep that water readily accessible (you may not leave your post) during shifts when temperatures are expected to be in excess of 65 degrees Fahrenheit.
- Use sunscreen, always wear your ACMS-issued head gear and choose light colored clothing on hot days.
- Between shifts, rest in an area where you are not exposed to the sun.

In addition to the training and the information provided above, All City Management Services provides every employee with a personal 32-ounce water bottle.

RECEIPT OF EMPLOYEE HANDBOOK

This is to acknowledge that I have received a copy of the Company's "Employee Handbook for School Crossing Guards" (revision date: 8/14). I understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities and obligations of employment with the Company.

I agree to **read and abide** by the policies in this Handbook, including all complaint and reporting requirements. If I do not understand any portion of the policies in this Handbook, I understand that I must address my questions to my supervisor. If my questions remain unanswered, I must contact the Director of Operations and/or any Manager or Officer of the Company in writing.

INJURY AND ILLNESS PREVENTION TRAINING

Training in the All City Management Services Illness and Injury Prevention Program for School Crossing Guards has been provided to me. My signature below acknowledges that I have received this training.

EMPLOYEE ACKNOWLEDGEMENT

I agree to **abide by** these policies and procedures as set forth above. If I do not understand any portion of the policies outlined in this Acknowledgment Form or the *Employee Handbook for School Crossing Guards*, I understand that I must address my questions to my Supervisor. If my questions remain unanswered, I must contact the Director of Operations and/or any Manager or Officer of the Company in writing.

I also understand that failure to comply with the policies and procedures set forth may result in disciplinary action up to and including termination of my employment.

Employee

Printed Name _____ City Where You Work: _____

Signature: _____ Date: _____



FUNCTIONAL CAPACITY EVALUATION

All City Management Services, Inc. (referred to as the "Company") requires each employee within defined departments or positions to complete a pre-employment as well as a bi-annual Functional Capacity Evaluation (FCE). FCEs verify the employee's capability to perform their duties both safely and successfully by evaluating their aptitude at various work levels specific to their position. Should an employee not meet the minimum functional capacity aptitude requirements of their position (in all areas defined), employment will be terminated.

Bi-annual FCE's will be administered by designated evaluators trained and certified by the Company. However, should an employee appear to lose their ability to perform their assigned duties safely and successfully, The Company reserves the right to complete an FCE outside of the standard bi-annual requirement. The Company appreciates the cooperation of all required employees to help support our goal of ensuring safety and success.

Employees must understand that FCE's are not optional and required as a condition of employment. Refusing to comply with this policy by completing an FCE as requested will be cause for immediate termination and considered a voluntary quit without good cause.

Should an employee disagree with the results of the FCE, they are welcome to select an approved medical provider to perform a second evaluation at their own expense.

EMPLOYEE ACKNOWLEDGEMENT

By signing below, I acknowledge that I have read, understand and agree to All City Management Service's Functional Capacity Evaluation Policy. I further acknowledge that failure to adhere to this policy or any other policy as outlined in the *Employee Handbook for School Crossing Guards* will result in disciplinary action, up to and including immediate termination of employment.

Printed Name _____ City Where You Work: _____

Signature: _____ Date: _____

ACMS Proprietary
Information



***Nearly 30 years of experience in providing communities with
PROFESSIONAL SCHOOL CROSSING GUARD SERVICES***

ALL CITY MANAGEMENT SERVICES

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Tab I – Insurance

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/06/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC Marsh & McLennan Ins. Agency LLC 350 S Grand Ave, Ste 3410 Los Angeles, CA 90071		CONTACT NAME: Nick Newell PHONE (A/C, No, Ext): 949 425 7312 E-MAIL ADDRESS: nick.newell@marshmma.com FAX (A/C, No):															
INSURED All City Management Services, Inc. 10440 Pioneer Blvd., Suite 5 Santa Fe Springs, CA 90670		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Landmark American Insurance Company</td> <td>33138</td> </tr> <tr> <td>INSURER B : Mercer Insurance Company</td> <td>14478</td> </tr> <tr> <td>INSURER C : Berkshire Hathaway Homestate Ins Co</td> <td>20044</td> </tr> <tr> <td>INSURER D : Lexington Insurance Company</td> <td>19437</td> </tr> <tr> <td>INSURER E : Everest National Insurance Company</td> <td>10120</td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Landmark American Insurance Company	33138	INSURER B : Mercer Insurance Company	14478	INSURER C : Berkshire Hathaway Homestate Ins Co	20044	INSURER D : Lexington Insurance Company	19437	INSURER E : Everest National Insurance Company	10120	INSURER F :	
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INSURER F :																	

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC OTHER:		LHA141150	08/01/2020	08/01/2021	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY		CF8CA00199201	08/01/2020	08/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$		27307647	08/01/2020	08/01/2021	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	ALWC132445	01/01/2020	01/01/2021	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D	Excess Layer		080877908	08/01/2020	08/01/2021	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Coverage

CERTIFICATE HOLDER

City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653-0000

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Nick Newell

Tab J – Exceptions

Exception

Appendix 4; Sample Draft Contract

Suggested Change/Exception:

6 – Indemnification; request to have following language added to end of section.

“In addition to the foregoing, in the event that a court or jury determines that liability with respect to any Loss was caused or contributed to by the negligent act, error, omission or the willful misconduct of City (including its officers and employees), liability will be apportioned between Contractor and City with regard to such Loss based upon the parties’ respective degrees of culpability, as determined by the court or jury, and Contractor’s duty to indemnify City (but not as to the costs of defense previously incurred by Contractor) will be limited accordingly.”



*Over thirty years of experience in providing communities with
PROFESSIONAL SCHOOL CROSSING GUARD SERVICES*

ALL CITY MANAGEMENT SERVICES

EXHIBIT "B"**CITY OF LAGUNA HILLS****NOTICE INVITING BIDS FOR CITYWIDE SCHOOL CROSSING GUARD SERVICES**

(NIB NO. PS-20-001)**DATED: SEPTEMBER 10, 2020**



**CITY OF LAGUNA HILLS
CALIFORNIA**

**NOTICE INVITING BIDS AND SPECIFICATIONS
FOR
CROSSING GUARD SERVICES**

Issued: September 10, 2020

Bid Opening: September 30, 2020 at 2:00 pm

CITY OF LAGUNA HILLS
24035 EL TORO ROAD
LAGUNA HILLS, CA 92653



CITY OF LAGUNA HILLS NOTICE INVITING SEALED BIDS FOR CITYWIDE SCHOOL CROSSING GUARD SERVICES

NOTICE IS HEREBY GIVEN that the City of Laguna Hills is inviting qualified and experienced companies to submit bids for Crossing Guard Services for a proposed term of three (3) years commencing October 14, 2020. Police Services staff will administer the proposed Contract Services Agreement.

To be considered responsive, qualified Bidders must submit a written bid in accordance with the requirements, specifications, conditions, and provisions as described and set forth herein. The successful Bidder will satisfy all of the objectives and work requirements specified in the Scope of Work. This procurement will be let by the formal procedures set forth in Laguna Hills Municipal Code ("LHMC") Section 3-08.090 – Competitive formal bidding procedures for non-professional services. The contract will be awarded by the City Council to the lowest responsible bidder consistent with the best vendor selection criteria set forth in LHMC Section 3-08.100.

BIDS ARE DUE BEFORE: 2:00 P.M. ON SEPTEMBER 30, 2020

The City Council is not obligated to award a contract and reserves the right to reject all bids. If City Council determines to award a contract, it is not obligated to make the award to the lowest bidder. Other factors will be considered by the City Council, such as performance under other contracts, qualifications of personnel, financial condition, and such other evidence as might convince City Council that a particular bidder would provide the most effective, economic and reliable service to the City.

The City will evaluate the information submitted. The evaluation will consider but not be limited to the following criteria:

1. Approach
2. Method.
3. Experience.
4. References.
5. Agreement to all terms of the Contract Agreement.
6. Fee.

The City of Laguna Hills reserves the right to accept or reject any or all bids and to waive any defects or irregularities in the bids.

Dated this 9th day of September 2020.

CITY OF LAGUNA HILLS, CALIFORNIA


 JENNIFER LEE, DEPUTY CITY CLERK
 24035 El Toro Road
 Laguna Hills, CA 92653

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SECTION I INTRODUCTION AND INSTRUCTIONS TO BIDDERS

A. Introduction

The City of Laguna Hills (City) invites qualified companies to submit written bids for Crossing Guard Services for a proposed contract term of three (3) years commencing October 14, 2020. The purpose of this Request for Bids is to obtain a qualified, experienced, and responsive company to provide Crossing Guard Services to the City of Laguna Hills for Fiscal Years 2020/21 through 2022/23. Should an award of contract be made, the selected Bidder will enter into a contract services agreement with the City of Laguna Hills to provide Crossing Guard Services for Public (K-8) Schools in the City of Laguna Hills.

B. Proposed Time Schedule

Request for Bid Posting/Mailing:	September 17, 2020
Written Question Deadline:	September 24, 2020
Submittal Deadline:	September 30, 2020
Tentative City Council Award:	October 13, 2020
Expected Contract Start Date	October 14, 2020

C. Instructions to Bidders and Procedures for Submittal

One printed original (marked original), three printed copies (marked copy) of the bid and one (1) electronic copy on CD or Flash Drive (will not be returned) must be submitted in a sealed envelope or box bearing the name of the Bidder, marked "Bid for Citywide School Crossing Guard Services" and submitted only to the following address:

City of Laguna Hills
Attn: Assistant City Clerk (Bid for Citywide School Crossing Guard Services)
24035 El Toro Road, Laguna Hills CA 92653

By 2:00 p.m. on Wednesday, September 30, 2020

Bidders are solely responsible for ensuring their submitted bid is received by the City in accordance with the solicitation requirements, before the Submittal Deadline, and at the place specified. Postmarks will not be accepted in lieu of actual delivery. No oral, telegraphic, electronic mail, facsimile or telephonic Bids or modifications will be considered unless specified. The City shall not be responsible for any delays in mail or by common carriers or by transmission errors or delays or mistaken delivery. Delivery of bids shall be made at the office specified in this Notice inviting Bids. Deliveries made before the Submittal Deadline, but to the wrong City office, will be considered non-responsive unless re-delivery is made to the office specified before the Submittal

Deadline. All bids shall become the property of the City.

Late bids will not be accepted and will be returned to the bidder unopened.

D. General Conditions

ADDITIONAL INFORMATION, RIGHT TO REQUEST. The City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from bidders.

ADDITIONAL SERVICES. The Scope of Work describes the minimum work to be accomplished. Upon final selection of the firm, the Scope of Work may be modified and refined during negotiations with the City.

AUTHORIZED SIGNATURES. Bids must be signed by the person or persons legally authorized to bind the Bidder to a contract for the execution of the work. Upon request of the City, any agent submitting a proposal on behalf of a Bidder shall provide a current power of attorney certifying the agent's authority to bind the Bidder. If an individual makes the Bid, his or her name, signature, and post office address must be shown. If a firm or partnership makes the Bid, the name and post office address of the firm or partnership and the signature of at least one of the general partners must be shown. If a corporation makes the Bid, it shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation and the title of the person signing on behalf of the corporation. Upon request of the City, the corporation shall provide a certified copy of the bylaws or resolution of the board of directors showing the authority of the officer signing the proposal to execute contracts on behalf of the corporation.

COMPETITIVE FORMAL BIDDING PROCEDURES. Except as otherwise provided in the LHMC, for purchases of goods and supplies, equipment, and nonprofessional services that have an estimated value greater than \$50,000, such procurements shall be let by the formal procedures set forth in this section. (LHMC Sec. 3-08.090)

(1) Notice inviting bids. Notices inviting formal bids or proposals from prospective vendors shall be publicly noticed no later than ten calendar days before the submission date for formal bids. The notices shall describe the requested goods or supplies, equipment, materials, or nonprofessional services in general terms, how to obtain more detailed information concerning the procurement, and state the time, place, and deadline for submission of sealed bids or proposals.

(2) Public Notice. The notice inviting formal bids or proposals shall be publicly noticed in any generally accepted manner, which includes on the city's official website. In addition, such notice may also include trade publications when practicable.

(3) Bid Opening Procedure. Sealed bids or proposals shall be submitted to the office of the City Clerk or requesting city department and shall be identified as formal competitive bids or proposals on the outside of the sealed envelope. The City Clerk or requesting city department head shall store all sealed bids in a secure location until opening. The City Clerk or requesting city department head shall open all bids or

proposals in public at the time and place stated in the notice inviting bids. A tabulation of all bids or proposals received shall be open for public review and inspection in the office of the City Clerk or requesting city department during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

(4) **Rejection of Bids.** The City Council or the Purchasing Officer shall have the discretion to reject any and all bids or proposals for any reason or for no reason, and may suspend, delay, or otherwise cancel the procurement, or may order the re-advertisement of the request for bids. If all formal bids or proposals are rejected and the City Council resolves by a recorded majority vote of the total membership of the City Council that the procurement can be performed more economically by force account, by informal procedures, or through open market purchases, then it may dispense with further formal competitive public bidding.

(5) **Tie Bids.** If two or more formal bids or proposals received are the same and are the lowest, the City Council may accept the one it chooses.

(6) **Award of Contracts.** Contracts or purchase orders shall be awarded by the City Council to the lowest bidder or proposer consistent with the best qualified vendor selection criteria set forth in Section 3-08.100, except as otherwise provided herein. The decision of the City Council shall be final. The City Council may authorize that such purchase orders or contracts be executed by either the Mayor or the City Manager, or the City Council may otherwise delegate such signature authority.

(7) **No Bids Received.** If no bids or proposals are received, the purchase may be let in the open market or by the informal procedures set forth in Section 3-08.080, subject to City Council approval.

(8) **Performance Bonds.** The Purchasing Officer shall have authority to recommend that a performance bond or other form of security or guarantee be required before entering into a contract in such amount as may be reasonably necessary to protect the best interests of the City. If a performance bond or other form of security or guarantee is required, the form and amount of the bond, security or guarantee shall be described in the notice inviting bids, and the performance bond, security or guarantee shall be in a form approved by the City Attorney.

(9) **Defects, Irregularities, and Informalities.** The City Council may, in its sole discretion, waive any defect, irregularity, or informality in the formal bids or proposals or in the competitive procedures established in this section, and no such defect, irregularity, or informality shall void any contract entered into by the City.

AWARD OF CONTRACT. Best qualified vendor selection criteria: In determining the best qualified vendor, consideration is to be given to price, quality, and performance of the goods and supplies, equipment, or materials to be purchased or nonprofessional services to be provided by the vendor. (Sec. 3-08.100)

Criteria for determining the best qualified vendor shall include but not be limited to the following:

- (1) The cost and quality of the goods and supplies, equipment, materials, or nonprofessional services;
- (2) The ability, capacity, and skill of the vendor to perform and to provide the goods and supplies, equipment, materials or nonprofessional services requested;
- (3) The ability of the vendor to provide the goods and supplies, equipment, materials, or nonprofessional services requested promptly or within the time specified, without delay, interference, or service interruption;
- (4) The ability of the vendor to demonstrate the attributes of trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform;
- (5) The character, integrity, reputation, judgment, references, experience, and efficiency of the vendor;
- (6) The quality of vendor's performance history and record on previous purchases or contracts with the City;
- (7) The ability of the vendor to provide future maintenance, repair parts, and services for the use of the goods and supplies, equipment, or materials purchased; and
- (8) The ability of the vendor to demonstrate its prior, current, and continued compliance during the contract term with all applicable federal, state, and local laws, statutes, ordinances and all lawful orders, rules, and regulations promulgated thereunder.

COMPLIANCE WITH LAWS. All Bids shall comply with current federal, state, and other laws relative thereto.

CANCELLATION OF SOLICITATION. The City may cancel this solicitation at any time.

CONFLICT OF INTEREST. By signing the Certification of Proposal (**Appendix 3**), the proposer declares and warrants that no elected or appointed official, officer or employee of the City has been or shall be compensated, directly or indirectly, in connection with this bid or any work connected with this bid. Should any agreement be approved in connection with this Request for Bids, Proposer declares and warrants that no elected or appointed official, officer or employee of the City, during the term of his/her service with the City shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.

COSTS. The City is not liable for any costs incurred by Bidders before entering into a formal contract. Costs of developing the Bids, or any other such expenses incurred by the Bidder in responding to this NIB, are entirely the responsibility of the Bidder, and shall not be reimbursed in any manner by the City. No reimbursable cost may be incurred in anticipation of award.

DISQUALIFICATION OF BIDS. If there is reason to believe that collusion exists among the Bidders, the City may refuse to consider Bids from participants in such collusion. No

person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one bid for the same work unless alternate Bids are called for. Reasonable grounds for believing that any Bidder is interested in more than one Bid for the same work will cause the rejection of all Bids for the work in which a Bidder is interested. If there is reason to believe that collusion exists among the Bidders, the City may refuse to consider Bids from participants in such collusion. Bidders shall submit as part of their Proposal documents the completed Non-Collusion Affidavit provided as **Appendix 1**.

DOCUMENTS, EXAMINATION OF. It is the responsibility of the Bidder to carefully and thoroughly examine and be familiar with the Bid documents, general conditions, all forms, specifications, drawings, plans, and addenda (if any). Bidder shall satisfy himself as to the character, quantity, and quality of work to be performed and materials, labor, supervision, necessary to perform the work as specified by these documents. The failure or neglect of the Bidder to examine documents shall in no way relieve him from any obligations with respect to the solicitation or and subsequent contract that may be awarded. The submission of a Bid shall constitute an acknowledgment upon which the City may rely that the Bidder has thoroughly examined and is familiar with the Bid requirements. The failure or neglect of a Bidder to receive or examine any of the documents shall in no way relieve him from any obligations with respect to the Bid. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.

INTERPRETATION OF BID DOCUMENTS. City reserves the right to make corrections or clarifications of the information provided in this Notice Inviting Bids. If any person is in doubt as to the true meaning of any part of the specifications or other documents, or finds discrepancies or omissions in the specifications, he may submit to the City a written request for an interpretation or correction.

Oral statement(s), interpretations or clarifications concerning meaning or intent of the contents of this Notice Inviting Bids by any person are unauthorized and invalid. Modifications to the Notice, including, but not limited to the scope of work, can be made only by written addendum issued by the City.

Questions and/or requests for interpretations shall be made in writing and delivered to:

Lt. Matthew Stiverson, Chief of Police Services
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653
or via email at chiefofpolice@lagunahillsca.gov
 no later than Thursday, September 24, 2020 by 2:00 p.m.

The requesting party is responsible for prompt delivery of any requests. When the City considers interpretations necessary, interpretations will be in the form of an addendum to the Bid documents, and when issued, will be sent as promptly as is practical to all parties recorded by the City as having received Bid documents. All such addenda shall become a part of the Bid document. It is the responsibility of each Bidder to ensure the City has

their correct business name and address on file. Any prospective Bidder who obtained a set of Bid documents is responsible for advising the City that they have a set of Bid documents and wish to receive subsequent Addenda.

IRREGULARITIES. Unauthorized conditions, limitations, or provisions attached to a Bid may cause its rejection. The completed bid shall be without interlineations, alterations or erasures. Alternative Bids will not be considered unless specifically requested. No oral, telegraphic, or telephonic proposal, modification or withdrawal will be considered.

NON-DISCRIMINATION. Bidder represents and warrants that it does not and will not discriminate against any employee or applicant for employment because of race, religion, gender, color, national origin, sexual orientation, ancestry, material status, physical condition, pregnancy or pregnancy related conditions, political affiliation or opinion, age or medical condition.

NON-EXCLUSIVE. Should the City make an award, the successful Bidder will be expected to enter into a non-exclusive agreement and the City reserves the right to enter into agreements with other firms for services.

OFFERS OF MORE THAN ONE PRICE. Bidders are NOT allowed to submit more than one proposal.

OWNERSHIP. All data, documents and other products used or developed during the Bid process shall become the property of the City upon submission.

NO OBLIGATION. The release of this Notice Inviting Bids does not obligate or compel the City to enter into a contract or agreement.

PROPOSAL, REJECTION OF. The City reserves the right to reject any or all Bids or any part of a bid. The City reserves the right to reject bid of any Bidder who previously failed to perform adequately for the City or any other governmental agency. The City expressly reserves the right to reject the bid of any Bidder who is in default on the payment of taxes, licenses or other monies due the City.

PROPRIETARY INFORMATION. All Bids and documents submitted in response to this NIB shall become the property of the City and a matter of public record pursuant to Government Code sections 6250 et seq. Bids should not be marked as confidential or proprietary, and City may refuse to consider a proposal so marked. All information contained within the Bids will become a matter of public record. It is the responsibility of each bidder to clearly identify any and all information contained within their bid proposal that it considers to be confidential and/or proprietary. To the extent that the City agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public. In the event that a demand for disclosure of information designated as "confidential and/or proprietary" by a bidder is made, the City will notify the bidder in writing of such demand and shall furnish a copy of the City's written response to the requestor. Bidder may then pursue, at its sole cost and expense, any and all appropriate legal action necessary to maintain the confidentiality of such information.

REPRESENTATIONS. Bidder understands and acknowledges that the representations

made in their submitted bid are material and important, and will be relied on by the City in evaluation of the bid. Bidder misrepresentation shall be treated as fraudulent concealment from the City of the facts relating to the proposal.

PART OF AGREEMENT. Should an agreement be awarded, this Request for Bids and Scope of Services and all conditions may become part of the agreement between the City of Laguna Hills and the successful Bidder.

SEVERABILITY. If any provisions or portion of any provision, of this Request for Bids are held invalid, illegal or unenforceable, they shall be severed from the Request for Bids and the remaining provisions shall be valid and enforceable.

SUBCONTRACTORS. Subcontractors shall not be used to perform the scope of services.

VALIDITY. Bid must be valid for a period of 120 days from the due date and may be extended by written authorization from the Bidder.

WITHDRAWAL OF PROPOSAL. Bidders' authorized representative may withdraw Bids only by written request received by the Project Manager before the submittal deadline.

SECTION II BID REQUIREMENTS

One printed original (marked original), three printed copies (marked copy) of the bid and one (1) electronic copy on CD or Flash Drive (will not be returned) must be submitted in a sealed envelope or box bearing the name of the Bidder, marked "Bid for Citywide School Crossing Guard Services" to:

City of Laguna Hills
Attn: Assistant City Clerk (Bid for Citywide School Crossing Guard Services)
24035 El Toro Road, Laguna Hills CA 92653

By 2:00 p.m. on Wednesday, September 30, 2020.

If discrepancies are found between the copies, or between the original and copy or copies, the "ORIGINAL" will provide the basis for resolving such discrepancies. If one document is not clearly marked "ORIGINAL", the City reserves the right to use any of the Bids as the Original. If no document can be identified as an original bearing original signatures, Bid may be rejected at the discretion of the City.

It is imperative that all Bidders responding to the Notice Inviting Bids comply exactly and completely with the instructions set forth herein. Bids must be concise, but with sufficient detail to allow accurate evaluation and comparative analysis. Bids should be straightforward and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the instructions, responding to the requirements, and on providing a complete and clear description of the offer.

All Bids shall be submitted on standard 8.5" by 11" paper, three-hole punched and secured in binder clips. All pages should be numbered and identified sequentially by section. Response items must be indexed in the following order with individual tabs:

A. Cover Letter

Bid must be accompanied by a cover letter, signed by an individual authorized to bind the proposing entity. An unsigned bid is grounds for rejection. The cover letter should include an introduction of the firm and summary statement of qualifications.

B. Company Data

Please submit the following information:

1. Official name and address.
2. Name, address, and telephone number of the Bidder's primary point of contact.
3. Indicate what type of entity (corporation, company, joint venture, etc.). Please enclose a copy of the Joint Venture Agreement if entity is a joint venture.
4. Federal Employer I.D. Number.
5. The address, telephone numbers and fax numbers of each of your firm's locations.

6. A detailed statement indicating whether Bidder is totally or partially owned by another business organization or individual.
7. Number of years Bidder has been in business under the present business name.
8. Number of years of experience the Bidder has had in providing required, equivalent, or related services.
9. All comparable contracts entered into during the last five (5) years, completed or not. Please indicate:
 Year started and completed
 Type of Contract
 Contracting Agency/Client Project Description
 Project Manager
 Developer of project
10. Any failures or refusals to complete a contract and explanation.
11. Individuals/Firms who own an interest of 10% or greater in the bidding firm.
12. Financial interests in other lines of business.

C. Resumes and Qualifications of Personnel

The Bidder will furnish resumes of key personnel who have had experience in supervising school crossing guards and other employees who will be associated with the service. Also, provide resumes of the key personnel involved with this service.

For the project manager, include information for three recent services. The substitution or addition of individuals shall be allowed only with prior written approval of the City.

Resume Format:

Name
 Position
 Education

Show degrees earned and certifications, school and year of completion. Exclude company courses or information that is not relevant to the person's functional job duties.

Summary of Experience:

In chronological order, most recent date first, Bidders shall submit a work history listing of other public entities for which the Bidder has performed similar work, including names, mailing addresses, email addresses and telephone numbers. Existing services will be subject to inspection by the City.

D. Organizational Chart

Bidder shall include an organizational chart that reflects titles of key staff and management contacts of each individual assigned to provide services under this Notice Inviting Bids.

