



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, July 11, 2017 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Don Sedgwick, Mayor

**Melody Carruth, Mayor Pro Tempore
Janine Heft, Council Member**

**Dore J. Gilbert, M.D., Council Member
Barbara D. Kogerman, Council Member**

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

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

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

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER HEFT

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS**1.1 Laguna Hills Chamber of Commerce Presentation**

Recommendation: That the City Council receive a presentation from Clement Pepe, President of the Laguna Hills Chamber of Commerce.

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 June 13, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the June 13, 2017, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended July 11, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$1,076,038.84.

3.4 Second Reading and Adoption of Ordinance Amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities Within the Mixed-Use Zoning District

Recommendation: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, Adopting Zoning Text Amendment No. 12-16-3724 Amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities within the Mixed-Use Zoning District."

3.5 Proposed Lease with Fay Blix, an Individual, for 24031 El Toro Road, Suite 301, Laguna Hills, California

Recommendation: That the City Council approve the lease with Fay Blix, an Individual, for 24031 El Toro Road, Suite 301, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.6 Progress Payment No. 3, Final, and Contract Change Order No. 1, for Arterial Pavement Management Project Street Rehabilitation, CIP No. 175

Recommendation: That the City Council Approve Contract Change Order No. 1 and Progress Payment No. 3, Final, in the Net Amount of \$42,535.15, to Hardy & Harper, Inc., for the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175, and authorize the filing of the Notice of Completion and subsequent release of retention in 35 Days, if no liens have been filed.

3.7 Participation in the Countywide Public Mass Notification System - "Alert OC"

Recommendation: That the City Council approve the Memorandum of Understanding between the County of Orange and the City of Laguna Hills for use of the Countywide Emergency Public Mass Notification System, "Alert OC," and authorize the City Manager to execute the Memorandum of Understanding.

3.8 Designation of Voting Delegate for League of California Cities Annual Conference

Recommendation: That the City Council appoint Mayor Sedgwick as the Voting Delegate for the League of California Cities Annual Conference.

ITEMS REMOVED FROM THE CONSENT CALENDAR

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

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

4.3 APPROVAL OF MINUTES FOR JUNE 13, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for June 13, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the June 13, 2017, Regular Meeting.

4.4 ADMINISTRATIVE REPORTS**4.5 PLANNING AGENCY PUBLIC HEARINGS****PLANNING AGENCY ADJOURNMENT****5. CITY COUNCIL PUBLIC HEARINGS****5.1 Zoning Text Amendment No. 1-17-3758, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, Updating Chapter 9-04 (Definitions) and Chapter 9-44 (Access and Parking) to Ensure Consistency with Chapter 4-28 (Massage Establishments) and Adding Parking Requirements for Massage Establishments, and an Amendment to Title 4 (Business Regulations), Modifying Chapter 4-28 (Massage Establishments) to Clarify the Process of Massage Establishment Operator's Permit Issuance**

Recommendation: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the proposed activity is not subject to the California Environmental Quality Act (CEQA) per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines; and (3) Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 1-17-3758, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, updating Chapter (9-04) (Definitions) and Chapter 9-44 (Access and Parking) to ensure consistency with Chapter 4-28 (Massage Establishments) and adding Parking Requirements for Massage Establishments, and an Amendment to

Title 4 (Business Regulations), Modifying Chapter 4-28 (Massage Establishments) to clarify the process of Massage Establishment Operator's Permit Issuance.

5.2 Confirmation of 2017 Weed Abatement Cost Report

Recommendation: That the City Council conduct a Public Hearing regarding the 2017 Weed Abatement Cost Report and adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, confirming the 2017 Weed Abatement Cost Report and providing for the collection of weed abatement assessments on the next regular tax bill levied against the subject parcels for municipal purposes."

5.3 A Proposed Resolution Amending the City's Comprehensive Fee Schedule By: (1) Adjusting Certain Development Processing Fees and Other City Rates, Charges, and User Fees for Various Government Services Based on the Increase in the Consumer Price Index; and (2) Approving Adjustments that Eliminate, Reduce And/Or Modify Other User Fees and Charges

Recommendation: That the City Council: (1) Conduct a Public Hearing; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, amending the Comprehensive Fee Schedule by: (1) Adjusting certain development processing fees and other City rates, charges, and user fees for various government services based on the increase in the Consumer Price Index (CPI); and (2) Approving adjustments that eliminate, reduce, and/or modify other user fees and charges, and finding that the action is statutorily exempt from the California Environmental Quality Act (CEQA) per Section 15273 of the CEQA Guidelines and Public Resources Code Section 21080(B)(8)."

6. ADMINISTRATIVE REPORTS

6.1 City Manager

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

7.1 Letter of Support for Traffic Relief and Regional Mobility Solutions for South Orange County

Recommendation: That the City Council authorize the Mayor to sign a letter of support for traffic relief and regional mobility solutions for South Orange County.

8. CITY COUNCIL MEMBER COMMENTS**ADJOURNMENT**

The next Regular Meeting of the City Council/Planning Agency will be August 22, 2017, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center on July 7, 2017, by 5:00 pm.



City Clerk

July 7, 2017

Date

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

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



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Laguna Hills Chamber of Commerce Presentation

RECOMMENDATION: That the City Council receive a presentation from Clement Pepe, President of the Laguna Hills Chamber of Commerce.

SUMMARY:

The Laguna Hills Chamber of Commerce incorporated on October 23, 2014. Clement Pepe, President of the Laguna Hills Chamber of Commerce, will be present to provide a brief oral update for the City Council regarding Chamber of Commerce activities.

Laguna Hills Chamber of Commerce Presentation
July 11, 2017
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City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for June 13, 2017, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the June 13, 2017, Regular Meeting.

ATTACHMENTS:

- 170613 CC Minutes

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

**REGULAR MEETING
MINUTES
Tuesday, June 13, 2017**

CLOSED SESSION - CONVENING AT 6:00 PM

CALL TO ORDER

The meeting was called to order at 6: 05 p.m. by Mayor Don Sedgwick.

ROLL CALL OF CITY COUNCIL MEMBERS

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

ANNOUNCEMENT OF CLOSED SESSION ITEMS

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of Case: George Dayeh and Maryam Dayeh vs. City of Laguna Hills;
Orange County Superior Court; Case No. 30-2017-00909717-CU-IE-CXC.

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no Public Comments.

ADJOURN TO CITY COUNCIL CONFERENCE ROOM

CONVENE INTO CLOSED SESSION

RECONVENE TO CITY COUNCIL CHAMBER

RECESS

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

The meeting was called to order at 7:01 p.m. by Mayor Don Sedgwick.

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

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

CLOSED SESSION REPORT**A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Mayor Sedgwick stated that the City Council met in Closed Session this evening pursuant to the Closed Session authority listed on the Agenda. No reportable action was taken as a result of tonight's Closed Session meeting.

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

Recommendation: The City Council received an oral report from Laguna Hills High School Student Liaison (2016 Fall Semester) Jennifer Bommarito.

1.2 Certificate of Recognition, Sherwin Afshar, Laguna Hills High School Student Liaison for Spring 2017

Recommendation: Laguna Hills High School Student Liaison Sherwin Afshar was not available at the meeting to receive his Certificate of Recognition.

1.3 Certificate of Recognition, Delaney Horchover, Laguna Hills High School Student Liaison Alternate

Recommendation: Mayor Sedgwick presented a Certificate of Recognition to Delaney Horchover recognizing her service as the Laguna Hills High School Student Liaison Alternate for the 2016/2017 School Year.

1.4 Recognition of Laguna Hills High School Students Sabrina Astle, Saara Tayani, and Megan Casper

Recommendation: Mayor Sedgwick presented Certificates of Recognition to Sabrina Astle, Saara Tayani, and Megan Casper.

1.5 Certificates of Recognition, Laguna Hills High School Girls Cross Country Team

Recommendation: Mayor Sedgwick presented Certificates of Recognition to the Laguna Hills High School Girls Cross Country 2016 Lady Hawk Harriers and Coach Christopher Lynch.

1.6 Presentation of Proclamation for National Alzheimer's and Brain Awareness Month

Recommendation: Mayor Sedgwick presented a Proclamation to Daniel Gaytan, Alzheimer's Association Orange County Chapter Public Policy Manager, proclaiming June 2017 as National Alzheimer's and Brain Awareness Month and June 21, 2017, as "The Longest Day."

1.7 Laguna Hills 3/5 Marine Support Committee

Recommendation: The City Council received an update from Chair Karen Robbins on the status of the 3/5 Dark Horse Committee.

1.8 Spotlight on Local Business

Recommendation: Shannon Van Der Walt, 3D Snaps Sales & Marketing Director, provided a brief oral report and PowerPoint presentation.

2. PUBLIC COMMENTS

LAGUNA HILLS MALL/FIVE LAGUNAS

Nancy Roeder addressed the City Council with concerns regarding the transformation of the Laguna Hills Mall to "Five Lagunas" and focused her comments on the desire for a community gathering venue. Ms. Roeder also distributed a "Community Wish List" to Council Members.

Diana Huang addressed the City Council with concerns regarding the transformation of the Laguna Hills Mall to "Five Lagunas" with her focus on the desire for a library or bookstore.

WEED ABATEMENT

Paul Stanislaw, a resident of Laguna Hills, voiced a complaint regarding the weed abatement notification process.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar, with Mayor Pro Tempore Carruth removing Item No. 3.5, and Council Member Kogerman removing Item No. 3.2. Mayor Pro Tempore Carruth also noted for public record that two additional attachments were included to Item No. 3.13.

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

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

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

3.3 Approval of Warrant Register for Period Ended June 13, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$1,330,442.98.

3.4 Lease Termination Agreement for Carolyn Behrens, an Individual, for 24031 El Toro Road, Suite 304, Laguna Hills, California

Recommendation: That the City Council approve a Lease Termination Agreement with Carolyn Behrens, an individual, for 24031 El Toro Road, Suite 304, Laguna Hills, California, and authorize the City Manager to execute the Agreement.

3.6 Fiscal Year 2017/2018 Trauma Intervention Program Agreement

Recommendation: That the City Council approve the proposed Victim Support Services Agreement for Fiscal Year 2017/2018 with Trauma Intervention Programs, Inc. and authorize the Mayor to execute the Agreement.

3.7 Adoption of the Annual Appropriations Limit for Fiscal Year 2017/2018

Recommendation: That the City Council adopt Resolution No. 2017-06-13-2, A Resolution of the City Council of the City of Laguna Hills, California, determining and adopting an Appropriations Limit for Fiscal Year 2017/2018 in accordance with Article XIII B of the Constitution of the State of California, and Section 7910 of the Government Code.

3.8 Progress Payment No. 2 for Arterial Pavement Management Project Street Rehabilitation, CIP No. 175

Recommendation: That the City Council approve Progress Payment No. 2, in the net amount of \$511,871.04, to Hardy & Harper, Inc., for the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175.

3.9 Progress Payment No. 3, for Cabot Road Bioswale Project, CIP No. 410-A

Recommendation: That the City Council approve Progress Payment No. 3, in the net amount of \$98,164.07, to Wright Construction Engineering Corporation for the Cabot Road Bioswale Project, CIP No. 410-A.

3.10 Approval of Professional Services Agreement with Bucknam & Associates for Pavement Management Services

Recommendation: That the City Council approve the Professional Services Agreement with Bucknam & Associates, Inc., for Pavement Management Plan Services and authorize the City Manager to execute the Agreement.

3.11 Grant Application for Environmental Cleanup Program - Phase VI Catch Basin Debris Gate Project, CIP No. 412

Recommendation: That the City Council approve the Grant Application to the Orange County Transportation Authority for the Measure M2 Environmental Cleanup Program for the Phase VI Catch Basin Debris Gate Project and adopt Resolution No. 2017-06-13-3, A Resolution of the City Council of the City of Laguna Hills, California, authorizing an Application for Funds for the Measure M2 Environmental Cleanup, Tier 1 Grant Program, under Orange County Local Transportation Ordinance No. 3 for the Phase VI Catch Basin Debris Gate Project.

3.12 Orange County Task Force on Drowning Prevention Request for Funding Support

Recommendation: That the City Council approve a sponsorship of \$5,000 to the Orange County Task Force on Drowning Prevention and authorize the City Manager to execute a Sponsorship Agreement.

3.13 Approval of Fiscal Year 2017/2018 Law Enforcement Services Agreement

Recommendation: That the City Council approve the Fiscal Year 2017/2018 Law Enforcement Services Agreement between the County of Orange and the City of Laguna Hills and authorize the Mayor to execute the Agreement.

3.14 Adoption of 2017/2018 Civic Center Budget

Recommendation: That the City Council approve and adopt the 2017/2018 Civic Center Budget.

3.15 Renewed Measure M (M2) Compliance Reporting to the Orange County Transportation Authority (OCTA)

Recommendation: That the City Council: (1) Approve the Measure M (M2) Compliance Submittal to OCTA, including but not limited to the Seven-Year Capital Improvement Program and the Local Signal Synchronization Plan; and (2) Adopt Resolution No. 2017-06-13-4, A Resolution of the City Council of the City of Laguna Hills, California, concerning the status and update of the Circulation Element, Local Signal Synchronization Plan, and Mitigation Fee Program for the Measure M (M2) Program.

ITEMS REMOVED FROM THE CONSENT CALENDAR**3.2 Approval of Minutes for May 9, 2017, Regular Meeting**

Council Member Kogerman removed Item No. 3.2 from the Consent Calendar due to her absence at the May 9, 2017, regular meeting.

Recommendation: That the City Council approve the Minutes for the May 9, 2017, Regular Meeting.

RESULT:	APPROVED [4-0]
MOVER:	Janine Heft, Council Member
SECONDER:	Melody Carruth, Mayor Pro Tempore
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSTAIN:	Barbara D. Kogerman, Council Member

3.5 Establishment of No Parking Zones for Street Sweeping Purposes on Designated Streets in the North Laguna Hills Mixed-Use Zone

Mayor Pro Tempore Carruth removed Item No. 3.5 from the Consent Calendar to allow Public Comments.

Nina De La Torre requested that the City Council consider establishing “No Parking Zones” on all designated streets in the North Laguna Hills Mixed-Use Zone as opposed to “No Parking Zones for Street Sweeping Purposes.”

Recommendation: That the City Council: (1) Find and determine that the proposed parking restrictions are not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(C)(2) and 15060(C)(3) of CEQA guidelines, California Code of Regulations Title 14, and (2) Adopt Resolution No. 2017-06-13-1, A Resolution of the City Council of the City of Laguna Hills, California, establishing No Parking Zones for Street Sweeping Purposes on all designated streets in the North Laguna Hills Mixed-Use Zone.

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

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 8:00 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR MAY 9, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for May 9, 2017, Regular Meeting.**

Recommendation: That the Planning Agency approve the Minutes for the May 9, 2017, Regular Meeting.

RESULT:	APPROVED [4 TO 0]
MOVER:	Janine Heft, Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Barbara D. Kogerman, Council Member

4.4 ADMINISTRATIVE REPORTS**4.4.1 Adoption of a Resolution Making Findings of General Plan Consistency for the Proposed Fiscal Year 2017/2018 Capital Improvement Program**

Director of Public Services Rosenfield briefly reviewed the information provided in the Staff Report.

Recommendation: That the Planning Agency adopt Resolution No. PA2017-06-13-1, A Resolution of the Planning Agency of the City of Laguna Hills, California, finding that the proposed Fiscal Year 2017/2018 Capital Improvement Program conforms with the General Plan of the City of Laguna Hills pursuant to California Government Code Section 65401.

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

4.5 PLANNING AGENCY PUBLIC HEARINGS

4.5.1 Conditional Use Permit/Site Development Permit (CUP/SDPM) No. 12-15-3399, a Request by Kevin Akash on Behalf of Elite Hospitality, Inc. to Redevelop the Property at 23061 Avenida de la Carlota in the Mixed-Use Zone and Hospitality Overlay Zone Including Demolition of an Existing 76-Room, Three-Story Motel and Construction and Operation of a New 86-Room, Five-Story Hilton Home2 Suites Hotel

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

Chair Sedgwick opened the Public Hearing.

Kevin Akash, applicant on behalf of Elite Hospitality, Inc., spoke in favor of the project.

Chair Sedgwick closed the Public Hearing.

Recommendation: That the Planning Agency: (1) Conduct a Public Hearing for CUP/SDPM No. 12-15-3399; and (2) Adopt Resolution No. PA2017-06-13-2, A Resolution of the Planning Agency of the City of Laguna Hills, California, approving Conditional Use Permit/Site Development Permit (CUP/SDPM) No. 12-15-3399, a request by Kevin Akash, on behalf of Elite Hospitality, Inc., to redevelop the property at 23061 Avenida de la Carlota in the Mixed-Use Zone and Hospitality Overlay Zone including demolition of an existing 76-room, three-story motel and construction and operation of a new 86-room, five-story Hilton Home2 Suites hotel, and finding that the Project qualifies for the Infill Development Projects Exemption from the California Environmental Quality Act."

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

PLANNING AGENCY ADJOURNMENT

Mayor Sedgwick reconvened the City Council meeting at 8:21 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 Zoning Text Amendment No. 12-16-3724, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities within the Mixed-Use Zoning District

Council Member Heft stated that after consulting with the City Attorney, she will be recusing herself from participating in any decision regarding Agenda Item No. 5.1, which is a request for a Zoning Text Amendment to allow for indoor vehicle impound and indoor towing facilities to become a permitted use within the Mixed-Use Zoning District. She stated that it has come to her attention that the applicant is a former client of her company; she works in the commercial and residential real estate industry. She further stated that although the applicant is not, and has never been a source of income to her or to her real estate business, out of an abundance of caution, and upon the advice of legal counsel, she will be recusing herself from participating in any decision concerning this item.

Council Member Heft left the meeting at 8:22 p.m.

Senior Planner Wu reviewed the information provided in the Staff Report, provided a PowerPoint presentation, and responded to Council requests for additional information.

Mayor Sedgwick opened the Public Hearing.

Nina De La Torre, applicant, spoke in favor of the Zoning Text Amendment and responded to Council requests for additional information regarding towing facilities.

Mayor Sedgwick closed the Public Hearing.

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

Recommendation: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the proposed activity is not subject to the California Environmental Quality Act (CEQA) per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines; and (3) Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 12-16-3724 amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to permit indoor vehicle impound and indoor towing facilities within the Mixed-Use Zone District."

RESULT:	APPROVED [3 TO 1]
MOVER:	Barbara D. Kogerman, Council Member
SECONDER:	Dore J. Gilbert, M.D., Council Member
AYES:	Don Sedgwick, Mayor; Dore J. Gilbert, M.D., Council Member; Barbara D. Kogerman, Council Member
NAYS:	Melody Carruth, Mayor Pro Tempore
RECUSED:	Janine Heft, Council Member

Council Member Heft returned to the meeting at 8:59 p.m.

5.2 Adoption of the Biennial Budget for Fiscal Years 2017/2018 & 2018/2019, Including the Operating Budget, Debt Service, Six-Year Capital Improvement Plan, and Other Appropriations

City Manager Channing introduced Item No. 5.2, provided brief comments, and recommended adoption of the Biennial Budget.

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

Recommendation: That the City Council: (1) Conduct a Public Hearing regarding the Biennial Budget for Fiscal Years 2017/2018 & 2018/2019; and (2) Adopt Resolution No. 2017-06-13-5, A Resolution of the City Council of the City of Laguna Hills, California, adopting the Operating Budget, Capital Improvement Program, and Other Appropriations for the City of Laguna Hills for Fiscal Years 2017/2018 - 2018/2019.

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

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

6.2 Public Services Director/City Engineer

6.2.1 Authorization to Advertise for Bids - Citywide Street Maintenance Project, CIP No. 101-J

Public Services Director Rosenfield reviewed the information provided in the Staff Report and responded to requests for additional information.

Recommendation: That the City Council: (1) Find and determine the Citywide Street Maintenance Project, CIP No. 101-H, is categorically exempt from CEQA pursuant to Section 15301(c) of Title 14, Chapter 3 of the California Code of Regulations (Class 1, Existing Facilities exemption); (2) Approve the Plans and Specifications available at the office of the City Clerk and at the dais; and (3) Authorize the Advertisement for Bids of the Citywide Street Maintenance Project, CIP No. 101-J.

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

6.3 Deputy City Manager/Community Services**6.3.1 Laguna Hills Council Chamber Audio/Visual System Upgrade**

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

Recommendation: That the City Council approve the Council Chamber Audio/Visual System upgrade project with Vizual Symphony, Inc., and authorize the City Manager to execute an Agreement with Vizual Symphony, Inc., subject to review by the City Attorney.

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

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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

8. CITY COUNCIL MEMBER COMMENTS**Council Member Kogerman**

Council Member Kogerman thanked staff for creating a new City seal with the “25 Years” banner. Council Member Kogerman also reported that she had the honor of presenting a Rotary scholarship to Mayor Sedgwick’s daughter, Anna Sedgwick, on Monday, June 5, 2017.

Mayor Sedgwick

Mayor Sedgwick thanked City staff for all their hard work on the Memorial Day Half Marathon, 5K, and 10K.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 9:27 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Don Sedgwick, Mayor

Approved at meeting of July 11, 2017.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Donald J. White
Assistant City Manager
ISSUE: Approval of Warrant Register for Period Ended July 11, 2017

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$1,076,038.84.

ATTACHMENTS:

- Warrant Register 71117



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: July 11, 2017
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JULY 11, 2017.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$1,076,038.84.

SUMMARY:

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

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:


DONALD J. WHITE
Assistant City Manager

July 11, 2017

DATE

FISCAL IMPACT:

The warrant register total is \$1,076,038.84.

ATTACHMENTS:

1. Warrant Register

Check Register Report

Warrant Register 07/11/17

Date: 06/30/2017

Time: 4:06 pm

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CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8812851	06/08/2017	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, May	16,173.0
8812852	06/08/2017	Printed		B-0433	BEAST PACING	Program Expense, 1/2 Marathon	400.0
8812853	06/08/2017	Printed		C-1168	CAPITAL ONE COMMERCIAL	Costco, Program Expense, CS	102.3
8812854	06/08/2017	Printed		Z-CS-0029	CASTILLEJA, JENNIFER	Refund, Fac Dep, V#2004101.002	250.0
8812855	06/08/2017	Printed		C-1184	CEP AMERICA AUC PC	Pre-employ Physical, May	90.0
8812856	06/08/2017	Printed		Z-CS-0028	COMPASS BIBLE CHURCH	Refund, Fac Dep, V#2004096.002	2,000.0
8812857	06/08/2017	Printed		C-0023	COX COMMUNICATION	WiFi Svcs, City Hall, Jun '17	179.6
8812858	06/08/2017	Printed		C-1146	CYBERSOURCE CORPORATION	Gateway Expense, May '17	29.0
8812859	06/08/2017	Printed		G-0851	GEMINI TIMING	Program Expense, 1/2 Marathon	3,640.7
8812860	06/08/2017	Printed		M-1591	KARYL & GRANT MONCUR	Claim Settlement	3,660.0
8812861	06/08/2017	Printed		M-1388	MOBILE MINI, INC.	Storage Rental, CC, 5/23-6/19	82.9
8812862	06/08/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, May '17	15,826.6
8812863	06/08/2017	Printed		O-1599	ORANGE COUNTY JUMPERS, LLC	Program Expense, 1/2 Marathon	620.0
8812864	06/08/2017	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CH, 6/14-9/14	298.5
8812865	06/08/2017	Printed		Z-CS-0020	PACIFIC SUN LEAGUE	Refund, Fac Rental, V#2004099.	100.0
8812866	06/08/2017	Printed		R-1893	REYNOLDS, DAVID	Mileage Reimb., CS, Mar - May	118.8
8812867	06/08/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, May '17	14,272.4
8812868	06/08/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, May '17	914.8
8812869	06/08/2017	Printed		S-2250	SPARKLETTES	Operating Supplies, CS, May 17	35.1
8812870	06/08/2017	Printed		T-2698	TPX COMMUNICATIONS	Communications Expense, Jun	1,275.2
8812871	06/08/2017	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, May '17	1,402.3
8812872	06/15/2017	Printed		A-0254	A. C. LANDSCAPE, INC.	Irrigation Repairs, Jun '17	368.4
8812873	06/15/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 5/07-5/20	4,029.6
8812874	06/15/2017	Printed		A-0359	ANDERSON PENNA PARTNERS, INC.	Inspection Services, Apr '17	7,980.0
8812875	06/15/2017	Printed		C-1002	ANIMAL SHELTER SERVICES	Animal Care Services, Oct-Dec	33,134.0
8812876	06/15/2017	Printed		A-0365	AT&T - CALNET 3	Traffic Signal, PS, Jun '17	19.7
8812877	06/15/2017	Printed		B-0304	BEE MAN, THE	Bee Removal, Pub Svcs, May	225.0
8812878	06/15/2017	Printed		Z-CD-0028	BRIGHT LIFE SOLAR	Refund, Permit Fees, CR# 55831	166.0
8812879	06/15/2017	Printed		C-0412	C&D ELECTRIC, INC.	Park & Com Ctr Repair, May '17	685.6
8812880	06/15/2017	Printed		C-1133	CALIFORNIA YELLOW CAB	Senior Mobility Program, Apr	2,026.0
8812881	06/15/2017	Printed		C-0408	CARL WARREN & COMPANY	Processing Fee, Sml Claims May	437.7
8812882	06/15/2017	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Road Maintenance, May '17	48,749.7
8812883	06/15/2017	Printed		C-1096	CODE PUBLISHING COMPANY, INC.	Municipal Code Update, May '17	267.4
8812884	06/15/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	2,117.2
8812885	06/15/2017	Printed		C-1176	COMPUTER SERVICE CO.	Traffic Sig. Maint, May '17	11,006.7
8812886	06/15/2017	Printed		C-0023	COX COMMUNICATION	WiFi Svcs, Com Ctr, Jun '17	170.6
8812887	06/15/2017	Printed		D-0461	DATA TICKET, INC.	Process Fee, Park Cit, May '17	484.0
8812888	06/15/2017	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans, Jun	126.3
8812889	06/15/2017	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Program	6,835.0
8812890	06/15/2017	Printed		E-0588	ENVIRONMENTAL SYS RESEARCH,INS	Software Maint, GIS System	7,167.3
8812891	06/15/2017	Printed		H-0955	HR GREEN CALIFORNIA, INC.	Plan Chk, Bldg&Safety, May '17	34,599.9
8812892	06/15/2017	Printed		H-0953	HRDIRECT	Office Supplies, CH, Jun '17	80.8
8812893	06/15/2017	Printed		I-0942	IRVINE RANCH WATER DISTRICT	Water Usage, Public Svcs, May	152.8
8812894	06/15/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repair & Graffiti Removal	891.2
8812895	06/15/2017	Printed		L-1376	LONG BEACH BMW MOTORCYCLES	Motorcycle Maint, PS, May '17	903.3
8812896	06/15/2017	Printed		M-1513	MEEHAN, DANIEL	July 4th -Ticket Sales Change	500.0
8812897	06/15/2017	Printed		M-1529	MERCURY DISPOSAL SYSTEM, INC.	Battery & Lightbulb Recycle	495.8
8812898	06/15/2017	Printed		M-1515	MONACH, KIMBERLYN	Consult Public Art, Oakbrook	1,650.0
8812899	06/15/2017	Printed		N-1404	NELLIE GAIL RANCH OWNERS' ASSN	Coyote Abatement Program	1,250.0
8812900	06/15/2017	Printed		N-1484	NICHOLS CONSULTING	Professional Services, Jun '17	1,000.0
8812901	06/15/2017	Printed		N-1474	NIEVES LANDSCAPE, INC.	Monthly and Misc Landscape, Jun	77,774.4
8812902	06/15/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	322.75

Attachment: Warrant Register 71117 (1334 : Approval of Warrant Register for Period Ended July 11, 2017)

Check Register Report

Warrant Register 07/11/17

Date:

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CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8812903	06/15/2017	Printed		O-1575	ORANGE COUNTY REGISTER-FREEDOM	Legal Advertising, May '17	1,594.4
8812904	06/15/2017	Printed		P-1809	PACIFIC COAST RACE TIMING	Program Expense, 1/2 Marathon	1,646.0
8812905	06/15/2017	Printed		P-1802	PACIFIC TRAFFIC CONTROL, INC.	Program Expense, 1/2 Marathon	14,182.5
8812906	06/15/2017	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, May '17	1,987.5
8812907	06/15/2017	Printed		P-1695	PRESENTA PLAQUE, INC.	Office Supplies, May '17	164.2
8812908	06/15/2017	Printed		Q-1707	QUEST DIAGNOSTICS	Pre-employment Drug Testing	56.6
8812909	06/15/2017	Printed		R-1963	RACE GRADER	Program Expense, 1/2 Marathon	550.0
8812910	06/15/2017	Printed		R-1969	REVIATION INDUSTRIES	Program Expense, 1/2 Marathon	14,087.9
8812911	06/15/2017	Printed		R-1813	RPW SERVICES, INC.	Rodent & Insect Control, May	3,450.0
8812912	06/15/2017	Printed		R-1967	RUSSELL, RICHARD WYATT	Contract Inst Svcs, Tennis	1,331.2
8812913	06/15/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, May '17	54.0
8812914	06/15/2017	Printed		S-2188	SCANNING SERVICE CORPORATION	Document Imaging Services, May	3,342.5
8812915	06/15/2017	Printed		S-2194	SECURE LIVE SCAN	Pre-employment Fingerprinting	40.0
8812916	06/15/2017	Printed		S-2253	SOCAL OFFICE TECHNOLOGIES-LEAS	Lease-Copier, CC, Jun '17	1,165.8
8812917	06/15/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, May '17	8,562.9
8812918	06/15/2017	Printed		S-2059	STAPLETON, VIVIAN	Cntr Inst Svcs Early Childhood	511.0
8812919	06/15/2017	Printed		S-1980	STATE DEPARTMENT OF JUSTICE	Pre-employment Fingerprinting	352.0
8812920	06/15/2017	Printed		S-2095	STONE IMAGERY	Office Supplies, May '17	53.8
8812921	06/15/2017	Printed		S-2201	SUNSET PROPERTY SERVICES	Street Sweeping, May '17	10,765.4
8812922	06/15/2017	Printed		S-2016	SYSTEMS INTERNATIONAL	Install Recycling Banners	4,679.0
8812923	06/15/2017	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	583.7
8812924	06/15/2017	Printed		T-2696	TCS NETWORK CONSULTING, INC.	Consulting Svcs, Mar - Apr '17	2,500.0
8812925	06/15/2017	Printed		T-2695	THE VIKING TRUCK LLC	Program Expense, 1/2 Marathon	1,050.0
8812926	06/15/2017	Printed		U-2165	UNDERGROUND SERVICE ALERT	Street Maintenance, May '17	118.5
8812927	06/15/2017	Printed		U-2166	UTILITY COST MANAGEMENT LLC	Prof Services, Utility Savings	164.2
8812928	06/15/2017	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, May '17	5,548.4
8812929	06/15/2017	Printed		W-2302	WEST PUBLISHING CORPORATION	Subscription, City Clk, May	219.6
8812930	06/15/2017	Printed		X-2400	XEROX CORPORATION	Copier Lease & Usage, May '17	803.2
8812931	06/15/2017	Printed		Y-2511	YALE CHASE MATERIALS HANDLING	Maint, Cart, CC, May '17	1,826.4
8812932	06/15/2017	Printed		A-0363	ACCELA, INC.	Agenda Software, Jun '17	1,512.0
8812933	06/15/2017	Printed		A-0331	AT&T MOBILITY	Wireless Service, May '17	64.0
8812934	06/15/2017	Printed		A-0366	AUDIO ADVANTAGE	Prof Svcs, Communications	676.0
8812935	06/15/2017	Printed		B-0431	BMI	License Agreement, FYI 17/18	342.0
8812936	06/15/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Operating Supplies, CC, Jun	32.8
8812937	06/15/2017	Printed		C-0023	COX COMMUNICATION	T-1 Line, Traffic Control, Jun	899.2
8812938	06/15/2017	Printed		J-1071	JCTEES.COM CORPORATION	Program Supplies, CS, May '17	193.9
8812939	06/15/2017	Printed		L-1377	LEFT COAST NOVELTIES	Program Expense, 1/2 Marathon	1,135.7
8812940	06/15/2017	Printed		O-1599	ORANGE COUNTY JUMPERS, LLC	Program Expense, 4th of Jul	1,528.0
8812941	06/15/2017	Printed		R-1830	RALPHS GROCERY COMPANY	Program Expense, CS, May '17	130.0
8812942	06/15/2017	Printed		R-1934	RENEGADE RACING	Event Mgmt Svcs, 1/2 Marathon	12,504.9
8812943	06/15/2017	Printed		S-1949	SMART & FINAL	Office & Program Supp. CH & CC	904.4
8812944	06/15/2017	Printed		S-2219	SOUTH COUNTY OUTREACH	Contribution for 1/2 Marathon	500.0
8812945	06/15/2017	Printed		T-2696	TCS NETWORK CONSULTING, INC.	Miscrosoft Licensing	2,986.0
8812946	06/21/2017	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, Jun	17,485.7
8812947	06/22/2017	Printed		Z-CS-0030	ADVOCATES FOR LANGUAGE	Refund, Fa Dep, V#2004112.002	500.0
8812948	06/22/2017	Printed		A-0365	AT&T - CALNET 3	Alarm System, Com Ctr, Jun	75.0
8812949	06/22/2017	Printed		C-1177	CANON FINANCIAL SERVICES, INC.	Lease - Copier, Gen Gov, Jun	220.0
8812950	06/22/2017	Printed		Z-CS-0031	MONTES, LUIS	Refund, Fac Dep, V#2004111.002	250.0
8812951	06/22/2017	Printed		Z-CD-0031	MOULTON NIGUEL WATER DISTRICT	Refund, Encr Permit, CR# 55360	3,127.0

Attachment: Warrant Register 71117 (1334 : Approval of Warrant Register for Period Ended July 11, 2017)

Check Register Report

Warrant Register 07/11/17

Date:

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Time:

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CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8812952	06/22/2017	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CC, 6/23-8/18	79.6
8812953	06/22/2017	Printed		Z-CD-0032	PAR ELECTRICAL CONTRACTORS	Refund, Encl Dep, CR# 53783	1,620.0
8812954	06/22/2017	Printed		Z-CD-0029	QUAN, MICHAEL	Refund, Permit Fees, CR# 55940	173.5
8812955	06/22/2017	Printed		R-1943	RAMIREZ, CHRISTINA	Mileage Reimb., Admin, Apr-May	12.8
8812956	06/22/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, May '17	243.1
8812957	06/22/2017	Printed		Z-CD-0033	SHEA PROPERTIES	Refund, Grade Permit, CR#48899	5,868.8
8812958	06/22/2017	Printed		S-2267	SINTA DESIGN	Program Expense, 1/2 Marathon	437.5
8812959	06/22/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, May '17	300.4
8812960	06/22/2017	Printed		Z-CD-0030	SOUTHERN CALIFORNIA EDISON	Refund, Encl Dep, CR# 54185	2,525.0
8812961	06/22/2017	Printed		T-2605	TUTTLE CLICK FORD	Vehicle Maint., 97 Ford, CC, May	120.0
8812962	06/22/2017	Printed		V-2224	VERIZON WIRELESS	Communication Expense, May '17	1,618.7
8812963	06/22/2017	Printed		W-2439	WESTAMERICA COMMUNICATIONS, INC	City Views, Summer Issue	8,303.5
8812964	06/27/2017	Printed		S-2286	SCOTT TROUPE CATERING	Special Event, Jun '17	898.9
8812965	06/29/2017	Printed		A-0331	AT&T MOBILITY	Wireless Service, Jun '17	64.0
8812966	06/29/2017	Printed		C-0023	COX COMMUNICATION	T-1 Line, WiFi & Cable, CH	530.9
8812967	06/29/2017	Printed		E-0504	EL TORO WATER DISTRICT	Water Usage, Public Svcs, May	12,151.0
8812968	06/29/2017	Printed		F-0714	FIREWORKS & STAGE FX AMERICA,	Final Pmt, 4th of July Display	13,250.0
8812969	06/29/2017	Printed		Z-CD-0035	FLOUTSIS, GEORGE	Refund, C&D Deposit, CR# 55347	1,153.6
8812970	06/29/2017	Printed		F-0623	FUN SERVICES	Program Expense, 4th of July	805.0
8812971	06/29/2017	Printed		G-0772	GUADAGNO & SONS AMUSEMENTS	Program Expense, 4th of July	9,000.0
8812972	06/29/2017	Printed		Z-PS-0004	MCLAUGHLIN, ROBERT ROYCE	Refund, Citation #LH1170415002	10.0
8812973	06/29/2017	Printed		M-1513	MEEHAN, DANIEL	Petty Cash Replenish, Mar-May	113.0
8812974	06/29/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, Pub Svcs, May '17	5,738.8
8812975	06/29/2017	Printed		M-1586	MVT EVENT SERVICES	Program Expense, 1/2 Marathon	1,850.0
8812976	06/29/2017	Printed		Z-CS-0032	PTA - VALENCIA ELEMENTARY	Refund, Fac Rental, V#2004116	95.0
8812977	06/29/2017	Printed		Z-CD-0020	SAA	Refund, Plan Ck Fee, CR#55898	635.3
8812978	06/29/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC & Comm Ctr, May	28,925.1
8812979	06/29/2017	Printed		Z-CD-0036	SERVICE ROOFING COMPANY	Refund Permit Fees, CR# 55770	278.1
8812980	06/29/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Jun '17	1,744.8
8812981	06/29/2017	Printed		S-2250	SPARKLETT'S	Operating Supplies, CH, Jun 17	140.5
8812982	06/29/2017	Printed		S-2107	STAGE PLUS	Program Expense, 4th of July	2,800.0
8812983	06/29/2017	Printed		S-2259	STRAIGHT 78	Program Expense, 4th of July	1,950.0
8812984	06/29/2017	Printed		T-2696	TCS NETWORK CONSULTING, INC.	Computer Software, Mar '17	3,928.6
8812985	06/29/2017	Printed		T-2681	TOTALFUNDS BY HASLER	Postage Replenishment, Jun '17	1,000.0
8812986	06/29/2017	Printed		Z-CD-0034	WAYNE PERRY, INC.	Refund, Encroachment Deposit	555.4
8812987	06/29/2017	Printed		A-0130	AAA AWARDS & MONOGRAMMING	Operating Supplies, Pol Svcs	133.0
8812988	06/29/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 5/21-06/03	3,626.6
8812989	06/29/2017	Printed		A-0358	ARDO, KARL	Contract Inst Svcs, Fitness Cl	630.0
8812990	06/29/2017	Printed		B-0304	BEE MAN, THE	Bee Removal, Pub Svcs, Jun	325.0
8812991	06/29/2017	Printed		B-0377	BIG TOP RENTALS	Program Expense, 1/2 Marathon	5,176.1
8812992	06/29/2017	Printed		C-0412	C&D ELECTRIC, INC.	Park Repairs & 1/2 MarathonExp	1,562.8
8812993	06/29/2017	Printed		C-1133	CALIFORNIA YELLOW CAB	Senior Mobility Program, May	1,864.0
8812994	06/29/2017	Printed		C-1022	CDW GOVERNMENT, INC.	Computer Hardware	2,035.1
8812995	06/29/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	2,373.1
8812996	06/29/2017	Printed		C-0059	COUNTY OF ORANGE HEALTH CARE	Drowning Prevention Donation	5,000.0
8812997	06/29/2017	Printed		C-1192	CULINARY COOKING KIDS LLC	Contract Inst Svcs, Cooking	2,450.0
8812998	06/29/2017	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	686.0
8812999	06/29/2017	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	1,674.4
8813000	06/29/2017	Printed		E-0588	ENVIRONMENTAL SYS RESEARCH, INC.	Software Maint, GIS System	5,926.1
8813001	06/29/2017	Printed		C-1190	FINGERPRINT ID (AFIS) LAW ENF.	Fingerprint ID System, Jun '17	848.1
8813002	06/29/2017	Printed		H-0959	HABASH, JOHN	Contract Inst Svcs., Dance	112.00