It is the City's preference to have key personnel identified in the Organizational Chart to remain during the term of the agreement. The Bidder shall note concurrence on the restrictions to changes in key personnel. A transition plan shall be presented in this section in the event there are proposed changes in key personnel during the term of the agreement.

E. References

Bidder must provide three (3) references for whom Bidder has provided similar services performed in California of the nature and scope as set forth in the NIB within the last five (5) years. Include name of City or agency, name of contact person, telephone number of contact person, and description of services provided.

F. Approach and Method

- Discuss methods and procedures that will be used. Include task and staffing breakdown.
- Provide a list of all equipment to be used by the crossing guards. (The City requires that the Contractor furnishes safety-reflectorized vests, stop signs, whistles, rain gear and identification badges).
- Describe the method the company uses to verify and record each crossing guard's daily on-time attendance per shift per location.
- Provide a description for resolution in the event of a missing or late crossing guard. (A copy of the attendance log may be requested by the City intermittently).
- Describe the method the company uses to document and resolve complaints against crossing guards. (Complaints are to be shared with the Chief of Police Services)

G. Fee Schedule

Propose an hourly rate based on the current school site locations (Attachment 1).

The bell schedules for the current school site locations are listed in Attachment 2.

Please note that the actual number of days of service could vary and that services may or may not be needed for the summer school program. The Contractor shall honor its hourly rate, regardless of the actual service hours required. Payment shall be made for "guard hours" only, and the hourly rate shall constitute full compensation for the services provided, including, but not limited to, equipment, supervision, office overhead, etc.

H. Training Manual

Bidder is required to submit a copy of their proposed training manual.

I. Certificate of Insurance

Bidder demonstrates the willingness and ability to submit proof of the required insurance coverage as set forth in the Sample Draft Contract Services Agreement (attached as **Appendix 2**) prior to execution of the contract. J: Certification of Proposal: Bidder is required to sign and submit the Certification of Bid in **Appendix 3**.

SECTION III SCOPE OF SERVICES

City Information: The City of Laguna Hills (City) invites qualified firms to submit Bids for Crossing Guard Services for a period of three (3) years commencing July 1, 2020. Should an award be made, the successful Bidder will enter into a contract services agreement with the City of Laguna Hills to provide crossing guard services.

Laguna Hills is located in southern Orange County approximately 15 miles from Santa Ana and 45 miles south of Los Angeles. Laguna Hills incorporated on December 20, 1991, as the 31st city in Orange County and has a current population of 31,024 (2018 Census). The City is a general law city and operates under the council-manager form of government.

Laguna Hills is a contract city. The City Manager is hired by the City Council and oversees all day to day operations. The City has six (6) Departments:

General Government Department: Consists of the legislative, executive, and administrative oversight of all City operations. All expenditures and activities related to the City Council, City Manager, City Attorney, City Clerk, and Administrative Services are included in this Department. The Department is also responsible for the City's economic development efforts.

Community Development Department: Provides planning, code enforcement, building and safety, and receptionist functions for the City and is organized into two divisions: Planning and Building and Safety.

Community Services Department: Provides recreation classes, special events, excursions, camps, athletic programs, and disability services for the community.

Public Safety Department: Police Services, Animal Control, and Emergency Management functions. Police services are provided through a contract with the Orange County Sheriff's Department. Fire Protection services are provided by the Orange County Fire Authority. Animal Control services are provided through a contract with Mission Viejo Animal Control.

Public Services Department: Responsible for the design, construction, and maintenance of public facilities including public streets, traffic signals, storm drains, parks, and landscaping.

Non-Departmental Department: Encompasses functions that are essential to the operation of the City but do not fall within the jurisdiction of any single department or are expenditures of an organization-wide nature. Most notably, this includes the Information Technology (IT) function. The IT division is responsible for the support and management of the City's information services, including software applications and computer hardware, at the Civic Center and the Community Center and Sports Complex.

Scope of Work

The City of Laguna Hills (City) is seeking the services of a qualified and highly motivated company to provide Crossing Guard services in the City for a three-year contract.

The company will provide fully trained Crossing Guards at up to six (6) or more designated locations throughout the City of Laguna Hills Monday through Friday, excluding days when the schools are not in session. The total annual hours for Crossing Guard services being sought is estimated at 7,560 hours, with service decreasing or increasing contingent upon school schedules and City desires. The successful bidder will be able to fully manage Crossing Guard services within the City of Laguna Hills in coordination with the Orange County Sheriff's Department (OCSD) Laguna Hills Police Services.

Bidder shall propose a staffing plan, including hours worked, for each location identified. The City shall ultimately determine the locations and when and where the Crossing Guards shall be furnished by the Contractor. The City further has the power to add to, delete from, or revise the work schedule/locations at any time.

City's Right to Changes in Service

The City will reserve the right, at its sole discretion, to determine the hours and locations where and when such services and work shall be performed by Contractor. Toward this end, the City will be authorized to modify, adjust, increase, decrease or delete from, or otherwise revise, the work schedule/crossing guard locations established and set forth in Contractor's Proposal at any time during the term of the Agreement due to scheduling needs, priorities, budget considerations, and/or other circumstances. The City will promptly notify Contractor in writing of such changes or modifications to the work schedule/crossing guard locations. Such changes or modifications to the work schedule/crossing guard locations will not be considered a change in the Scope of Services and will not require a written amendment to the Agreement, provided such changes or modifications do not exceed the Maximum Contract Amount set forth in the Agreement.

The Contractor shall manage Crossing Guard personnel to see that the Crossing Guard activities are taking place at the required places and times, and in accordance with all items of the agreement.

The Contractor shall maintain adequate reserve personnel to be able to furnish alternate Crossing Guards in the event that any person fails to report for work at the assigned time and location.

The Contractor shall provide personnel proper training for the performance of Crossing Guards duties. In the performance of their duties, the Contractor and employees of the Contractor shall conduct themselves in accordance with the conditions of the Agreement and the laws and codes of the State of California, and shall maintain familiarity with laws and codes regarding general pedestrian safety and school crossing areas.

The Contractor shall furnish all uniforms and equipment for Crossing Guards assigned to work in the City of Laguna Hills. Uniforms shall be properly fitting with no rips or tears, and must be clean and present a neat appearance. Such apparel shall be uniform for all persons performing the duties of Crossing Guards and shall be worn at all times while performing said duties. Apparel must be appropriate for the weather conditions (i.e. rain gear). The Contractor shall also provide all Crossing Guards with hand held Stop signs and any other safety equipment which may be necessary, including whistle and raingear. Reflective vest must be worn at all times and be readily visible, making the personnel easily recognized as Crossing Guards; vests must comply with all applicable Federal, State, and City laws and regulations. The Contractor shall be responsible for making sure uniforms are complete, clean, in good repair and worn by all contract employees while on duty.

Crossing Guards involve a high degree of public contact. Discourtesy, rudeness, use of profanity, or physical contact by the Contractor's employees are unacceptable. Such unacceptable behavior may result in the immediate removal of the offending contract employee from performance of duties. Contractor must act in a diplomatic manner as they are the liaison between the community and the City of Laguna Hills Police Services.

Scope of Services

All Crossing Guards are to be properly trained, fingerprinted, background checked, issued appropriate Crossing Guard equipment, and dressed in appropriate uniforms at Contractor's expense.

Bidder shall propose a staffing plan, including hours worked, for each location identified. All changes to the hours of work will be approved by the City. The City of Laguna Hills shall have the right to contract for additional Crossing Guard personnel at the same rates found in the Contractor's proposal. The City of Laguna Hills shall have the right to modify the levels of service prior to, and subsequent to, the execution of a contract.

The current designated locations in the City of Laguna Hills are as follows:

1. Alicia Parkway / Wilkes Place
2. Alicia Parkway / Wilkes Place
3. Earhart Road / Barents
4. Santa Vittoria Drive / Barbera
5. La Paz Road / Paseo de Valencia
6. La Paz Road / Paseo de Valencia

(See Attachment 1)

Personnel providing services shall be employees of the Contractor, fully trained, and a minimum of 21 years of age, and capable of performing assigned duties. Contractor's personnel shall not have been convicted of any crimes other than minor traffic violations. All Crossing Guard personnel assigned to the City of Laguna Hills must receive training on pedestrian and traffic safety.

The Contractor will be required to secure at its own expense, all personnel required to perform the services. All of the required services performed by the Contractor or under its supervision, and all personnel engaged in the work, shall be qualified to perform such services. Crossing Guards assigned to work under this contract must have at least one year of experience in similar work, be a person of mature judgment, and mentally alert and capable of exercising good judgment, implementing instructions, and assimilating necessary specialized training.

In the event the Contractor must use substitute personnel, they shall be equal in ability, skill, and knowledge to the employees they are replacing. Substitute personnel will be billed to the City at same base Crossing Guard rate as regular employees. Poor performance will not be tolerated.

Contractor and assigned Crossing Guard personnel will be required to cooperate with the City at all times. Contractor will meet with the City of Laguna Hills quarterly to review the program.

Personnel Selection

The Contractor shall be responsible for providing competent and trained personnel. Each employee:

- a. Shall be at least twenty-one years of age.
- b. Shall be physically and mentally capable of performing Crossing Guard services.
- c. Shall have the ability to give and follow oral and written instructions.
- d. Shall have the ability to establish and maintain effective working relationships with the public.
- e. Shall have the ability to remain calm and use good judgment and initiative in a confrontational or emergency situation.

Training

Contractor shall meet any and all applicable State and local training or licensing standards. The Contractor shall provide training for all of its employees. Training shall be comprehensive and include information on, but not limited to, traffic control techniques, incident reporting procedures, conflict avoidance, conflict resolution, and mitigation techniques and legal responsibilities, and liabilities associated with providing Crossing Guard services. Additionally, the Contractor shall provide instruction on the proper and acceptable use of equipment (e.g. hand held stop sign), customer service and public relations. The Contractor shall provide the City a copy of its training manual for review by the City.

Criminal Background Checks

All persons directly providing services to minors as a part of the Agreement are requested to voluntarily submit to and pass a criminal background investigation by providing a complete set of fingerprints to the City at least thirty (30) calendar days prior to providing any services related to the Agreement. Said criminal background investigation shall be conducted pursuant to City policy and practice. Any person who has not completed said

criminal background investigation or who has been identified by City as being ineligible to perform services shall not provide services related to the Agreement. Any person with a record of a conviction (or guilty plea) of a felony or a misdemeanor involving a violent or sexual crime, including those crimes set forth in Penal Code section 11105.3, shall not perform any services or work related to the Agreement. All persons undergoing a criminal background investigation under this section shall submit for said investigation on an annual basis throughout the term of the Agreement.

General Conditions

The City will not reimburse bidders for any costs incurred in the preparation and submittal of bids. Further, the request does not obligate the City of Laguna Hills to accept or contract for any expressed or implied services. The City reserves the right to:

- Request any firm/person submitting a bid to clarify its proposal during the selection phase;
- Negotiate the project schedule and reasonable costs with the selected vendor;
- Modify or alter any requirements herein;
- Identify additional tasks to be accomplished prior to establishing a formal contractual agreement, and;
- Make no award.

Bid Requirements

Bids shall specify each item as set forth in this Notice Inviting Bids. Failure to comply with all requirements and conditions set forth by these specifications and Notice instructions will be the cause for the rejection of the bids(s). No exceptions or deviations from these specifications will be considered unless each exception or deviation is specifically identified with a detailed statement fully defining the exception(s). All exception(s) must be fully supported by detailed specification regarding the deviated item and shall accompany the proposal for evaluation by the City. If no exceptions are identified, the Bidder shall be required to furnish the service exactly as specified herein. The burden of proof of compliance with these specifications is the responsibility of the Bidder. Acceptance or rejection of the changes is the sole prerogative of the City.

Bidder Must Make Thorough Investigation

It is the bidder's responsibility to examine the location of the proposed work to fully acquaint themselves with the specifications and the nature of the work to be accomplished. Bidders shall have no claim against the City based upon ignorance of the nature and requirements of the project, misapprehension of the site conditions, or misunderstanding of the specifications or contract provisions.

APPENDIX 1 NON-COLLUSION AFFIDAVIT

The undersigned declares, states and certifies that:

1. This Bid is not made in the interest of, or on behalf of any undisclosed person, partnership, company, association, organization or corporation.
2. This Bid is genuine and not collusive or sham.
3. I have not directly or indirectly induced or solicited any other Proposer to put in a false or sham Bid and I have not directly or indirectly colluded, conspired, connived, or agreed with any other Proposer or anyone else to put in sham Bid or to refrain from submitting to this RFP.
4. I have not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid price or to fix any overhead, profit or cost element of the Bid price or to secure any advantage against the City of Laguna Hills or of anyone interested in the proposed contract.
5. All statements contained in the Bid and related documents are true.
6. I have not directly or indirectly submitted the Bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay any fee to any person, corporation, partnership, company, association, organization, RFP depository, or to any member or agent thereof to effectuate a collusive or sham Bid.
7. I have not entered into any arrangement or agreement with any City of Laguna Hills public officer in connection with this Bid.
8. I understand collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards.

I declare under penalty of perjury pursuant to the laws of the State of California and the United States that the foregoing facts are true and correct.

Executed this ____ day of _____, 2020, at _____, California.

Signature of Authorized Representative _____

Name of Authorized Representative _____

Title of Authorized Representative _____

**APPENDIX 2
CONSULTANT'S ACKNOWLEDGEMENT OF COMPLIANCE WITH INSURANCE
REQUIREMENTS FOR
AGREEMENT FOR CONSULTANT SERVICES**

Consultant agrees, acknowledges and is fully aware of the insurance requirements as specified. Insurance Requirements of the sample Agreement for Professional Services (**Appendix 4**) and accepts all conditions and requirements as contained therein.

Consultant: _____ Name (Please Print or Type)

By: _____ Consultant's Signature & Title

Date:

APPENDIX 3 CERTIFICATION OF BID TO THE CITY OF LAGUNA HILLS

The undersigned hereby submits its Bid and agrees to be bound by the terms and conditions of this Request for Bid (RFP) Bid for Citywide School Crossing Guard Services. By signing the Certification of Bid (Appendix 3) and submitting a Bid to the City in response to this Request for Bids, the Proposer hereby represents and certifies that:

- 1) Proposer declares and warrants that no elected or appointed official, officer or employee of the City has been or shall be compensated, directly or indirectly, in connection with this Bid or any work connected with this Bid. Should any agreement be approved in connection with this Request for Bid, Proposer declares and warrants that no elected or appointed official, officer or employee of the City, during the term of his/her service with the City shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.
- 2) By submitting the response to this request, Proposer agrees, if selected to furnish services to the City in accordance with this RFP.
- 3) Proposer has carefully reviewed its Bid and understands and agrees that the City is not responsible for any errors or omissions on the part of the Proposer and that the Proposer is responsible for them.
- 4) It is understood and agreed that the City reserves the right to accept or reject any or all Bids and to waive any informality or irregularity in any Bid received by the City.
- 5) The Bid response includes all of the Bid response requirements listed in the Request for Bid, dated September 17, 2020.
- 6) The Bid shall be valid for 120 days from September 30, 2020.

Name of Proposer: _____

By: _____ (Authorized Signature)

Name: _____

Title: _____

Date: _____

Appendix 4
CONTRACT SERVICES AGREEMENT
(Name of Company), Inc.
Citywide School Crossing Guard Services
Fiscal Years 2020/2021 – 2022/2023

THIS AGREEMENT FOR CITYWIDE SCHOOL CROSSING GUARD SERVICES (hereinafter “Agreement”) is made and entered into, to be effective this 13th day of October 2020, 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 (Name of Company), INC., a California corporation (hereinafter referred to as “Contractor”). City and Contractor 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 a qualified contractor equipped and specially trained in appropriate procedures for crossing pedestrians in crosswalks for general pedestrian safety within designated marked crosswalks in the City, including but not limited to designated school crosswalk areas (the “Project”).

B. In response to City's formal competitive Notice Inviting Bids for Citywide School Crossing Guard Services (NIB No. _____), dated September __, 2020, Contractor has submitted to City a written proposal, dated _____, 2020, to provide for citywide school crossing guard services to City for the Project, pursuant to the terms of this Agreement.

C. Contractor 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, training, or specialized equipment able to perform the work or services contracted for herein.

D. City desires to retain Contractor to provide such crossing guard services 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 CONTRACTOR

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Contractor agrees to provide and perform the crossing guard services for the Project as set forth in Contractor’s Proposal, dated _____, 2020, which is attached hereto as Exhibit “A” and is incorporated herein by reference (hereinafter collectively referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to the City entering into this Agreement, Contractor acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Contractor’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 professionals in the same discipline in the State of California. Contractor represents and warrants that it is skilled in the professional 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. Contractor represents and warrants that it and all of its employees, subconsultants, 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 Work or Services 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 Proposal, dated _____, 2020, ("Consultant's Proposal") and submitted to City; and, (3) the City's Notice Inviting Bids for Citywide School Crossing Guard Services, dated September __, 2020, which shall all be referred to collectively hereinafter as the "Contract Documents." The Consultant's Proposal and the City's Notice Inviting Bids, which are both attached hereto as Exhibits "A" and "B," respectively, are hereby incorporated by reference and are made a part of this Agreement. All provisions of this Agreement, the Consultant's Proposal, and the City's Notice Inviting Bids 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 provisions of the City's Notice Inviting Bids (Exhibit "B"); and (3rd) the provisions of the Consultant's Proposal (Exhibit "A").

1.3 Compliance with Law. Contractor 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. Contractor 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. Contractor shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Contractor performs any Work or Services in violation of such laws, rules, and regulations, Contractor shall be solely responsible for all penalties and costs arising therefrom. Contractor 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 Contractor 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. Contractor represents and warrants to City that Contractor 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 Contractor to perform the Work and Services under this Agreement. Contractor 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 Contractor'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, Contractor 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. Contractor 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 Unauthorized Aliens. Contractor hereby represents and warrants that it will comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of any Work and/or Services under this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to reimburse City for any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, or penalties which arise out of or are related to such employment, together with any and all costs, including attorneys' fees, incurred by City.

1.9 Non-Exclusive Agreement. Contractor 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. Contractor 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 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Contractor shall be compensated by City for the services performed in accordance with the hourly rates and charges as established and set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of _____ Dollars (\$ _____) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

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 Contractor wishes to receive payment, no later than the tenth (10th) working day of such month, Contractor shall submit to the City, in a form approved by the City's Finance Director, 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 Contractor 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 Contractor within forty-five (45) days after receipt of the invoice or as soon thereafter as is reasonably practical.

2.3 Changes in Scope.

A. 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 fees and/or charges. 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 Contractor's profession.

B. Notwithstanding the foregoing, the City shall have the right, at its sole discretion, to determine the hours and locations where and when such Services and Work shall be performed by Contractor. Toward this end, the Contract Officer is hereby authorized to modify, adjust, increase, decrease or delete from, or otherwise revise, the work schedule/crossing guard locations established and set forth in Contractor's Proposal, attached hereto as Exhibit "A," at any time during the term of this Agreement due to scheduling needs, priorities, budget considerations, the COVID-19 pandemic, any applicable public health orders, state or locally declared emergencies, and/or other circumstances. The Contract Officer shall promptly notify Contractor in writing of such changes or modifications to the work schedule/crossing guard locations. Such changes or modifications to the work schedule/crossing guard locations shall not be considered a change in the Scope of Services and shall not require a written amendment to this Agreement, provided such changes or modifications do not exceed the Maximum Contract Amount.

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 term of this 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 Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon Schedule of Performance (Exhibit “A”).

3.2 Schedule of Performance. Contractor 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, which is attached hereto as Exhibit “A” and is incorporated herein by reference. When requested by Contractor, 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 Contractor (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, pandemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Contractor, 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 Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor'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 for a period of three (3) years, commencing on October 13, 2020 and ending on October 12, 2023, unless extended by mutual written agreement of the Parties.

4. COORDINATION OF WORK

4.1 Representative of Contractor. The following principal of Contractor is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: _____ . 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 Contractor and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Contractor 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 Contractor's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Services, and the Contractor 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 Contractor, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Contractor 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. Contractor shall not contract with any other entity to perform the Services required without prior written consent of City. If Contractor is permitted to subcontract any part of this Agreement by City, Contractor 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 Contractor. City will deal directly with and will make all payments to Contractor.

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 Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Contractor 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 Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, 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 Contractor's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Contractor 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 Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

B. Contractor 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 Contractor, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of any Work or Services under this Agreement. City shall not be liable for compensation or indemnification to Contractor, 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, of any nature relating to salary, taxes, or benefits of Contractor's officers, employees, representatives, agents, or subconsultants or subcontractors, Contractor shall defend, indemnify, and hold harmless City from and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

A. In the event that Contractor or any employee, agent, or subcontractor of Contractor 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, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor 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, Contractor 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. Contractor 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. Contractor 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. In addition, Contractor shall not allow any subconsultant or subcontractor to commence any Work or Services until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section. If Contractor's existing insurance policies do not meet the insurance requirements set forth herein, Contractor 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, Contractor 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.** Contractor 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.** Contractor 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.** Contractor 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. Contractor 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. Contractor 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 Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Contractor 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 Contractor 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 Contractor, 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, Contractor 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 Contractor 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. Contractor hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Contractor 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, Contractor 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, Contractor 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. Contractor 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 Contractor may be held responsible for payments of damages to persons or property.

5.10 Enforcement of Agreement (Non-Estoppel). Contractor acknowledges and agrees that actual or alleged failure on the part of the City to inform Contractor 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. Contractor shall include all subconsultants or subcontractors engaged in any Work or Services for Contractor relating to this Agreement as additional insureds under the Contractor's insurance policies, or Contractor 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 Contractor'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. Contractor shall not allow any subconsultant or subcontractor to commence any Work or Services

relating to this Agreement unless and until it has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Contractor agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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

A. Contractor 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 Contractor 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 Contractor's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

E. Contractor 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 Contractor, provide the same minimum insurance coverage required of Contractor. Contractor 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. Contractor agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

F. Contractor agrees to provide immediate written notice to City of any claim, demand or loss against Contractor 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, Contractor shall defend (at Contractor'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 (Contractor'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 Contractor's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Contractor's indemnification obligation or other liability hereunder.

7. REPORTS AND RECORDS

7.1 Accounting Records. Contractor shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Contractor 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. Contractor 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 Contractor, 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 Contractor 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 Contractor 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 Contractor in the performance of this Agreement shall be considered confidential and shall not be released by Contractor 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, Contractor shall provide City, or other agents of City, such access to Contractor'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 Contractor's performance under this Agreement. Contractor 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 Contractor 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 Contractor thirty (30) days written notice. Upon such notice, City shall pay Contractor for Services performed through the date of termination. Upon receipt of such notice, Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Contractor shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Contractor shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Contractor 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 Contractor 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 Contractor, 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 Contractor 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. Contractor 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, Contractor 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. Contractor 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:

To Contractor:

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.

10.8 Criminal Background Checks. All persons directly providing services to minors as a part of the Agreement are requested to voluntarily submit to and pass a criminal background investigation by providing a complete set of fingerprints to the City at least thirty (30) calendar days prior to providing any services related to the Agreement. Said criminal background investigation shall be conducted pursuant to City policy and practice. Any person who has not completed said criminal background investigation or who has been identified by City as being ineligible to perform services shall not provide services related to the Agreement. Any person with a record of a conviction (or guilty plea) of a felony or a misdemeanor involving a violent or sexual crime, including those crimes set forth in Penal Code section 11105.3, shall not perform any services or work related to the Agreement. All persons undergoing a criminal background investigation under this section shall submit for said investigation on an annual basis throughout the term of the Agreement.

[SIGNATURES ON NEXT PAGE]

SIGNATURE REQUIREMENTS --

For Contractors that are a corporation, two (2) Corporate Officers must sign and staff may request that a copy of their corporate resolution confirming the names and titles of their authorized signatories be provided to the City in advance for review and approval, and the signature requirements are as follows:

1) *One signature by the Chairman of the Board, the President, or the Vice President,*

-And-

2) *One signature by the Corporate Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.*

For Contractors that are not a corporation, signature requirements are as follows: the person who has authority to bind the business entity must sign.