Attachment: Warrant Register 71117 (1334 : Approval of Warrant Ended July 11, 2017)

Check Register Report

Warrant Register 07/11/17

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Date:

Time:

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Page:

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8813003	06/29/2017	Printed		H-0803	HARDY & HARPER INC.	Progress Payment #3, CIP# 175	42,535.1
8813004	06/29/2017	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Signal Mgmt Svcs, May	7,671.1
8813005	06/29/2017	Printed		H-0804	HINDERLITER, DE LLAMAS & ASSOC	Sales Tax 2ndQtr,AuditSales4th	5,134.4
8813006	06/29/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repair & Graffiti Removal	7,903.1
8813007	06/29/2017	Printed		J-1071	JCTEES.COM CORPORATION	Program Supplies, Com Svcs	2,124.1
8813008	06/29/2017	Printed		G-0709	JOE A. GONSALVES & SON	Legislative Services, Jul	2,900.0
8813009	06/29/2017	Printed		K-1126	KNIGHT, LORNA ANGELA	Contract Inst Svcs, Yoga	882.0
8813010	06/29/2017	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	997.1
8813011	06/29/2017	Printed		M-1529	MERCURY DISPOSAL SYSTEM, INC.	Battery & Lightbulb Recycle	99.9
8813012	06/29/2017	Printed		N-1487	NUVIS	Planning Fees, Five Lagunas	3,284.0
8813013	06/29/2017	Printed		O-1605	OAKBROOK URBAN VILLAGE I, LLC	Refund, Public Art Deposit	320,669.1
8813014	06/29/2017	Printed		O-1528	OCTA	License Agree., Cabot Bioswale	2,561.0
8813015	06/29/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	723.1
8813016	06/29/2017	Printed		R-1855	RICHARD FISHER ASSOCIATES	Prof. Svcs & CIP # 241	1,248.1
8813017	06/29/2017	Printed		R-1967	RUSSELL, RICHARD WYATT	Contract Inst Svcs, Tennis	1,039.1
8813018	06/29/2017	Printed		S-1957	SADDLEBACK VALLEY UNIFIED	Exp., Marathon & Youth Sports	150.0
8813019	06/29/2017	Printed		S-1944	SOUTHERN CALIF MUN ATHLETIC	Membership Dues, CS	728.0
8813020	06/29/2017	Printed		T-2699	TAYLOR TENNIS COURTS, INC.	Park Repairs, Pub Svcs	4,350.0
8813021	06/29/2017	Printed		T-2605	TUTTLE CLICK FORD	2017 Ford Truck F-150 Pub Svcs	29,995.1
8813022	06/29/2017	Printed		T-2656	TYLER TECHNOLOGIES, INC.	Maint Cont, Energov & Mgmt	19,302.0
8813023	06/29/2017	Printed		U-2121	U.S. POSTAL SERVICE	Bulk Mail Permit	225.0
8813024	06/29/2017	Printed		U-2163	USA DANCE, INC., OC CHAP #4018	Contract Inst Svcs, Dance	273.0
8813025	06/29/2017	Printed		U-2166	UTILITY COST MANAGEMENT LLC	Prof Services, Utility Savings	61.4
8813026	06/29/2017	Printed		W-2441	WEST COAST MOVEMENT PROJECT,	Contract Inst Svcs., Dance	210.0
8813027	06/29/2017	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, May	44,073.1
Total Checks: 177						Checks Total (excluding void checks):	1,076,038.1
Total Payments: 177						Bank Total (excluding void checks):	1,076,038.1
Total Payments: 177						Grand Total (excluding void checks):	1,076,038.1

Attachment: Warrant Register 71117 (1334 : Approval of Warrant Register for Period Ended July 11, 2017)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017

TO: Mayor and Council Members

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

ISSUE: Second Reading and Adoption of Ordinance Amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities Within the Mixed-Use Zoning District

RECOMMENDATION: That the City Council adopt an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, Adopting Zoning Text Amendment No. 12-16-3724 Amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities within the Mixed-Use Zoning District."

SUMMARY:

This Ordinance will adopt Zoning Text Amendment No. 12-16-3724 amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 of the Laguna Hills Municipal Code (LHMC) to allow indoor impound and indoor towing facilities as a use permitted within the Mixed-Use (MXU) Zoning District, subject to approval of a Conditional Use Permit (CUP). Specifically, the Ordinance would amend the LHMC to: (1) Create a new definition for "Towing Facilities-Indoor Vehicle Impound and Indoor Towing Service Business (Indoor Only);" (2) Add "Towing Facilities-Indoor Vehicle Impound and Towing Services Business (Indoor Only)" to the Land Use Matrix; (3) Create development

Second Reading and Adoption of Ordinance Amending Chapters 9-04, 9-10, 9-30 and 9-44

July 11, 2017

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standards for indoor vehicle impound and indoor towing facilities; and (4) Create parking standards for indoor vehicle impound and indoor towing facilities.

A copy of the proposed Ordinance and the Staff Report for the introduction of the Ordinance, including attachments, are included as attachments to this report. The City Council introduced the Ordinance by a vote of 3-1-1 (Mayor Pro Tempore Carruth voting no, Council Member Heft recused). It is in order to adopt the Ordinance.

ATTACHMENTS:

- Proposed Ordinance
- June 13, 2017 Introduction to Ordinance Staff Report and Attachments

ORDINANCE NO. 2017-4

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 12-16-3724 AMENDING CHAPTERS 9-04 (DEFINITIONS), 9-10 (ZONING DISTRICTS ESTABLISHED), 9-30 (MXU MIXED-USE DISTRICT), AND 9-44 (ACCESS AND PARKING) OF TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO PERMIT INDOOR VEHICLE IMPOUND AND INDOOR TOWING FACILITIES WITHIN THE MIXED-USE ZONING DISTRICT

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

WHEREAS, Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code (LHMC) establishes allowable uses of property within all zoning districts in the City; and

WHEREAS, This Ordinance amends Title 9 of the LHMC to permit indoor vehicle impound and indoor towing facilities within the Mixed-Use Zoning District subject to approval of a Conditional Use Permit; and

WHEREAS, This Ordinance is an applicant-initiated zoning text amendment subject to Chapters 9-90 and 9-92 of the LHMC; and

WHEREAS, The City Council of the City of Laguna Hills has held a duly noticed Public Hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties at a public hearing held on June 13, 2017.

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

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly. The proposed zoning text amendment does not change allowable land uses in a manner that could create a potentially significant impact

on the environment and because the proposed change does not alter density or building mass. The proposed zoning text amendment would add a use that is similar and equivalent to a number of existing uses in the Mixed Use District, where overnight storage of vehicles is currently permitted, but only for purposes of repair and painting. The proposed zoning text amendment would expand the circumstances wherein overnight vehicle storage can occur, and this is not substantially different from existing permitted land uses. Furthermore, the potential environmental impacts of any proposed indoor vehicle impound and indoor towing facility will be evaluated on a case-by-case basis through the Conditional Use Permit process.

SECTION 3. The following findings for approving Zoning Text Amendment No. 12-16-3724 are hereby made in accordance with Section 9-92.080(A) of the Laguna Hills Municipal Code:

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

The Mixed Use land use designation, as defined by the General Plan, is established for limited industrial uses along with employment and services for the residents of the City. Appropriate uses within the Mixed Use land use designation include industrial and manufacturing uses, auto related uses, eating and drinking establishments, and personal services. The goals and objectives of the General Plan seek to ensure that development is compatible and interdependent with neighborhoods. Adding indoor vehicle impound and indoor towing facilities as an allowable use in the Mixed Use zoning district is consistent with those goals and objectives. The proposed zoning text amendment broadens the scope of services available to the residents and businesses of the City. By restricting vehicle impound and towing activities to indoor operations, imposing reasonable limitations on such activities, and allowing the use only upon approval of a Conditional Use Permit, the proposed zoning text amendment maintains compatibility with adjoining uses in the area, and will protect existing neighborhood viability.

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

The proposed introduction of indoor vehicle impound and indoor towing facilities within the Mixed Use zoning district further expands compatible automobile-related uses within the zone while creating a regulatory foundation that will allow the use in a manner that will not be detrimental to surrounding land uses. Aesthetic impacts are minimized due to the indoor restriction of vehicle storage and any exterior impacts would be reduced through required screening. There will not be any considerable impacts to on-street parking due to loading, unloading, and inspections being restricted to occur indoors. Furthermore, existing Municipal

Code standards prohibit the outdoor storage of any inoperative, non-functioning, wrecked, or dismantled vehicle for more than 72 hours.

The proposed development standards include a 1,000-foot buffer between indoor vehicle impound and indoor towing facilities and any from residential and hotel uses. The purpose of this buffer is to reduce potential noise impacts associated with impound and towing facilities on noise sensitive land uses during evening hours. Such noises include vehicle loading and unloading, tow trucks entering and leaving the facility, vehicle backup beeping, and hydraulic lifts, and could result in land use compatibility impacts when residential development is located adjacent to such operations. The 1,000-foot buffer is based on the noise standards and noise contour maps established in the Laguna Hills General Plan, as well as the City's Noise Ordinance. Staff determined that noise generation of approximately 100 decibels (typical loudness of a backup alarm beeper), would be reduced to 50db(A) at a distance of approximately 1,000 feet, which would comply with maximum nighttime noise standards.

The proposed buffer would allow indoor impound and indoor towing facilities to operate lawfully within the maximum acceptable noise levels while not diminishing quality of life for current and future residents living near the Mixed Use zoning district (MXU), as well as reducing noise impacts on hotel properties also situated in our near the MXU zoning district. Other typically noise-sensitive uses such as churches and schools, have not been incorporated into the 1,000-foot buffer as they primarily operate during the daytime hours. All land uses are required to comply with exterior noise levels set forth in the Municipal Code, and the Community Development and Sheriff's Departments will continue to cooperate to identify development or activities that violate the noise regulations.

Finally, the operation of any indoor vehicle impound and indoor towing facility will require a Conditional Use Permit, which is subject to review by the Planning Agency and regulated by conditions of approval (e.g. loading/unloading locations, screening, on-site circulation). The Conditional Use Permit process would ensure that an indoor vehicle impound and indoor towing facilities are compatible with surrounding uses.

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

The introduction of indoor impound and indoor towing facilities to the Mixed Use zoning district will provide property and business owners additional land use opportunities in areas where automotive-related uses are already permitted, and would not have a negative impact upon property development rights.

The majority of land within the City, including the Mixed Use zoning district and surrounding areas, has already been developed. Disturbances resulting from

current development and historic land uses, such as ranching and farming, have degraded or replaced most native biological resources that once occurred within the City. According to the Laguna Hills General Plan EIR, no sensitive plants, fish, amphibians, and reptiles occur within the MXU zoning district. A variety of environmentally-sensitive bird species have a moderate or high probability of occurrence near the Veeh Reservoir, which abuts the MXU zoning district. However, impacts to these species can be evaluated through the required mitigation measures identified in the EIR, which require discretionary permitting and CEQA review of any project that may affect sensitive species. The required Conditional Use Permit and appropriate CEQA review processes, in addition to the City's Tree Protection Ordinance, ensures that any environmentally sensitive land uses and species will be protected.

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

This Ordinance introduces indoor impound and indoor towing facilities to the Mixed Use zoning district and creates an opportunity for vehicles that have been impounded or towed to be stored. Within the Mixed Use land use designation, appropriate land uses include limited industrial and manufacturing uses, administrative and professional uses, institutional and government uses, business support uses, auto-related uses, eating and drinking establishments, personal services, and retail sales of durable goods and general retail sales. The MXU zoning district permits commercial, recreational, light industrial, and high density residential uses. The proposed amendments to the Zoning Code enhance the types of automotive services available to the residents of Laguna Hills.

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

The introduction of indoor vehicle impound and indoor towing facilities to the Mixed Use zoning district will provide property and business owners additional land use opportunities, adjusting the City's zoning code to meet the needs and evolution of the business community. Furthermore, incorporating the proposed development standards and requiring a Conditional Use Permit for the operation of an indoor vehicle impound and indoor towing facility will allow the City to exercise its police power to protect the health, safety, and welfare of its residents and limiting any potential impacts to the surrounding uses. Aesthetic impacts should be minimal due to operations being restricted to indoors, and any exterior impacts would be softened through required screening. On- and off-site circulation, including parking impacts, will be evaluated as part of the Conditional Use Permit review process. Potential noise impacts should be alleviated by the 1,000-foot buffer from

residential and hotel uses and regulated by site plan review and conditions of approval.

SECTION 4 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-04 (Definitions), Section 9-04.200 (“T” Definitions), is hereby amended by adding a definition for “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

“Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only) means an indoor facility used exclusively for the indoor storage or holding of automobiles, motor vehicles, and recreational vehicles impounded or towed pursuant to order of a public law enforcement agency, insurance company, private party tow, roadside assistance, or similar use, and stored pending the return of the vehicle to its owner. This definition does not include wrecking, salvaging, scrapping, sale of vehicles or vehicle parts, or the dismantling of vehicles except pursuant to law enforcement investigation.

SECTION 5 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-10 (Zoning Districts Established), Section 9-10.050 (Uses within zones), Table 9-10.050 (Land Use Matrix) is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” and permitting it in the Mixed Use District subject to the approval of a Conditional Use Permit:

**Table 9-10.050
LAND USE MATRIX**

A	Accessory Use
C	Conditional Use
SUP	Special Use Permit
P	Permitted Use
S	Site Development Permit Required
T	Temporary Use
♦	Special Requirements
•	Prohibited Use
U	See Urban Village Specific Plan
L	See Laguna Hills Planned Community Development Plan and Text

Land Use	Zones
	Estate Residential (ER)
	Low Density Residential (LDR)
	Medium Low Density Residential (MLDR)
	Medium Density Residential (MDR)
	High Density Residential (HDR)
	Office Professional (OP)
	Village Commercial (VC)
	Freeway Commercial (FC)
	Community Commercial (CC)
	Mixed Use (MXU)
	Neighborhood Mixed Use (NMU)
	Community/Private Institution (C/PI)
	Open Space-1 (OS-1) Parks
	Open Space-2 (OS-2) Drainage Facilities
	Open Space-3 (OS-3) Landscape Corridors
	Planned Community (PC)
	Planned Community Residential (PCR)
	Reference
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	• • • • • • • • • C • • • • • • •

SECTION 6 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-30 (Mixed Use District), Section 9-30.020 (Permitted uses), Table 9-30.020 (Mixed Uses) is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

**Table 9-30.020
MIXED USES**

Uses	Permitted	Accessory	Reference
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	C		See Section 9-30.090

SECTION 7 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-30 (Mixed Use District), is hereby amended by adding a new Section 9-30.090 (Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)) to read as follows:

Chapter 9-30.090 Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business

Towing Facilities – Indoor vehicle impound and indoor towing service business (Indoor Only), as defined in Section 9-04.200 (“T” Definitions), are permitted with approval of a Conditional Use Permit in the Mixed Use zoning district subject to the following requirements:

- A. No indoor vehicle impound and indoor towing facility shall be closer than 1,000 feet to any residential or hotel property, as measured from property line to property line.
- B. The indoor vehicle impound and indoor towing facility operations shall occur entirely within an enclosed building. If temporary parking of tow trucks occurs outside of the building while the tow trucks are awaiting deployment, parking is prohibited within required parking stalls, and the parking area shall be screened by a 6-foot high decorative masonry wall, landscaped hedge, or combination thereof. Open fencing, including chain link and wrought iron, shall not constitute adequate screening.
- C. The indoor vehicle impound and indoor towing facility business shall be operated in compliance with all provisions of Chapter 9-40 (Design Regulations and Standards) and Chapter 9-74 (Property Maintenance) of the City of Laguna Hills Municipal Code. Although outdoor storage shall be permitted as an accessory use, subject to Section 9-30.080 (Outdoor Storage), outdoor storage of vehicles is prohibited.
- D. All indoor vehicle impound and indoor towing facilities shall provide adequate internal circulation for the movement of vehicles, and safe ingress and egress points from buildings and public streets.

SECTION 8 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-44 (Access and Parking), Table 9-44.A (Number of Parking Stalls Required), is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

**Table 9-44.A
NUMBER OF PARKING STALLS REQUIRED**

Use	Required Number of Stalls
Industrial Uses	
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	5 stalls (minimum) or, 1 stall/10,000 SF of storage area, whichever is greater

SECTION 9 This Ordinance shall take effect on August 11, 2017, the 31st day following the adoption of this Ordinance by the City Council.

SECTION 10 Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code.

SECTION 11 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 12 The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 11th day of July 2017.

DON SEDGWICK, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2017-4 was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 13th day of June 2017, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 11th day of June 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

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

AFFIDAVIT OF POSTING
AND PUBLICATION

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

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

That in compliance with State Laws of the State of California, ORDINANCE NO. 2017-4, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 12-16-3724 AMENDING CHAPTERS 9-04 (DEFINITIONS), 9-10 (ZONING DISTRICTS ESTABLISHED), 9-30 (MXU MIXED-USE DISTRICT), AND 9-44 (ACCESS AND PARKING) OF TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO PERMIT INDOOR VEHICLE IMPOUND AND INDOOR TOWING FACILITIES WITHIN THE MIXED-USE ZONING DISTRICT

on the 23rd day of June 2017, was published in summary in the Saddleback Valley News, and on the 21st day of July 2017, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, on the 16th day of June 2016, and the 14th day of July 2017, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

Attachment: Proposed Ordinance (1332 : Second Reading and Adoption of Ordinance Amending Chapters 9-04, 9-10, 9-30 and 9-44)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: June 13, 2017

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: Zoning Text Amendment No. 12-16-3724, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities Within the Mixed-Use Zoning District

RECOMMENDATION: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the proposed activity is not subject to the California Environmental Quality Act (CEQA) per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines; and (3) Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: “An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 12-16-3724 amending Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed-Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to permit indoor vehicle impound and indoor towing facilities within the Mixed-Use Zone District.”

SUMMARY:

The City has received an application to amend the Laguna Hills Zoning and Development Code (Code) to permit indoor impound and indoor towing facilities within the Mixed Use (MXU) Zoning District. The proposed Ordinance would amend Chapters 9-04 (Definitions), 9-10 (Zoning Districts Established), 9-30 (MXU Mixed Use District), and 9-44 (Access and Parking) of Title 9 (Zoning and Subdivisions) of the Code to allow indoor impound and indoor towing facilities as a use permitted within the MXU Zoning District, subject to approval of a Conditional Use Permit (CUP).

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The proposed amendments to the Code would:

- Create a new definition for “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business (Indoor Only).”
- Permit indoor vehicle impound and indoor towing facilities within the MXU Zoning District.
- Require review and approval of a CUP for indoor vehicle impound and indoor towing facilities in the MXU Zoning District.
- Create development standards (i.e., screening, parking) for indoor vehicle impound and indoor towing facilities in the MXU Zoning District.

The introduction of indoor vehicle impound and indoor towing facilities to the MXU Zoning District will provide property and business owners additional land use opportunities. Restricting the use to indoor facilities and incorporating reasonable development standards will protect the public health, safety, and welfare of the City’s residents and businesses, and limit potential impacts to the surrounding uses.

AUTHORITY:

A person seeking a zoning text amendment may file an application in accordance with Section 9-90.040 and Chapter 9-92 of the Code. Adoption of an amendment to the Code is a legislative act of the City Council subject to consideration and approval of an Ordinance after a public hearing (LHMC §9-90.050 and 060).

BACKGROUND:

Generally, the City’s Zoning Map divides the City into various zoning districts, and the Code identifies different land uses and regulations for each district. The Code also stipulates that any land use that is not expressly permitted in a zoning district as a permitted or conditionally permitted use shall be considered a prohibited use (LHMC §9-10.060). Changes to permitted uses or regulations are allowed through zoning text amendments, which are subject to City Council review and approval by adoption of an ordinance (LHMC §9-90.050 and 060).