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

JANINE HEFT,
Mayor

ATTEST:

(SEAL)
JENNNIFER LEE,
Deputy City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“CONTRACTOR”
(Name of Company), Inc., a
California corporation

By: _____
_____,
President

By: _____
_____,
Corporate Secretary

EXHIBIT “A”

CONTRACTOR’S PROPOSAL

DATED: SEPTEMBER __, 2020

AND

DESCRIPTION OF SCOPE OF SERVICES/WORK

Inclusive of Contractor’s Proposal Letter,

and

Scope of Services

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ HOURLY FEES

EXHIBIT "B"

CITY OF LAGUNA HILLS

NOTICE INVITING BIDS FOR CITYWIDE SCHOOL CROSSING GUARD SERVICES

(NIB NO. _____)

DATED: SEPTEMBER __, 2020

SAMPLE

Attachment 1

SCHOOL SITE - ADULT CROSSING GUARD LOCATIONS

Site ID	Intersection / Location	Crosswalk *	Control **	School Served
1	Alicia Parkway / Wilkes Place	NB, SB, EB, WB	TS	Lomarena Elementary
2	Alicia Parkway / Wilkes Place	NB, SB, EB, WB	TS	Lomarena Elementary
3	Earhart Road / Barents	EB	UC	Lomarena Elementary
4	Santa Vittoria Drive / Barbera	EB	CSS	San Joaquin Elementary
5	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary
6	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary

* NB: Northbound, SB: Southbound, EB: Eastbound, WB: Westbound

**CSS: Cross Street Stop, TS: Traffic Signal, UC: Uncontrolled Intersection

Attachment 2

SCHOOL SITE BELL SCHEDULES



San Joaquin Elementary School



Bell Schedule

Kindergarten

	All Kindergarteners
Start Time	8:00
Recess	9:40 - 10:00
Lunch	11:15-11:55
Recess	1:00 - 1:15
Dismissal	2:00

 Grades 1-6

	1st - 3rd	4th - 6th
Start Time	8:00	8:00
Recess	9:40 - 10:00	10:00 - 10:15
Lunch	11:30 - 12:10	12:15 - 12:55
Recess	1:00- 1:15	N/A
Dismissal	2:00	2:00

 Grades K-6 - Minimum Days

	K - 3rd	4th - 6th
Start Time	8:00	8:00
Recess	9:40 - 10:00	10:05 - 10:15
Lunch	11:00 - 11:40	12:15 - 12:45
Dismissal	12:45	12:45



Lomarena Elementary School



Bell Schedule

Transitional Kindergarten (TK)

	Early Bird	Later Gator
Start Time	8:00	9:40
Dismissal	11:20	1:00

Grades K-6

Monday, Tuesday, Thursday and Friday

	K-1st	2nd-3rd	4th - 6th
Start Time	8:15	8:15	8:15
Recess	9:35 - 9:55	10:00 - 10:20	10:25 - 10:40
Lunch	11:30 - 12:10	12:00 - 12:40	12:30 - 1:10
Recess	1:20 - 1:35	1:20 - 1:35	
Dismissal	2:30	2:30	2:30

Grades K-6 - Minimum Days

Every Wednesday and Parent Conference Week

	K - 1st	2nd - 3rd	4th - 6th
Start Time	8:15	8:15	8:15
Recess	9:20 - 9:45	9:50 - 10:15	10:20 - 10:30
Lunch	11:30 - 12:15	11:30 - 12:15	12:15 - 12:55
Dismissal	1:10	1:10	1:10



Valencia Elementary School



Bell Schedule

Kindergarten

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:45-10:25	100 minutes	8:45-10:25	100 minutes
Recess	10:25-10:40	15 minutes	10:25-10:45	20 minutes
Instruction	10:40-11:20	40 minutes	10:45-11:30	45 minutes
Lunch	11:20-12:00	40 minutes	11:30-12:00	30 minutes
Instruction	12:00-1:00	60 minutes	12:00-1:20	80 minutes
Recess	1:00-1:20	20 minutes		
Instruction	1:20-2:45	85 minutes		

First and Second Grade

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:30 - 10:00	90	8:30 - 10:00	90
Recess	10:00 - 10:20	20	10:00 - 10:20	20
Instruction	10:20 - 12:00	100	10:20 - 11:00	40
Lunch	12:00 - 12:40	40	11:00 - 11:30	30
Instruction	12:40 - 1:25	45	11:30 - 1:05	95
Recess	1:25 - 1:40	15		
Instruction	1:40 - 2:30	50		

Third Grade

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:30 - 10:00	90	8:30 - 10:00	90
Recess	10:00 - 10:20	20	10:00 - 10:20	20
Instruction	10:20 - 11:40	80	10:20 - 11:15	55
Lunch	11:40 - 12:20	40	11:15 - 11:45	30
Instruction	12:20 - 1:25	65	11:45 - 1:05	80
Recess	1:25 - 1:40	15		
Instruction	1:40 - 2:30	50		

Fourth Grade

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:30 - 10:45	135	8:30 - 10:45	135
Recess	10:45 - 11:00	15	10:45 - 11:15	30
Instruction	11:00 - 12:00	60	11:15 - 1:05	110
Lunch	12:00 - 12:40	40		
Instruction	12:40 - 2:30	110		

Fifth Grade

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:30 - 10:45	135	8:30 - 10:45	135
Recess	10:45 - 11:00	15	10:45 - 11:15	30
Instruction	11:00 - 12:20	80	11:15 - 1:05	110
Lunch	12:20 - 1:00	40		
Instruction	1:00 - 2:30	90		

Sixth Grade

Regular Day		Minutes	Minimum Day	Minutes
Instruction	8:30 - 10:25	115	8:30 - 10:30	120
Recess	10:25 - 10:40	15	10:30 - 11:00	30
Instruction	10:40 - 12:40	120	11:00 - 1:05	125
Lunch	12:40 - 1:20	40		
Instruction	1:20 - 2:30	70		

Saddleback Valley Unified School District

School Year Calendar for 2020/2021

2020

July 3	Friday	Independence Day Holiday	
Aug 13	Thurs	District Staff Development Day	
Aug 14	Fri	District Orientation Day	
Aug 17	Mon	First Day of School	
Aug/Sept	*	Elementary Back to School Night, <i>*Dates to be determined by Sites</i>	Minimum Day
Sept 3	Thurs	Intermediate Back to School Night	Minimum Day
Sept 4	Fri	District Staff Development Day	Non-school day for students
Sept 7	Mon	Labor Day Holiday	
Sept 17	Thurs	High School Back to School Night	Minimum Day
Sept 28	Mon	Fall Recess Day	Non-school day for students
Nov 11	Wed	Veterans' Day Holiday	
Nov 5-6,9-10,12-13	Th-F; M-F	Elementary Parent Conference Days	Minimum Day
Nov 12-13	Thurs-Fri	Intermediate & Silverado Trimester Exam	Minimum Day
Nov 23-25	Mon-Wed	Non-school recess days	
Nov 26-27	Thurs-Fri	Thanksgiving Holiday	
Dec 16-18	Wed-Fri	High School Exam Schedule (Not Silverado)	Minimum Day
Dec 21-25	Mon-Fri	Winter Recess	
Dec 28-31	Mon-Thurs	Winter Recess	
Dec 30	Wed	CA Admissions Day Observation	

2021

Jan 1	Fri	Winter Recess	
Jan	*	Intermediate, High School, and Esperanza Showcase, <i>*Dates to be determined by Sites</i>	Minimum Day
Jan 8	Fri	District Staff Development Day	Non-school day for students
Jan 18	Mon	Dr. Martin Luther King, Jr. Day Holiday	
Feb 12, 15	Fri & Mon	Presidents' Days	
Feb 19, 22-26	Fri & Mon-Fri	Elementary Parent Conference Days	Minimum Day
Feb 25-26	Thurs-Fri	Intermediate & Silverado Trimester Exam	Minimum Day
March-May	*	Elementary Open House Showcase, <i>*Dates to be determined by Sites</i>	Minimum Day
Apr 5-9	Mon-Fri	Spring Recess	
May 31	Mon	Memorial Day Holiday	
June 1-3	Tue-Thurs	High School Exam Schedule (Not Silverado)	Minimum Day
June 2-3	Wed-Thurs	Intermediate & Silverado Exams	Minimum Day
June 3	Thurs	8 th Grade Promotion/High School Graduation	Minimum Day
June 3	Thurs	Last Day of School	Minimum Day

End of High School Quarter: Q1, Fri, Oct 23; Q2, Fri, Dec 18; Q3, Fri, Mar 12; Q4, Thurs, June 3

End of Trimester Elem: Tri 1, Fri, Nov 6; Tri 2, Fri, Feb 26; Tri 3, Thurs, June 3

End of Trimester Int/Silverado: Tri 1, Fri, Nov 13; Tri 2, Fri, Feb 26; Tri 3, Thurs, June 3

Board Approved: June 7, 2018, Rev 10.21.19, 3.2.20, 8.20.20

EXHIBIT "C"

COVID-19 HYBRID SCHEDULE

Modified Scope of Services/Schedule of Performance

TABLE 1: Adult Crossing Guard Locations

Site ID	Intersection / Location	Crosswalk	Control	School
1.1	Alicia Parkway / Wilkes Place	NB, SB, EB, WB	TS	Lomarena Elementary
1.2	Alicia Parkway / Wilkes Place			
2	Barents / Wilkes Place	EB	UC	Lomarena Elementary
3	Earhart Rd. / Velasquez Rd.	NB, SB, EB, WB	4WS	Lomarena Elementary
4	Santa Vittoria Drive / Barbera	EB	CSS	San Joaquin Elementary
5.1	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary
5.2	La Paz Road / Paseo de Valencia	NB, SB, EB, WB	TS	Valencia Elementary
NB: Northbound, SB: Southbound, EB: Eastbound, WB: Westbound				
CSS: Cross Street Stop, TS: Traffic Signal, UC: Uncontrolled Intersection				

TABLE 2: Site Staffing

Site Location	School Served	Billable Hours						
		Monday	Tuesday	Wednesday	Thursday	Friday		
1.1	Lomarena Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
Alicia Parkway/	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Wilkes Place	949.581.1370	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		
1.2	Lomarena Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
Alicia Parkway/	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Wilkes Place	949.581.1370	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		
2	Lomarena Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
Barents /	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Wilkes Place	949.581.1370	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		
3	Lomarena Elementary	2 hours (AM)*	2 hours (AM)*	2 hours (AM)*	2 hours (AM)*	2 hours (AM)*		
Earhart Rd. /	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Velasquez Rd.	949.581.1370	2 hours (PM)*	2 hours (PM)*	2 hours (PM)*	2 hours (PM)*	2 hours (PM)*		
4	San Joaquin Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
Santa Vittoria Dr./	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Barbera	949.581.3450	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		
5.1	Valencia Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
La Paz Rd /	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Paseo de Valencia	949.830.3650	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		
5.2	Valencia Elementary	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)	2 hours (AM)		
La Paz Rd /	Saddleback Valley USD	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*	2 hours (Mid)*		
Paseo de Valencia	949.830.3650	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)	2 hours (PM)		

(*) = Modifications due to COVID-19 Hybrid Model School Schedule



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Director

ISSUE: Assignment and Assumption Agreement for Professional Independent Auditor and Accounting Services

RECOMMENDATION: That the City Council approve and authorize the City Manager to execute the Proposed Assignment and Assumption Agreement for Professional Independent Auditor and Accounting Services by and between the City of Laguna Hills, White Nelson Diehl Evans LLP, and Clifton Larson Allen LLP.

SUMMARY:

The City's independent auditor, White Nelson Diehl Evans LLP (WNDE), was acquired by Clifton Larson Allen (CLA), which can perform all the contractual obligations under the existing Professional Services Agreement with uninterrupted service. It is staff's recommendation that the City Council approve and authorize the City Manager to execute the proposed Assignment and Assumption Agreement, which will allow CLA to assume the Professional Services Agreement for Professional Independent Auditor and Accounting Services for the duration of the current contract term through June 30, 2021. Staffing from the firm assigned to the City's audit would remain unchanged through the transition and shall continue to be provided by the same partners, managers, and staff for the duration of the current contract term.

BACKGROUND:

On June 9, 2015, City and WNDE originally entered into an agreement entitled, Professional Services Agreement White Nelson Diehl Evans LLP (Independent Financial Audit Services – City Audits for Fiscal Years 2014/15 – 2015/16), for a contract term of

Assignment and Assumption Agreement for Independent Auditor

November 10, 2020

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two (2) years commencing on June 9, 2015, and ending on June 30, 2017 (the “Agreement”) in order for WNDE to perform the audit of the City’s financial statements for Fiscal Years 2014/15 and 2015/16, as well as to provide the City with other as-needed auditing and accounting services. The Agreement provided the Parties with the option to extend the term of the Agreement by mutual written agreement.

On April 25, 2017, City and WNDE executed Amendment No. 1 to the Agreement, by which the parties entered into a mutual written agreement to extend the term of the Agreement for an additional contract term of two (2) years (ending on June 30, 2019) in order for WNDE to perform the audit of the City’s financial statements for Fiscal Years 2016/17 and 2017/18. As part of Amendment No. 1, the “Scope of Services” set forth in Section 1.1 of the Agreement was further amended to include additional as-needed auditing and accounting services for Fiscal Years 2016/17 and 2017/18. Additionally, the “Maximum Contract Amount” set forth in Section 2.1 of the Agreement was also increased by \$65,000 from \$65,000 to \$130,000 in order to provide for the additional services during the authorized two-year term extension.

On April 9, 2019, City and WNDE executed Amendment No. 2 to the Agreement, by which the parties entered into a mutual written agreement to extend the term of the Agreement for an additional contract term of two (2) years (ending on June 30, 2021) in order for WNDE to perform the audit of the City’s financial statements for Fiscal Years 2018/19 and 2019/20. As part of Amendment No. 2, the “Scope of Services” set forth in Section 1.1 of the Agreement was further amended to include additional as-needed auditing and accounting services for Fiscal Years 2018/19 and 2019/20. Additionally, the “Maximum Contract Amount” set forth in Section 2.1 of the Agreement was also increased by \$70,000 from \$130,000 to \$200,000 in order to provide for the additional services during the authorized two-year term extension.

By way of written correspondence dated October 26, 2020, WNDE notified the City that WNDE officially merged with CLA, which resulted in CLA’s acquisition of WNDE as of November 1, 2020. As part of the merger and acquisition, WNDE accepted an offer from CLA to assign the Agreement, Amendment No. 1, and Amendment No. 2 between WNDE and City to CLA.

Since Section 4.3 of the Agreement requires the written consent of the City prior to any transfer or assignment of the Agreement to a different entity, WNDE and CLA have requested that the City consent to and allow CLA to formally assume WNDE’s rights,

Assignment and Assumption Agreement for Independent Auditor

November 10, 2020

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obligations, liabilities, and interest under the Agreement, Amendment No. 1, and Amendment No. 2.

CLA has experience in public accounting for federal, state, and local governments and can perform all the contractual obligations under the existing Professional Services Agreement. Accordingly, to maintain uninterrupted independent audit services, it is staff's recommendation that the City Council approve and authorize the City Manager to execute the proposed Assignment and Assumption Agreement by and between the City, WNDE, and CLA. Staffing from the firm assigned to the City's audit would remain unchanged through the transition and shall continue to be provided by the same partners, managers, and staff for the duration of the current contract term, which is through June 30, 2021.

ATTACHMENTS:

- Attachment a - Current Professional Services Agreement with WNDE
- Attachment b - Amendment No. 1 to Professional Services Agreement
- Attachment c - Amendment No. 2 to Professional Services Agreement
- Attachment d – October 26, 2020 Request from WNDE for “Assignment of Contract for Professional Services Agreement to Clifton Larson Allen, LLP”
- Attachment e – Proposed Assignment and Assumption Agreement by and between the City, WNDE, and CLA

PROFESSIONAL SERVICES AGREEMENT

White Nelson Diehl Evans LLP

(Independent Financial Audit Services – City Audits for Fiscal Years 2014/15 & 2015/16)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made and entered into, to be effective this 9th day of June 2015, 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 WHITE NELSON DIEHL EVANS LLP, a California Limited Liability 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 professional services of a qualified certified public accounting firm for the purpose of serving as independent auditors for the City of Laguna Hills to perform independent audit services for Fiscal Years 2014/15 and 2015/16, as well to provide the City with other auditing and accounting services (the “Project”).

B. Consultant has submitted to City a proposal, dated April 24, 2015, to provide professional independent auditing services, as well as other auditing and accounting 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 or specialized technical expertise able to perform the work or services contracted for herein.

D. City desires to retain Consultant to provide such professional services 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 professional independent auditing services for Fiscal Years 2014/15 and 2015/16, as well as other auditing and accounting services, to City for the Project as described, specified and as set forth in the Proposal/Scope of Work, dated April 24, 2015, which is attached hereto as Exhibit “A” and is incorporated herein by reference (hereinafter referred to as the “Scope of Services,” the

"Services" or "Work"). 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 professionals in the same discipline in the State of California. Consultant represents and warrants that it is skilled in the professional 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 Services and Work 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; and, (2) the Consultant's signed, original April 24, 2015 proposal submitted to the City ("Consultant's Proposal"), 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. 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 of this Agreement; and, (2nd) the provisions of the Consultant's Proposal.

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. If the Services involve work upon any site, Consultant represents and maintains that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services hereunder. Should the Consultant discover any latent or unknown conditions that will materially affect the performance of the Services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the City.

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, 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 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 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the all-inclusive maximum professional rates set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Sixty Five Thousand Dollars (\$65,000.00) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The Maximum Contract Amount shall include the attendance of Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant hereby acknowledges that it accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation therefore, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall nevertheless complete the Services and Work without liability on the City's part for further payment beyond the Maximum Contract Amount.

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 term of this 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, or on each task order, if applicable, and shall perform all Services within the time period(s) established in the Schedule of Performance, 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 commence upon the effective date of this Agreement and shall continue in full force and effect for a period of two (2) years, commencing on June 9, 2015 and ending on June 30, 2017, unless extended by mutual written agreement of the Parties.

3.5 Task Orders. Consultant hereby agrees and acknowledges that any and all Services or Work performed pursuant to this Agreement shall be based upon the prior issuance of a written project task order by the City. Furthermore, Consultant hereby agrees and acknowledges that execution of this Agreement by the City does not in any way guarantee that a

task order will be issued to Consultant. Moreover, execution of this Agreement by the City shall not entitle Consultant to any form of payment or compensation from the City without City first having issued a project task order.

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 to make all decisions in connection therewith: **Nitin P. Patel, CPA, Engagement Partner.** 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. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant from any liability hereunder without the express written consent of City.

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. In addition, Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services until it has provided evidence satisfactory to City that the subconsultant or subcontractor 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.

D. Professional Liability (Errors & Omissions) Insurance. Consultant shall obtain and maintain in full force and effect throughout the term of this Agreement, a policy of Professional Liability or Errors and Omissions Insurance appropriate to Consultant's profession with limits of at least two million dollars (\$2,000,000.00). Covered professional services shall specifically include all Work or Services to be performed under the Agreement and delete any exclusions that may potentially affect the Work or Services to be performed under this Agreement.

1. The policy shall be endorsed to provide the following: Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

2. If the policy of insurance is written on a "claims-made" basis, the City may require that the policy be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Work or Services provided hereunder. In the event of termination of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing the Work or Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the City.

3. In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Work or Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Work or Services under the terms of this Agreement.

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 Eligible Surplus Lines Insurers (LESLI), 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.

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 include all subconsultants or subcontractors engaged in any Work or Services for Consultant relating to this Agreement as additional insureds under the Consultant's insurance policies, or 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 received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Consultant agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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 and hold the City, its

officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officers, directors, employees, subcontractors, consultants or agents, in connection with Consultant's performance under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent that the Work or Services performed by Consultant are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. 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. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the City, its officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused in part by the sole negligence, active negligence, or willful misconduct of the City.

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. Consultant hereby acknowledges that the City is greatly concerned about the cost of the Work and Services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the Work or Services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of such fact, circumstance, technique, or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

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. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. Consultant shall ensure that all of its subconsultants and subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

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 Default of Consultant.

A. Consultant's failure to comply with any provision of this Agreement shall constitute a default.

B. If the City Manager, or City Manager's designee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Consultant in writing of such default. Consultant shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Consultant shall be liable for any and all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's right to terminate this Agreement without cause pursuant to Section 8.3.

C. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.4(B), take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Consultant shall not limit Consultant's liability for completion of the Services as provided herein.

8.5 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.

8.6 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.

8.7 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.

8.8 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 Patent and Copyright Infringement.

A. To the fullest extent permitted by law, and in lieu of any other warranty by City or Consultant against patent or copyright infringement, statutory or otherwise, it is agreed that Consultant shall defend at its expense any claim or suit against City on account of any allegation that any item furnished under this Agreement, or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the alleged negligence, recklessness or willful misconduct of Consultant. However, Consultant will not indemnify City if the suit or claim results from: (1) City's alteration of a deliverable, such that City's alteration of such deliverable created the infringement upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by Consultant when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof, Consultant shall not be obligated to indemnify City under any settlement made without Consultant's consent or in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Consultant's expense. If the use or sale of such item is enjoined as a result of the suit or claim, Consultant, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

10.2 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:

White Nelson Diehl Evans LLP
Attention: Nitin P. Patel, CPA, Engagement Partners
2875 Michelle Drive, Suite 300

Irvine, CA 92606-5165
 Telephone: (714) 978-1300
 Facsimile: (714) 978-7893

10.3 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.

10.4 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.

10.5 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.6 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.

10.7 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.

10.8. 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.

10.9 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"). Consultant agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the Work or Services provided pursuant to this Agreement, Consultant shall bear all risks of payment or non-payment of prevailing wages under California law, and Consultant hereby agrees to defend, indemnify, and hold the 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 the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

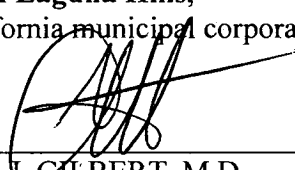
10.10 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

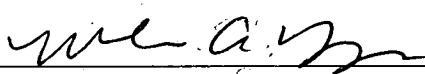
"CITY"

City of Laguna Hills,
a California municipal corporation



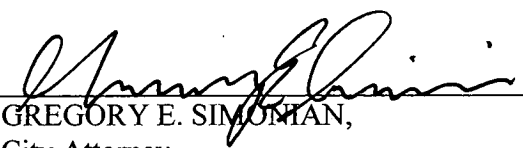
DORE L. GILBERT, M.D.
Mayor

ATTEST:

 (SEAL)

MELISSA AU-YEUNG,
Assistant to the City Manager/ City Clerk

APPROVED AS TO FORM:



GREGORY E. SIMONIAN,
City Attorney

"CONSULTANT"

White Nelson Diehl Evans LLP,
a California limited liability partnership

By: 

NITIN P. PATEL, CPA
Engagement Partner

Attachment: Attachment a - Current Professional Services Agreement with WNDE (2252 : Assignment and Assumption Agreement for

EXHIBIT "A"**CONSULTANT'S PROPOSAL/ SCOPE OF WORK****DATED: APRIL 24, 2015**

SCOPE OF SERVICES FOR PROJECT**INCLUDING,****SCHEDULE OF PERFORMANCE****AND****SCHEDULE OF COMPENSATION/ FEES**

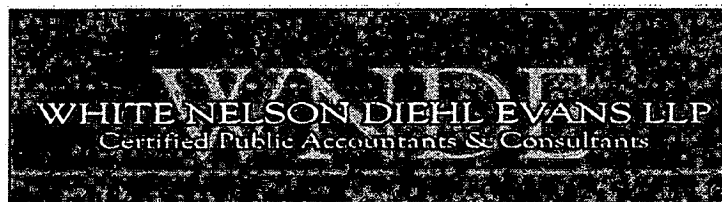
**CITY OF LAGUNA HILLS
PROFESSIONAL AUDITING
SERVICES PROPOSAL**

FOR THE TWO YEARS ENDING JUNE 30, 2016

**(WITH AN OPTION FOR THE FOUR YEARS
ENDING JUNE 30, 2020)**



Submitted By:



TITLE PAGE

RFP Subject: Certified Audits on the City of Laguna Hills
For the Two Years Ending June 30, 2016
(With an Option for the Four Years
Ending June 30, 2020)

Name of Proposer: White Nelson Diehl Evans LLP
Certified Public Accountants and Consultants

Local Address: 2875 Michelle Drive, Suite 300
Irvine, CA 92606-5165

Telephone: (714) 978-1300

Fax: (714) 978-7893

Federal Identification Number: 33-0686301

California CPA License Number: PAR 6123

Website: www.wndecpa.com

Email: npatel@wndecpa.com

Contact Persons: Nitin P. Patel, CPA
Engagement Partner

Robert J. Callanan, CPA
Technical Review Partner

Date: April 24, 2015



CITY OF LAGUNA HILLS

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WNDE

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

April 24, 2015

Ms. Janice Mateo Reyes
Finance Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Ms. Mateo Reyes:

We are pleased to present our proposal to serve as independent auditors for the City of Laguna Hills. We have prepared this information in accordance with the guidelines set forth in your request for proposal.

Why We Are The Best Qualified Firm

We consider ourselves to be the best qualified firm to perform auditing and accounting services for the City of Laguna Hills. Please consider these qualifications:

- A significant part of our practice is devoted to providing professional services to the governmental industry and over the past year, the firm provided services to approximately 100 governmental organizations and on an annual basis our firm issues over 150 reports on audits of governmental agencies including, Cities, the Successor Agency to Redevelopment Agencies, Special Districts and Joint Power Authorities.
- Our firm has devoted a substantial amount of time and resources in order to provide governmental agencies with quality audits. Our knowledge of the industry is best demonstrated by the fact that our clients who apply for the "Certificate of Achievement in Financial Reporting" issued by the Government Finance Officers Association (GFOA) consistently receive that award. A list of these clients is presented on page 6 of this proposal.
- We are in a professional alliance with BDO Seidman, a National Accounting Firm, and a network of accounting firms allowing us the ability to provide quality attestation services. The BDO Alliance provides us access to BDO's personnel and technical resources which allows White Nelson Diehl Evans LLP to deliver the range of services and capabilities of a large national firm, including the use of specialists to support the needs of our clients.
- We are a full service CPA firm. Our Consulting Services Department can provide the City with a variety of services, including investment policy compliance reviews, litigation support, dispute resolution services, and consulting on a wide array of governmental issues.
- Our audits include extensive use of information technology as described in detail on page 7 of this proposal.