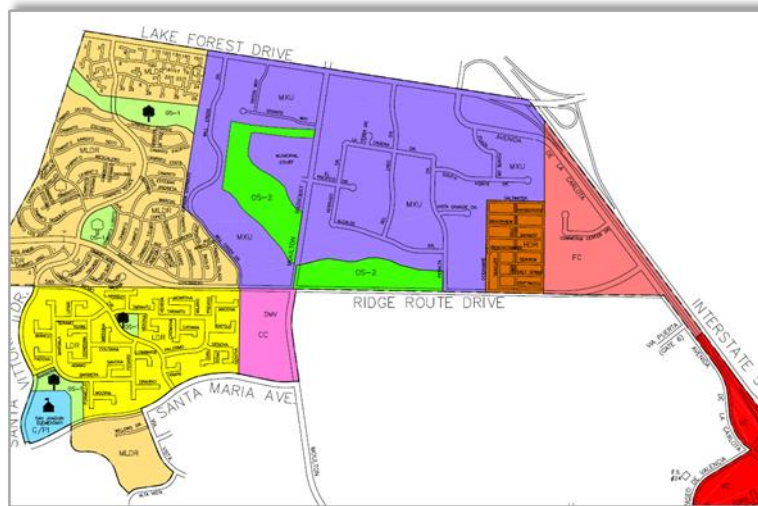
The MXU Zoning District (shown below in purple) includes much of the area in North Laguna Hills between Lake Forest Drive and Ridge Route Drive, and overlies the Mixed Use (MU) General Plan land use designation. The MXU Zoning District is bounded by Medium Low-Density Residential zoning to the west, Community Commercial zoning and the City of Laguna Woods to the south, High Density Residential and Freeway

ZTA 12-16-3724 (MXU Towing)

June 13, 2017

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Commercial zoning to the east, and the City of Irvine to the north. Open Space (Drainage Facilities) and the Hospitality Overlay Zone are located within the MXU Zoning District boundary.



The Mixed Use General Plan land use designation provides for areas “where a variety of goods and services can be obtained within an overall planned environment. Within the Mixed Use designation, appropriate land uses include limited industrial and manufacturing uses, administrative and professional uses, institutional and government uses, business support uses, auto-related uses, eating and drinking establishments, personal services, and retail sales of durable goods and general retail sales.” (General Plan Land Use Map). The purpose and intent of the MXU Zoning District is “to provide for areas where a variety of goods and services can be obtained within an overall planned environment.” The MXU Zoning District “permits commercial, recreational, light industrial, and high density residential uses” (LHMC §9-30.010). Currently, the uses within the MXU Zoning District include a variety of professional offices, light industrial businesses, public storage facilities, automobile maintenance, automobile repair, body, paint and restoration, and a multitude of restaurant and retail establishments. Retail and office uses tend to be located at the edges of the MXU Zoning District, while light industrial uses are centralized within the zoning district. Potentially sensitive uses near the zoning district include hotel uses to the east, and the Laguna Hills Estates – a mobile home park that includes several hundred units. Residential zoning districts in Laguna Hills also abut nearly the entire west boundary of the MXU Zoning District.

Vehicle impound and towing facilities are not identified as a permitted use within the MXU Zoning District. Accordingly, a zoning text amendment is required in order to allow

the establishment and operation of such facilities in the MXU Zoning District.

PROPOSAL:

The proposed Zoning Text Amendment would permit and regulate indoor vehicle impound and indoor towing facilities within the MXU Zoning District subject to approval of a CUP. The proposed changes to the LHMC (Attachment 1) are summarized as follows:

- Chapter 9-04 (Definitions)
 - Create a new definition for “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business (Indoor Only).”
 - The definition would read: “an indoor facility used exclusively for the indoor storage or holding of automobiles, motor vehicles, and recreational vehicles impounded or towed pursuant to order of a public law enforcement agency, insurance company, private party tow, roadside assistance, or similar use, and stored pending the return of the vehicle to its owner. This definition does not include wrecking, salvaging, scrapping, sale of vehicles or vehicle parts, or the dismantling of vehicles except pursuant to law enforcement investigation.”
- Chapter 9-10 (Zoning Districts) and Chapter 9-30 (MXU Mixed Use District)
 - Add “Towing Facilities – Indoor Vehicle Impound and Towing Service Business – (Indoor Only)” to the Land Use Matrix;
 - Permit indoor vehicle impound and indoor towing facilities only within the Mixed Use Zoning District with approval of a CUP; and
 - Create development standards for indoor vehicle impound and indoor towing facilities.
- Chapter 9-44 (Access and Parking)
 - Create parking standards for indoor vehicle impound and indoor towing facilities;
 - 5 stalls (minimum), or 1 stall/10,000 sf of storage area, whichever is greater.

As noted in the proposed definition above, wrecking, salvaging, scrapping, and vehicle/parts sales is prohibited. Furthermore, the definition only identifies indoor facilities as a permitted use, while outdoor vehicle impound and outdoor towing facilities would remain prohibited. Outdoor vehicle impound and outdoor towing facilities were not evaluated as part of this ZTA due to potential adverse impacts on adjacent uses and neighborhood incompatibility, as well as conflicts with existing

ZTA 12-16-3724 (MXU Towing)

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regulations regarding outdoor storage.

The proposed development standards include prohibition of indoor vehicle impound and indoor towing facilities within 1,000 feet from any residential or hotel property, screening requirements for temporary outdoor parking of tow trucks awaiting deployment, and on- and off-site circulation requirements. The proposed number of parking stalls requirement, as indicated above, is consistent with the current parking requirement for recreational vehicle/boat storage (LHMC Table 9-44.A). Compliance with these requirements would be evaluated as part of the CUP process, and additional site-specific conditions of approval could be included with any permit on a case-by-case basis.

Aesthetic impacts are minimized due to towing facility operations being restricted to indoors, and any exterior impacts would be softened through required screening and any other conditions of approval, deemed necessary or appropriate. If applicable, hazardous material storage would be reviewed as part of the building permit process and Orange County Fire Authority's commercial screening application. Staff does not anticipate that operations, including loading, unloading, and inspections, will have any considerable impacts to on-street parking within the MXU Zoning District due to the indoor restriction. Moreover, on- and off-site circulation, including truck size and on-street parking impacts, will be evaluated by the Public Services Department as part of individual CUP applications. The proposed Ordinance also leaves intact the prohibition on other outdoor storage, including inoperable vehicles, oversized vehicles, or vehicles parked on lawn areas that can become an eyesore and nuisance.

The purpose of the proposed 1,000-foot buffer between indoor vehicle impound and indoor towing facilities and any residential or hotel property is to reduce potential noise impacts associated with vehicle impound and towing facilities on noise sensitive land uses during evening hours. Such noises include vehicle loading and unloading, tow trucks entering and leaving the facility, vehicle backup beeping, and hydraulic lifts, and could result in land use compatibility impacts when residential development is located adjacent to such operations. As vehicle impound and towing service businesses are typically a 24-hour operation, staff recommends establishing the 1,000-foot buffer based on the noise standards and noise contour maps established in the Laguna Hills General Plan. Staff has determined that noise generation of approximately 100 decibels (typical loudness of a backup alarm beeper) would be reduced to approximately 50db(A) at a distance of 1,000 feet, which would comply with General Plan standards and the City's Noise Ordinance requirements that limit residential noise exposure to 50dB(A). Proposed indoor vehicle impound and indoor towing facilities would also be regulated

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to ensure compatibility with surrounding uses through the CUP process and issuance of Conditions of Approval (e.g., circulation design, screening, loading/unloading locations, etc.). Other typically noise-sensitive uses such as churches and schools have not been incorporated into the 1,000-foot buffer as they primarily operate during the daytime hours, and staff prioritized potential evening noise impacts.

Although the proposed Zoning Text Amendment establishes a new allowable use, staff does not anticipate a proliferation of the use in the MXU Zoning District. Many of the existing buildings/businesses located within the MXU Zoning District were not developed with an indoor vehicle impound and indoor towing facility as a potential use, and therefore could not feasibly add or convert to include indoor vehicle impound and indoor towing activities due to building size, multiple tenants, site layout, on-site circulation, etc. The 1,000-foot buffer from residential and hotel land uses also limits the locations that could potentially accommodate the use. A map illustrating the locations within the MXU Zoning District that could potentially accommodate indoor impound and indoor towing facilities is included as Attachment 2. The map identifies the MXU Zoning District, the proposed 1,000-foot buffer, and highlights single-tenant buildings of approximately 15,000 square feet which have a large roll-up garage door.

CONCLUSION:

The introduction of indoor vehicle impound and indoor towing facilities to the MXU Zoning District will provide property and business owners additional land use opportunities. Furthermore, restricting this proposed new use to indoor facilities and incorporating reasonable development standards necessary to protect the public health, safety, and welfare of the City's residents and limiting any potential impacts to the surrounding uses.

As identified in the Laguna Hills General Plan, the purpose and intent of the Mixed Use Land Use designation in North Laguna Hills is to provide a variety of goods and services to support the local community, while appropriate land uses for the district include limited industrial uses and automobile-related uses. Thus, the proposed Zoning Text Amendment is consistent with the General Plan and staff is recommending approval of the proposed Ordinance to permit indoor vehicle impound and indoor towing facilities in the MXU Zoning District.

PUBLIC NOTICE:

This project was advertised in an adjudicated newspaper of general circulation on

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June 2, 2017, with over 400 notices mailed to property owners in and around the MXU Zone within 300 feet. To date, no comments have been received. Any written comments received will be provided at the City Council hearing.

CEQA FINDINGS:

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

The proposed Zoning Text Amendment does not change allowable land uses in a manner that could create a potentially significant impact on the environment and because the proposed change does not alter density or building mass. The proposed Zoning Text Amendment would add a use that is similar and equivalent to a number of existing uses in the Mixed Use District, where overnight storage of vehicles is currently permitted, but only for purposes of repair and painting. The proposed Zoning Text Amendment would expand the circumstances wherein overnight vehicle storage can occur, and this is not substantially different from existing permitted land uses. Furthermore, the potential environmental impacts of any proposed indoor vehicle impound and indoor towing facility will be evaluated on a case-by-case basis through the Conditional Use Permit process.

FISCAL IMPACT:

None.

ATTACHMENTS:

- Attachment 1 Cover
- 2 ZTA 12-16-3724 ATTACH 1 (DRAFT ORDINANCE)
- 3 ZTA 12-16-3724 ATTACH 2 (MAP)

Attachment 1

Draft Ordinance



ORDINANCE NO. 2017-06-13-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 12-16-3724 AMENDING CHAPTERS 9-04 (DEFINITIONS), 9-10 (ZONING DISTRICTS ESTABLISHED), 9-30 (MXU MIXED USE DISTRICT), AND 9-44 (ACCESS AND PARKING) OF TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO PERMIT INDOOR VEHICLE IMPOUND AND INDOOR TOWING FACILITIES WITHIN THE MIXED-USE ZONING DISTRICT

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

WHEREAS, Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code (LHMC) establishes allowable uses of property within all zoning districts in the City; and

WHEREAS, This Ordinance amends Title 9 of the LHMC to permit indoor vehicle impound and indoor towing facilities within the Mixed Use zoning district subject to approval of a Conditional Use Permit; and

WHEREAS, This Ordinance is an applicant-initiated zoning text amendment subject to Chapters 9-90 and 9-92 of the LHMC; and

WHEREAS, The City Council of the City of Laguna Hills has held a duly noticed public hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties at a public hearing held on June 13, 2017.

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

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

SECTION 2. The City Council of the City of Laguna Hills hereby finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly. The proposed zoning text amendment does not change allowable land uses in a manner that could create a potentially significant impact on the environment and because the proposed change does not alter density or building

mass. The proposed zoning text amendment would add a use that is similar and equivalent to a number of existing uses in the Mixed Use District, where overnight storage of vehicles is currently permitted, but only for purposes of repair and painting. The proposed zoning text amendment would expand the circumstances wherein overnight vehicle storage can occur, and this is not substantially different from existing permitted land uses. Furthermore, the potential environmental impacts of any proposed indoor vehicle impound and indoor towing facility will be evaluated on a case-by-case basis through the Conditional Use Permit process.

SECTION 3. The following findings for approving Zoning Text Amendment No. 12-16-3724 are hereby made in accordance with Section 9-92.080(A) of the Laguna Hills Municipal Code:

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

The Mixed Use land use designation, as defined by the General Plan, is established for limited industrial uses along with employment and services for the residents of the City. Appropriate uses within the Mixed Use land use designation include industrial and manufacturing uses, auto related uses, eating and drinking establishments, and personal services. The goals and objectives of the General Plan seek to ensure that development is compatible and interdependent with neighborhoods. Adding indoor vehicle impound and indoor towing facilities as an allowable use in the Mixed Use zoning district is consistent with those goals and objectives. The proposed zoning text amendment broadens the scope of services available to the residents and businesses of the City. By restricting vehicle impound and towing activities to indoor operations, imposing reasonable limitations on such activities, and allowing the use only upon approval of a Conditional Use Permit, the proposed zoning text amendment maintains compatibility with adjoining uses in the area, and will protect existing neighborhood viability.

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

The proposed introduction of indoor vehicle impound and indoor towing facilities within the Mixed Use zoning district further expands compatible automobile-related uses within the zone while creating a regulatory foundation that will allow the use in a manner that will not be detrimental to surrounding land uses. Aesthetic impacts are minimized due to the indoor restriction of vehicle storage and any exterior impacts would be reduced through required screening. There will not be any considerable impacts to on-street parking due to loading, unloading, and inspections being restricted to occur indoors. Furthermore, existing Municipal

Code standards prohibit the outdoor storage of any inoperative, non-functioning, wrecked, or dismantled vehicle for more than 72 hours.

The proposed development standards include a 1,000-foot buffer between indoor vehicle impound and indoor towing facilities and any from residential and hotel uses. The purpose of this buffer is to reduce potential noise impacts associated with impound and towing facilities on noise sensitive land uses during evening hours. Such noises include vehicle loading and unloading, tow trucks entering and leaving the facility, vehicle backup beeping, and hydraulic lifts, and could result in land use compatibility impacts when residential development is located adjacent to such operations. The 1,000-foot buffer is based on the noise standards and noise contour maps established in the Laguna Hills General Plan, as well as the City's Noise Ordinance. Staff determined that noise generation of approximately 100 decibels (typical loudness of a backup alarm beeper), would be reduced to 50db(A) at a distance of approximately 1,000 feet, which would comply with maximum nighttime noise standards.

The proposed buffer would allow indoor impound and indoor towing facilities to operate lawfully within the maximum acceptable noise levels while not diminishing quality of life for current and future residents living near the Mixed Use zoning district (MXU), as well as reducing noise impacts on hotel properties also situated in our near the MXU zoning district. Other typically noise-sensitive uses such as churches and schools, have not been incorporated into the 1,000-foot buffer as they primarily operate during the daytime hours. All land uses are required to comply with exterior noise levels set forth in the Municipal Code, and the Community Development and Sheriff's Departments will continue to cooperate to identify development or activities that violate the noise regulations.

Finally, the operation of any indoor vehicle impound and indoor towing facility will require a Conditional Use Permit, which is subject to review by the Planning Agency and regulated by conditions of approval (e.g. loading/unloading locations, screening, on-site circulation). The Conditional Use Permit process would ensure that an indoor vehicle impound and indoor towing facilities are compatible with surrounding uses.

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

The introduction of indoor impound and indoor towing facilities to the Mixed Use zoning district will provide property and business owners additional land use opportunities in areas where automotive-related uses are already permitted, and would not have a negative impact upon property development rights.

The majority of land within the City, including the Mixed Use zoning district and surrounding areas, has already been developed. Disturbances resulting from

current development and historic land uses, such as ranching and farming, have degraded or replaced most native biological resources that once occurred within the City. According to the Laguna Hills General Plan EIR, no sensitive plants, fish, amphibians, and reptiles occur within the MXU zoning district. A variety of environmentally-sensitive bird species have a moderate or high probability of occurrence near the Veeh Reservoir, which abuts the MXU zoning district. However, impacts to these species can be evaluated through the required mitigation measures identified in the EIR, which require discretionary permitting and CEQA review of any project that may affect sensitive species. The required Conditional Use Permit and appropriate CEQA review processes, in addition to the City's Tree Protection Ordinance, ensures that any environmentally sensitive land uses and species will be protected.

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

This Ordinance introduces indoor impound and indoor towing facilities to the Mixed Use zoning district and creates an opportunity for vehicles that have been impounded or towed to be stored. Within the Mixed Use land use designation, appropriate land uses include limited industrial and manufacturing uses, administrative and professional uses, institutional and government uses, business support uses, auto-related uses, eating and drinking establishments, personal services, and retail sales of durable goods and general retail sales. The MXU zoning district permits commercial, recreational, light industrial, and high density residential uses. The proposed amendments to the Zoning Code enhance the types of automotive services available to the residents of Laguna Hills.

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

The introduction of indoor vehicle impound and indoor towing facilities to the Mixed Use zoning district will provide property and business owners additional land use opportunities, adjusting the City's zoning code to meet the needs and evolution of the business community. Furthermore, incorporating the proposed development standards and requiring a Conditional Use Permit for the operation of an indoor vehicle impound and indoor towing facility will allow the City to exercise its police power to protect the health, safety, and welfare of its residents and limiting any potential impacts to the surrounding uses. Aesthetic impacts should be minimal due to operations being restricted to indoors, and any exterior impacts would be softened through required screening. On- and off-site circulation, including parking impacts, will be evaluated as part of the Conditional Use Permit review process. Potential noise impacts should be alleviated by the 1,000-foot buffer from

residential and hotel uses and regulated by site plan review and conditions of approval.

SECTION 4 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-04 (Definitions), Section 9-04.200 (“T” Definitions), is hereby amended by adding a definition for “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

“Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only) means an indoor facility used exclusively for the indoor storage or holding of automobiles, motor vehicles, and recreational vehicles impounded or towed pursuant to order of a public law enforcement agency, insurance company, private party tow, roadside assistance, or similar use, and stored pending the return of the vehicle to its owner. This definition does not include wrecking, salvaging, scrapping, sale of vehicles or vehicle parts, or the dismantling of vehicles except pursuant to law enforcement investigation.

SECTION 5 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-10 (Zoning Districts Established), Section 9-10.050 (Uses within zones), Table 9-10.050 (Land Use Matrix) is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” and permitting it in the Mixed Use District subject to the approval of a Conditional Use Permit:

**Table 9-10.050
LAND USE MATRIX**

A	Accessory Use
C	Conditional Use
SUP	Special Use Permit
P	Permitted Use
S	Site Development Permit Required
T	Temporary Use
♦	Special Requirements
•	Prohibited Use
U	See Urban Village Specific Plan
L	See Laguna Hills Planned Community Development Plan and Text

Land Use	Zones
	Estate Residential (ER)
	Low Density Residential (LDR)
	Medium Low Density Residential (MLDR)
	Medium Density Residential (MDR)
	High Density Residential (HDR)
	Office Professional (OP)
	Village Commercial (VC)
	Freeway Commercial (FC)
	Community Commercial (CC)
	Mixed Use (MXU)
	Neighborhood Mixed Use (NMU)
	Community/Private Institution (C/PI)
	Open Space-1 (OS-1) Parks
	Open Space-2 (OS-2) Drainage Facilities
	Open Space-3 (OS-3) Landscape Corridors
	Planned Community (PC)
	Planned Community Residential (PCR)
	Reference
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	• • • • • • • • • C • • • • • • •

SECTION 6 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-30 (Mixed Use District), Section 9-30.020 (Permitted uses), Table 9-30.020 (Mixed Uses) is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

**Table 9-30.020
MIXED USES**

Uses	Permitted	Accessory	Reference
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	C		See Section 9-30.090

SECTION 7 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-30 (Mixed Use District), is hereby amended by adding a new Section 9-30.090 (Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)) to read as follows:

Chapter 9-30.090 Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business

Towing Facilities – Indoor vehicle impound and indoor towing service business (Indoor Only), as defined in Section 9-04.200 (“T” Definitions), are permitted with approval of a Conditional Use Permit in the Mixed Use zoning district subject to the following requirements:

- A. No indoor vehicle impound and indoor towing facility shall be closer than 1,000 feet to any residential or hotel property, as measured from property line to property line.
- B. The indoor vehicle impound and indoor towing facility operations shall occur entirely within an enclosed building. If temporary parking of tow trucks occurs outside of the building while the tow trucks are awaiting deployment, parking is prohibited within required parking stalls, and the parking area shall be screened by a 6-foot high decorative masonry wall, landscaped hedge, or combination thereof. Open fencing, including chain link and wrought iron, shall not constitute adequate screening.
- C. The indoor vehicle impound and indoor towing facility business shall be operated in compliance with all provisions of Chapter 9-40 (Design Regulations and Standards) and Chapter 9-74 (Property Maintenance) of the City of Laguna Hills Municipal Code. Although outdoor storage shall be permitted as an accessory use, subject to Section 9-30.080 (Outdoor Storage), outdoor storage of vehicles is prohibited.
- D. All indoor vehicle impound and indoor towing facilities shall provide adequate internal circulation for the movement of vehicles, and safe ingress and egress points from buildings and public streets.

SECTION 8 Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-44 (Access and Parking), Table 9-44.A (Number of Parking Stalls Required), is hereby amended by adding the use “Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)” to read as follows:

**Table 9-44.A
NUMBER OF PARKING STALLS REQUIRED**

Use	Required Number of Stalls
Industrial Uses	

Use	Required Number of Stalls
Towing Facilities – Indoor Vehicle Impound and Indoor Towing Service Business – (Indoor Only)	5 stalls (minimum) or, 1 stall/10,000 SF of storage area, whichever is greater

SECTION 9 This Ordinance shall take effect on _____, 2017, the 31st day following the adoption of this Ordinance by the City Council.

SECTION 10 Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code.

SECTION 11 If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 12 The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

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

DON SEDGWICK, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

Ordinance No. 2017-

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

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

AFFIDAVIT OF POSTING
AND PUBLICATION

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

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

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

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 12-16-3724 AMENDING CHAPTERS 9-04 (DEFINITIONS), 9-10 (ZONING DISTRICTS ESTABLISHED), 9-30 (MXU MIXED USE DISTRICT), AND 9-44 (ACCESS AND PARKING) OF TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO PERMIT INDOOR VEHICLE IMPOUND AND INDOOR TOWING FACILITIES WITHIN THE MIXED-USE ZONING DISTRICT

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

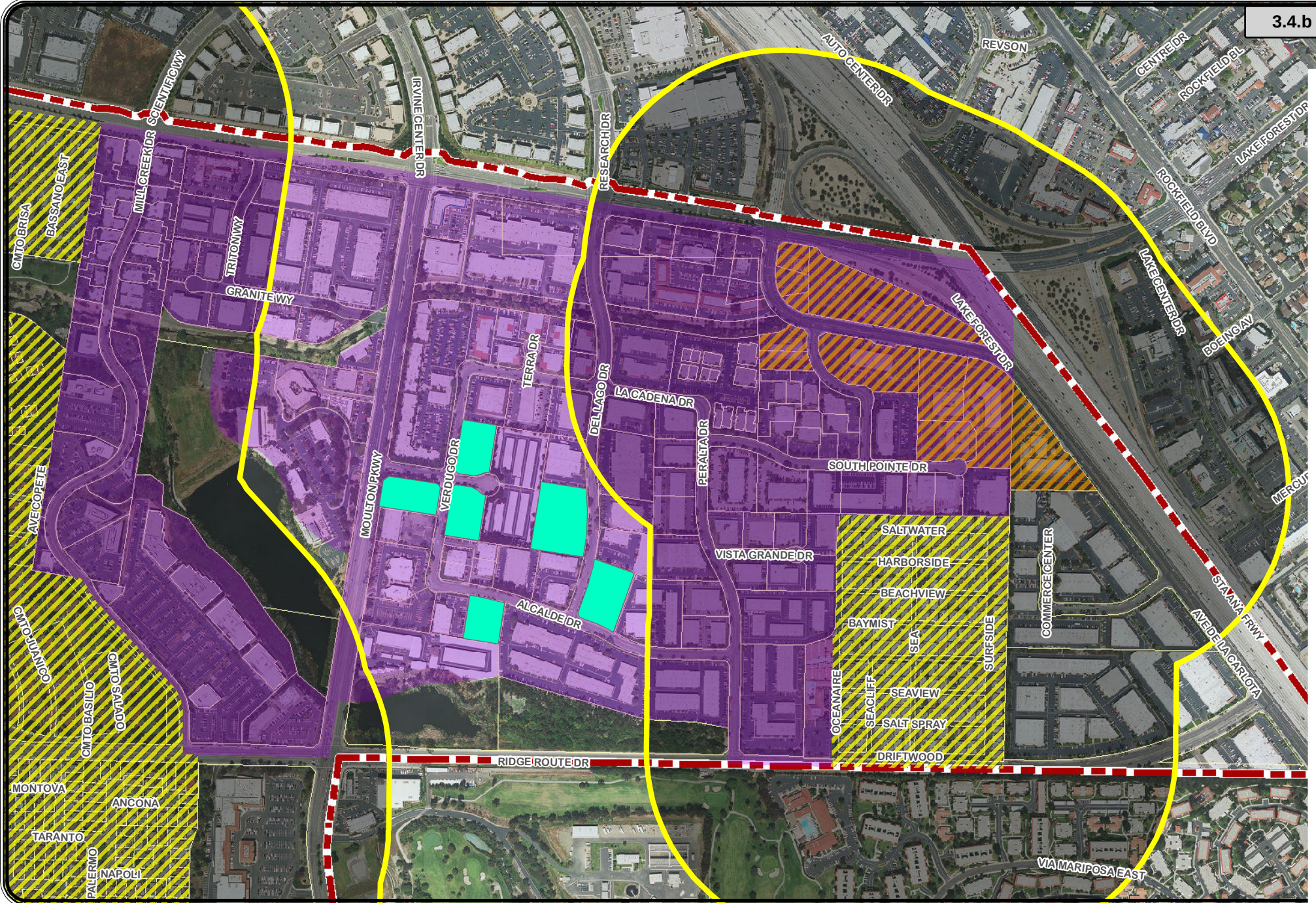
Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California

Attachment 2

Study Area Map





City of Laguna Hills

Potential Impound/Towing Facilities in MXU Zoning District

- Zoning: Mixed Use
- Zoning: HOZ Overlay
- Zoning: Residential
- Proposed 1,000-foot Buffer
- Feasible Impound/Towing Location
- City Limit





City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Proposed Lease with Fay Blix, an Individual, for 24031 El Toro Road, Suite 301, Laguna Hills, California

RECOMMENDATION: That the City Council approve the lease with Fay Blix, an Individual, for 24031 El Toro Road, Suite 301, Laguna Hills, California, and authorize the City Manager to execute the Lease.

SUMMARY:

Staff has negotiated a five-year lease renewal with Fay Blix, an individual, for 24031 El Toro Road, Suite 301. Fay Blix operates a law office and has been leasing space in the Civic Center since April 2012. The following is a summary of the key lease terms and financial analysis:

Commencement Date: November 1, 2017

Term: Five (5) years

Rentable Square Feet: 2,312

Upfront Capital: \$28,912

Rate: Year 1 - \$2.10/ sq. ft.
Year 2 - \$2.18/ sq. ft.
Year 3 - \$2.27/ sq. ft.

Civic Center Lease with Fay Blix for 24031 El Toro Road, Suite 301

July 11, 2017

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Year 4 - \$2.36/ sq. ft.

Year 5 - \$2.46/ sq. ft.

Total Rent Payments: \$315,568

Net Present Value: \$155,755 (12% Discount Rate)

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

FISCAL IMPACT:

The lease has a positive net present value and requires upfront capital of \$28,912.

ATTACHMENTS:

- Lease - Fay Blix



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 July 11, 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

and Fay Blix, an individual ("Lessor")

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

1.2(a) **Premises:** That certain portion of the Project (as defined below), known as Suite Number(s) 301 3rd floor(s), consisting of approximately 2,312 rentable square feet and approximately 1,932 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:** Five (5) years and 0 months ("Original Term") commencing November 1, 2017 ("Commencement Date") and ending October 31, 2022 ("Expiration Date"). (See also Paragraph 3)

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

1.5 **Base Rent:** \$4,855.20 per month ("Base Rent"), payable on the First day of each month commencing November 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 I)

1.6 **Lessee's Share of Operating Expense Increase:** 4.45% percent (4.45%) ("Lessee's Share"). In the event that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

- (a) **Base Rent:** \$4,855.20 for the period November 1-30, 2017
- (b) **Security Deposit:** \$5,679.90 ("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:** \$5,959.10

1.8 **Agreed Use:** Law Office and General Office

(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");
- ☒ In/House Corporate Real Estate 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 N/A

_____ ("Guarantor"). (See also Paragraph 37)

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

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

- ☐ 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 13;
☒ a plot plan depicting the Premises; Exhibit "A"
☒ a current set of the Rules and Regulations; Exhibit "B"
☒ a Work Letter; / Requirements for Improvements or alterations by Lessee (Exhibit "D")
☐ a janitorial schedule;
☒ other (specify): Exhibit "C" Waiver and Release

2. Premises.

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

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and a 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 business 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 Premise 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 Broker or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

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

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

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

(b) ~~The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.~~

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

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the

Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that an 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, customer 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 an 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 an 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 term 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 1 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 3.6). Paragraph 3 of this Lease (See, Addendum Paragraph 3). Pending delivery of such evidence Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other condition prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

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

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

- (a) "Base Year" is as specified in Paragraph 1.9.
- (b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

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

- (i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:
 - (aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;
 - (bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenancy directories, fire detection systems including sprinkler system maintenance and repair.
 - (cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.
- (ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;
- (iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";
- (iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;
- (v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;
- (vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;
- (vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;
- (viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;
- (ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.
- (x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

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

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

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

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee 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 business 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 business 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 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 or Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

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

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

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

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

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

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(f) 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 1 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 3 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 an 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 odor 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 inspection 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 \$100,000, 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 annually. 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 utility installations, and alterations made by Lessee shall also be subject to the provisions of Exhibit "D" attached to this Lease.

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

7.4 Ownership; Removal; Surrender; and Restoration.

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

surrendered by Lessee with the Premises.

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

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

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

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

8.2 Liability Insurance.

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

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defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

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

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessee 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 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 full restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

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

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

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

9.6 Abatement of Rent; Lessee's Remedies.

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

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

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return

to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 **Definitions.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee impose 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 (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 Installation placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessee 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. Where 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 bulb and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas: 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 an 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 26% 50% 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 26% 50% 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 assignees or sublessees, 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) Notwithstanding the aforementioned, Lessee may sublease individual offices, within the Premises, to an affiliated consultants/attorneys by giving Lessor 30 days advance written notice of such intent to sublease, but no other payment shall be necessary provided the Lessee continues to lease and occupy a minimum of 65% of the Premises, subject to Lessor's approval which shall not be unreasonably withheld.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or

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

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

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

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligation 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 any 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 5) 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 request for 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, when 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 has been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

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

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

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

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing any 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, 15.1, 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 business 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 business 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 plus Security Deposit. 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. Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of the 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 an 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 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 the 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. 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. 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.** Except as may otherwise be mutually agreed by the Parties in advance and in writing, 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 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 30.1, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition; 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 6 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 or 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 in 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. A sign 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 lease 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 no 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 expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

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

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

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

43. **Authority; Multiple Parties; Execution**

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

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

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

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

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

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

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

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

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

(a) The Premises: ☐ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

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

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

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

1. **SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**

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

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

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

Executed at: 24031 El Toro Road, Suite 100

Executed at: _____

On: _____

On: _____

By LESSOR:

By LESSEE:

The City of Laguna Hills

Fay Blix an individual,

By: _____

By: _____

Name Printed: Bruce E. Channing

Name Printed: Fay Blix

Title: City Manager

Title: _____

By: _____

By: _____

Name Printed: _____

Name Printed: _____

Title: _____

Title: _____

Address: _____

Address: _____

Telephone: ()	Telephone: ()
Facsimile: ()	Facsimile: ()
Email:	Email:
Email:	Email:
Federal ID No.	Federal ID No.

LESSOR'S BROKER:

Essex Realty Management, Inc.

Attn: Sandi Montez

Address: 111 Corporate Drive, Suite 110
Ladera Ranch, CA 92694

Telephone: (949) 218-3801

Facsimile: ()

Email:

Broker/Agent BRE License #: 00965485

LESSEE'S BROKER:

In/House Corporate Real Estate

Attn: Jerry Neitlich

Address: 2222 Martin Street # 255
Irvine, CA 92612

Telephone: (949) 442-0922

Facsimile: ()

Email:

Broker/Agent BRE License #: 01026305

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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INITIALS

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INITIALS

FORM OFG-18-05/16E

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 July 11, 2017, between The City of Laguna Hills ("Lessor"), and Fay Blix an individual ("Lessee"). The terms of this Addendum shall be incorporated into the Lease for all purposes. In the event of any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall control.

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

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

11/1/2017	10/31/2018	\$ 4,855.20 (\$2.10 psf)
11/1/2018	10/31/2019	\$ 5,049.41 (\$2.18 psf)
11/1/2019	10/31/2020	\$ 5,251.38 (\$2.27 psf)
11/1/2020	10/31/2021	\$ 5,461.44 (\$2.36 psf)
11/1/2021	10/31/2022	\$ 5,679.90 (\$2.46 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.

7. Option to Renew. Lessee shall have one option to renew the Original Term for an additional 60 months at lease rates adjusted to fair market value, the Base Year shall be adjusted to reflect the year of the extension term. Lessee shall notify Lessor in writing of their desire to exercise their option no later than one hundred and twenty (120) days prior to the termination of the Original Term.

8. Relocation of Premises. Should the Lessor elect to relocate the Lessee, the Lessor shall give the Lessee 120 days notice and the new premises shall be of similar size, build out and finishes. The Lessor shall pay for all reasonable relocation costs incurred by the Lessee.. Furthermore, should the Lessor elect to relocate the Lessee to new premises and the new premises is larger than the Premises, the Lessee shall not be required to pay any more Base Rent or Additional Rent than so specified by this Lease. However, should the new premises be smaller than the Premises, the Base Rent and Additional Rent shall be modified accordingly.

9. Notices to Lessee. A copy of all notices sent to Lessee including yearly operating expenses shall be sent to: IN/House Corporate Real Estate, 2222 Martin St. Suite 255, Irvine, CA 92612. Additionally, if applicable, electronic notices shall be sent to jerryn@inhousecorp.com and to Lessee at ahaupert@blixlaw.com

10. Council Chambers. Lessee shall be permitted to use the Council Chambers meeting room, located at 24035 El Toro Road, Laguna Hills, CA, 92653, if available, at the rental rate of \$75.00 per hour with a two hour minimum. All dates of use must be approved by the City of Laguna Hills in advance and in writing.

11. Signage. Lessee shall continue to have the right to place her name on the two lobby directories and on the wall next to their suite using building standard signage.

12. Tenant Improvements. Lessee hereby agrees to accept the Premises "as is", subject to the Lessor, at Lessor's sole cost and expense, completing the following tenant improvements.

- a. Prior to the commencement of the Lease Term, Lessor shall install VCT type wood-image flooring in a portion of the entry way in front of the reception desk of the Premises, as mutually agreed.
- b. Prior to commencement of the Lease term, Lessor shall touch-up the paint within the Premises in a matching color to the existing paint.
- c. Furthermore, on an annual basis, Lessor shall shampoo the open, carpeted areas within the Premises at each anniversary date of the Lease.

13. Option to Assign Lease Upon Death of Lessee. Upon the death of the Lessee (Fay Blix) during the Term of the Lease, the attorneys employed by the Lessee at the time of such occurrence may at their option elect to assume the rights and obligations of the Lessee under the then existing terms and conditions of the Lease, subject to the following conditions precedent: 1) such attorney-employees make such election and notify Lessor in writing within twenty (20) business days of Lessee's death, 2) such attorney-employees meet the financial requirements of the Lessor, and 3) within thirty (30) business days of Lessee's death, such attorney-employees shall each execute a personal guarantee in the form most recently published by the AIR Commercial Real Estate Association guaranteeing the obligations of such attorney-employees under this Lease. If such election is timely made and the conditions precedent are satisfied, Lessor agrees to promptly transfer and assign the deceased Lessee's interest in the Lease to the attorney-employees of the deceased Lessee for the remainder of the Lease Term.

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

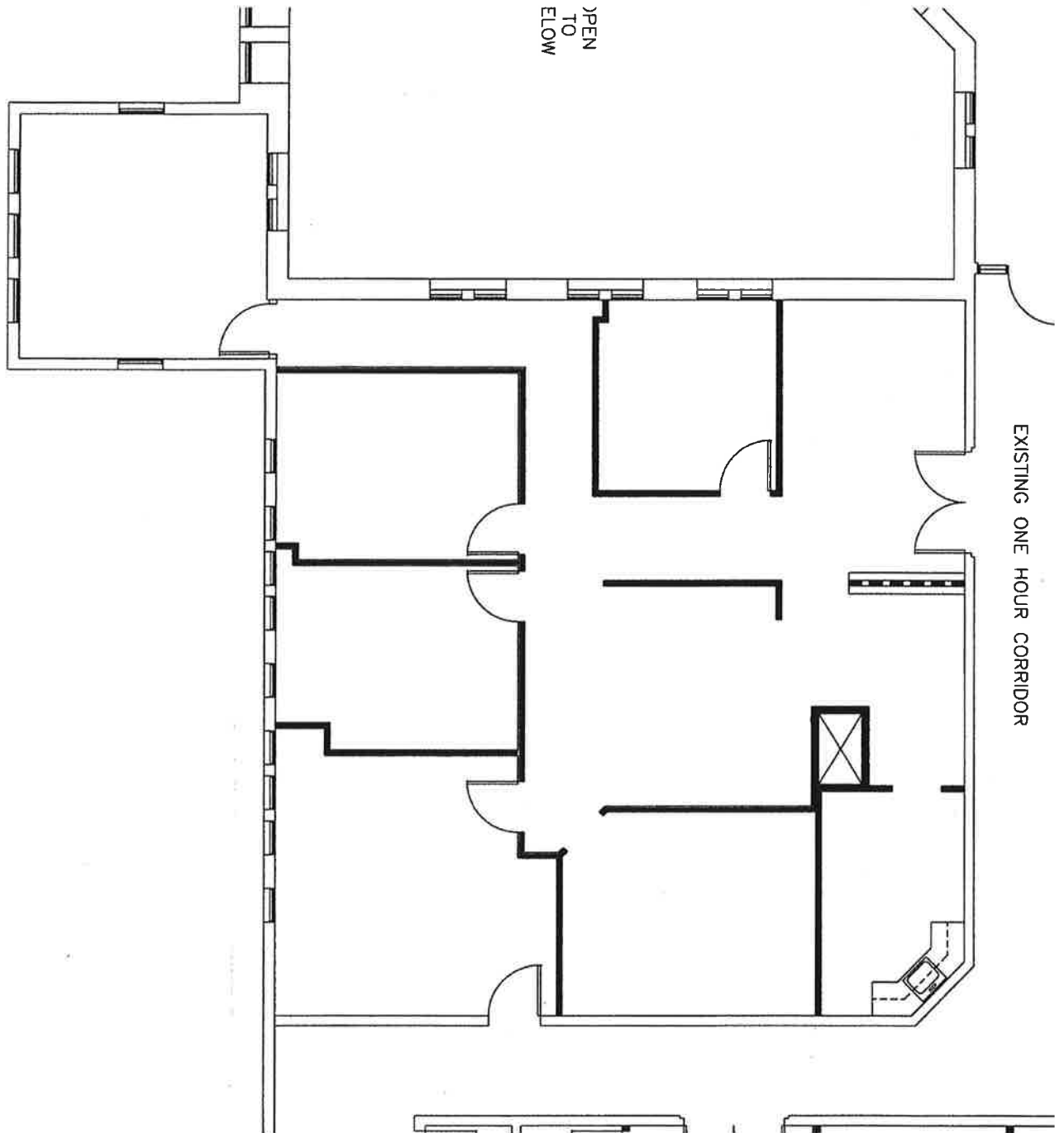
"Lessee"

Fay Blix, an individual

By: _____ Fay Blix

Attachment: Lease - Fay Blix (1265 : Civic Center Lease with Fay Blix for 24031 El Toro Road, Suite 301)

Exhibit "A"



Attachment: Lease - Fay Blix (1265 : Civic Center Lease with Fay Blix for 24031 El Toro Road, Suite 301)

EXHIBIT B**RULES AND REGULATIONS****ATTACHED TO AND MADE A PART OF STANDARD OFFICE LEASE**

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

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

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

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

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

5. No sign, advertisement or notice visible from the exterior of the Premises or Building shall be inscribed, painted or affixed by Lessee on any part of the Office Building Project or the Premises without the prior written consent of Lessor. If Lessor shall have given such consent at any time, whether before or after the execution of this Lease, such consent shall in no way operate as a waiver or release of any of the

provisions hereof or of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by Lessor and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Lessor with respect to each and every such sign, advertisement or notice, as the case may be, so consented to by Lessor. Lessor shall have the right to remove any non-approved sign, advertisement or notice, without notice to and at the expense of Lessee, and Lessor shall not be liable in damages for such removal.