Why We Are The Best Qualified Firm (Continued)

- We understand that we provide a service to the City. We are committed to providing an effective and efficient audit that will meet the proposed timing of the project deliverables by assigning experienced governmental auditors. Understanding the size of the City of Laguna Hills and the scope of work requested in the proposal, we are proposing an engagement team with extensive governmental audit experience. The staffing plan includes Nitin Patel, CPA, the engagement partner with 29 years of experience, Kassie Radermacher, CPA, with 10 years of experience who will manage the audit and be on-site supervising the audit fieldwork and Jesse Pattison, CPA, a senior with 4 years of experience who will be on-site performing the fieldwork. We are confident that the proposed staffing plan with an engagement team experienced in governmental audits and who are familiar with municipal procedures will result in an effective and efficient audit that meets the project timing and deliverables requirements with minimum disruption to your staff.

The scope of our services for the two years ending June 30, 2016 would be as follows:

- A financial audit and preparation of the basic financial statements of the City of Laguna Hills in accordance in with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, to be included in the Comprehensive Annual Financial Report (CAFR).
- A Single Audit of Federal Grants to be performed to meet the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133.
- An agreed-upon procedures review of the calculation of the City's GANN Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution.
- A compliance review of the City's Investment Policy.
- Preparation of the City's California State Controller's Office Annual Street Report and Annual Financial Report.
- A management letter containing any comments or recommendations resulting from our review of the systems of internal controls in connection with the financial audits.
- A report communicating information related to the audit to those in charge of governance at the conclusion of the audits.
- Verify the implementation of recommended improvement from prior year submission to GFOA under the CAFR award program.
- Participate in a minimum of two audit committee meetings.

We make a commitment to deliver all necessary reports based on the timetable presented herein on page 17. Also, a more detailed discussion of our understanding of the work to be performed is set forth on pages 17 through 24.

Our goal is to provide the City with the highest quality of service, including a CAFR which meets all required reporting standards. We are confident that our service and experience will be of benefit to the City and will provide added value over and above the performance of the audit itself. Throughout the year, you should feel comfortable in calling us for advice regarding accounting and auditing matters, as we are never too busy to meet the needs of our clients.

We thank the City for the opportunity to present our proposal. Please feel free to contact me, or Mr. Robert J. Callanan, CPA, at (714) 978-1300 if you have any questions. This proposal constitutes a firm and irrevocable offer for 60 days from the date of this letter. Mr. Callanan and I are authorized to represent our firm, and bind the firm to a contract.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP



Nitin P. Patel, CPA
Engagement Partner



FIRM PROFILE AND QUALIFICATIONS

LICENSING AND INDEPENDENCE

Our firm, and all of our certified personnel, are properly licensed to practice public accounting in California.

Also, we meet the independence requirements of "Government Auditing Standards", as published by the U.S. General Accountability Office. We have no conflict of interest with the City and will provide written notice to the City of any professional relationships contemplated with the City during our term as auditors. We have not provided auditing or any other services to the City during the past five years.

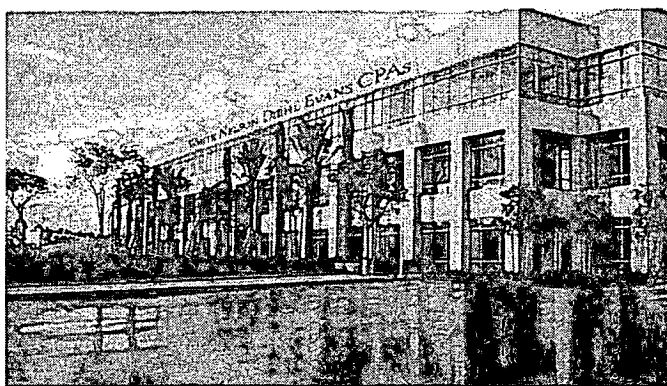
INSURANCE

The firm has the following insurance coverage:

<u>Insurance Type</u>	<u>Each Occurrence Limit</u>	<u>Aggregate Limit</u>	<u>Deductible</u>
Umbrella Policy	\$ 4,000,000	\$ 4,000,000	\$ 10,000
General Liability	1,000,000	2,000,000	-
Auto Liability - Hired & Nonowned	1,000,000	1,000,000	-
Workers' Compensation	1,000,000	1,000,000	-
Professional Liability	5,000,000	10,000,000	75,000

SIZE AND LOCATION OF THE FIRM

White Nelson Diehl Evans LLP is a California accounting firm with offices in Irvine, Carlsbad and Escondido.



Our firm has approximately 140 employees, which includes 23 partners with separate assurance and tax departments. Your City would be served by the assurance department from our Irvine office, which has approximately 45 professional staff members, including 9 partners, 15 managers and supervisors. The Irvine Office assurance department staff with governmental experience consists of four partners, five managers, four supervisors, ten seniors and twelve staff accountants.

White Nelson Diehl Evans LLP has extensive experience in providing auditing, accounting and consulting services in the governmental sector. Over twenty thousand hours per year are devoted to this area of our practice for over 100 governmental units including cities, successor agencies, special districts, nonprofit corporations and joint power authorities.



RANGE OF ACTIVITIES

White Nelson Diehl Evans LLP is a full service CPA firm. We offer a broad range of services, including:

Certified Audits	Tax Planning and Consulting
Compilations and Reviews	Income Tax Preparation and Representation
Agreed-Upon Procedure Reviews	Consulting Services
Financial Services	Litigation Support Services

Our specific services available to governmental agencies are more fully set forth in this proposal.

PARTICIPATION IN "QUALITY REVIEW" PROGRAMS

In July 2012, our firm underwent a quality review, by an independent CPA firm, under provisions of the AICPA Quality Review Program. This review is required every three years and covered our audits of governmental agencies. A final report dated August 3, 2012 with a pass rating on our systems and procedures was received. A copy of the independent CPA firm's report is included herein at Attachment II. Accordingly, we are confident that our current auditing standards and techniques meet all existing requirements.

No regulatory action has ever been taken against any office of our firm due to substandard work. We had no significant deficiencies noted in any federal or state desk reviews over the past three years.

EDUCATION PROGRAMS

White Nelson Diehl Evans LLP has a formal continuing education program. All firm auditors are required to obtain 80 hours of continuing education every two years in the accounting and auditing area as required by Government Auditing Standards, and at least 24 hours of government related continuing education courses. Our staff is continually expanding their knowledge of the governmental industry through our in-house training programs, programs offered by the AICPA, GFOA, the California Society of Certified Public Accountants and other professional organizations, and through on-the-job training.

Noted below is a description of certain in-house education courses taken by our partners and staff to meet the governmental continuing education requirements. All personnel involved with governmental auditing are required to attend these courses.

- Understanding the Risk Assessment Standards
- Understanding of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments
- Understanding, and Auditing, Deposits and Investments of California Governmental Units
- Understanding GASB Statements 43 and 45 related to Other Post Employment Benefits
- Reviews of Internal Controls in Accordance With Statements on Auditing Standards
- Assessing Audit Risk and Materiality in Conducting An Audit
- Consideration of Fraud in a Financial Statement Audit
- Computer Auditing in the Governmental Environment
- The Single Audit - New Provisions under OMB Circular A-133
- Laws and Regulations in the Government Sector
- Understanding GASB Statement 54 related to Fund Balance Reporting and Governmental Fund Type Definitions
- Understanding GASB Statement 65 related to reporting of Deferred Outflows and Deferred Inflows of Resources
- Understanding the new GASB Pension Standards



PARTICIPATION IN PROFESSIONAL ORGANIZATIONS

Our partners and staff are actively involved in professional organizations in the governmental accounting field. Noted below is a summary of our participation in various national and California governmental organizations.

AICPA

Our firm is a member of the AICPA Governmental Audit Quality Center. The Center is a firm-based voluntary membership Center whose primary purpose is to promote the importance of quality governmental audits to purchasers of governmental audit services. The Center provides members with an online forum tool for sharing best practices, as well as discussions on audit, accounting, and regulatory issues. As a member of the Center, the firm receives updates on changes in auditing and accounting standards that effect governmental audits. The quality control partner is required to attend an annual web cast to discuss auditing and reporting issues effecting governmental audits. Our firm uses the resources of the Center to maintain the quality of our governmental audits.

GFOA, GASB and FASB

Our firm is an associate member of the Government Finance Officers Association of the United States and Canada (GFOA).

Also, we have web based access to the latest pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standard Board (FASB), including Interpretations, Technical Pronouncements and Newsletters. We regularly analyze these pronouncements and advise our governmental clients of changes in accounting rules.

CSMFO

Our Irvine office partners and our Director of Consulting Services are associate members of the California Society of Municipal Finance Officers (CSMFO). Our personnel regularly attend local CSMFO chapter meetings throughout Southern California, and the annual statewide conference. We often provide public speakers for these meetings.

CSCPA

Several partners and principals of the firm have been members of the Governmental Accounting and Auditing (GAA) Committee of the Orange County Chapter of the California Society of Certified Public Accountants (CSCPA). Mr. Patel, Mr. Ludin and Mr. Morgan have each served as chairman of this committee. Firm personnel have been involved over the years in preparing position papers issued for professional organizations on governmental accounting matters. Currently, Mr. Patel and Mr. Callanan are members of the State Governmental Accounting and Auditing Committee.



GFOA AWARD PROGRAM

The partner and manager will be involved in all phases of report preparation or review. Reporting checklists will be used to assure compliance with all reporting requirements. In addition, another member of the firm, not associated with the audit, and with extensive governmental auditing and accounting experience, will review each financial statement audited and related reports. Based on the high quality of our review process, we have been able to assist various clients in obtaining the GFOA "Certificate of Achievement for Excellence in Financial Reporting". The recent clients that have received the award are:

Cities:

Alhambra
Bellflower
Beverly Hills
Burbank
Camarillo
Campbell
Colton
Costa Mesa
Cypress
Del Mar
Downey
Fountain Valley
Goleta
Highland
Lake Forest
Lakewood
Lancaster
Newport Beach
Palm Desert
Pico Rivera
Port Hueneme

Cities (Continued):

Rancho Palos Verdes
Rancho Santa Margarita
San Buenaventura
San Gabriel
Sanger
Signal Hill
Stanton
Tustin
West Covina
West Hollywood
Westminster

Special Districts:

Costa Mesa Sanitary District
Inland Empire Utilities Agency
Las Virgenes Municipal Water District
Olivenhain Municipal Water District
Otay Water District
Rancho California Water District
Santa Ana Watershed Project Authority
Yorba Linda Water District



COMPUTER AUDITING CAPABILITIES

White Nelson Diehl Evans LLP uses technology to make the audit process more effective. We utilize a paperless audit software, ProSystem fx Engagement, which allows us to manage our audit documentation electronically. Some of the benefits of paperless audit are:

- Receive the City's schedules in either hard copy or electronic format.
- Import and integrate trial balance data from virtually any accounting system. We avoid the time and expense of keying in account numbers, descriptions and account balances. We simply take your electronic trial balance and import it directly into our audit software.
- Create our own lead sheets, which can include prior year balances. This helps us to easily identify significant fluctuations between fiscal years.
- CAFR schedules are linked to trial balances. CAFR is updated automatically for any last minute journal entries, if any.

Our approach includes using IDEA (Interactive Data Extraction and Analysis) which is a data analysis software that can be used to analyze large amounts of information. It allows the firm to extract data from the City's accounting records to tailor specific audit tests based on risk assessments. Some audit procedures that IDEA can be utilized for are:

- Mechanical accuracy of worksheets or general ledgers.
- Exception and gap/completeness testing for missing check numbers.
- Cross checking different data bases for common information such as employee names.
- Duplicate testing of invoice numbers.
- Completeness of general ledger balances.

The firm also has document management software which allows our clients to access our web portal. We utilize the web portal to transfer data files that are confidential or too large to be sent by e-mail.



PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

AUDIT TEAM

The audit team assembled consists of individuals who have extensive experience auditing governmental agencies and are familiar with municipal accounting. In addition, each team member's skill and experience developed working in other industries our firm serves can be applied to the individual requirements of the City of Laguna Hills.

The personnel assigned to the engagement team are as follows:

The engagement partner will be Mr. Nitin P. Patel, CPA. Mr. Patel has over 29 years of experience with audits of local governments. He will be involved with all phases of the audit including (a) the planning phase of the audit to assess risks related to the audit (b) a final review of all the work papers and financial reports, and (c) attending any meetings with City's management and City council at the conclusion of the audit. He will be responsible for assuring that all work for the City is performed in a complete and timely manner.

Mr. Robert J. Callanan, CPA, will be the Technical Review Partner and will perform a quality review of all reports issued in connection with the audit. Mr. Callanan has over 25 years of experience with audits of local governments. He will also consult on the accounting treatment of unusual transactions or audit issues.

Ms. Kassie Radermacher, CPA, will serve as the audit manager. Ms. Radermacher has over 10 years of experience with audits of local governments. She will be the primary contact for the City and related audits. She will (a) be on-site supervising staff accountants, (b) perform the initial review of the work papers including a review of the work completed related to internal controls, (c) supervise the completion of the financial reports and management letter and (d) assist in the audit of any complex or unusual audit areas.

The audit senior will be Mr. Jesse Pattison, CPA. Mr. Pattison has over 4 years of public accounting experience. He will be on-site performing the fieldwork including performing tests of internal controls, substantive tests of account balances, and analytical tests. He will also draft the financial statements and various reports required for this engagement.

Resumes for the above partners and personnel are included at pages 9 through 12.

COMMITMENT RELATED TO PERSONNEL

We make a commitment to retain the same personnel on the City from year to year, except where such personnel leave the firm, or where the change is approved by the City. If a staff member is replaced, we make a commitment to replace that person with staff of at least equal experience.

NONDISCRIMINATION POLICY

Our firm has a policy to provide equal employment opportunities to all qualified persons without regard to race, color, age, sex, religion, national origin or handicap.



NITIN P. PATEL, CPA**Position**

Engagement Partner

Education

University of California at Irvine
 Bachelor of Arts in Economics
 California State University at Long Beach
 Masters of Accounting Program

Licensing

Certified Public Accountant in California since 1988

Professional Organizations

American Institute of Certified Public Accountants
 California Society of Certified Public Accountants
 California Society of Municipal Finance Officers (CSMFO) - Associate Member
 Governmental Accounting and Auditing Committee of Orange County - Committee Chairman (2001-2002)
 California Governmental Accounting and Auditing Committee Member

Range of Experience

Has been with the firm since 1986 with emphasis in governmental accounting and financial reporting and is responsible for firm's in-house governmental accounting and auditing training programs.

Experience includes supervision of over one hundred audits of governmental agencies including cities, successor agencies/redevelopment agencies, non-profit corporations, joint powers authorities and special districts.

CSMFO Report Reviewer for Award Program.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Other experience includes providing consulting services for governmental agencies including special internal control reviews, cost allocation plans, cable television rate reviews, reviews of City Treasurer operations and transient occupancy tax reviews of city hotels/motels.

Mr. Patel was the engagement partner on the following local government audits in 2014:

Cities:

Alhambra
 Artesia
 Bellflower
 Burbank
 Colton
 Costa Mesa
 Cypress
 Gilroy
 Lake Forest
 Newport Beach
 Palm Desert
 Port Hueneme
 Rialto
 San Gabriel
 Stanton

Cities (Continued):

West Hollywood
 Westminster

Special Districts:

Chino Basin Desalter Authority
 Costa Mesa Sanitary District
 Cypress Recreation and Park District
 Inland Empire Regional Composting Authority
 Inland Empire Utilities Agency
 La Habra Heights County Water District
 La Puente Valley County Water District
 Orchard Dale Water District
 Rancho California Water District
 South Coast Water District
 Yorba Linda Water District

Continuing Professional Education

Total hours were 191 in the last three years, of which 168 hours were for meeting the requirements of the Government Audit Standards.



ROBERT J. CALLANAN, CPA**Position**

Technical Review Partner

Education

Aquinas College, Grand Rapids, Michigan

Bachelor of Arts, Business Administration, 1988

Bachelor of Science, Accounting, 1988

Licensing

Certified Public Accountant in California since 1993

Professional Organizations

American Institute of Certified Public Accountants - Member

California Society of Certified Public Accountants - Member

California Society of Municipal Finance Officers (CSMFO) - Associate Member

California Governmental Accounting and Auditing Committee Member

Range of Experience

Twenty-five years with the firm specializing in governmental audit, accounting and consulting services.

Two years of experience as Chief Financial Officer of a mortgage lending corporation.

Responsible for the firm's in-house governmental accounting and auditing training programs.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Mr. Callanan was the engagement partner on the following local government audits in 2014:

Cities:

Camarillo

Campbell

Del Mar

Hawaiian Gardens

Oxnard

Pico Rivera

Rancho Santa Margarita

San Buenaventura

Special Districts:

Laguna Beach County Water District

Pico Rivera Water Authority

Pomona-Walnut-Rowland Joint Water

Line Commission

Rowland Water District

Sunset Beach Sanitary District

Surfside Colony Stormwater Protection District

Surfside Community Services District

Ventura Port District

Continuing Professional Education

Total hours were 202 in the last three years, of which 179 hours were for meeting the requirements of the Government Audit Standards.



KASSIE RADERMACHER, CPA**Position**

Audit Manager

Education

West Virginia University

Masters of Professional Accountancy, 2005

Bachelor of Science, 2003

Licensing

Certified Public Accountant in California since 2010

Certified Public Accountant in Virginia since 2006

Professional Organizations

California Society of Certified Public Accountants (CSCPA)

Range of Experience

Ms. Radermacher has been with the firm since June 2009. Ms. Radermacher has performed all phases of local governmental audits including cities, successor agencies/redevelopment agencies, single audit of federal grants, special districts, compliance audits and agreed-upon procedures engagements. As an audit manager, she is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants and preparation of financial statements. Ms. Radermacher served as the Audit Manager on the following local government audits in 2014:

City of Artesia	La Puente Valley County Water District
City of Bellflower	Lake Elsinore & San Jacinto
City of Cypress	Watersheds Authority
City of Del Mar	Local Agency Formation Commission (LAFCO) -
City of Fountain Valley	Orange County
City of Lake Forest	Orchard Dale Water District
City of Newport Beach	Orange County Vector Control District
City of Rancho Santa Margarita	Pico Water District
City of Rialto	Santa Ana Watershed Project Authority
City of San Gabriel	Sunset Beach Sanitary District
City of Stanton	Surfside Colony Community Service District
	Surfside Colony Storm Water Protection District
	Yorba Linda Water District

Prior to joining the firm, Ms. Radermacher was senior in-charge of compilations, reviews, single audits, and financial audits for non-profit and business clients with Rager, Lehman & Houck, P.C. in Frederick, MD. She was also responsible for educating and monitoring the staff.

Continuing Professional Education

Total hours were 193 in the last three years, of which 181 hours were for meeting the requirements of the Government Audit Standards.



JESSE PATTISON, CPA**Position**

Audit Senior

Education

University of Arizona

Masters of Accounting, 2011

Bachelors of Science, 2010

Licensing

Certified Public Accountant in California since December 2014

Range of Experience

Mr. Pattison has been with the firm since August 2012. Mr. Pattison has performed all phases of audits including Non-profit Corporations, Cities, Single Audit of Federal Grants, Special Districts, Compliance Audits, Business Entities, and Agreed-Upon Procedures engagements. He has been involved with planning the audit, performing fieldwork for all aspects of the audit and preparation of financial statements. Mr. Pattison has been involved with the following Non-profit, Governmental and Business clients:

Governmental:

City of Alhambra
 City of Artesia
 City of Beverly Hills
 City of Burbank
 City of Gilroy
 City of Highland
 City of Hawaiian Gardens
 City of La Habra Heights
 City of Lake Forest
 City of Newport Beach
 City of Sanger
 California Joint Powers Insurance
 Authority
 Los Angeles Local Agency
 Formation Commission
 Orchard Dale Water District

Non-profit Corporations:

Boys and Girls Clubs of Garden Grove
 Collwood Terrace
 Human Options, Inc.

Business Entities:

Aubrey Group
 Ganahl Lumber Company
 Independent Capital Management
 Ironman
 LeVecke Corporation
 Meridian Graphics
 Pacific American Fish, Co.
 Park West
 Pool Water Products
 Security Signal Devices, Inc.
 Trussed, Inc.
 Venus Textiles, Inc.

Prior to joining the firm, Mr. Pattison was a staff accountant and performed reviews, single audits, and financial audits for non-profit and business clients with Eide Bailly in Phoenix, Arizona.

Continuing Professional Education

Total hours for the period of August 1, 2012 through December 31, 2014 were 96, of which 96 hours were for meeting the requirements of the Government Audit Standards.



FIRM EXPERIENCE WITH GOVERNMENTAL ENTITIES

SIMILAR ENGAGEMENTS WITH OTHER MUNICIPAL ENTITIES AND REFERENCES

The scope of work and client references for five comparable city clients are included below. A complete list of similar engagements for the past five years is included in Attachment I of this proposal.

City of Costa Mesa

Ms. Colleen O'Donoghue
Assistant Finance Director
(714) 754-5421

Scope of work:

City, Housing Authority,
Financing Authority, and
AQMD audits
Single audit
GANN report

City of Lake Forest

Mr. Keith Neves
Director of Finance
(949) 461-3400

Scope of work:

City and Housing Authority
audits
Preparation of the CAFR
Single audit
GANN report

City of Newport Beach

Mr. Dan Matusiewicz
Director of Finance
(949) 644-3126

Scope of work:

City audit
Single audit
GANN Report

City of Rancho

Santa Margarita

Ms. Stefanie Turner
Finance Director
(949) 635-1812

Scope of work:

City audit
GANN report

City of Stanton

Mr. Stephen Parker
Administrative Services
Director
(714) 379-9222

Scope of work:

City and Successor Agency
audits
Preparation of the CAFR
GANN report

CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our clients over the past year. We are including the names and phone numbers of the city clients as presented in Attachment I of this proposal. We encourage you to contact any of these individuals and verify our level of service.



ENTERPRISE FUND EXPERIENCE

Most cities audited by our firm have a water utility enterprise fund. Noted below is a partial listing of other enterprise funds audited by our firm in recent years:

<u>City</u>	<u>Enterprise</u>
Alhambra	Water, Sewer, Storm Drain, Sanitation, Golf Course
Avalon	Harbor, Sewer, Saltwater, Solidwaste, Hospital
Bellflower	Water
Beverly Hills	Water, Solidwaste, Wastewater, Stormwater
Burbank	Water Reclamation, Sewer, Golf, Electric Utility
	Water Utility, Refuse Collection and Disposal
Camarillo	Water, Sanitary, Solidwaste, Transit
Colton	Electric Utility, Water Utility, Wastewater Utility
Cypress	Sewer
Del Mar	Water, Wastewater, Cleanwater
Downey	Water, Sewer, Golf Course, Transit System
Fountain Valley	Water, Solidwaste
Gilroy	Water, Sewer
Hesperia	Water, Sewer
Lakewood	Water
Lancaster	Power Authority
Newport Beach	Water, Sewer
Oxnard	Water, Wastewater, Environmental Resource, Performing Arts and Convention Center, Housing Authority, Golf Course
Palm Desert	Golf Course
Pico Rivera	Water, Sports Arena, Golf
Port Hueneme	Water, Wastewater, Solidwaste, Housing
Rancho Palos Verdes	Water Quality Flood Protection
Rialto	Airport, Cemetery, Recreation, Wastewater, Water
San Buenaventura	Water, Sewer
Sanger	Water, Sewer, Disposal, Ambulance
Signal Hill	Water
Stanton	Sewer
Tustin	Water
West Covina	Simulator, Computer
West Hollywood	Sewer District, Sewer Charge, Solid Waste, Landscape District and Street Maintenance
Westminster	Water



SINGLE AUDIT EXPERIENCE

We perform single audit services for most of our cities and special districts that receive federal funds as required by OMB Circular A-133. In recent years, Single Audits were performed for the following cities and special districts.

Cities:

City of Alhambra	City of Lakewood
City of Artesia	City of Lancaster
City of Bellflower	City of Newport Beach
City of Beverly Hills	City of Oxnard
City of Burbank	City of Palm Desert
City of Camarillo	City of Pico Rivera
City of Campbell	City of Port Hueneme
City of Colton	City of Rancho Palos Verdes
City of Costa Mesa	City of Rancho Santa Margarita
City of Cypress	City of Rialto
City of Del Mar	City of San Buenaventura
City of Downey	City of San Gabriel
City of Fountain Valley	City of Sanger
City of Gilroy	City of Signal Hill
City of Goleta	City of Stanton
City of Hawaiian Gardens	City of Tustin
City of Hesperia	City of West Covina
City of Highland	City of West Hollywood
City of La Habra Heights	City of Westminster
City of Lake Forest	

Special Districts:

Inland Empire Utilities Agency
 Las Virgenes Municipal Water District
 Olivenhain Municipal Water District
 Rancho California Water District
 Valley Wide Recreation and Park District

EXPERIENCE WITH PREPARATION OF STATE-MANDATED REPORTS

We have experience with the preparation of various state-mandated reports, such as the State Controller's Report and the Annual Street Report. Specifically, with regard to cities, we have prepared the state mandated reports, in recent years, for the Cities of Alhambra, Avalon, Bellflower, Colton, Del Mar, Goleta, La Habra Heights, Lancaster, Pico Rivera, Rancho Palos Verdes, San Buenaventura, Sanger, Tustin and West Hollywood.



SPECIAL DISTRICTS

Noted below is a listing of special districts audited by our firm in recent years:

Borrego Water District	Olivenhain Municipal Water District
Chino Basin Desalter Authority	Orange County Vector Control District
Costa Mesa Sanitary District	Orchard Dale Water District
Cypress Recreation and Park District	Otay Water District
Downey Cemetery District	Padre Dam Municipal Water District
El Toro Water District	Rancho California Water District
Grossmont Healthcare District	Rowland Water District
Heber Public Utilities District	Santa Ana Watershed Project Authority
Inland Empire Regional Composting Authority	South Coast Water District
Inland Empire Utilities Agency	South County Regional Wastewater Authority
La Habra Heights County Water District	Sunset Beach Sanitary District
La Puente Valley County Water District	Surfside Colony Stormwater
Laguna Beach County Water District	Drainage District
Lake Elsinore and San Jacinto	Surfside Community Services District
Joint Powers Authority	Vallecitos Water District
Las Virgenes Municipal Water District	Valley Wide Recreation and Park District
Leucadia Wastewater District	Ventura Port District
Midway City Sanitary District	Yorba Linda Water District

NONPROFIT CORPORATIONS AND JOINT POWER AUTHORITIES

Noted below is a partial listing of nonprofit corporations and joint power authorities audited by our firm over the past year. Some of these entities are "component units" which are combined into the basic financial statements of governmental organizations which exercise oversight responsibility.

Anaheim District of the Churches of the Nazarene	Pomona-Walnut-Rowland Joint Water Line Commission
Cal State L.A. Metrolink Authority	Public Cable Television Authority
California Transplant	The RARE Project
Casa de las Campanas	Trinity Youth Services
Casa Romantica Cultural Center	United Cerebral Palsy Association
Child Abuse Prevention Center	Valencia Heights Water Company
Palm Desert Recreational Facilities Corporation	Westview Services, Inc. 403(b) Plan



SCOPE OF WORK, TIMING AND AUDIT APPROACH

ENTITY TO BE INCLUDED IN AUDIT

City of Laguna Hills

REPORTS TO BE ISSUED AND DUE DATES

	Draft Due Dates	Final Due Dates
City of Laguna Hills:		
Comprehensive Annual Financial Report	2 nd week in November	4 th Tuesday in November
Management Letter	2 nd week in November	4 th Tuesday in November
Audit Committee Letter	2 nd week in November	4 th Tuesday in November
Single Audit Reports:	2 nd week in November	4 th Tuesday in November
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards.		
Report on Compliance with Article XIII B Appropriation Limit (GANN Review)	2 nd week in November	4 th Tuesday in November
Report on Compliance regarding the City's Investment Policy	2 nd week in November	4 th Tuesday in November
State Controllers' Office Reports:		
Annual Street Report	N/A	As required by SCO
Annual Financial Report	N/A	As required by SCO



AUDIT TIMING

Assuming that the City's books are closed and ready for examination and that all necessary schedules and documents are available for our use by the 2nd week in September each year, the suggested time schedule for the various phases of the audit would be approximately as follows:

	<u>Completed By</u>
Entrance conference with key City staff. Discussion of any prior audit concerns and the performance of interim work.	June 30
Interim audit fieldwork and management review	3 rd or 4 th week in July
Final audit fieldwork and management review	4 th week in September
Exit conference to summarize the results of the fieldwork and to review significant findings	4 th week in September
Deliver draft copies of reports	See page 17
Deliver Final Reports	See page 17

COMMITMENT TO DELIVER REPORTS ON A TIMELY BASIS

If all books and records, schedules and documents are made available to us by 2nd week of September, we make a commitment to have audit team members available and to provide all reports by the due dates specified above.

AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS

We will audit the financial statements of the City and any component units. The financial statements of all entities where the City exercises oversight will be combined with the City's financial statements, in accordance with GASB requirements. Our audit will be in accordance with auditing standards generally accepted in the United States of America as set forth by the AICPA, and will include such auditing procedures as we consider necessary under the circumstances. We will apply certain limited procedures, which consist principally of inquiries of management regarding methods of measurement and presentation of required supplementary information. However, we do not audit such information and do not express an opinion on it. Any supplemental financial statements will be subjected to auditing procedures as we consider necessary in relation to the financial statements taken as a whole. The scope of our audit will not include any statistical information, and we will not express an opinion concerning it.

Our audits will conform with the guidelines set forth in the AICPA's Industry Audit Guide, Audits of State and Local Governmental Units. Also, each examination will comply with the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office, the provisions of the Single Audit Act and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133.



AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS (CONTINUED)

Also, we will perform an agreed-upon procedures review of the City's Gann Spending Limitation Computation as required by Section 1.5 of Article XIII B of the California Constitution. Our review will be performed in conformance with the provision of the "League of California Cities Uniform Guidelines".

AUDIT APPROACH

- Our audit approach is tailored to meet the technical requirements while maintaining professional skepticism without forgetting that we provide a service. The following aspects of our audit approach will add additional value to the audit services and minimize the amount of time spent by the City's staff in dealing with the audit.
- We will assign experienced staff auditors including the in-charge field auditor having at least 3 years of experience. For first year engagements, all other staff will have at least 1 year of experience. You will not spend time training our auditors.
- Whenever possible, we will use same format for audit supporting schedules used in prior years for the current year audit. This will reduce time spent by the City staff in dealing with the audit when a different audit firm is chosen.
- Throughout the year we are available as a resource to our clients in researching technical questions, dealing with new pronouncements, reviewing complex financial entries and helping with any other issues as they arise.
- The work papers will be reviewed by the manager or partner as field work is being completed to minimize additional questions after the fieldwork is completed.

Our firm uses a governmental audit program which will be modified to the City of Laguna Hills's operations to accommodate specific client circumstances. Our audit programs are organized by the financial statement approach and general procedures. The requirements by the Standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.



AUDIT APPROACH (CONTINUED)

1. Audit Planning Procedures:

- Pre-audit conference with the City to establish process of communication between the audit team and City staff.
- Discuss any new accounting pronouncements to be implemented in the current year.
- Establish scope of work and timing of fieldwork.

2. Interim Fieldwork:

Gather information about the City and its environment, including internal control:

- Evaluate the design of internal controls that are relevant to the audit and determine whether the control, either individually or in combination is capable of effecting, preventing or detecting and correcting material misstatements.
- Determine that the controls have been implemented, that is, that the controls exist and that the City is using it.
- Specific areas to review include:
 - Accounts payable/cash disbursements
 - Accounts receivable/cash receipts
 - Payroll disbursements
 - Utility billing process
 - Investment compliance
 - Property and equipment
- Review of minutes of the City of Laguna Hills.
- Review of important contracts and debt agreements.
- Interim exit conference with the City to review results of interim fieldwork, including any findings.

3. Final Audit Work:

During the final audit work, we will assess "risk" of material misstatement based on understanding of the City's audit environment, including its internal control, to identify account balances to audit that appear in the City's financial statements. Our audit programs will be specifically tailored to address any significant risks identified. The Prepared by Client (PBC) list will be provided at least one month in advance of fieldwork. Our work may include:

- Confirmation of cash and investments balances and testing of bank reconciliations.
- Confirm significant receivable balances or review subsequent cash receipts to verify receivable balance.
- Search for unrecorded liabilities.
- Testing of interfund balances and transfers.
- Test capital asset additions and depreciation expense.
- Confirm long-term debt balances and review the accounting treatment of debt issued or refunded.
- Test support for other significant assets or liabilities.
- Analytical procedures on balance sheet and revenue and expenditure accounts, to evaluate and explain unusual fluctuations from prior year balances or current year budgeted amounts.



AUDIT APPROACH (CONTINUED)

3. Final Audit Work (Continued):

- Review of attorney letters for significant legal matters affecting the City's financial position.
- An exit conference will be held to review any significant adjustments or findings.

The audit workpapers will be reviewed by our management team as the work is being performed in the field so that at the conclusion of the fieldwork we are able to report any adjustments or findings.

AUDIT APPROACH REDEVELOPMENT AGENCY/SUCCESSOR AGENCY

Recent legislation related to the dissolution of Redevelopment Agencies will impact our audit approach as detailed below.

Our procedures will include:

- Audit the balances reported for cash, investments, receivables, payables, capital assets and long term liabilities as of end of the year.
- Review the activity reported on ROPS.
- Review the activities of the Successor Agency to ensure compliance with AB 26, AB 1484 and other relevant legislation enacted.

APPROACH TO INTERNAL CONTROL

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our understanding of the internal controls will be completed by completing narratives and checklists for various processes related to internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.



SINGLE AUDIT APPROACH

The single audit will be performed in accordance with all the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133 and Government Auditing Standards issued by the GAO (the "Yellow Book") for cities that expend greater than \$500,000 in federal awards in fiscal year 2014-2015 and greater than \$750,000 for fiscal year 2015-2016 and subsequent years.

- We will identify the Major and Nonmajor Federal Programs of the City through the risk-based approach required by OMB Circular A-133. This approach includes consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the federal program.
- We will review all federal and industry-specific publications and guidance and inform the City of any recent changes.
- We will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with applicable compliance requirements. If weaknesses in the internal controls are noted, we will modify our audit program as needed.
- Our audit will include tests of transactions related to major federal award programs for compliance with applicable compliance requirements and certain provisions of laws, regulations, contracts and grant agreements. Beginning in fiscal year 2015-2016, we will test compliance with the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (also known as the OMB Super Circular).
- Our procedures will consist of the applicable procedures described in the OMB Circular A-133 "Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.
- We will assist the City in completing and filing the Data Collection Form.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT

Under provisions of AICPA Auditing Standards, management of the City is responsible for identifying to its outside auditors any laws and regulations which would have a significant effect on the audit. This would include federal laws (such as federal grant regulations), State laws (such as permitted investments under the California Government Code) and local laws (such as restrictions on special revenues levied by the City). After our selection as auditors, we will consult with City officials regarding these matters, to determine what laws and regulations need to be evaluated in connection with our audit. If a City is not able to identify specific laws and regulations that effect it, we have references (California Government Code and Health and Safety Code) to the more common laws, rules and regulations in our standard audit programs for the usual activities of a California City or Successor Agency to the Redevelopment Agency which will assist us in identifying laws and regulations to review in the audit.



METHOD OF SAMPLING

Our approach is to utilize random sampling based in our testing of the internal control systems related to cash receipts, cash disbursements, payroll and utility billings. Based on a statistical conclusion used by the firm our sample sizes can range from 25 to 60 transactions for each system. A random sample selection allows each item in the population of an equal chance of being selected. In addition, for disbursements, we may select a stratified sample of all transactions over a specified dollar amount for review.

ANALYTICAL PROCEDURES

Analytical procedures are used in the planning and final stages of the audit. In the planning phase, we use analytical procedures to identify unusual financial transactions and comparing relationships to expected results. We compare current year information to the prior years for balance sheet items, revenues and expenditures. In addition, revenues and expenditures are compared to budgets to identify unexpected results. In the final stages of the audit, the financial statements are reviewed to identify expected relationships such as comparing debt paid to expenditures recorded on governmental funds, transfers between funds, depreciation expense, etc. For all significant relationships identified, explanations are obtained as to why the situation occurred and additional audit procedures are applied to resolve any concerns.

MANAGEMENT LETTERS

In connection with each audit, a complete review of internal controls will be made of all significant accounting procedures. Our firm uses an internal control questionnaire, computer systems questionnaire and narration to gain an understanding of the internal control process as part of our audit. We will identify weaknesses and after discussion with the appropriate City staff, we will submit a management letter which will identify weaknesses observed during these reviews and throughout the audit. The management letter will also assess the effect of the management letter comments on the financial reporting process and recommend steps towards eliminating the weaknesses.

POTENTIAL AUDIT PROBLEMS

We do not anticipate any significant potential audit problems. If any potential audit problems are identified, we will immediately discuss them with the City's management. Our approach is to coordinate the resolution of any problems with the City's management. Considering our experience with auditing governmental entities and resources, we expect minimal disruption to the City's management in resolving any identified audit problems.

RETENTION OF AND ACCESS TO AUDIT WORKPAPERS

In accordance with provisions of OMB Circular A-133, GAO requirements, and the California Board of Accountancy, our audit workpapers will be maintained for at least seven years after the date of the report. These workpapers will be made available as necessary to your cognizant audit agency (or its designee), to GAO representatives, or to any other federal or state agency needing access to the workpapers. Also, our firm will respond to any reasonable inquiries of successor auditors and we will allow any successor auditors to review our workpapers.



OTHER PROFESSIONAL SERVICES

We will be available for any other professional assistance you require to research and answer accounting and reporting problems raised by the City, regardless of the time of year. Such assistance may include, but is not limited to, tax questions, the review of bond documents, cost allocation programs and employee benefit programs. We have provided several tax opinions to City audit clients for matters relating to deferred compensation, fringe benefits, stipends and allowances, and other issues. We also will keep the City informed of new developments affecting municipal finance and reporting, changes in grant rules and regulations, etc.

IRREGULARITIES AND ILLEGAL ACTS

We will make an immediate, written report of all irregularities, illegal acts or indications of illegal acts of which we become aware, to those charged with governance.

SEGMENTATION OF THE AUDIT HOURS, BY PARTNER AND STAFF LEVEL

Description of Services	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
City Audit, including CAFR Preparation and GANN Limit Review Report	24	32	64	96	10	226
State Controller's Office Reports:						
Annual Street Report	-	-	-	14	-	14
Annual Financial Report	-	4	-	30	-	34
Total Hours - City Services	24	36	64	140	10	274
Single Audit and Related Reports	1	4	-	24	1	30

SEGMENTATION OF THE AUDIT HOURS, BY PHASES OF THE AUDIT - CITY SERVICES

	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
Planning	4	4	4	10	-	22
Interim Fieldwork	4	8	14	40	-	66
Final Fieldwork and Review	16	24	46	90	10	186
Total Hours	24	36	64	140	10	274

SEGMENTATION OF THE AUDIT HOURS, BY PHASES OF THE AUDIT - SINGLE AUDIT

	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
Planning	-	1	-	3	-	4
Final Fieldwork and Review	1	3	-	21	1	26
Total Hours	1	4	-	24	1	30



DISCUSSION OF RELEVANT ACCOUNTING ISSUES

GASB STATEMENT NO. 68

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, is effective for periods beginning after June 15, 2014. This Statement improves the accounting and financial reporting by state and local governments for pension plans. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed.

GASB STATEMENT NO. 69

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term, *government combinations*, includes mergers, acquisitions, and transfers of operations.

GASB STATEMENT NO. 71

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68 are required to be applied simultaneously with the provisions of Statement 68. The requirements of the Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.



IMPLEMENTATION OF GASB STATEMENT NO. 68

Our firm has been involved with providing guidance and assistance to our clients in the implementation of GASB 68. Our partners are members of the State Governmental Accounting Auditing Committee which has collaborated with the CCMA in the development of a CCMA white paper that will provide California-specific guidance for the implementation of GASB 68.

Over the past year, we have provided the following guidance:

- Presented a GASB 68 update at a monthly CSMFO meeting
- Consulted with GASB 68 for specific guidance for employers in regards to establishing separate trusts and the impact of these trusts on the financial statements of the governmental client
- Provided communications to our clients on CALPERS efforts to provide GASB 68 information

For the 2015 audit, we will provide to each client the following guidance:

- Provide assistance in the preparation of the restatement that will recognize the cumulative effect of the retroactive application of GASB 68 to the beginning net position balances as of July 1, 2014.
- Provide guidance in the preparation of any journal entries required for the implementation of GASB 68.
- If applicable, consult with the local agency on the allocation of the GASB 68 liability to proprietary and the private-purpose trust fund.
- We will assist in how to identify the information needed for meeting the requirements of GASB 68 from CALPERS actuarial reports.
- We will inform the local agencies their responsibility in reviewing the census data submitted to CALPERS which is the basis for the GASB 68 liability.
- Provide the local agency of an example note and Required Supplementary Information
- We will perform census data tests required for defined benefit plans.



WORK REQUIRED BY CITY STAFF

Our fixed annual fees contemplate that conditions satisfactory to the normal progress and completion of the examination will be encountered and that City accounting personnel will furnish the agreed-upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work, we shall report such conditions to the responsible City officials and provide the City with an estimate of the additional accounting fees involved.

Noted below is a listing of work required by City staff to assist in the audit.

1. Technical assistance in familiarizing our staff with:
 - The flow of information through the various departments and accounting systems.
 - Reports generated by your accounting system.
 - The system of internal controls.
 - Controls established to monitor compliance with federal grants.
2. Preparation of trial balances for all funds, after posting of all year end journal entries.
3. Preparation of schedules supporting all major balance sheet accounts, and selected revenue and expenditure accounts.
4. Typing of all confirmation requests.
5. Pulling and refileing of all supporting documents required for audit verification.
6. Assistance with the preparation of the CAFR and footnotes, including:
 - a. Preparation of the introductory section, the management's discussion and analysis, and portions of the statistical section for the CAFR.



CONSULTING SERVICES DEPARTMENT

OVERVIEW OF SERVICES PROVIDED

White Nelson Diehl Evans LLP offers a wide range of consulting services to governmental agencies. This section of our proposal summarizes the primary types of services provided by the firm.

The firm's Director of Consulting Services is Mr. William S. Morgan, CPA. Mr. Morgan has over thirty years of experience in providing accounting, auditing and consulting services to California cities, counties, successor agencies/redevelopment agencies, water districts, special districts, joint power authorities and nonprofit corporations. Many of the firm's consulting projects are planned, supervised and reviewed by Mr. Morgan.

Our firm provides the following types of services:

- Governmental Tax Consulting
- Performance and Operational Studies
- Redevelopment Consulting Services
- Reviews of City Treasurer Operations
- Cable Television and Broadband Consulting Services
- Reviews of Solid Waste Haulers and
Assistance With Trash Rate Negotiations
- Litigation Support and Dispute Resolution Services
- Fraud Investigations
- Hotel/Motel Transient Occupancy Tax Reviews
- Business License Operation Reviews

With regard to these engagements, we would intend to perform limited procedures reviews in connection with each assignment, in accordance with the AICPA's attestation standards. Under the provisions of the attestation standards, the City would designate what specific procedures it wishes to have performed. We would then perform those procedures and report on our findings. This type of engagement would not constitute a certified audit in accordance with auditing standards generally accepted in the United States of America. Such special services are not part of our standard fee arrangements and would be subject to a separate fee quotation.



ATTACHMENT I
CURRENT CITY CLIENT REFERENCES
AND
LISTS OF CITY AND SPECIAL DISTRICT ENGAGEMENTS
PERFORMED IN THE LAST 5 YEARS

CURRENT CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our existing clients. We are including the names and phone numbers of our city clients over the past year. We encourage you to contact any of these individuals.

City of Alhambra

Mr. Paul Espinoza
Finance Director
(626) 570-5027

City of Artesia

Ms. Justine Menzel
Deputy City Manager
(562) 865-6249

City of Bellflower

Mr. Tae Rhee
Director of Finance
(562) 804-1424

City of Beverly Hills

Mr. Don Rhoads
Finance Director
(310) 285-2429

City of Burbank

Mr. Dino Balos
Accounting Manager
(818) 238-5518

City of Camarillo

Mr. Ronnie Campbell
Finance Director
(805) 388-5320

City of Campbell

Mr. Jesse Takahashi
Finance Director
(408) 866-2113

City of Colton

Ms. Anita Agramonte
Finance Director
(909) 370-5039

City of Costa Mesa

Ms. Colleen O'Donoghue
Assistant Finance Director
(714) 754-5421

City of Cypress

Mr. Matt Burton
Director of Finance and
Administrative Services
(714) 229-6718

City of Del Mar

Ms. Teresa McBroome
Director of Finance/Treasurer
(858) 755-9354

City of Fountain Valley

Mr. David Cain
Finance Director/Treasurer
(714) 593-4501

City of Gilroy

Ms. Christina Turner
Finance Director
(408) 846-0750

City of Goleta

Ms. Genie Wilson
Finance Director
(805) 961-7527

City of Hawaiian Gardens

Ms. Susan Hartman
Interim Finance Director
(562) 420-2641

City of Hesperia

Mr. Brian Johnson
Director of
Administrative Services
(760) 947-1442

City of Highland

Mr. Chuck Dantuono
Director of Administrative
Services
(909) 864-6861

City of Lake Forest

Mr. Keith Neves
Director of Finance
(949) 461-3400

City of Lancaster

Ms. Barbara Boswell
Finance Director
(661) 723-6035

City of Newport Beach

Mr. Dan Matusiewicz
Director of Finance
(949) 644-3126

City of Oxnard

Mr. David Millican
Interim CFO (Consultant)
(805) 385-7475

City of Palm Desert

Mr. Paul Gibson
Director of Finance
(760) 346-0611

City of Pico Rivera

Mr. Kambiz Borhani
Senior Finance Manager
(562) 801-4395

City of Port Hueneme

Mr. Robert Bravo
Finance Director
(805) 986-6506

City of Rancho Santa Margarita

Ms. Stefanie Turner
Finance Director
(949) 635-1812

City of Rialto

Mr. George Harris, II
Director of Administrative
and Community Services
(909) 421-7219

City of San Buenaventura

Mr. Rudy Livingston
Assistant Chief Financial
Officer
(805) 654-7859

City of San Gabriel

Mr. Thomas Marston
Director of Finance
(626) 308-2812

City of Sanger

Ms. Debby Sultan
Administrative Services
Director
(559) 876-6300

City of Stanton

Mr. Stephen Parker
Administrative Services
Director
(714) 379-9222

City of Tustin

Ms. Pamela Arends-King
Finance Director
(714) 573-3061

City of West Covina

Mr. Dennis Swink
Finance Director
(626) 939-8449

City of West Hollywood

Ms. Lorena Quijano
Accounting Services Manager
(323) 848-6513

City of Westminster

Ms. Sherry Johnson
Accounting Manager
(714) 898-3311

LIST OF CITY ENGAGEMENTS

We have listed below the cities which were under contract with us during the past five fiscal years.

City	Period of Service		Scope of Work
	From	To	
Alhambra	2005	Present	CA, RDA, SA, SCR
Artesia	2012	Present	CA, RDA, SA
Avalon	2006	Present	CA, RDA, OCU, SCR
Bellflower	2013	Present	CA, SA, SCR, Financing Authority, Public Facilities Corp.
Beverly Hills	2012	Present	CA, SA
Buena Park	2004	2010	CA, RDA, SA, OCU, SCR
Burbank	2013	Present	CA, AQMD, SA, Water & Utility Enterprise Fund
Camarillo	2012	Present	CA, RDA, SA
Campbell	2013	Present	CA, SA, T, Solid Waste Management Authority
Colton	2014	Present	CA, SA, SCR, Child Care Program
Costa Mesa	2012	Present	CA, RDA, PFA, SA, Housing Authority
Cypress	2012	Present	CA, RDA, RA, SA
Del Mar	2014	Present	CA, SA, SCR
Downey	1987	2013	CA, RDA, AQMD, PFA, SA, OCU
Fountain Valley	2013	Present	CA, SA, Housing Authority, Financing Authority
Fullerton	2004	2010	CA, RDA, AQMD, SA, SCR, Cost Allocations
Gilroy	2013	Present	CA, SA
Goleta	2013	Present	CA, SA, SCR, SR
Hawaiian Gardens	2012	Present	CA, RDA, PFA, SA
Hesperia	1997	Present	CA, RDA, SA
Highland	2012	Present	CA, SA
Irvine	2000	2010	CA, RDA, AQMD, PP, SA, OCU
La Habra Heights	2008	2013	CA, SA, SCR
Lake Elsinore	2005	2012	CA, RDA, PFA, RA, SA
Lake Forest	2011	Present	CA, RDA, SA, Housing Authority
Lakewood	1974	2013	CA, RDA, SA
Lancaster	2013	Present	CA, SA, SCR - City, SCR - Power Authority
Los Alamitos	2008	2010	CA, SA (when required)
Newport Beach	2011	Present	CA, SA
Oxnard	2013	Present	CA, SA, OCU
Palm Desert	2008	Present	CA, RDA, SA, Housing Authority
Pico Rivera	2012	Present	CA, PFA, SA, SCR, Water Authority
Port Hueneme	2012	Present	CA, SA, Housing Authority, Surplus Property Authority
Rancho Palos Verdes	2008	2012	CA, RDA, PI, SA, SCR, SR
Rancho Santa Margarita	2012	Present	CA, SA
Rialto	2013	Present	CA, SA
San Buenaventura	2011	Present	CA, RDA, PFA, SA, SCR
San Fernando	2007	2011	CA, RDA, SA
San Gabriel	2013	Present	CA, SA
San Juan Capistrano	2005	2010	CA, RDA, SA, Community Housing Corp.
Sanger	2011	Present	CA, RDA, PFA, SA, SCR
Signal Hill	1962	2013	CA, RDA, SA
Stanton	2012	Present	CA, RDA, SA
Tustin	2011	Present	CA, RDA, SA, SCR
West Covina	2011	Present	CA, RDA, AQMD, SA
West Hollywood	2014	Present	CA, SA, SCR
Westminster	1997	Present	CA, RDA, AQMD, SA

Legend:

AQMD - Air Quality Management District Audit

CA - City Audit

OCU - Other Component Unit Audits

PFA - Public Financing Authority

PI - Public Improvement

PP - Pension Plans

RA - Recreation Authority

RDA - Former Redevelopment Agency Audit

SA - Single Audit

SCR - State Controllers' Reports

SR - Street Report

T - Transportation

Substantially all of the above engagements were performed through the firm's Irvine office.