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

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

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

9. No Lessee shall sweep or throw or permit to be swept or thrown from the Premises any dirt or other substance into any of the corridors or halls or elevators, or out of the doors or windows or stairways of the Building. Lessee shall not use, keep or permit to be used any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Lessor or other occupants of the Office Building Project by reason of noise, odors, fire hazards and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be kept in or about the Office Building Project.

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

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

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

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

obligated to prevent access to the Office Building Project during the continuance of the same by closing the doors or otherwise, for the safety of the tenants and protection of property in the Office Building Project.

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

15. Lessee shall not alter any lock or install a new or additional lock or any bolt on any door of the Premises without prior written consent of Lessor. If Lessor shall give its consent, Lessee shall in each case furnish Lessor with a key for any such lock.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30. Lessor reserves the right by written notice to Lessee, to rescind, alter or waive any rule or regulation at any time prescribed for the Office Building Project when, in Lessor's judgment, it is necessary, desirable or proper for the best interest of the Office Building Project and its lessees.

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

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

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

34. Parking

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

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

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

Date: _____

Date: _____

Lessor's Initials: _____

Lessee's Initials: _____

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

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

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

Date: _____

Lessee's Initials: _____

Attachment: Lease - Fay Blix (1265 : Civic Center Lease with Fay Blix for 24031 El Toro Road, Suite 301)

EXHIBIT "D"**WORK LETTER/REQUIREMENTS FOR IMPROVEMENTS OR ALTERATIONS BY LESSEE**

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

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

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

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

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

- (a) The contractor employed by Lessee and any subcontractors shall be (i) duly licensed in the state in which the Premises are located, and (ii) subject to Lessor's prior written approval, which approval shall not be unreasonably withheld. If more than one trade is employed on a single job, state law requires the services of a general contractor in addition to contractors for specialty work being performed.
- (b) Each contractor shall provide proof of licensing as a general or specialty contractor in accordance with state law. Additionally, each contractor shall furnish proof of licensing in the city or municipality in which the construction related activity is to take place.
- (c) Lessee shall use Lessor's subcontractor for mechanical, electrical, plumbing, roofing and roofing consultant if available at competitive rates.
- (d) Lessee and Lessee's contractors shall comply with all Applicable Laws pertaining to the performance of Lessee's Work and the completed improvements and all applicable safety regulations established by Lessor or the general contractor.
- (e) Prior to commencement of any work in the Premises, Lessee and Lessee's contractors (and any subcontractors) shall obtain and provide Lessor with certificates evidencing Workers' Compensation, public liability and property damage insurance in amounts and forms and with companies

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

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

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

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

contractor's request.

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

4. COSTS.

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

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

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

6. MECHANIC'S LIENS.

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

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

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

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

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

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

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

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

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

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

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

15. **GENERAL PROVISIONS.**

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

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

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

Attachment 1 to "Exhibit D"**ITEMS TO BE FURNISHED TO LESSOR FOR EACH WORK OF IMPROVEMENT**

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



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017

TO: Mayor and Council Members

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

ISSUE: Progress Payment No. 3, Final, and Contract Change Order No. 1, for Arterial Pavement Management Project Street Rehabilitation, CIP No. 175

RECOMMENDATION: That the City Council Approve Contract Change Order No. 1 and Progress Payment No. 3, Final, in the Net Amount of \$42,535.15, to Hardy & Harper, Inc., for the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175, and authorize the filing of the Notice of Completion and subsequent release of retention in 35 Days, if no liens have been filed.

SUMMARY:

Work on the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175, began on March 6, 2017, and has been completed by Hardy & Harper, Inc. Work performed in May included installation of traffic loops. Due to changed field conditions which required bicycle traffic loop installation, concrete obstruction removal, removal of asphalt fabric, and a deduction for unauthorized lane closures, along with final quantity documentation, Contract Change Order No. 1 has been prepared. It is proposed to approve the third and final progress payment, and Contract Change Order No. 1, and record a Notice of Completion upon finalization of project report forms to allow for the release of the retention in 35 days, if no liens are filed.

BACKGROUND:

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the

Progress Payment No. 3, Final, and Contract Change Order No. 1, for CIP No. 175

July 11, 2017

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contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A five-percent (5%) retention is withheld from each payment to assure final performance of the work. The contractor for this project, Hardy & Harper, Inc., has submitted the third and final progress payment for the subject project as follows:

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	\$ AMOUNT
Alicia Parkway – Aliso Hills to Westerly City Limits					
11B	Traffic loops	9	EA	\$200.00	\$1,800.00
Paseo de Valencia – La Paz Road to Cabot Road					
11C	Traffic loops	10	EA	\$200.00	\$2,000.00
Los Alisos Boulevard – Paseo de Valencia to Easterly City Limits					
11D	Traffic loops	41	EA	\$200.00	\$8,200.00
Cabot Road – Rapid Falls Road to City Limits and Oso Parkway to City Limits					
11E	Traffic loops	55	EA	\$200.00	\$11,000.00
CO#1	Change Order	1	LS	\$21,773.84	\$21,773.84

TOTAL TO DATE	\$1,375,406.90	
LESS PRIOR BILLING	\$1,330,633.06	
TOTAL THIS PERIOD	\$44,773.84	\$44,773.84
LESS 5% RETENTION		\$(2,238.69)
DUE		\$42,535.15

Due the federal funding contribution to this project, staff is working with the contractor to finalize the additionally required reports and forms to confirm all federal requirements have been documented. Accordingly, the City Engineer will file the Notice of Completion when these reports and forms are completed.

CONTRACT CHANGE ORDER NO. 1

Contract Change Order No. 1, attached, has been prepared to address changed field conditions which required bicycle traffic loop installation, concrete obstruction removal,

Progress Payment No. 3, Final, and Contract Change Order No. 1, for CIP No. 175

July 11, 2017

Page 3

removal of asphalt fabric, and a deduction for unauthorized lane closures, along with final quantity documentation, Contract Change Order No. 1 has been prepared. Approval of this Change Order is recommended.

FISCAL IMPACT:

The progress payment is within the Capital Improvement Program Budget for the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175.

ATTACHMENTS:

- Notice of Completion
- CCO1 20Jun17

Recording Requested by and
When Recorded Mail to:

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

No Fee Exempt per GC§27383

By: _____

NOTICE OF COMPLETION

Notice is hereby given that the following public improvements have been completed and accepted by the City Council of the City of Laguna Hills on July 11, 2017.

Description of Improvements

Arterial Pavement Management Project Street Rehabilitation, CIP No. 175, including remove and replace asphalt concrete; asphalt grinding and overlay; sidewalk, curb and gutter and access ramp removal and replacement; utility adjustments; striping; traffic loops and other related work.

General Location

Alicia Parkway from Aliso Hills Drive to westerly City limits, Paseo de Valencia from La Paz Road to Cabot Road, Los Alisos Boulevard from Paseo de Valencia to easterly City limits, Cabot Road from Oso Parkway to southerly City limits and Cabot Road from Rapid Falls Road to southerly City limits.

Owner of Property Address

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

Contractor

Hardy & Harper, Inc.
1312 E. Warner Avenue
Santa Ana, CA 92705

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

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

Dated: July 11, 2017

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

CITY OF LAGUNA HILLS CONTRACT CHANGE ORDER

CONTRACT CHANGE ORDER NO. 1

SHEET 1 OF 3 SHEETS

PROJECT: ARTERIAL PAVEMENT MANAGEMENT, CIP NO. 175

CONTRACTOR: HARDY & HARPER, INC.

In accordance with contract provisions, the following changes in the contract and/or contract work are hereby authorized and as compensation therefore, the following addition to or deductions from the contract price are hereby approved.

Note: This change order is not effective until approved by the City Engineer.

Description of work to be done, estimate of quantities, and prices to be paid: Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment is actually used and no allowance will be made for idle time.

Change requested by City Engineer

1. Removal of PCC conflict with Cabot Road Subdrain. Time and Materials. \$1,979.84
2. Add bicycle detector loops at all signalized intersections as directed.
36 each at \$50.00 each, Agreed Price. \$1,800.00
3. Add the removal of previously unknown paving fabric uncovered during grinding locations on various streets at various locations. Agreed Price. 189,940 SF @ \$0.10/SF \$18,994.00
4. Credit for two instances of late lane closures as specified. Unit Price.
2 x \$500 each (\$1,000.00)
5. Quantity Adjustments – adjusted final quantities as shown on the attached “Exhibit A” shall be incorporated herein and compensated in the final progress payment without any adjustment in individual work unit price. The addition or subtraction of total costs for each changed quantity, as reflected in the final progress payment, is acknowledged as a change incorporated within this change order.

Increase \$ 21,773.84 plus all changes in total quantities shown in Exhibit A as compensated in the final progress payment.

By reason of this order the time of completion will be adjusted as follows: Add zero Working Days

Attachment: CCO1 20Jun17 (1336 : Progress Payment No. 3, Final, and Contract Change Order No. 1, for CIP No. 175)

CONTRACT CHANGE ORDER NO. 1

SHEET 2 OF 3 SHEETS

The compensation (time and cost) set forth in this Change Order comprises the total compensation due the Contractor, all Subcontractors and all suppliers, for the work or change defined in this Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees, on behalf of himself, all Subcontractors, and all suppliers, that the stipulated compensation includes payment for all work contained in this Change Order, plus all payment for the interruption of schedules.

Extended overhead costs, delay, and all impact, ripple effect or cumulative impact on all other work under this Contract. The signing of this Change Order shall indicate that the Change Order constitutes full mutual accord and satisfaction for the change, and that the time and/or cost under the Change Order constitutes the total equitable adjustment owed the Contractor, all Subcontractors, and all suppliers, as a result of the change. The Contractor, on behalf of himself, all Subcontractors, and all suppliers, agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

Original Contract Price	<u>\$1,423,999.16</u>
Prev. Authorized Changes	<u>\$ 0.00</u>
This Change (Add)	<u>\$ 21,773.84</u>
Quantity changes (Exhibit A) and Final PP	<u>\$ (70,366.10)</u>
Amended Contract Price	<u>\$1,375,406.90</u>

If the Contractor does not sign acceptance of this order, his attention to the requirements of the specifications as to proceeding with the order work and filing a written protest within the time therein specified.

Approved by:

Accepted by: Hardy & Harper, Inc.

Kenneth H. Rosenfield, P.E. _____
Director of Public Services Date

Mike Amundson _____
Date

Attachment: CCO1 20Jun17 (1336 : Progress Payment No. 3, Final, and Contract Change Order No. 1, for CIP No. 175)

EXHIBIT A

CONTRACT CHANGE ORDER NO. 1

SHEET 3 OF 3 SHEETS

Project: Arterial Pavement Management Street Rehabilitation Project CIP 175

Contractor: Hardy and Harper Inc..

Fed. Aid #: RSTPL 5468 (015)

		Original Contract				Total Billed to Date			Quantity and Value Changes		
ITEM	DESCRIPTION	UOM	Qty	Unit Price	Amount	Qty	Amount	%	Qty	Amount	%
	General										
1a	Mobilization	LS	1	\$ 49,000.00	\$49,000.00	1.00	\$49,000.00	100.0%	-	\$0.00	0.0%
2a	Traffic Control	LS	1	\$ 39,000.00	\$39,000.00	1.00	\$39,000.00	100.0%	-	\$0.00	0.0%
3a	Water Quality Control	LS	1	\$ 3,000.00	\$3,000.00	1.00	\$3,000.00	100.0%	-	\$0.00	0.0%
4a	Clearing & Grubbing	LS	1	\$ 24,000.00	\$24,000.00	1.00	\$24,000.00	100.0%	-	\$0.00	0.0%
	Alicia Pkwy-Aliso Hills to WCL										
1b	Remove & Replace AC (8" depth)	SF	7,290	\$ 5.20	\$37,908.00	3,106.00	\$16,151.20	42.6%	4,184.00	\$21,756.80	57.4%
2b	.15 AC Cold Plane	SF	186,888	\$ 0.14	\$26,164.32	191,105.00	\$26,754.70	102.3%	(4,217.00)	-\$590.38	-2.3%
3b	.20 AC Overlay	TN	2,710	\$ 62.00	\$168,020.00	2,625.10	\$162,756.20	96.9%	84.90	\$5,263.80	3.1%
4b	Access Ramp	EA	8	\$ 3,900.00	\$31,200.00	8.00	\$31,200.00	100.0%	-	\$0.00	0.0%
5b	Not used		0	\$ -	\$0.00	-	\$0.00	0.0%	-	\$0.00	0.0%
6b	Remove and Replace Sidewalk	SF	912	\$ 8.00	\$7,296.00	1,271.00	\$10,168.00	139.4%	(359.00)	-\$2,872.00	-39.4%
7b	Remove and Replace 8" Curb & Gutter	LF	15	\$ 50.00	\$750.00	16.00	\$800.00	106.7%	(1.00)	-\$50.00	-6.7%
8b	Adjust Water Valve	EA	7	\$ 800.00	\$5,600.00	6.00	\$4,800.00	85.7%	1.00	\$800.00	14.3%
9b	Adjust Manhole to Grade	EA	4	\$ 800.00	\$3,200.00	5.00	\$4,000.00	125.0%	(1.00)	-\$800.00	-25.0%
10b	Striping	LS	1	\$ 15,661.68	\$15,661.68	1.00	\$15,661.68	100.0%	-	\$0.00	0.0%
11b	Traffic Loops	EA	36	\$ 200.00	\$7,200.00	9.00	\$1,800.00	25.0%	27.00	\$5,400.00	75.0%
	Paseo de Valencia- La Paz Road to Cabot Road										
1c	Remove & Replace AC (8" depth)	SF	1,784	\$ 5.20	\$9,276.80	-	\$0.00	0.0%	1,784.00	\$9,276.80	100.0%
2c	.15 AC Cold Plane	SF	186,408	\$ 0.14	\$26,097.12	189,940.00	\$26,591.60	101.9%	(3,532.00)	-\$494.48	-1.9%
3c	.20 AC Overlay	TN	2,703	\$ 62.00	\$167,586.00	2,631.82	\$163,172.84	97.4%	71.18	\$4,413.16	2.6%
4c	Access Ramp	EA	8	\$ 3,900.00	\$31,200.00	8.00	\$31,200.00	100.0%	-	\$0.00	0.0%
5c	Not used		0	\$ -	\$0.00	-	\$0.00	0.0%	-	\$0.00	0.0%
6c	Remove and Replace Sidewalk	SF	2,060	\$ 8.00	\$16,480.00	1,997.00	\$15,976.00	96.9%	63.00	\$504.00	3.1%
7c	Remove and Replace 8" Curb & Gutter	LF	265	\$ 50.00	\$13,250.00	213.00	\$10,650.00	80.4%	52.00	\$2,600.00	19.6%
8c	Adjust Water Valve	EA	16	\$ 800.00	\$12,800.00	16.00	\$12,800.00	100.0%	-	\$0.00	0.0%
9c	Adjust Manhole to Grade	EA	15	\$ 800.00	\$12,000.00	16.00	\$12,800.00	106.7%	(1.00)	-\$800.00	-6.7%
10c	Striping	LS	1	\$ 13,598.08	\$13,598.08	1.00	\$13,598.08	100.0%	-	\$0.00	0.0%
11c	Traffic Loops	EA	11.0	\$ 200.00	\$2,200.00	13.00	\$2,600.00	118.2%	(2.00)	-\$400.00	-18.2%
12c	Remove and Replace Cross Gutter	SF	1,457.0	\$ 16.00	\$23,312.00	1,277.00	\$20,432.00	87.6%	180.00	\$2,880.00	12.4%
13c	Remove and Replace Catch Basin Lid	SF	112	\$ 100.00	\$11,200.00	148.00	\$14,800.00	132.1%	(36.00)	-\$3,600.00	-32.1%
	Los Alisos Blvd-Paseo de Valencia to ECL										
1d	Remove & Replace AC (8" depth)	SF	3,320	\$ 5.20	\$17,264.00	2,123.00	\$11,039.60	63.9%	1,197.00	\$6,224.40	36.1%
2d	.15 AC Cold Plane	SF	206,994	\$ 0.14	\$28,979.16	201,408.00	\$28,197.12	97.3%	5,586.00	\$782.04	2.7%
3d	.20 AC Overlay	TN	3,001	\$ 62.00	\$186,062.00	2,797.32	\$173,433.84	93.2%	203.68	\$12,628.16	6.8%
4d	Access Ramp	EA	10	\$ 3,900.00	\$39,000.00	10.00	\$39,000.00	100.0%	-	\$0.00	0.0%
5d	Not used		0	\$ -	\$0.00	-	\$0.00	0.0%	-	\$0.00	0.0%
6d	Remove and Replace Sidewalk	SF	280	\$ 8.00	\$2,240.00	301.00	\$2,408.00	107.5%	(21.00)	-\$168.00	-7.5%
7d	Remove and Replace 8" Curb & Gutter	LF	0	\$ -	\$0.00	-	\$0.00	0.0%	-	\$0.00	0.0%
8d	Adjust Water Valve	EA	8	\$ 800.00	\$6,400.00	7.00	\$5,600.00	87.5%	1.00	\$800.00	12.5%
9d	Adjust Manhole to Grade	EA	6	\$ 800.00	\$4,800.00	10.00	\$8,000.00	166.7%	(4.00)	-\$3,200.00	-66.7%
10d	Striping	LS	1	\$ 13,854.00	\$13,854.00	1.00	\$13,854.00	100.0%	-	\$0.00	0.0%
11d	Traffic Loops	EA	47	\$ 200.00	\$9,400.00	41.00	\$8,200.00	87.2%	6.00	\$1,200.00	12.8%
	Cabot Rd (two locations)										
1e	Remove & Replace AC (8" depth)	SF	14,388	\$ 5.20	\$74,817.60	13,538.00	\$70,397.60	94.1%	850.00	\$4,420.00	5.9%
2e	.15 AC Cold Plane	SF	163,963	\$ 0.14	\$22,954.82	162,813.00	\$22,793.82	99.3%	1,150.00	\$161.00	0.7%
3e	.20 AC Overlay	TN	2,377	\$ 62.00	\$147,374.00	2,291.60	\$142,079.20	96.4%	85.40	\$5,294.80	3.6%
4e	Access Ramp	EA	4	\$ 3,900.00	\$15,600.00	4.00	\$15,600.00	100.0%	-	\$0.00	0.0%
5e	Not used		0	\$ -	\$0.00	-	\$0.00	0.0%	-	\$0.00	0.0%
6e	Remove and Replace Sidewalk	SF	788	\$ 8.00	\$6,304.00	936.00	\$7,488.00	118.8%	(148.00)	-\$1,184.00	-18.8%
7e	Remove and Replace 8" Curb & Gutter	LF	55	\$ 50.00	\$2,750.00	67.00	\$3,350.00	121.8%	(12.00)	-\$600.00	-21.8%
8e	Adjust Water Valve	EA	15	\$ 800.00	\$12,000.00	22.00	\$17,600.00	146.7%	(7.00)	-\$5,600.00	-46.7%
9e	Adjust Manhole to Grade	EA	17	\$ 800.00	\$13,600.00	13.00	\$10,400.00	76.5%	4.00	\$3,200.00	23.5%
10e	Striping	LS	1	\$ 16,899.58	\$16,899.58	1.00	\$16,899.58	100.0%	-	\$0.00	0.0%
11e	Traffic Loops	EA	36	\$ 200.00	\$7,200.00	52.00	\$10,400.00	144.4%	(16.00)	-\$3,200.00	-44.4%
12e	Subdrain With Cleanout	LF	500	\$ 79.00	\$39,500.00	420.00	\$33,180.00	84.0%	80.00	\$6,320.00	16.0%
GRAND TOTAL					\$1,423,999.16		\$1,353,633.06	95.1%	CREDIT	\$70,366.10	4.9%

Attachment: CO01 20Jun17 (1336 : Progress Payment No. 3, Final, and Contract Change Order No. 1, for CIP No. 175)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Roland Chacon
Police Chief
ISSUE: Participation in the Countywide Public Mass Notification System - "Alert OC"

RECOMMENDATION: That the City Council approve the Memorandum of Understanding between the County of Orange and the City of Laguna Hills for use of the Countywide Emergency Public Mass Notification System, "Alert OC," and authorize the City Manager to execute the Memorandum of Understanding.