LIST OF SPECIAL DISTRICT ENGAGEMENTS

We have listed below the special districts which were under contract with us during the past five fiscal years.

Client Name	Period of Service	
	From	To
Borrego Water District	2006	2013
Chino Basin Desalter Authority	2011	Present
Costa Mesa Sanitary District	2005	Present
Cypress Recreation and Park District	2012	Present
Downey Cemetery District	1987	2013
El Toro Water District	2008	2013
Grossmont Healthcare District	2011	Present
Heber Public Utilities District	2014	Present
Inland Empire Regional Composting Authority	2011	Present
Inland Empire Utilities Agency	2011	Present
La Habra Heights County Water District	2002	Present
La Puente Valley County Water District	1986	Present
Laguna Beach County Water District	2002	Present
Lake Elsinore and San Jacinto Joint Powers Authority	2013	Present
Las Virgenes Municipal Water District	2007	2013
Leucadia Wastewater District	2010	Present
Midway City Sanitary District	2012	Present
Municipal Water District of Orange County	2007	2011
Olivenhain Municipal Water District	2009	Present
Orange County Vector Control District	2013	Present
Orange County Water District	2006	2010
Orchard Dale Water District	2012	Present
Otay Water District	2009	2013
Padre Dam Municipal Water District	2009	Present
Puente Basin Water Agency	2005	2011
Rancho California Water District	2012	Present
Rowland Water District	2007	Present
Santa Ana Watershed Project Authority	2013	Present
South Coast Water District	2011	Present
South County Regional Wastewater Authority	2013	Present
Sunset Beach Sanitary District	1986	Present
Surfside Colony Stormwater Drainage District	2010	Present
Surfside Community Services District	2010	Present
Vallecitos Water District	2010	Present
Valley Wide Recreation and Park District	1986	Present
Ventura Port District	2011	Present
Walnut Valley Water District	2002	2011
Yorba Linda Water District	2008	Present

Substantially all of the above engagements were performed through the firm's Irvine office.

ATTACHMENT II

RESULTS OF OUTSIDE QUALITY REVIEW

**Heidenreich & Heidenreich, CPAs, PLLC**

10201 S. 51st Street, Suite #170
Phoenix, AZ 85044
(480)704-6301 fax 785-4619

System Review Report

August 3, 2012

To the Owners of
White Nelson Diehl Evans, LLP
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP (the firm) in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. White Nelson Diehl Evans, LLP has received a peer review rating of *pass*.

Heidenreich & Heidenreich

Heidenreich & Heidenreich, CPAs, PLLC

**SEALED DOLLAR COST PROPOSAL
FOR THE CITY OF LAGUNA HILLS
FOR PROFESSIONAL AUDITING SERVICES**

FOR THE TWO YEARS ENDING JUNE 30, 2016

**(WITH AN OPTION FOR THE FOUR YEARS
ENDING JUNE 30, 2020)**



Submitted by:



WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

April 24, 2015

Ms. Janice Mateo Reyes
Finance Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Ms. Mateo Reyes:

At your request, we have submitted our statement of qualifications under a separate cover.

The following information is included herein:

1. Total All-Inclusive Maximum Price.
2. Hourly Rates for Special Services.

By signing below, I am certifying to you that I am entitled to represent the firm, empowered to submit this bid, and authorized to sign a contract with the City. Please contact us if there are any questions regarding the fees or hourly rates quoted herein.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP



Nitin P. Patel, CPA
Engagement Partner

CITY OF LAGUNA HILLS

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

Our maximum fees for the six years ending June 30, 2020 will be as follows:

Description of Services	Fiscal Year					
	2014-15	2015-16	Option Periods			2019-20
			2016-17	2017-18	2018-19	
City Audit, including CAFR Preparation and GANN Limit Review Report	\$ 22,720	\$ 23,175	\$ 23,640	\$ 24,115	\$ 24,600	\$ 25,090
State Controller's Office Reports:						
Annual Street Report	1,120	1,140	1,165	1,190	1,210	1,235
Annual Financial Report	2,960	3,020	3,080	3,140	3,205	3,270
TOTAL FOR FISCAL YEAR (NOT-TO-EXCEED) - CITY SERVICES	\$ 26,800	\$ 27,335	\$ 27,885	\$ 28,445	\$ 29,015	\$ 29,595
Single Audit and Related Reports (1)	\$ 2,715	\$ 2,770	\$ 2,825	\$ 2,880	\$ 2,940	\$ 3,000

(1) This fee contemplates auditing one major program. Additional major programs will be audited for an additional cost of \$1,500 each.



CITY OF LAGUNA HILLS

HOURLY RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If the City wishes us to perform consulting or other services outside the scope of the services described herein, a separate written request from the City will be required. Our hourly rates for these services during each year under the basic contract will be as follows:

Position	Fiscal Year					
	Option Periods					
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
Partners	\$ 175	\$ 179	\$ 182	\$ 186	\$ 189	\$ 193
Managers	140	143	146	149	152	155
Supervisory Staff	90	92	94	96	97	99
Staff	80	82	83	85	87	88
Clerical	60	61	62	64	65	66



**AMENDMENT NO. 1
TO AGREEMENT FOR PROFESSIONAL SERVICES**

White Nelson Diehl Evans, LLP

(Independent Financial Audit Services – City Audits for Fiscal Years 2016/17 & 2017/18)

THIS FIRST AMENDMENT to the White Nelson Diehl Evans LLP Professional Services Agreement for Independent Financial Audit and Accountant Services (the “Amendment”) is made and entered into to be effective this 25th day of April 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 the “City”), and WHITE NELSON DIEHL EVANS LLP, a California limited liability partnership, (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as “Parties”.

RECITALS

A. City and Consultant previously entered into that certain professional services agreement for independent financial audit and accountant services, which was made and entered into on June 9, 2015 (the “Agreement”), and which may be duly amended, in writing, from time to time by the Parties. Sections 1.8 (Additional Services), 2.3 (Changes in Scope of Work), 3.4 (Term and Term Extension), and 10.3 (Entire Agreement) of the Agreement provide that the Agreement may be modified or amended in writing at any time by mutual consent of the Parties to include additional services and/or to provide for additional professional fees not originally contemplated by the Parties and not included within the original agreed upon scope of services described and set forth in the Consultant’s Proposal/Scope of Work, as defined in Section 1.1 of the Agreement. City does not have the personnel or the specialized technical expertise able to perform the Work or Services contracted for under the Agreement.

B. Unless amended by mutual written agreement of the Parties, the Agreement is scheduled to expire on June 30, 2017, by operation of its own terms. By way of correspondence from Consultant to City, Consultant has requested that the City exercise a renewal option and that the term of the Agreement be extended for two additional years in order for Consultant to provide continued financial audit and accountant services for Fiscal Years 2016/17 and 2017/18, as well as to provide for other as-needed auditing and accounting services, which additional proposed professional services were expressly included within Consultant’s original Proposal/Scope of Work and identified therein as “Option Periods” and “Additional Professional Services”.

C. City has now determined that there is a need to (i) amend the Consultant’s original Proposal/Scope of Work set forth in Section 1.1 of the Agreement in order to provide for additional financial audit and accountant services for Fiscal Years 2016/17 and 2017/18, which additional professional services were included within Consultant’s original Proposal/Scope of Work at established maximum, fixed fees for “Option Periods”, (ii) extend the term of the Agreement for two additional years in order for Consultant to provide for these requested additional financial audit and accountant services, and (iii) modify and the amend the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for these additional services, which

additional financial auditing and accountant services creates the need to increase the Maximum Contract Amount under the Agreement by \$65,000 from \$65,000 to \$130,000.

D. The Parties now desire to enter into this Amendment for the purpose of amending Sections 1.1, Section 2.1, and Section 3.4, of the Agreement in order to authorize the Consultant to perform additional requested financial audit and accountant services for Fiscal Years 2016/17 and 2017/18 at the same professional hourly rates and charges and under the same terms and conditions as established and set forth in the Agreement, which additional financial audit and accountant services were expressly included within Consultant's original Proposal/Scope of Work as optional services for the "Option Periods" at established maximum, fixed fees and professional hourly rates for special services as set forth in Consultant's compensation proposal, dated April 24, 2015, entitled "Sealed Dollar Cost Proposal for the City of Laguna Hills for Professional Auditing Services", attached as Exhibit "A" to the Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 1.1, entitled "Scope of Services". Section 1.1 of the Agreement is hereby amended to include the following additional professional financial audit and accounting services, as follows:

Section 1.1 of the Agreement is hereby amended to modify the "Services" or "Work," as defined in the Agreement, to now include the additional professional independent financial auditing and accountant services for Fiscal Years 2016/17 and 2017/18 ("Option Periods"), as well as other as-needed auditing and accounting services, as described, specified and as set forth in the Proposal/Scope of Work, dated April 24, 2015, which is attached as Exhibit "A" to the Agreement.

2. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the established all-inclusive maximum fixed fees and hourly professional rates set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of One Hundred Thirty Thousand Dollars (\$130,000) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The Maximum Contract Amount shall include the attendance of

Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant hereby acknowledges that it accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation therefore, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall nevertheless complete the Services and Work without liability on the City's part for further payment beyond the Maximum Contract Amount."

3. Amendment to Section 3.4, entitled "Term," of the Agreement. Section 3.4 of the Agreement is hereby amended and restated in its entirety to read as follows:

"3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of four (4) years, commencing on June 9, 2015 and ending on June 30, 2019."

4. Full Force and Effect. This Amendment is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
5. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
6. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

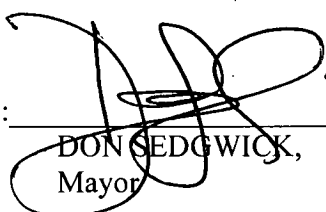
[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment to the Agreement as of the date first written above.

"CITY"

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

By: _____


DON SEDGWICK,
Mayor

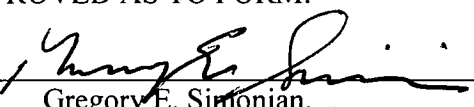
ATTEST:

By: _____


MELISSA AU-YEUNG,
Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

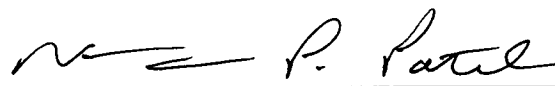
By: _____


Gregory E. Simonian,
City Attorney

"CONSULTANT"

White Nelson Diehl Evans, LLP a California Limited Liability Partnership

By: _____


NITIN P. PATEL, CPA
Engagement Partner

**AMENDMENT NO. 2
TO AGREEMENT FOR PROFESSIONAL SERVICES**

White Nelson Diehl Evans, LLP

(Independent Financial Audit Services – City Audits for Fiscal Years 2018/19 – 2019/20)

THIS SECOND AMENDMENT to the White Nelson Diehl Evans LLP Professional Services Agreement for Independent Financial Audit and Accountant Services (the “Amendment”) is made and entered into to be effective this 9th day of April 2019, 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 the “City”), and WHITE NELSON DIEHL EVANS LLP, a California limited liability partnership, (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as “Parties”.

RECITALS

A. City and Consultant previously entered into that certain professional services agreement for independent financial audit and accountant services, which was made and entered into on June 9, 2015 (the “Agreement”), and which may be duly amended, in writing, from time to time by the Parties. Sections 1.8 (Additional Services), 2.3 (Changes in Scope of Work), 3.4 (Term and Term Extension), and 10.3 (Entire Agreement) of the Agreement provide that the Agreement may be modified or amended in writing at any time by mutual consent of the Parties to include additional services and/or to provide for additional professional fees not originally contemplated by the Parties and not included within the original agreed upon scope of services described and set forth in the Consultant’s Proposal/Scope of Work, as defined in Section 1.1 of the Agreement. City does not have the personnel or the specialized technical expertise able to perform the Work or Services contracted for under the Agreement.

B. Unless amended by mutual written agreement of the Parties, the Agreement is scheduled to expire on June 30, 2019, by operation of its own terms. By way of correspondence from Consultant to City, Consultant has requested that the City exercise a renewal option and that the term of the Agreement be extended for two additional years in order for Consultant to provide continued financial audit and accountant services for Fiscal Years 2018/19 and 2019/20, as well as to provide for other as-needed auditing and accounting services, which additional proposed professional services were expressly included within Consultant’s original Proposal/Scope of Work and identified therein as “Option Periods” and “Additional Professional Services”.

C. City has now determined that there is a need to (i) amend the Consultant’s original Proposal/Scope of Work set forth in Section 1.1 of the Agreement in order to provide for additional financial audit and accountant services for Fiscal Years 2018/19 and 2019/20, which additional professional services were included within Consultant’s original Proposal/Scope of Work at established maximum, fixed fees for “Option Periods”, (ii) extend the term of the Agreement for two additional years in order for Consultant to provide for these requested additional financial audit and accountant services, and (iii) modify and the amend the Maximum Contract Amount set forth in Section 2.1 of the Agreement in order to provide for these additional services, which

additional financial auditing and accountant services creates the need to increase the Maximum Contract Amount under the Agreement by \$70,000 from \$130,000 to \$200,000.

D. The Parties now desire to enter into this Amendment for the purpose of amending Sections 1.1, Section 2.1, and Section 3.4, of the Agreement in order to authorize the Consultant to perform additional requested financial audit and accountant services for Fiscal Years 2018/19 and 2019/20 at the same professional hourly rates and charges and under the same terms and conditions as established and set forth in the Agreement, which additional financial audit and accountant services were expressly included within Consultant's original Proposal/Scope of Work as optional services for the "Option Periods" at established maximum, fixed fees and professional hourly rates for special services as set forth in Consultant's compensation proposal, dated August 24, 2015, entitled "Sealed Dollar Cost Proposal for the City of Laguna Hills for Professional Auditing Services", attached as Exhibit "A" to the Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Amendment to Section 1.1, entitled "Scope of Services". Section 1.1 of the Agreement is hereby amended to include the following additional professional financial audit and accounting services, as follows:

Section 1.1 of the Agreement is hereby amended to modify the "Services" or "Work," as defined in the Agreement, to now include the additional professional independent financial auditing and accountant services for Fiscal Years 2018/19 and 2019/20 ("Option Periods"), as well as other as-needed auditing and accounting services, as described, specified and as set forth in the Proposal/Scope of Work, dated August 24, 2015, which is attached as Exhibit "A" to the Agreement.

2. Amendment to Section 2.1, entitled "Maximum Contract Amount," of the Agreement. Section 2.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the established all-inclusive maximum fixed fees and hourly professional rates set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Two Hundred Thousand Dollars (\$200,000) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The Maximum Contract Amount shall include the attendance of

Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant hereby acknowledges that it accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation therefore, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall nevertheless complete the Services and Work without liability on the City's part for further payment beyond the Maximum Contract Amount."

3. Amendment to Section 3.4, entitled "Term," of the Agreement. Section 3.4 of the Agreement is hereby amended and restated in its entirety to read as follows:

"3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of four (4) years, commencing on June 9, 2015 and ending on June 30, 2021."

4. Full Force and Effect. This Amendment is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.
5. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
6. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment 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 Amendment to the Agreement as of the date first written above.

"CITY"

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

By: _____


DORE J. GILBERT, M.D.,
Mayor

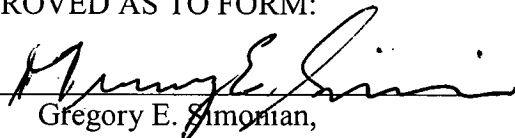
ATTEST:

By: _____


MELISSA AU-YEUNG,
Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

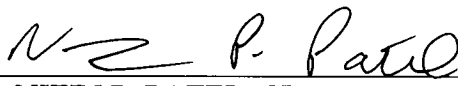
By: _____


Gregory E. Simonian,
City Attorney

"CONSULTANT"

White Nelson Diehl Evans, LLP a California Limited Liability Partnership

By: _____


NITIN P. PATEL, CPA
Engagement Partner

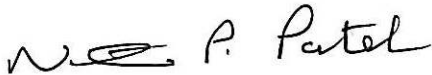
Attachment: Attachment c - Amendment No. 2 to Professional Services Agreement (2252 : Assignment and Assumption Agreement for

**Assignment of Contract for Professional Services
To Clifton Larson Allen, LLP**

Pursuant to Section 4.3 of the July 9, 2015 Professional Services Agreement, as amended, request for consent is hereby made to assign further performance of this Agreement from White Nelson Diehl Evans LLP (“WNDE”) to Clifton Larson Allen LLP (“CLA”) for the remainder of the contract term, which is through June 30, 2021 due to the acquisition of WNDE by CLA effective November 1, 2020.

CLA has legally assumed and will fully perform all future (but not prior) contractual obligations under existing agreements between WNDE and WNDE's clients, including WNDE's existing agreements with the City of Laguna Hills. All terms and conditions in the original WNDE contract will remain unchanged.

Any future payments under this agreement for services provided effective November 1, 2020, should be made payable to Clifton Larson Allen LLP and mailed to the same address: 2875 Michelle Drive, Suite 300, Irvine, CA 92606.



{Nitin P. Patel, CPA}

White Nelson Diehl Evans LLP, Partner

October 26, 2020

{Date}

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATING TO THE 2015 PROFESSIONAL SERVICES AGREEMENT
AND AMENDMENT NO. 1 & AMENDMENT NO. 2
BETWEEN THE CITY OF LAGUNA HILLS AND
WHITE NELSON DIEHL EVANS LLP FOR
INDEPENDENT FINANCIAL AUDIT SERVICES AND
CITY AUDITS FOR FISCAL YEARS
2014/15, 2015/16, 2016/17, 2017/18, 2018/19, & 2019/20**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into, and is to be effective this 10th day of November 2020, by and among the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California ("City"), WHITE NELSON DIEHL EVANS LLP, a California limited liability partnership (hereinafter "Assignor"), and CLIFTON LARSON ALLEN LLP, a Minnesota limited liability partnership (hereinafter "Assignee"). City, Assignor, and Assignee are hereinafter collectively referred to as the "Parties".

RECITALS

A. City and Assignor previously entered into that certain professional services agreement dated June 9, 2015, which is entitled, Professional Services Agreement White Nelson Diehl Evans LLP (Independent Financial Audit Services – City Audits for Fiscal Years 2014/15 – 2015/16), for a contract term of two (2) years commencing on June 9, 2015, and ending on June 30, 2017 (the "Agreement") in order for Assignor to perform the audit of the City's financial statements for Fiscal Years 2014/15 and 2015/16, as well as to provide the City with other as-needed auditing and accounting services. The Agreement provides the Parties with the option to extend the term of the Agreement by mutual written agreement.

B. On April 25, 2017, City and Assignor executed Amendment No. 1 to the Agreement, by which the parties entered into a mutual written agreement to extend the term of the Agreement for an additional contract term of two (2) years (ending on June 30, 2019) in order for Assignor to perform the audit of the City's financial statements for Fiscal Years 2016/17 and 2017/18. As part of Amendment No. 1, the "Scope of Services" set forth in Section 1.1 of the Agreement was further amended to include additional as-needed auditing and accounting services for Fiscal Years 2016/17 and 2017/18. Additionally, the "Maximum Contract Amount" set forth in Section 2.1 of the Agreement was also increased by \$65,000 from \$65,000 to \$130,000 in order to provide for the additional services during the authorized two-year term extension.

C. On April 9, 2019, City and Assignor executed Amendment No. 2 to the Agreement, by which the parties entered into a mutual written agreement to extend the term of the Agreement for an additional contract term of two (2) years (ending on June 30, 2021) in order for Assignor to perform the audit of the City's financial statements for Fiscal Years 2018/19 and 2019/20. As part of Amendment No. 2, the "Scope of Services" set forth in Section 1.1 of the Agreement was further amended to include additional as-needed auditing and accounting services for Fiscal Years 2018/19 and 2019/20. Additionally, the "Maximum Contract Amount" set forth in Section 2.1 of the Agreement was also increased by \$70,000 from \$130,000 to \$200,000 in order to provide for the additional services during the authorized two-year term extension.

D. By way of written correspondence dated October 26, 2020, Assignor notified the City that Assignor has officially merged with Assignee, which resulted in Assignee's acquisition of Assignor as of November 1, 2020. As part of the merger and acquisition, Assignor has accepted

an offer from Assignee to assign the Agreement, Amendment No. 1, and Amendment No. 2 between Assignor and City to Assignee.

E. Section 4.3 of the Agreement requires the written consent of the City prior to any transfer or assignment of the Agreement to a different entity. Assignor and Assignee have requested that the City consent to and allow Assignee to formally assume Assignor's rights, obligations, and interest under the Agreement, Amendment No. 1, and Amendment No. 2.

F. Assignee now wishes to assume all of Assignor's rights, obligations, and interest under the Agreement, Amendment No. 1, and Amendment No. 2., and requests City's consent and authorization to the transfer and assignment of the Agreement, Amendment No. 1, and Amendment No. 2. to Assignee.

G. Accordingly, City, Assignor, and Assignee desire to clarify, affirm, and acknowledge their respective rights and obligations under the terms of the Agreement, Amendment No. 1, and Amendment No. 2.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, for valuable consideration, the Parties hereby agree as follows:

1. Assignment. As of the effective date of this Assignment, Assignor hereby assigns to Assignee all of the rights, title, interests, burdens, obligations, responsibilities, and liabilities of Assignor pursuant to the terms of the Agreement, Amendment No. 1, and Amendment No. 2.

2. Assumption. As of the effective date of this Assignment, Assignee hereby assumes all of Assignor's rights, title, interests, burdens, obligations, responsibilities, and liabilities pursuant to the terms of the Agreement, Amendment No. 1, and Amendment No. 2., and Assignee hereby expressly and unconditionally agrees to perform and fulfill, from and after its acquisition of Assignor, all the duties, terms, covenants, conditions, and obligations required to be fulfilled and performed by Assignor under the Agreement, Amendment No. 1, and Amendment No. 2.

3. Consent. City's consent to the assignment and assumption of the Agreement, Amendment No. 1, and Amendment No. 2 as provided for herein shall not be construed to release, waive, or otherwise compromise the obligations of Assignor under the Agreement, Amendment No. 1, and Amendment No. 2, and applicable law, or any violations thereof, whether known or unknown by City, which occurred prior to Assignee's acquisition of Assignor, or for any subsequent performance of the Agreement, Amendment No. 1, and Amendment No. 2 by Assignee.

4. Binding on Successors. All of the duties, terms, covenants, conditions, and obligations set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns.

5. Notice Address. The Notice Address of Assignee described in Section 10.2 of the Agreement shall be:

Kassie Radermacher, CPA
Clifton Larson Allen LLP
2875 Michelle Drive, Suite 300
Irvine, CA 92606

6. Corporate Authority. Each of the undersigned represents and warrants that: (i) the Party for which he/she is executing this Assignment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Assignment on behalf of the Party for which he/she is signing, (iii) by so executing this Assignment, the Party for which he/she is signing is formally bound to the provisions of this Assignment, and (iv) the entering into this Assignment does not violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

7. Counterparts. This Assignment may be signed in multiple counterparts, each of which shall constitute an original.

8. Force and Effect. Except as modified in this Assignment, the terms and conditions of the Agreement, Amendment No. 1, and Amendment No 2. shall remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and delivered this Assignment as of the day and year first above written.

“CITY”

CITY OF LAGUNA HILLS, a California Municipal Corporation

Donald J. White,
City Manager

ATTEST:

(SEAL)
Melissa Au-Yeung,
Deputy City Manager/ City Clerk

APPROVED AS TO FORM:

Gregory E. Simonian,
City Attorney

“ASSIGNOR”

WHITE NELSON DIEHL EVANS LLP, a California Limited Liability Partnership

Nitin P. Patel, CPA
Engagement Partner

“ASSIGNEE”

CLIFTON LARSON ALLEN LLP, a Minnesota Limited Liability Partnership

Kassie Radermacher, CPA
Engagement Partner



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: M2 Expenditure Report for the Fiscal Year Ended June 30, 2020

RECOMMENDATION: That the City Council: 1) Approve the M2 Expenditure Report for the Fiscal Year ended June 30, 2020, for submittal to OCTA; and 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, concerning the Measure M2 (M2) Expenditure Report for the City of Laguna Hills for the Fiscal Year ended June 30, 2020."

SUMMARY:

With the passage of Renewed Measure M (M2), local agencies must demonstrate eligibility and follow safeguard requirements in order for local jurisdictions to receive M2 fair share and competitive program funds. The Orange County Transportation Authority's (OCTA) Ordinance No. 3 (M2 Ordinance) identifies the eligibility and safeguard requirements that must be met. One requirement under the M2 Ordinance is that each local agency must adopt and provide an expenditure report (in the form provided by OCTA) to OCTA each year within six months of the end of the local jurisdiction's fiscal year to account for M2 funds. The City Council is requested to review and approve the attached Measure M2 Expenditure Report for the fiscal year ended June 30, 2020, and adopt the attached Resolution for submittal to OCTA, as required by Measure M2 Local Transportation Authority Ordinance No. 3.

BACKGROUND:

On November 7, 2006, the Orange County voters approved the renewal of the Measure M one-half cent sales tax for transportation improvements. This renewal plan

M2 Expenditure Report FY 2019/20

November 10, 2020

Page 2

is designated as Measure M2 and provides funding for 30 years to relieve traffic congestion. As part of Measure M2, taxpayer safeguards and audits are provided to ensure appropriate use of funds.

One new safeguard requirement under the M2 Ordinance is for each local agency to adopt and provide an annual expenditure report to OCTA each year in the template form provided by OCTA. This expenditure report is a detailed financial report used to track financial activity to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction to satisfy Maintenance of Effort (MOE) requirements. The report includes all M2 net revenue, fund balances and interest earned, and will identify expenditure by activity type and funding source.

The report is required six months after each jurisdiction's fiscal year end and must be adopted by Resolution before submittal to OCTA. The attached M2 Expenditure Report demonstrates the City is in compliance with the requirements of M2.

FISCAL IMPACT:

Historically, Measure M provides between \$500,000 and \$600,000 of annual revenues to the City for street maintenance purposes. Failure to submit the M2 Annual Expenditure Report could suspend or delay M2 funding.

ATTACHMENTS:

- Proposed Resolution - M2 Expenditure Report FY2019/2020
- Measure M2 Expenditure Report FY 2019/2020

RESOLUTION NO. 2020-11-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY OF LAGUNA HILLS FOR FISCAL YEAR ENDING JUNE 30, 2020

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

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, local jurisdictions are required to adopt an annual Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY INFORM OCTA THAT:

- A. The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.
- B. The M2 Expenditure Report is hereby adopted by the City of Laguna Hills.
- C. The City of Laguna Hills' Finance Director is hereby authorized to sign and submit the Measure M2 Expenditure Report to OCTA for the fiscal year ending June 30, 2020.

PASSED, APPROVED, AND ADOPTED this 10th day of November 2020.

JANINE HEFT, 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. 2020-11-10-X adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 10th day of November 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Proposed Resolution - M2 Expenditure Report FY2019/2020 (2255 : M2 Expenditure Report FY 2019/20)

M2 Expenditure Report
Fiscal Year Ended June 30, 2020
Beginning and Ending Balances

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local Fair Share	4	\$ -	\$ -
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 62,842.91	\$ -
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ 14,990.00	\$ -
Balances at Beginning of Fiscal Year	13	\$ 77,832.91	\$ -
Monies Made Available During Fiscal Year	14	\$ 848,697.64	\$ 7,326
Total Monies Available (Sum Lines 13 & 14)	15	\$ 926,530.55	\$ 7,326
Expenditures During Fiscal Year	16	\$ 845,147.45	\$ 7,326
Balances at End of Fiscal Year			
A-M Freeway Projects	17	\$ -	\$ -
O Regional Capacity Program (RCP)	18	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ -	\$ -
Q Local Fair Share	20	\$ -	\$ -
R High Frequency Metrolink Service	21	\$ -	\$ -
S Transit Extensions to Metrolink	22	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ 66,393.10	\$ -
V Community Based Transit/Circulators	25	\$ -	\$ -
W Safe Transit Stops	26	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	27	\$ -	\$ -
Other*	28	\$ 14,990.00	\$ -

* Orange County TDA Backfill

Attachment: Measure M2 Expenditure Report FY 2019/2020 (2255 : M2 Expenditure Report FY 2019/2020)

M2 Expenditure Report

Fiscal Year Ended June 30, 2020

Sources and Uses

Description	Line No.	Amount	Interest
Revenues:			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local Fair Share	4	\$ 610,262	\$ 5,456
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 38,435	\$ 1,869
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ 200,000	\$ -
Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)	13	\$ 848,698	\$ 7,326
Expenditures:			
A-M Freeway Projects	14	\$ -	\$ -
O Regional Capacity Program (RCP)	15	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	16	\$ -	\$ -
Q Local Fair Share	17	\$ 610,262	\$ 5,456
R High Frequency Metrolink Service	18	\$ -	\$ -
S Transit Extensions to Metrolink	19	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ 34,885	\$ 1,869
V Community Based Transit/Circulators	22	\$ -	\$ -
W Safe Transit Stops	23	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	24	\$ 200,000	\$ -
Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)	26	\$ 845,147	\$ 7,326
TOTAL BALANCE (Subtract line 26 from 13)	27	\$ 3,550	\$ -

* Project X Funds are accrued in FY 19/20 but have not yet been received.

M2 Expenditure Report
Fiscal Year Ended June 30, 2020
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE	Developer / Impact Fees ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1	\$ 478,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,885	\$ 1,869	\$ -	\$ 515,
Construction & Right-of-Way															
New Street Construction	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Reconstruction	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Signals, Safety Devices, & Street Lights	4	\$ 9,250.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,
Pedestrian Ways & Bikepaths	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drains	6	\$ 189,389.39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ 389,
Storm Damage	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction ¹	8	\$ 198,639.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ 398,
Right of Way Acquisition	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction & Right-of-Way	10	\$ 198,639.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ 398,
Maintenance															
Patching	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overlay & Sealing	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Lights & Traffic Signals	13	\$ 689,014.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689,
Storm Damage	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Street Purpose Maintenance	15	\$ 142,294.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,262.45	\$ 5,456.44	\$ -	\$ -	\$ -	\$ -	\$ 2,548,010.67	\$ 3,306,
Total Maintenance ¹	16	\$ 831,309.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,262.45	\$ 5,456.44	\$ -	\$ -	\$ -	\$ -	\$ 2,548,010.67	\$ 3,995,
Other	17	\$ 7,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ 1,516,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610,262	\$ 5,456	\$ 200,000	\$ -	\$ 34,885	\$ 1,869	\$ 2,548,011	\$ 4,917,
Finance Director Confirmation	19	Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). T California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Finance Director initial: _____													

¹ Includes direct charges for staff time
² Other M2 includes A-M, R,S,T,U,V, and W
+ Transportation related only
* Highway User's Tax, Moulton Niguel Water Dist, El Toro Water Dist.

Legend	
Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with F Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)

M2 Expenditure Report

Fiscal Year Ended June 30, 2020

I hereby certify that:

- ☒ All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- ☒ The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;
- ☒ The City of Laguna Hills is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- ☒ The City/County's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and
- ☒ The City of Laguna Hills has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement.



Signature

Janice Reyes

Director of Finance

October 30, 2020

Date



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Mayor and Council Members
FROM: Janice Reyes
Finance Director
ISSUE: Fiscal Year 2019/2020 Budget Amendment to Interfund Transfers

RECOMMENDATION: That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, amending the Fiscal Year 2019/2020 Budget for Interfund Transfers to the General Fund from the SB1 RMRA Gas Tax Fund, Measure M Fund, Grants & Contributions Fund, and the SLESF/COPS Brulte Fund."

SUMMARY:

The City's interfund transfers represent allocations of resources between funds for the repayment of costs incurred by one fund on behalf of another fund. For the purpose of providing budgetary authority to allocate available resources between funds, staff recommends the City Council adopt a Resolution amending the budget for interfund transfers to the City's General Fund from the SB1 RMRA Gas Tax Fund, Measure M Fund, Grants & Contributions, and the SLESF/COPS Brulte Fund, for the fiscal year end June 30, 2020. A schedule of the proposed budget amendment is provided in this report and attached as Exhibit A to the proposed Resolution.

BACKGROUND:

To achieve important financial management objectives, the City has established various funds to account for resources. Each fund is a separate financing entity with its own funding sources, uses, and net financial position. Interfund transfers are separately recorded as interfund items and distinguished from revenues or expenditures within the financials. The City's interfund transfers act mainly as repayments from various funds

FY 2019/20 Budget Amendment to Interfund Transfers

November 10, 2020

Page 2

responsible for a particular expenditure to the specific fund(s) that initially paid for them. Among other purposes, the City's interfund transfers are typically performed to supply funding for projects approved by City Council in the Capital Improvement Projects (CIP) Fund Budget.

For the fiscal year end June 30, 2020, staff is proposing the following amendments to the transfers in and out between the following funds:

<u>Fund</u>	<u>Description</u>	<u>Current Budget</u>	<u>Proposed Amendment (Net Change)</u>	<u>Proposed Amended Budget</u>
General Fund	Transfer In from SB1 RMRA Fund	1,031,178	119,320	1,150,498
	Transfer In from Measure M Fund	813,462	2,257	815,719
	Transfer In from Grants & Contributions		206,675	206,675
	Transfers In from SLESF/COPS	140,000	18,050	158,050
Total		1,984,640	346,302	2,330,942
SB1 RMRA Gas Tax Fund	Transfer Out to General Fund	1,031,178	119,320	1,150,498
Measure M Fund	Transfer Out to General Fund	813,462	2,257	815,719
Grants & Contributions	Transfer Out to General Fund		206,675	206,675
SLESF/COPS Brulte Fund	Transfer Out to General Fund	140,000	18,050	158,050
Total		1,984,640	346,302	2,330,942

The proposed amendments are necessary due to higher than anticipated revenues, which staff is proposing to fund expenditures as listed below:

- To increase funding from SB1 RMRA Gas Tax revenues for CIP #101 Annual Street Maintenance expenditures.
- To increase funding from Renewed Measure M2 Local Fair Share funds for street expenditures in the General Fund.
- To increase funding from contributions received from Moulton Niguel Water District and El Toro Water District for CIP #101 Annual Street Maintenance expenditures.
- To increase funding from Supplemental Law Enforcement Services Fund (SLESF)/Citizens Option for Public Safety (COPS) for law enforcement expenditures in the General Fund.

FY 2019/20 Budget Amendment to Interfund Transfers

November 10, 2020

Page 3

ATTACHMENTS:

- Proposed Resolution - Budget Amendment YE Transfers FY 2019/2020

RESOLUTION NO. 2020-11-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING THE FISCAL YEAR 2019/2020 BUDGET FOR INTERFUND TRANSFERS TO THE GENERAL FUND FROM THE SB1 RMRA GAS TAX FUND, MEASURE M FUND, GRANTS & CONTRIBUTIONS FUND, AND SLESF/COPS BRULTE FUND

WHEREAS, the City Council of the City of Laguna Hills approved Resolution No. 2019-06-25-1 on June 25, 2019, adopting the Operating Budget, Capital Improvement Program, and Other Appropriations for the City of Laguna for the Fiscal Years 2019/2020 – 2020/2021 Biennial Budget; and

WHEREAS, the City experienced higher than projected restricted revenues in the SB1 RMRA Gas Tax Fund, Measure M Funds, Grant & Contributions Fund, and Supplemental Law Enforcement Services Funds (SLESF)/ Citizens Option for Public Safety (COPS) Brulte Fund; and

WHEREAS, the City has established various funds, including various special revenue, capital project and agency funds, to account for revenues and deposits that are restricted to certain activities; and

WHEREAS, interfund transfers represent transfers of resources between funds for the repayment of costs incurred by one fund on behalf of another fund.

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

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

SECTION 2. Approval of Budget Amendments. The City Council hereby approves and adopts the proposed amendments to the Fiscal Year 2019/20 Budget for Interfund Transfers to the General Fund from the SB1 RMRA Gas Tax Fund, Measure M Fund, Grants & Contributions Fund, and SLESF/COPS Brulte Fund, as set forth in the attached Exhibit "A".

PASSED, APPROVED, AND ADOPTED this 10th day of November 2020.

JANINE HEFT, 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. 2020-11-10-X adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 10th day of November 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

EXHIBIT A

Proposed Amendments
to the
Fiscal Year 2019/2020 Budget
for Interfund Transfers
to the General Fund
from the SB1 RMRA Gas Tax Fund,
Measure M Fund,
Grants & Contributions Fund,
and SLESF/COPS Brulte Fund

**CITY OF LAGUNA HILLS
PROPOSED BUDGET AMENDMENTS TO INTERFUND TRANSFERS
For Fiscal Year 2019/2020**

<u>Fund</u>	<u>Description</u>	<u>Current Budget</u>	<u>Proposed Amendment</u>	<u>Amended Budget</u>
TRANSFERS IN				
General Fund	Transfer In from SB1 RMRA Fund	1,031,178	119,320	1,150,498
	Transfer In from Measure M Fund	813,462	2,257	815,719
	Transfer In from Grants & Contributions		206,675	206,675
	Transfers In from Law Enforcement Fund	140,000	18,050	158,050
	Total	<u>1,984,640</u>	<u>346,302</u>	<u>2,330,942</u>
TRANSFERS OUT				
SB1 RMRA Gas Tax Fund	Transfer Out to General Fund	1,031,178	119,320 ^a	1,150,498
Measure M Fund	Transfer Out to General Fund	813,462	2,257 ^b	815,719
Grants & Contributions	Transfer Out to General Fund		206,675 ^c	206,675
SLESF/COPS Brulte Fund	Transfer Out to General Fund	140,000	18,050 ^d	158,050
	Total	<u>1,984,640</u>	<u>346,302</u>	<u>2,330,942</u>

Note:

- (a) Increase funding from SB1 RMRA Gas Tax revenues for CIP #101 Annual Street Maintenance expenditures.
- (b) Increase funding from Renewed Measure M2 Local Fair Share revenue for General Fund street expenditures.
- (c) Increase funding from MNWD & ETWD for CIP #101 Annual Street Maintenance expenditures.
- (d) Increase funding from Supplemental Law Enforcement Services Fund (SLESF)/Citizens Option for Public Safety (COPS) Brulte revenue for General Fund law enforcement expenditures.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Chair and Agency Members
FROM: Jennifer Lee
Assistant City Clerk
ISSUE: Approval of Minutes for October 13, 2020, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the October 13, 2020, Regular Meeting.

ATTACHMENTS:

- 201013 PA Minutes

3.9 Award of Contract Agreement for Touchless Facility Upgrades at the Civic Center and Community Center Buildings, CIP No. 516

Mayor Heft removed Item No. 3.9 at the request of Assistant City Manager/Director of Public Services Rosenfield.

Assistant City Manager/Director of Public Services Rosenfield reviewed information provided as a Hot Envelope Memo and responded to Council requests for additional information.

Recommendation: That the City Council award the Contract Agreement for Touchless Facility Upgrades at the Civic Center and Community Center Buildings, CIP No. 516, to JCOS Development, Inc., in the low bid amount of \$98,390.00, waive any minor bid irregularities, reject all other Bids, and authorize the Mayor to sign the Contract Agreement.

Motion to approve staff's revised recommendation as provided in the Hot Envelope Memo to include rejecting the Bid Protest dated October 11, 2020, from New Millennium Contractors.

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

4. PLANNING AGENCY

Mayor Heft recessed the City Council Meeting, and acting in capacity as Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:33 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Planning Agency public comments.

4.3. APPROVAL OF MINUTES**4.3.1 Approval of Minutes for September 22, 2020, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the September 22, 2020, Regular Meeting.

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

4.4. ADMINISTRATIVE REPORTS

There were no Planning Agency administrative reports.

4.5. PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency public hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Heft reconvened the City Council Meeting at 7:34 p.m. Mayor Pro Tempore Pezold was present. Mayor Heft, Council Member Gilbert, Council Member Sedgwick and Council Member Wheeler were present via teleconference.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council public hearings.

6. ADMINISTRATIVE REPORTS**6.1. City Manager****6.1.1 Resolution Opposing Proposition 15**

Recommendation: That the City Council adopt Resolution No. 2020-10-13-2: "A Resolution of the City Council of the City of Laguna Hills, California, opposing Proposition 15 on the November 3, 2020 ballot.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020

TO: Mayor and Council Members

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

ISSUE: Approval of the Plans and Specifications and Authorization to Advertise for Bids for Electric Vehicle Charging Stations at 24035 El Toro Road, Laguna Hills Civic Center, CIP No. 505

RECOMMENDATION: That the City Council approve the plans and specifications and authorize the advertisement for bids for Electric Vehicle Charging Stations at 24035 El Toro Road, Laguna Hills Civic Center, CIP No. 505.

SUMMARY:

Funding has been provided to implement projects designed to reduce air pollution from motor vehicles through the Assembly Bill 2766 (AB2766) Subvention Fund Program. The City has the ability to utilize this funding for the installation of electric charging infrastructure that supports the use of electric vehicles. Accordingly, Staff has prepared plans and specifications for the design and installation of electric vehicle charging stations in the parking lot at the rear of the Civic Center. The City Council is requested to approve the plans and specifications, on file in the office of the City Clerk and present at the Dais, and authorize the advertisement for bids for this project.

BACKGROUND:

To protect public health, Assembly Bill 2766 (AB2766) was signed into law in September 1990. Eligible local governments, including the City of Laguna Hills, in the South Coast Air Quality Management District (South Coast AQMD) receive AB2766 Subvention Funds on a quarterly-basis to fund the implementation of programs and projects designed to

Authorization to Go to Bid - Electric Vehicle Charging Stations

November 10, 2020

Page 2

reduce air pollution from motor vehicles and to implement the California Clean Air Act of 1988.

The AB2766 Resource Guide identifies project categories and provides examples of projects that meet the criteria and guidelines established by the California Air Resources Board (CARB) that are eligible to utilize AB2766 Subvention Funds. Category 1, Alternative Fuels/Electric Vehicles, includes the installation of alternative fuel and electric charging infrastructure that supports the use of alternative fuel and electric vehicles. The current Capital Improvement Budget allocates funding for this type of project. Accordingly, Staff has prepared plans and specifications for the design and installation of two dual-port electric vehicle charging stations and associated infrastructure improvements, allowing up to four vehicles at a time to charge their batteries, at the Civic Center.

The plans and specifications for the Electric Vehicle Charging Stations are on file in the office of the City Clerk and provided on the dais. The cost estimate for the work is \$55,000, subject to bids. It is recommended the City Council approve the plans and specifications and authorize the advertisement of the work for bids.

CEQA FINDINGS:

The proposed project is exempt from CEQA pursuant to Title 14, Chapter 3, Section 15301 of the California Code of Regulations (CEQA Guidelines) as a Class 1 Categorical Exemption – Existing Facilities. The proposed project will result in minor alteration of existing public facilities of an office building parking lot constructed in 1981. The work is primarily the design and construction of two dual-port charging stations and associated infrastructure improvements in the Civic Center rear parking lot.

FISCAL IMPACT:

The cost estimate for the electric vehicle charging stations at 24035 El Toro Road, Laguna Hills Civic Center, is \$55,000. A Mobile Source Air Pollution Reduction grant in the amount of \$32,250 has been awarded for this project. The remaining project funding will be provided through the AQMD AB2766 Subvention Fund Program with funds on hand. This project is included in the FY 2020/2021 Capital Improvement Program Budget as CIP No. 505.

ATTACHMENTS:

- Civic Center Site Plan

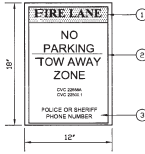
BID SET - NOT FOR CONSTRUCTION

KEY NOTES:

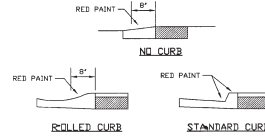
1. THE WORDS "FIRE LANE" SHALL BE WHITE REFLECTIVE ON RED BACKGROUND AND NO SMALLER THAN 2 INCHES IN HEIGHT.
2. LETTERING SHALL BE RED ON WHITE REFLECTIVE BACKGROUND, NO SMALLER THAN 2 INCH IN HEIGHT.
3. LETTERING SHALL BE RED ON WHITE REFLECTIVE BACKGROUND, NO SMALLER THAN 1 INCH IN HEIGHT.

NOTES:

1. THE SIGN SHALL BE NO SMALLER THAN 12 INCHES WIDE BY 18 INCHES HIGH.
2. THE SIGN SHALL BE SECURELY MOUNTED, FACING THE DIRECTION OF TRAVEL, AND CLEARLY VISIBLE TO ONCOMING TRAFFIC ENTERING THE DESIGNATED AREA. SIGNS SHALL BE OF DURABLE MATERIAL AND INSTALLED AS NOTED IN GUIDELINES FOR SIGN MOUNTING.



FIRE LANE SIGN
SCALE: NTS
4



NOTES:

1. CURBS ALONG ACCESS LANES SHALL BE PAINTED OSHA SAFETY RED.
2. "FIRE LANE NO PARKING" SHALL BE PAINTED ON TOP OF CURB IN WHITE, LETTERING 3 INCHES HIGH AND SHALL BE SPACED 10'-0" ON CENTER OR PORTION THEREOF.

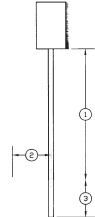
ACCESS LANE CURB
SCALE: NTS
3

KEY NOTES:

1. HEIGHT OF SIGN IN SIDEWALK OR PEDESTRIAN AREAS SHALL BE 7'-0" AND 5'-0" IN ALL OTHER AREAS.
2. DEPTH OF SIGN SHALL BE 18 INCHES FROM STANDARD CURB AND 24 INCHES FROM ROLLED CURB TO CENTER OF PCST.
3. BLURRY DEPTH SHALL BE A MINIMUM OF 24 INCHES.

NOTES:

1. SIGNS MAY BE MOUNTED ON EXISTING POSTS OR BUILDINGS IF CENTERLINE OF SIGN IS NO MORE THAN 24 INCHES FROM EDGE OF ROADWAY.



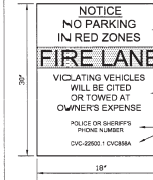
FIRE LANE SIGN MOUNTING
SCALE: NTS
2

KEY NOTES:

1. THE WORDS "FIRE LANE" SHALL BE WHITE REFLECTIVE ON RED BACKGROUND AND NO SMALLER THAN 4 INCHES IN HEIGHT.
2. LETTERING SHALL BE RED ON WHITE REFLECTIVE BACKGROUND, NO SMALLER THAN 2 INCHES IN HEIGHT. FOR AREAS WITH FIRE LANE SIGNS ONLY, AND NO RE-CURBING, IT MAY READ "NO PARKING IN MARKED ZONES".
3. LETTERING SHALL BE RED ON WHITE REFLECTIVE BACKGROUND, NO SMALLER THAN 1 INCH IN HEIGHT.

NOTES:

1. THE SIGN SHALL BE NO SMALLER THAN 18 INCHES WIDE BY 30 INCHES HIGH.
2. THE SIGN SHALL BE SECURELY MOUNTED, FACING THE DIRECTION OF TRAVEL, AND CLEARLY VISIBLE TO ONCOMING TRAFFIC ENTERING THE DESIGNATED AREA. SIGNS SHALL BE OF DURABLE MATERIAL AND INSTALLED PER GUIDELINES FOR SIGN MOUNTING.