SUMMARY:

In 2013, the City entered into an Agreement with the County of Orange with regards to a countywide emergency mass notification system. The County of Orange Chief Executive Office (CEO) and local emergency management professionals implemented a countywide public mass notification system taking advantage of the newest technologies. The system, named AlertOC, was developed to be utilized by both the County of Orange for regional use, and the individual cities and special districts for localized emergencies. The County's system has been operational since July 2008 and individual cities have adopted the system for local use. We were recently notified of the need to renew the Agreement. Our Agreement had been in effect through June 2016.

BACKGROUND:

The intent of the AlertOC system is to disseminate early warning and time sensitive information to residents and businesses during a disaster or other emergency event. AlertOC is available 24 hours a day, seven days a week, and messages may be sent by phone, email, and text. The system is pre-loaded with Orange County landline phone

Countywide Public Mass Notification System

July 11, 2017

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numbers, listed and unlisted, drawn from the E911 database of telephone service providers. Additionally, mapping technology to associate phone numbers to their geographic locations is included in the software to allow users to target call recipients using a map.

The E911 database will be refreshed on a quarterly basis and residents and businesses will also have the ability to self-register with additional contact information such as cell phones, email addresses, and out-of-area landlines through a link on the City's website.

The AlertOC system will be used to send messages describing an emergency situation and advising the public of the recommended action they should take. It will be particularly valuable in that it can be used to target specific geographic areas or population groups affected by the event, and City staff will define the message to be sent. The AlertOC system can also be used for inter-departmental communications for City staff members. This feature would provide a quick and efficient notification method for City employees in the event an emergency response becomes necessary (e.g. - EOC staffing).

Emergency public notifications are limited to critical public safety related information that must be rapidly disseminated to the public, including:

- Imminent or perceived threat to life or property
- Disaster notifications
- Evacuation notifications
- Public health emergencies
- Public safety emergencies
- Any notification to provide emergency information to a defined community

As a general rule, emergency notifications are to be used when the public is being asked to take a specific action such as evacuate, prepare to evacuate, shelter in place, boil tap water, or notification of the closure of an incident.

Inter-departmental communications are emergency or non-emergency communications of an official nature to first responders, City staff, City Council, or other internal City functions.

City policy will identify several staff members to receive training and authorization to access the system, create messages, define recipient populations, and send messages.

Countywide Public Mass Notification System

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Staff believes that the Countywide AlertOC system is an excellent tool for the City to rapidly and effectively provide emergency information to selected populations or to the community at large.

In order to participate in the AlertOC system, the City is required to approve an MOU with the County of Orange outlining our responsibilities as a participant. At this time staff recommends executing the MOU for the AlertOC system for emergency use only.

FISCAL IMPACT:

There is no cost to participate in the AlertOC Program. The County of Orange agrees to administer the existing system, the vendor contract, and purchase periodic updates to the E911 database and geographic maps through June 2017, which is the term of the MOU.

ATTACHMENTS:

- MOU Mass Notification System
- Exhibit A - Contract between County of Orange and Blackboard Connect
- Exhibit B - Alert OC Operating Procedures
- Exhibit C - Non Disclosure Agreement
- Exhibit D - Individual User Agreement

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF ORANGE
AND
PARTICIPANTS
FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM**

This Memorandum of Understanding, hereinafter referred to as "MOU," dated July 1, 2016, which date is stated for purposes of reference only, is entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the undersigned municipalities, public universities and water agencies responsible for protecting a resident population and maintaining a dedicated public safety answering point (PSAP) within the County of Orange, hereinafter referred to individually as "PARTICIPANT" or collectively as "PARTICIPANTS."

This MOU is intended to establish governance and terms of use for a Countywide Public Mass Notification System.

RECITALS

WHEREAS, COUNTY is sponsoring a Countywide Public Mass Notification System ("System") for the primary intent of providing timely communication to the public during times of emergency; and

WHEREAS, the County is making use of the System available to all cities and agencies within the County of Orange who have the responsibility for protecting a resident population and maintaining a dedicated public safety answering point (PSAP); and

WHEREAS, COUNTY entered into Orange County Agreement No. MA-060-16011934 ("Agreement") with Everbridge, Inc., for the provision of Public Mass Notification System Services, on or about May 24, 2016, attached hereto as Exhibit A, to disseminate critical, time-sensitive emergency information to COUNTY's citizens and businesses through phone and e-mail devices for emergency notification purposes; and

WHEREAS, COUNTY agrees to provide to PARTICIPANTS access to the services provided by Everbridge, Inc. as contained in the Agreement in exchange for abiding by the terms set forth in this MOU; and

WHEREAS, PARTICIPANTS agree to uphold the same terms and conditions of the Agreement, to use the System in compliance with all usage agreements, including but not limited to the End User License Agreement, identified and incorporated herein as Exhibit A (Orange County Agreement No. MA-060-16011934, Exhibit B (Countywide Public Mass Notification System Policy and Guideline) and Exhibit C (Nondisclosure Document), and the terms of this MOU to receive the benefits under the Agreement.

NOW, THEREFORE, the parties agree as follows:

I. Definitions:

“Agreement” shall refer to Orange County Agreement No. MA-060-16011934 between COUNTY and Everbridge, Inc. The Agreement is attached to this MOU as Exhibit A.

“Countywide” shall mean all geographic locations in Orange County, California.

“Contact information” shall mean PARTICIPANT and public contact data stored in the System for the purpose of disseminating communication in accordance with this MOU and its Exhibits.

“Confidential Information” shall include but not be limited to personal identifying information about an individual such as address, phone number, Social Security number, or any other identifier protected from disclosure by law, and/or any other information otherwise protected from disclosure by law, for example, the identity of a victim of a sex crime or a juvenile.

“Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the COUNTY and PARTICIPANTS’ respective jurisdictions.

“Emergency information” shall mean information relevant to the safety and welfare of recipients in the event of an Emergency. Such information shall include but not be limited to instructions and directions to alleviate or avoid the impact of an emergency.

“Emergency notification situation” shall mean instances when emergency information is to be distributed through the System.

“Individual User” shall mean an agent, officer, employee or representative of PARTICIPANT that has been granted access to the System as set forth in this MOU.

“Non-emergency information” shall refer to information that is not relevant to the safety and welfare of recipients, but has been deemed to be of significant importance to a PARTICIPANT’s jurisdiction to justify the use of the System to distribute such information.

“Non-emergency notification situation” shall mean instances when a PARTICIPANT deems non-emergency information to be of significance to a PARTICIPANT’S jurisdiction and the PARTICIPANT uses the System to distribute such information.

“System” shall mean the Public Mass Notification System as provided by Everbridge, Inc. to COUNTY under the Agreement. The System is designed to disseminate information by utilizing common communications, i.e. telephone and e-mail communications to citizens and businesses as permitted under the Agreement.

- II. Hold Harmless:** PARTICIPANT will defend, indemnify and save harmless COUNTY, its elected officials, officers, agents, employees, volunteers and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITIES") from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which COUNTY, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of PARTICIPANT, its officers, agents, employees, subtenants, invitees, or licensees. COUNTY will defend, indemnify and save harmless PARTICIPANT, its officers, agents, employees and volunteers from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which PARTICIPANT, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of COUNTY, its officers, agents, employees, subtenants, invitees, or licensees.
- III. Term:** This MOU shall be in effect from July 1, 2016 and shall expire on June 30, 2021, unless COUNTY funding of the System becomes unavailable at which time PARTICIPANTS will be given six-month advance notice per the termination terms found in Paragraph IX. Termination, below.
- IV. Scope of Services:** PARTICIPANTS shall receive from COUNTY access to the same services being provided by Everbridge, Inc. to the COUNTY under the Agreement. COUNTY's involvement in this MOU is limited only to extending the availability of the terms and conditions of the Agreement to the PARTICIPANTS.
- V. Use:** Use of the System and its data, including but not limited to contact information, is governed by the terms, conditions and restrictions set forth in the terms provided in Exhibit A, B and C. All PARTICIPANTS agree to the terms and conditions contained in Exhibits A, B, and C. COUNTY retains the right to update Exhibits A, B, and C as needed, in whole or in part, during the life of this MOU. Any and all revised Exhibits will be distributed to PARTICIPANTS within five business days of the revision date and shall be incorporated into this MOU. Such modifications to the Exhibits shall not be deemed an amendment for the purposes of Paragraph X. Amendments, below.

PARTICIPANT, including each of its agents, officers, employees, and representatives who are given access to the System, agrees to abide by the individual terms of each agreement and the additional conditions incorporated herein. Breach of use may result in individual user or PARTICIPANT access account termination.

PARTICIPANT agrees to require each Individual User to execute an Individual User Agreement (Exhibit D) regarding their obligations to maintain the confidentiality of login and password information; ensure that they will use the System in accordance with all applicable laws and regulations, including those relating to use of personal information; that they may be responsible for any breach of the terms of the Agreement with Everbridge and/or this MOU; and the confidentiality provisions of this MOU.

PARTICIPANT further agrees to provide a copy of the signed Individual User Agreement to COUNTY and notify COUNTY if an individual user withdraws their consent to the Individual User Agreement at anytime during the term of this MOU.

The scope of services under the Agreement is limited to using the System to distribute business communication to PARTICIPANT inter-departmental resources and/or emergency information to the public in emergency notification situations.

All PARTICIPANTS have read and accept the terms and conditions found in COUNTY's "Countywide Public Mass Notification System Policy and Guideline (June 30, 2008)", attached hereto as Exhibit B.

- VI. Notice:** Any notice or notices required or permitted to be given pursuant to this MOU shall be submitted in writing and delivered in person, via electronic mail or via United States mail as follows:

COUNTY:

County of Orange – Sheriff-Coroner Department
Emergency Management Division
Attn: Donna Boston / Emergency Management
2644 Santiago Canyon Road
Silverado, CA 92676

PARTICIPANTS: Each PARTICIPANT shall provide to COUNTY a contact person and notice information upon entering into this MOU.

Notice shall be considered tendered at the time it is received by the intended recipient.

- VII. Confidentiality:** Each party agrees to maintain the confidentiality of confidential records and information to which they have access a result of their use of the System and pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU. All information and use of the System shall be in compliance with California Public Utilities Code section 2872. No party shall post confidential information as part of a mass notification unless the law allows such information to be released.
- VIII. Termination:** The COUNTY or any PARTICIPANT may terminate its participation in this MOU at any time for any reason whatsoever. If any PARTICIPANT chooses to terminate its participation in this MOU, the terminating PARTICIPANT shall provide written notification in accordance with Paragraph VII. Notice, above. Such notice shall be delivered to the COUNTY 30 days prior to the determined termination date. A terminating PARTICIPANT shall uphold the obligations contained in Paragraph II. Hold Harmless in its entirety and Paragraph VIII. Confidentiality, above. Upon termination, PARTICIPANT agrees to inform each PARTICIPANT user to stop using the System and to relinquish all System access, user accounts, passwords and non-PARTICIPANT data to COUNTY immediately. PARTICIPANT may choose to delete and/or export non-

public PARTICIPANT (aka inter-departmental) owned contact information, as well as, export resident provided contact information prior to termination. Resident provided contact information acquired through PARTICIPANT sources shall remain in the System and available to the County for regional or multi-jurisdictional notification use as needed.

Should COUNTY discontinue its funding for the System, which shall be grounds for COUNTY's termination of its participation, COUNTY shall give PARTICIPANTS six-month advance courtesy notice prior to terminating the Agreement. All other reasons for terminating by COUNTY shall be valid upon providing notice to the PARTICIPANTS. Upon termination by COUNTY, this MOU shall no longer be in effect.

Termination by a PARTICIPANT shall not be deemed an amendment to this MOU as defined in Paragraph X. Amendments, below.

- IX. Amendments:** This MOU may be amended only by mutual written consent of the parties involved unless otherwise provided for in this MOU. The modifications shall have no force and effect unless such modifications are in writing and signed by an authorized representative of each party. Termination by a PARTICIPANT or adding a new PARTICIPANT to this MOU shall not be deemed an amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the dates opposite the signatures.

COUNTY OF ORANGE

By: _____
Sandra Hutchens, Sheriff-Coroner
County of Orange

Date: _____

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

PARTICIPANT: _____

By: Wendy A. Phillips
Date: 5/9/16

By: _____
Authorized Signature

Date: _____

Print Name and Title

EXHIBIT A

CONTRACT # MA-060-13011688

THIS AGREEMENT (hereinafter "Contract") for the procurement of a Public Mass Notification System, as further described herein is made and entered into as of the date fully executed by and between the County of Orange, operating through its Sheriff's Department, a political subdivision of the State of California, hereinafter referred to as "County" and Blackboard Connect, Inc., with a place of business at 15301 Ventura Blvd., Suite 300, Building B, Sherman Oaks, CA 91403, hereinafter referred to as ("Contractor"), which is sometimes individually referred to as "Party", or collectively referred to as "Parties."

RECITALS

WHEREAS, Contractor responded to a Request for Proposal (RFP) to provide a Public Mass Notification System, as further set forth herein; and

WHEREAS, the Contractor responded and represented that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, the County of Orange Board of Supervisors has authorized the Purchasing Agent or his designee to enter into a Contract for a Public Mass Notification System;

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another County.
- B. **Entire Contract:** This Contract, including Attachments A, B, and Exhibits I and II, which are attached hereto and incorporated herein by this reference, contains the entire Contract between the Parties with respect to the matters herein and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing County's Purchasing Agent or his designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

Blackboard Connect, Inc.
File Folder 625420

1

Contractor Initial: 
Contract # MA-060-13011688

E. Acceptance/Payment: Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, or tested to the satisfaction of County in accordance with Attachment A, and 2) payment(s) shall be made in accordance with Attachment B after satisfactory acceptance and within 30 calendar days upon the Auditor-Controller's receipt of an approved invoice submitted in accordance with the terms set forth herein, unless otherwise stated. The invoice must be verified and approved by the County's Project Manager and is subject to routine processing requirements of the County. In the event the Contract is terminated for any reason, County shall immediately receive one – twelfth (1/12) of all prepaid Annual License and/or Annual Software Maintenance and Support Fee (as listed in this Contract) for each month or portion thereof remaining for the Contract term as listed in Attachment A of this Contract. The County agrees that use of the Service for any purpose other than testing shall constitute acceptance.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the services.

F. Warranty: The Service is provided 'as is' and shall be made available on a 99.99% uptime basis. To the maximum extent permitted under applicable law, Contractor expressly disclaims all other representations and warranties.

G. Patent/Copyright Materials/Proprietary Infringement:

Contractor will defend, indemnify, and hold harmless County to the extent of a claim that the Service infringes any copyright or U.S. patent. Contractor's obligations hereunder are contingent on the following conditions:

- (i) County will notify Contractor in writing promptly after County becomes aware of a claim; and
- (ii) The County will cooperate with Contractor in the settlement, compromise, negotiation, and defense of any such action. Contractor will reimburse County for reasonable out of pocket expenses that it incurs providing that assistance; and
- (iii) County must provide Contractor with all information related to the action that is reasonably requested by Contractor; and
- (iv) If as a result of an infringement claim, County's use of some or of all the Service is enjoined by a court of competent jurisdiction, Contractor will at its option either:
 - a. Modify or replace either all of or the infringing part(s) of the Service so that they are no longer infringing, provide that the so modified Service is substantially equivalent in all material respects to the infringing parts of the Service; or
 - b. Procure the right for Contractor and County to continue using the infringing part of the Service; or
 - c. If neither of the foregoing options is available to Contractor using commercially reasonable efforts, Contractor will terminate the Contract and refund to County all amounts paid by County to Contractor with respect to such affected service

except for such amounts that are due and payable by the County at the time of termination.

- (v) Contractor will not be liable hereunder for any settlement made by the County without Contractor's advance written approval or for any award from any action in which the County did not act co-operatively with the Contractor in the settlement, compromise, negotiation, and defense of such actions; and
- (vi) The foregoing indemnity shall not apply to any infringement claim to the extent arising from the County's use of the Service in a manner not authorized by Contractor and/or County's use of the Service with software or hardware, not provide by Contractor, where the use with such other software or hardware, gave rise to the infringement claim.

H. Assignment or Sub-contracting: The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by the Contractor without the express written consent of County. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.

I. Non-Discrimination: In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties imposed for a violation of Anti-Discrimination Law or regulation, including but not limited to, Section 1720 et seq. of the California Labor Code.

J. Termination: In addition to any other remedies or rights it may have by law, County has the right to terminate this Contract without penalty after 30 days' written notice. Either Party may terminate this Contract in the event of a material breach by the other Party, which breach remains uncured for ten (10) days following written notice to the breaching Party. Cause shall be defined as any breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation(s). Except for the application of Additional Terms and Conditions Section 3, for services rendered which meet the specifications detailed in the Scope of Work and are deemed acceptable by the County, amounts will be invoiced or otherwise due and payable at the time of termination and shall be paid by the County for the exact time up to the date of termination and as governed by Paragraph E – Acceptance/Payment.

K. Consent to Breach Not Waiver: No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

L. Remedies Not Exclusive: The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of

certain remedies in this Contract does not preclude resort by either Party to any other remedies provided by law.

- M. **Independent Contractor:** Contractor shall be considered an independent Contractor and neither the Contractor, employees nor anyone working for Contractor under this Contract shall be considered an agent or an employee of County. Neither the Contractor, employees nor anyone working for the Contractor under this Contract shall qualify for workers' compensation or other fringe benefits of any kind through County.
- N. **Performance:** Contractor shall perform all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors.
- O. **Indemnification and Insurance:**

INDEMNIFICATION PROVISIONS

Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County INDEMNITEES, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

INSURANCE PROVISIONS

Prior to the provision of services under this contract, the contractor agrees to purchase all required insurance at contractor's expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this contract. In addition, all subcontractors performing work on behalf of contractor pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for contractor.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a 0 by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management.

If the contractor fails to maintain insurance acceptable to the County for the full term of this contract, the County may terminate this contract.

Qualified Insurer

Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com shall be A- (Secure A.M. Best's Rating) and VIII (Financial Size Category).

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier). If the carrier is a non-admitted carrier in the state of California and does not meet or exceed an A.M. Best rating of A-/VIII, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings. If the non-admitted carrier meets or exceeds the minimum A.M. Best rating of A-/VIII, the agency can accept the insurance.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Errors & Omissions Liability Insurance	\$1,000,000 per claims made or per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

- 1) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the County of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds.
- 2) A primary non-contributing endorsement evidencing that the contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

All insurance policies required by this contract shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.