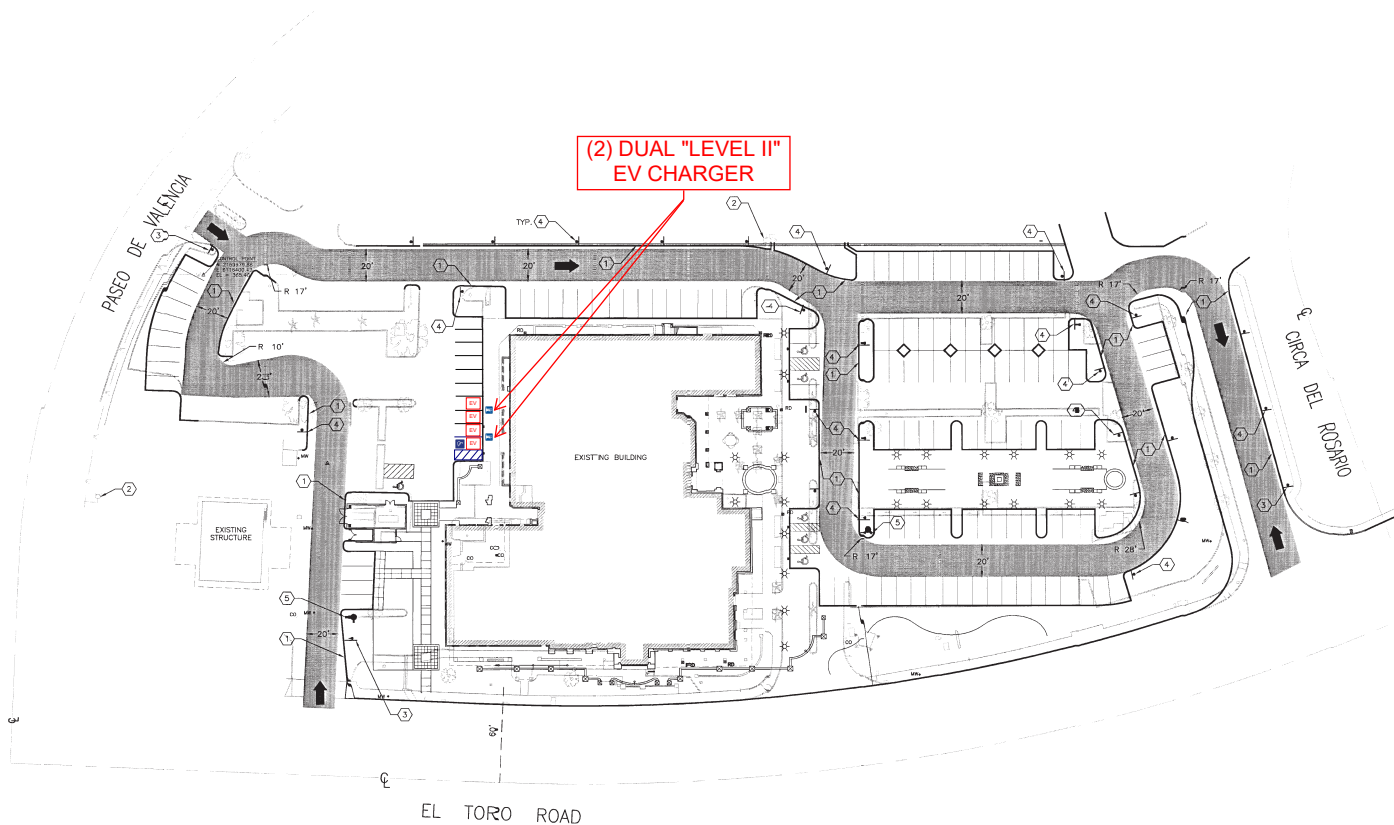
FIRE LANE ENTRANCE SIGN
SCALE: NTS
1

PLAN NOTES:

1. PAINT CURB RED FOR FIRELANE. MARK IN WHITE TEXT "FIRE LANE" 3" HIGH AND SPACED 30'-0" ON CENTER. PER DETAIL 3.
2. EXISTING FIRE HYDRANTS TO REMAIN PER DETAIL 1 & 2.
3. PROVIDE FIRE LANE ENTRANCE SIGN PER DETAIL 2 & 4. SPACE MIN. 50'-0".
5. NEW FIRE HYDRANTS

LEGEND:

- PROPOSED FIRE ACCESS
- PROPOSED FIRE LANE RED CURBS
- PROPOSED FIRE HYDRANT
- PROPOSED FIRE LANE SIG NS



BID SET - NOT FOR CONSTRUCTION

CIP NO. 505 - ELECTRIC VEHICLE CHARGING STATIONS SITE PLAN



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: November 10, 2020
TO: Mayor and Council Members
FROM: David Chantarangsu
Community Development Director
ISSUE: 2021-2029 Housing Element Overview

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

SUMMARY:

Every California city and county is required to include a housing element in its general plan which establishes housing goals, policies, and programs that respond to community housing conditions and needs. The City's current Housing Element covers 2014-2021, and has been certified by the state to indicate the element complies with state law. Staff has engaged Placeworks, a planning firm specializing in a variety of activities related to land use and planning, to prepare the City's Housing Element for the upcoming planning period covering 2021-2029.

Placeworks will be making a presentation to the City Council to provide an overview of the upcoming Housing Element process, and also cover some key changes to state law pertaining to the Housing Element and housing development in general. A copy of the PowerPoint presentation is attached for the City Council's information.

ATTACHMENTS:

- Attachment a - Housing Element Overview PowerPoint Presentation

The seal of the City of Laguna Hills is a circular emblem. It features a central illustration of a person standing on a hill, looking out over a landscape. The text "CITY OF LAGUNA HILLS" is written in a circle around the top, and "1991" is at the bottom.

Attachment 6.3.1.a
Housing Element Overview
PowerPoint Presentation
November 10, 2020 City Council Meeting



Housing Element Overview: New Housing Laws

**Laguna Hills City Council
November 10, 2020**



Housing Element Overview

- » Required element of the General Plan
- » State-mandated update schedule
- » Reviewed and certified by State (HCD) for compliance with State law
- » Plan for accommodating a jurisdiction's "fair share" of the regional housing need

HCD's Schedule

» Housing Element Planning Period:

October 15, 2021 – October 15, 2029

» Actual Adoption Deadline:

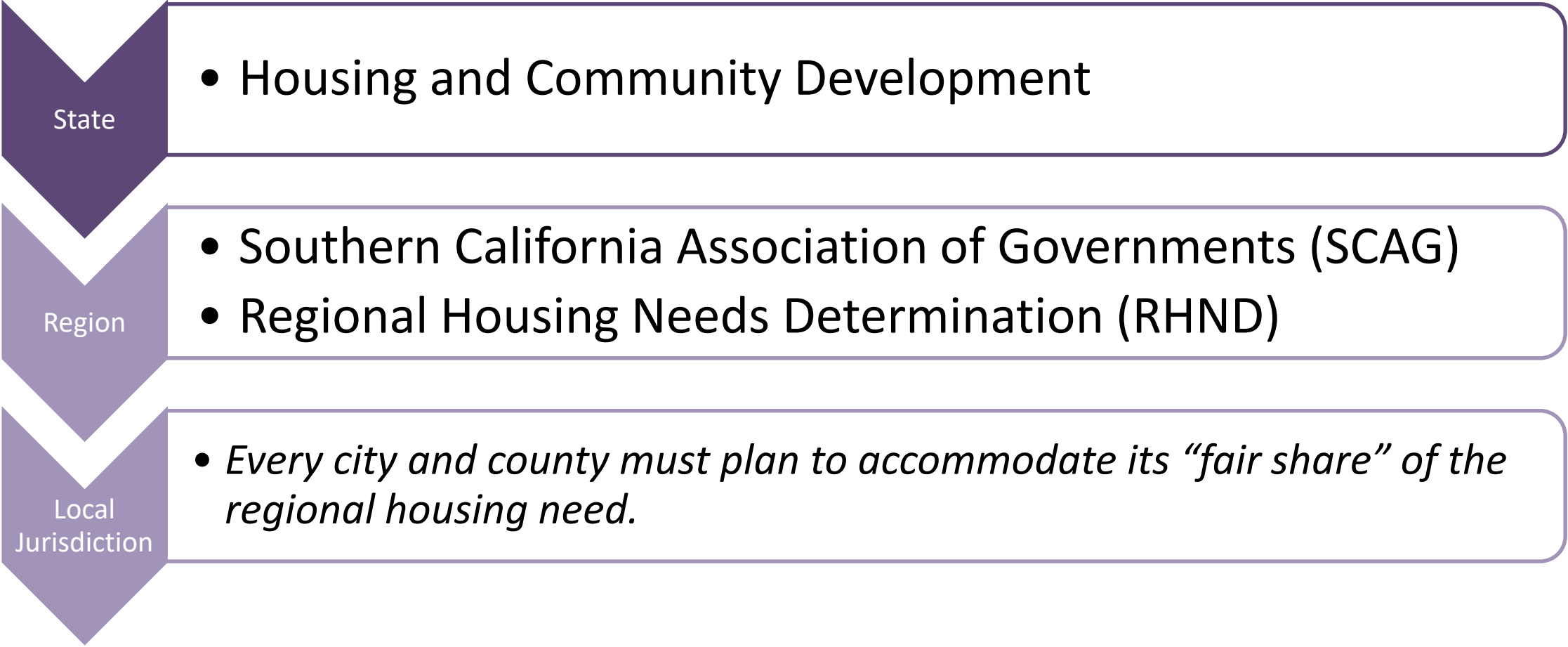
October 15, 2021

» Must adopt within 120 days of deadline or switch to 4-year cycle

Housing Element Contents

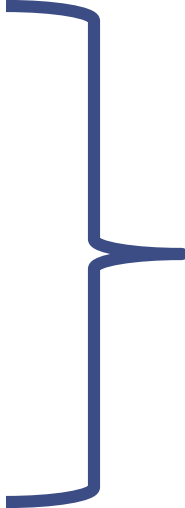
- » Analysis of existing and projected housing needs
- » Inventory of available land for housing
- » Analysis of potential constraints on housing (e.g., permit processing procedures, fees)
- » Evaluation of previous housing element
- » Goals, policies, and implementation programs:
 - Provide adequate sites and strategies for housing
 - Assist in development of affordable housing
 - Remove governmental constraints
 - Preserve existing affordable housing
 - Promote equal housing opportunities (fair housing)

Regional Housing Needs **Assessment** (RHNA)



Laguna Hills 6th Cycle = 1,980 UNITS

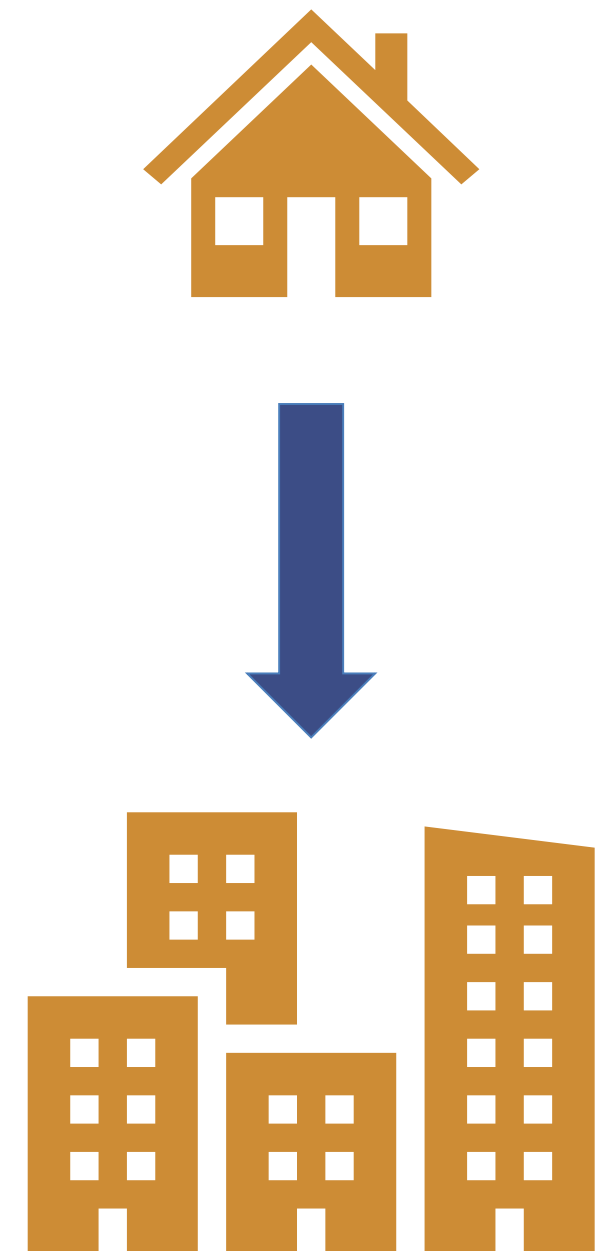
Regional Housing Needs Allocation (RHNA)

Income Category	RHNA	
Extremely Low Income (<30% of Median Income)	283 units	 919 “Lower Income”
Very Low Income (31%-50% of Median Income)	283 units	
Low Income 51%-80% of Median Income)	353 units	
Moderate Income (81%-120% of Median Income)	353 units	
Above Moderate Income (>120% of Median Income)	708 units	
TOTAL	1,980 units	

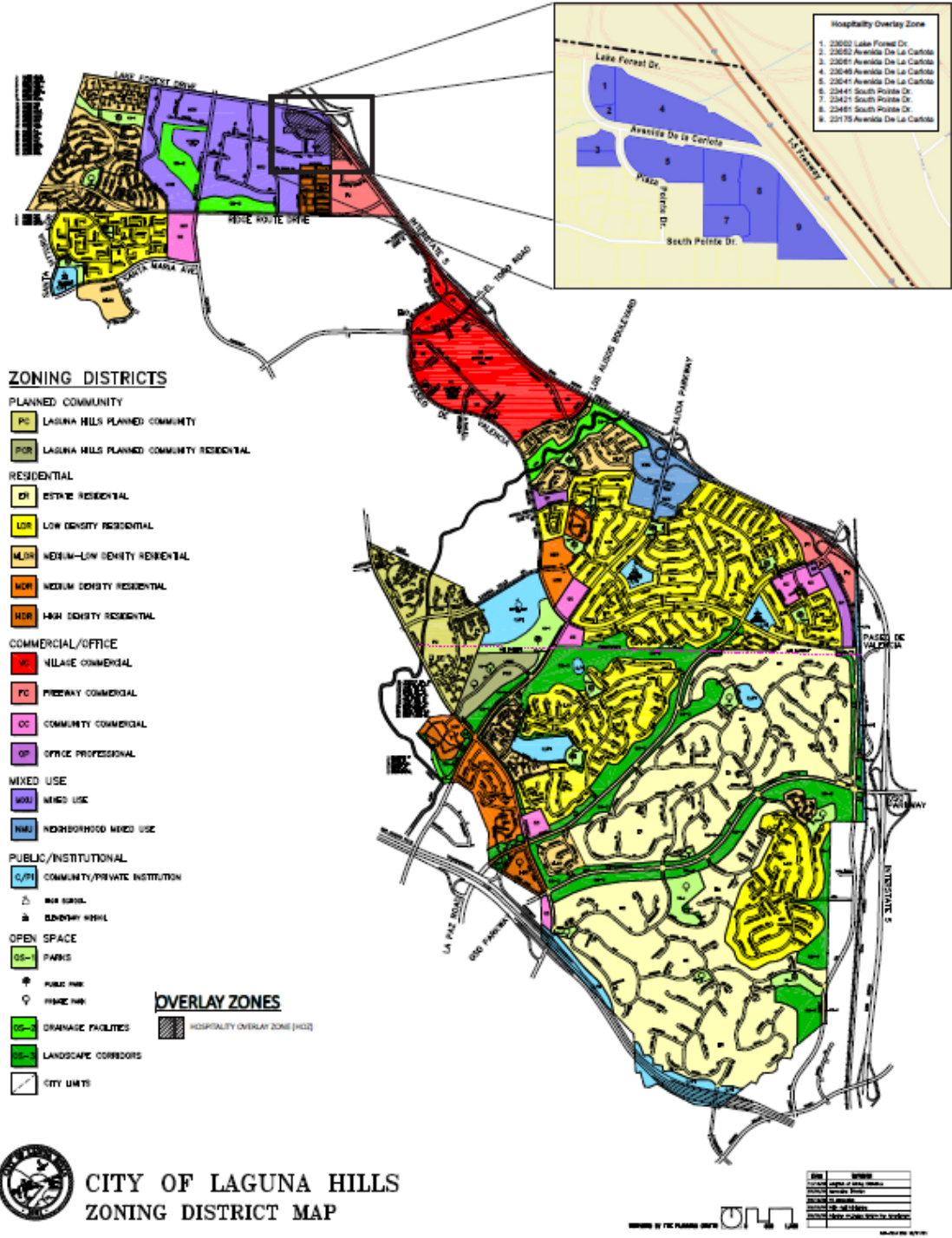
Accommodating the RHNA

- » Cities and counties must show adequate land zoned for housing to accommodate the RHNA at each income level
- » Default density standard for lower-income housing (Section 65583.2(c)(3)(B)):

Type of Jurisdiction	Default Density
Metropolitan jurisdictions	30 units per acre
Suburban jurisdictions	20 units per acre
Nonmetropolitan jurisdictions with a micro-metropolitan area	15 units per acre
Nonmetropolitan jurisdictions	10 units per acre



Current Zoning Map



What Counts Towards 6th Cycle of RHNA

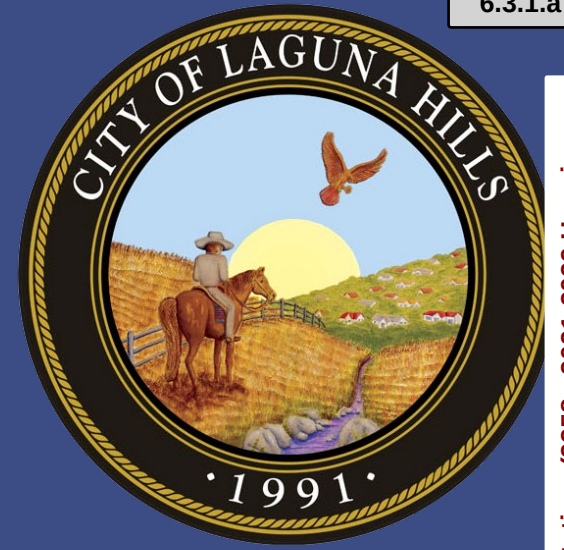
- » Residential units that could be developed on vacant sites
- » Residential units that could be developed on non-vacant sites
- » Programs in the Housing Element to change zoning so more housing can be accommodated on vacant or non-vacant sites
- » Residential units approved or constructed starting June 30, 2021
- » In limited quantities:
 - Anticipated Accessory Dwelling Units (ADUs)
 - Programs in the Housing Element to facilitate:
 - Conversion from non-affordable to affordable units with assistance from local jurisdiction
 - Substantial rehabilitation
 - Internal conversions of larger homes to 2-, 3- and 4-plexes

Rezone Requirements

- » Per GC 65583.2(h), if a jurisdiction does not have adequate capacity for lower-income housing
 - Must rezone within 3 years of the beginning of the planning period (October 15, 2021)
 - Zoning must have 20 units/acre minimum density
 - Minimum density and development standards must permit at least 16 units per site
 - Residential uses must be allowed by-right
 - No conditional use permit
 - No planned unit development permit
 - No discretionary review that would constitute a project under CEQA
 - Can conduct design review (but limited to the design and not the use itself)

Penalties for Non-Compliance

- » Four-year update penalty (Section 65588(e)(4)(A))
- » RHNA carries over to the next Housing Element cycle (essentially doubling next RHNA obligation) (Section 65584.09)
- » Various State grant and loan programs require a certified Housing Element
- » General Plan could be found inadequate
- » Vulnerable to lawsuits and fees
- » Cities can lose local control of land use decisions through court intervention (AB 72)
 - Court can suspend local control of building permits



Key Changes to State Housing Law

AB 72 – Increased HCD Enforcement

- » HCD may revoke housing element compliance for failure to complete housing element rezone obligation (or any other act or failure to act that is inconsistent with the housing element)
 - HCD may report to the Attorney General violations of:
 - No net loss statute
 - Housing accountability act
 - Density bonus law
 - Fair housing law
- » HCD may report to the Attorney General violations of:
 - No net loss statute
 - Housing accountability act
 - Density bonus law
 - Fair housing law



AB 1397 – Non-Vacant Sites

- » Development potential for non-vacant sites must consider:
 - Extent to which existing uses are an impediment
 - Development trends
 - Regulatory incentives
 - Prior experience converting to higher-density residential uses
 - Market demand
 - Leases and existing contracts for current uses.
- » If more than 50% of lower-income sites are non-vacant sites, existing uses are presumed to impede development absent findings
- » Sites are presumed inappropriate for lower-income housing:
 - Less than half-acre
 - Greater than 10 acres



SB 166 – No Net Loss Zoning

» Downzoning and Reduction in Density

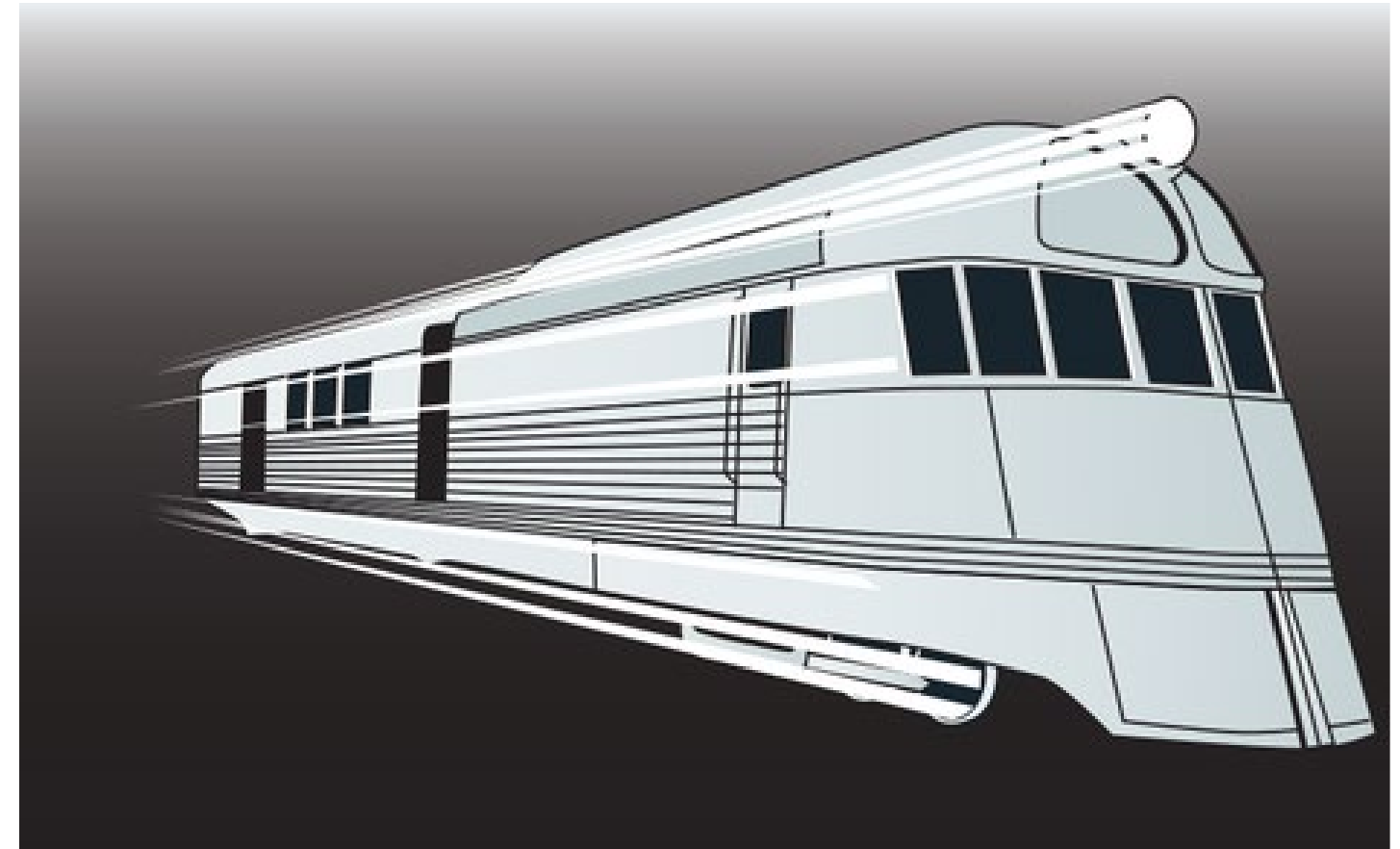
- If a project is approved on a housing element site with either **fewer units** or a **different income category**, cities and counties must either:
 - Make written “no net loss” finding that other housing element sites are adequate to meet the RHNA for lower- or moderate-income housing; or
 - Identify and make available within 180 days other sites zoned at a density suitable for lower- or moderate-income housing
- Burden is on the local jurisdiction, not the developer.

SB 35 – Streamlined Approval for Housing Projects

» SB 35 Applies to Most Jurisdictions

- If number of building permits issued is less than the share of the RHNA by income category for the reporting period.
- Not met above moderate RHNA: projects with 10% low-income eligible for streamlining.
- Not met low-income RHNA: projects with 50% low-income eligible for streamlining.

» Objective Standards!



SB 330 – Housing Crisis Act

- » Removes “Roadblocks” to Development
- » Prohibits Downzoning
- » Reduces Process Time
- » No Subjective Design Standards



6.3.1.a

Attachment: Attachment a - Housing Element Overview PowerPoint Presentation (2258 : 2021-2029 Housing

Housing Accountability Act

» Projects cannot be denied unless:

- City has adopted a compliant Housing Element and has **met or exceeded its share** of the RHNA for all income categories applicable to the development.
- City makes written findings that the project would have a **specific, adverse impact upon public health or safety**; with no feasible way to mitigate or avoid these impacts without rendering the development financially infeasible.
- Required to comply with state or federal law.
- Site is adjacent to or **zoned for agriculture or resource preservation**.
- Does not have adequate water or wastewater facilities.
- Project is **inconsistent with both the jurisdiction's zoning ordinance and general plan**.

Housing Accountability Act, cont'd

» Housing Development Projects:

- Residential-only
- Mixed-use projects where square footage is at least 2/3 residential
- Transitional or supportive housing, emergency shelters

» Enforcement

- Fine for non-compliance within sixty days of court order is a minimum of \$10,000 per unit in the development.



Project Schedule

Housing Element Schedule/Next Steps

Milestone/Task	Date
Project Kick-Off	September 2020
City Council Housing Element Overview Presentation	November 10, 2020
Review of Previous Housing Element; Stakeholder Consultations	November – December 2020
Sites Analysis	November 2020 – February 2021
Community Workshop 1	January 2021
City Council Study Session	February 2021
Administrative Draft – City Review (1-Month)	February 2021
Preparation of Public Review Draft	March 2021
Community Workshop 2	March 2021
City Council Hearing to review the draft	April – May 2021
Submit Draft to HCD (60-day review)	May 2021
Conference call with HCD to resolve issues; receive “Conditional Compliance” letter	June 2021
City Council Adoption Hearing	July – August 2021
Submit Final Adopted Housing Element to HCD	August – October 2021

Thank you