Contractor shall, with respect to all insurance policies required by this contract, give the County of Orange 30 days notice in the event of cancellation and 10 days for non-payment of premium.

If Contractor's Errors & Omissions policy is a "claims made" policy, Contractor shall agree to maintain Errors & Omissions coverage for two years following completion of contract.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

- P. Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.
- Q. Changes:** Contractor shall make no changes in the work or perform any additional work without the County's specific written approval.

- R. **Change of Ownership:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of County.
- S. **Force Majeure:** Contractor shall not be in breach of this Contract during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- T. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- U. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "P" above, Contractor agrees that it shall defend, indemnify and hold County and County INDEMNITEES harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- V. **Freight (F.O.B. Destination):** Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
- W. **Pricing:** The Contract price, as more fully set forth in Attachment B, shall include full compensation for providing all required goods in accordance with required specifications, or services as specified herein or when applicable, in the scope of services attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract.
- X. **Waiver of Jury Trial:** To the extent enforceable under California law, each Party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Contract and /or any other claim of injury or damage.
- Y. **Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.

- Z. Headings:** The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- AA. Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- BB. Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- CC. Attorneys Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorney's fees, costs and expenses.
- DD. Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing, or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other Party hereto or by any person representing them, or both. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the Party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the Parties and this Contract.
- EE. Authority:** The Parties to this Contract represent and warrant that this Contract has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
- FF. Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

Additional Terms and Conditions

- 1. Term of Contract:** This Contract shall commence July 6, 2013 and upon execution of all necessary signatures and approval of the County of Orange Board of Supervisors, and shall be

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effective for three (3) years from that date, unless otherwise terminated by County. This Contract may be renewed for one (1) additional one (1) year term by mutual agreement of both Parties. The County does not have to give reason if it elects not to renew.

2. **Scope of Services:** This Contract, including any Attachments and Exhibits, specifies the contractual terms and conditions by which the Contractor shall provide a Public Mass Notification System, as described in Attachment A - Scope of Work (and all other documents referenced in Attachment A), under a fixed price contract based upon payments, as set forth herein. Contractor agrees this Contract shall not be adversely impacted by any other projects the Contractor is conducting. Nothing in this Contract shall prohibit the County from acquiring the same type or equivalent type of services from other sources.
3. **Contingency of Funding:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty. For services rendered during the County fiscal year for which appropriations were made, and which meet the specifications detailed in the Scope of Work and are deemed acceptable by the County, amounts will be invoiced or otherwise due and payable at the time of termination.
4. **Project Manager:** The County and the Contractor shall each appoint a Project Manager to act as liaison between each Party during the term of this Contract. The County's Project Manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager and key personnel. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within 14 calendar days after written notice by the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager and key personnel. Said approval shall not be unreasonably withheld.

5. **Precedence:** The Contract documents herein consist of this Contract and its attachments. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the attachments.
6. **Conflict of Interest:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor's employees, agents, and relatives; sub-tier Consultants; and third parties associated with accomplishing work and services hereunder. The Contractor's efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the County.

7. **Child Support Enforcement Requirements:** In order to comply with the child support enforcement requirements of the County, within ten days of notification of selection of award of Contract but prior to official award of Contract, the selected Contractor agrees to furnish the required Contractor data and certifications to the agency/department deputy purchasing agent.

Failure of the Contractor to timely submit the data and/or certifications required may result in the Contract being awarded to another Contractor. In the event a Contract has been issued, failure of the Contractor to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.

8. **Publication:** No copies of sketches, schedules, written documents, computer based data, photographs, maps or graphs, including graphic art work, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be administered only by the County unless otherwise agreed to by both Parties.
9. **News/Information Release:** The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the County through the County's project manager.
10. **Reports/Meetings:** Upon County's request, the Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this Contract. The County's project manager and the Contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the Contractor's project manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this Contract.
11. **Contract Disputes:** The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's project manager and the County's project manager, such matter shall be brought to the attention of the County's Purchasing Agent by way of the following process:
- a. The Contractor shall submit to the agency/department deputy purchasing agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
 - b. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and

that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.

- c. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract. Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County's Purchasing Agent or his designee. If the County fails to render a decision within 90 days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. The County's final decision shall be conclusive and binding regarding the dispute unless the Contractor commences action in a court of competent jurisdiction.

12. **Termination ~ Orderly:** Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all assets, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.
13. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.
14. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the Parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

County:

Sheriff-Coroner / Emergency Management
Attn: Raymond Cheung
2644 Santiago Canyon Road
Silverado, CA 92676
Ph: 714-628-7058

cc:

Sheriff-Coroner / Purchasing Services Bureau

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Contractor Initial: 
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Attn: Buyer
 320 N. Flower Street
 Santa Ana, Ca 92703
 Ph: 714-834-4700

Contractor:

Blackboard Connect, Inc.
 15301 Ventura Blvd.
 Suite 300
 Building B
 Sherman Oaks, CA 91403
 Attn: John Smith
 Ph: 818-808-1738
 Fx: 818-808-1702

- 15. Ownership of Documents:** County will own all data and material provided by the County to Contractor. The County will only receive the right to use the Service and materials pertaining to the Service, during the term of, and in accordance with, the Contract. Nothing in the Contract will grant or transfer to the County any ownership rights in the Service or materials pertaining to the provision of the Service. The County acknowledges and agrees that the Service, the data provided by Contractor, training guides and all other materials pertaining to the use of the Service are not purchased or developed with County funds, and may not be utilized or reproduced without the written permission of Contractor.
- 16. Title to Data:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor outside of the described scope of work during, after completion or termination of this Contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this Contract.
- 17. Contractor's Records:** Contractor shall keep an accurate record of time expended by Contractor in the performance of this Contract. Such record shall be available for periodic inspection by the County at reasonable times. Such records will be retained for three (3) years after the expiration or termination of this Contract.
- 18. Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract, and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.
- 19. Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the

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County in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

- 20. Contractor Safety Standards and Work Hours:** The Contractor will ensure compliance with all safety and hourly requirements for employees in accordance with Federal, State, and County safety and health regulations and laws.
- 21. Audit:** The County's duly authorized representative shall have access, at reasonable times, to all reports, Contract records, documents, files and personnel necessary to audit and verify the Contractor's charges to the County hereunder. The Contractor agrees to retain reports, records, documents, and files related to charges hereunder for a period of three years following the date of final payment for the Contractor's services hereunder and such records shall be located in Sherman Oaks, California. The County reserves the right to audit and verify the Contractor's records before final payment is made. Audits and inspections shall take place as follows: a) such audit or inspection occurs no more than once per year; b) such audit or inspection is limited solely to records and data directly applicable to the County and/or solely to Contractor's employees rendering services to the County, and does not entitle the County to access information related to any other of the Contractor's clients; c) such audit or inspection does not include a record reproduction right with respect to Contractor confidential information; and d) such audit or inspection is at the County's sole cost and expense. The County's representatives shall have the right to reproduce any of the aforesaid documents.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this Contract shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the County's Project Manager.

- 22. Authorization Warranty:** The Contractor represents and warrants that the person executing the Contract on behalf of and for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

23. Security Requirements:

- A. Contractor shall, with respect to all employees of Contractor performing services hereunder:**
1. Perform background checks as to past employment history.
 2. Inquire as to past criminal felony convictions.
 3. Ascertain that those employees who are required to drive in the course of performing services hereunder have valid California driver's licenses and no DUI convictions within two (2) years prior to commencement of services hereunder.
 4. Perform drug screening to determine that such employees are not users of illegal drugs or other substances.
 5. Have employee complete and sign Contractor Security Clearance and Orange County Jail Release of Liability documents, as required by Orange County Sheriff's Department.

B. Contractor shall not assign to the County property any Contractor personnel as to whom the foregoing procedures indicate:

1. Inability or unwillingness to perform in a competent manner.
2. Past criminal convictions for theft, burglary or conduct causing property damage or mental or physical harm to persons.
3. Where such employee's duties include driving a vehicle, absence of a valid California driver's license or a DUI conviction within the prior two (2) years.
4. Usage of illegal drugs or other substances.

C. If any of the problems identified with respect to the Contractor's employees are discovered after assignment of an employee to County property, or if County otherwise reasonably deems an assigned employee unacceptable, Contractor shall remove and replace such employee at the County property.

D. Nothing herein shall render any employee of Contractor an employee of County.

E. THE CONTRACTOR'S PERSONNEL REQUIREMENTS:

All employees must pass the County's background check and meet all requirements as set forth below:

1. Pass Contractor's Personnel-Background Checks.
2. All personnel to be employed in performance of the work under this Contract shall be subject to background checks. Clearance must be updated and renewed every twelve (12) from original date of clearance.
3. No person shall be employed on this work that has not received prior clearance from the Sheriff's Department.
4. Within 15 days of the effective date of this Contract, the Contractor shall prepare and submit a complete and accurate "Contractor Security Clearance" and "Orange County Jail Release of Liability" information form for all Contractor's employee who will be working on or who will need access to the Sheriff's facilities to perform work covered by this Contract. County project manager shall provide form(s) to Contractor's project manager.
5. "Contractor Security Clearance" and "Orange County Jail Release of Liability" information forms for renewal, at specified intervals and for new employees of Contractor, shall be submitted at least ten (10) County working days prior to the expiration of an existing clearance or prior to the use of any person for work occurring on Sheriff's Facilities.
6. "Contractor Security Clearance" and "Orange County Jail Release of Liability" information forms must be submitted on the original Sheriff's printed form. Facsimile or photocopy forms will not be accepted.

7. "Contractor Security Clearance" and "Orange County Jail Release of Liability" information forms will be provided by the County Project Manager upon request and will be screened by the Sheriff's Department.
8. "Contract Security Clearance" and "Orange County Jail Release of Liability" information forms shall be thoroughly and accurately completed. Omissions or false statements, regardless of the nature or magnitude, may be grounds for denying clearance.
9. The Orange County Sheriff Department will not give the reason an individual's clearance is denied.

F. GENERAL SECURITY REQUIREMENT-AT WORKSITE:

1. All work areas shall be secured prior to the end of each workday.
2. Workmen shall have no contact, either verbal or physical, with inmates in the facility. Specifically:
 - a. Do not give names or addresses to inmates.
 - b. Do not receive any names or addresses from inmates.
 - c. Do not disclose the identity of any inmate to anyone outside the facility.
 - d. Do not give any materials to inmates.
 - e. Do not receive any materials from inmates (including materials to be passed to another individual or inmate).
3. Contractor's personnel shall not smoke or use profanity or other inappropriate language while on site.
4. Contractor's personnel do not enter the facility while under the influence of alcohol, drugs or other intoxicants and do not have such materials in their possession.
5. Failure to comply with these requirements is a criminal act and can result in prosecution.
6. Contractor's personnel shall plan their activities to minimize the number of times they must enter and exit a facility, i.e., transport all tools, equipment, and materials needed for the day at the start of work and restrict all breaks to the absolute minimum.
7. Contractor's personnel shall follow any special security requirements issued by the onsite contact person or escort Deputy.
8. Contractor's personnel shall report either to the on-site contact person when leaving the facility, temporarily or at the end of the workday.

9. Contractor's personnel shall immediately report all accidents, spills, damage, unusual conditions and/or unusual activities to the onsite contact person or any Sheriff's Deputy.
10. Contractor's personnel shall securely close and check all gates and doors to ensure that they are tightly closed and locked.
11. Contractor's personnel shall restrict all activities to the immediate work site and adjacent assigned areas.
12. Contractor's personnel shall remain with the assigned escort at all times, unless otherwise directed by the onsite contact person.

G. POTENTIAL DELAYS/INTERRUPTIONS:

1. Contractor shall acknowledge that the primary purpose of the detention facilities is the safe and secure operation of those facilities. To that end:
 - a. Contractor's personnel who enter a Sheriff facility but have not passed the security screening, or who have falsified the security screening information, or who have outstanding warrants or the Sheriff may detain warrants.
 - b. Contractor's personnel shall immediately comply with all directions and orders issued by Sheriff's personnel, other than changes regarding the quality or quantity of work, which will be controlled by the designated Authorized Service Requestor, County Project Manager, Contract Coordinator or the Contract Administrator.
 - c. Contractor's personnel may be delayed or denied access to the facility due to unforeseen events that may affect the availability of security escorts.
 - d. Contractor's personnel may be ordered to leave a facility prior to the completion of their work or the end of the workday by unforeseen incidents occurring within secure environments.
 - e. Contractor's personnel may be detained within a facility until Sheriff's personnel resolve an incident.
24. **Policies and Procedures:** Contractor, its subcontractors, the Contractor personnel, and all other agents and representatives of Contractor, will at all times comply with and abide by all Information Technology (IT) policies and procedures of the County that are provided or made available to Contractor that reasonably pertain to Contractor (and of which Contractor has been provided with advance notice) in connection with Contractor's performance under this Contract. Contractor shall cooperate with the County in ensuring Contractor's compliance with the IT policies and procedures described in this Contract and as adopted by the County from time-to-time, and any material violations or disregard of such IT policies or procedures shall, in addition to all other available rights and remedies of the County, be cause for termination of this Contract.
25. **Security and Policies:** All performance under this Contract shall be in accordance with the County's security requirements, policies, and procedures as set forth in Section 24. Policies and Procedures and as modified, supplemented, or replaced by the County from time to time, in its

sole discretion, by providing Contractor with a written copy of such revised requirements, policies, procedures reasonably in advance of the date that they are to be implemented and effective (collectively, the "Security Policies"). Contractor shall at all times use industry best practices and methods with regard to the prevention, detection, and elimination, by all appropriate means, of fraud, abuse, and other inappropriate or unauthorized access to County systems accessed in the performance of services in this Contract.

26. **Information Access:** The County may require all Contractor personnel performing services under this Contract to execute a confidentiality and non-disclosure agreement concerning access protection and data security in the form provided by County. The County shall authorize, and Contractor shall issue, any necessary information-access mechanisms, including access IDs and passwords, and in no event shall Contractor permit any such mechanisms to be shared or used by other than the individual Contractor personnel to whom issued. Contractor shall provide each Contractor Person with only such level of access as is required for such individual to perform his or her assigned tasks and functions. All County systems, and all data and software contained therein, including County data, County hardware and County software, used or accessed by Contractor: (a) shall be used and accessed by such Contractor solely and exclusively in the performance of their assigned duties in connection with, and in furtherance of, the performance of Contractor's obligations hereunder; and (b) shall not be used or accessed except as expressly permitted hereunder, or commercially exploited in any manner whatsoever, by Contractor, at any time.
27. **Enhanced Security Procedures:** The County may, in its discretion, designate certain areas, facilities, or systems as requiring a higher level of security and access control. The County shall notify Contractor in writing reasonably in advance of any such designation becoming effective. Any such notice shall set forth in reasonable detail the enhanced security or access-control procedures, measures, or requirements that Contractor shall be required to implement and enforce, as well as the date on which such procedures and measures shall take effect. Contractor shall fully comply with and abide by all such enhanced security and access measures and procedures as of such date.
28. **Breach of Security:** Any breach or violation by Contractor of any of the foregoing shall be deemed a material breach of a material obligation of Contractor under this Contract and may be deemed an incurable and material breach of a material obligation of Contractor under this Contract resulting in termination.
29. **Conduct on County Premises:** Contractor shall, at all times, comply with and abide by all reasonable policies and procedures of the County (or that may be established thereby, from time to time) that pertain to conduct on the County's premises, possession or distribution or contraband, or the access to, and security of, the Party's real property or facilities, to the extent that the Contractor has been provided with a copy of each such policy or procedure. Contractor shall exercise due care and diligence to prevent any injury to persons or damage to property while on the other Party's premises. The operation of vehicles by either Party's personnel on the other Party's property shall conform to posted and other applicable regulations and safe-driving practices. Vehicular accidents occurring on a Party's property and involving either Party's personnel shall be reported promptly to the appropriate Party's personnel. Each Party covenants that at all times during the Term, it, and its employees, agents, and Subcontractors shall comply with, and take no action that results in the other Party being in violation of, any applicable federal, state, and local laws, ordinances, regulations, and rules. Each Party's personnel shall clearly identify themselves as the appropriate Party's personnel and not as

employees of the other Party. When on the other Party's premises, each Party's personnel shall wear and clearly display identification badges or tags, as approved by the other Party.

30. **Security Audits:** Each Contract Year, County may perform or have performed security reviews and testing based on an IT infrastructure review plan. Such testing shall ensure all pertinent County security standards as well as any customer agency requirements, such as federal tax requirements or HIPAA.
31. **Limitation of Liability:** In no event will Contractor, its officers, employees, representatives or licensors be liable to County for any indirect, punitive, reliance, special, consequential, exemplary, or other similar damages of any kind of nature whatsoever, suffered by the other Party or any third party (including without limitation, business interruption, downtime, or any use of, or failure to use the Service, or any loss of business, contracts, profits, anticipated savings, goodwill or revenue, or any loss or corruption of data), arising out of this Contract, the Service, or the transactions contemplated hereby, even if the Contractor has been advised of the possibilities of such damages or should have foreseen such damages. Contractor, its officers and employees will not be liable for any damages or injury with respect to the performance of the Service, including, but not limited to, any failure of performance, error, omission, defect, delay, computer virus, or line failure, interruptions or disruptions in the services contemplated under this Contract caused by or resulting from any act, omission or condition beyond Contractor's reasonable control, whether or not foreseeable or identified, including but not limited to, transmission errors, or corruption or security of information carried over telecommunication lines, failure of digital transmission links, hostile network attacks or network congestion, or acts of God, acts of war, governmental regulations, public utilities or telecommunication providers, shortage of equipment, materials or supplies, fire, power failure, earthquakes, severe weather, floods or other natural disaster or the County's or any third party's applications, hardware, software or communications equipment or facilities, unless same results from the intentional or willful acts of Contractor. Contractor is not responsible to the County, any of County's Recipients or any other third party regarding the accuracy or validity of the data entered through the Web Portal and Contractor makes no warranty that the Web Portal will be error-free or that access thereto will be uninterrupted. Under no circumstances will the aggregate liability of Contractor to the County or any third party arising out of or related to this Contract or the provision of the Service, exceed the aggregate fees paid to Contractor under this Contract during the 12 month period immediately prior to the event, act or omission giving rise to such liability, regardless of whether any action or claim is based on warranty, indemnification, contract, tort or otherwise. The existence of multiple claims will not enlarge this limit. The foregoing limitations of liability are intended to apply without regard to whether other provisions of this Contract have been breached or have proven ineffective. Nothing contained in the foregoing limits or excludes the liability of Contractor for liability which cannot be excluded by law.
32. **Cooperative Agreement:** The provisions and pricing of this Contract will be extended to other political sub-divisions and County of Orange agencies/departments. Political sub-divisions and County of Orange agencies/departments wishing to use this Contract will be responsible for issuing their own documents/subordinate contracts, providing for their own acceptance, and making any subsequent payments. These entities will hold harmless the County of Orange from all claims, demands, actions or causes of actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the use of this Contract. The cooperative entities are responsible for providing each cooperative entity a copy of the Contract upon request by the cooperative entity. The County of Orange makes no guarantee of usage by

other users of this Contract. The County of Orange may authorize the loading of this Contract into an electronic commerce system.

- 33. First Responder Services:** The primary recourse for the County in the event of any actual or potential threat to person or property should be to contact First Responder Services. "First Responder Services" are typically defined as Law Enforcement, Fire Departments, EMS Services, Hazmat Responders, and other like services. Contractor's Service is not intended to replace First Responder Services, or to be used for communicating with, or replace notification to, or interoperate directly with, First Responder Services, which should have already been notified and deployed prior to using the Service.

(Signature Page Follows)

Contract Signature Page

The Parties hereto have executed this Contract # MA-060-13011688 on the dates shown opposite their respective signatures below.

***Contractor: Blackboard Connect, Inc.**

By: [Signature] Title: Vice President
 Print Name: Jess Frazier Date: 1 April, 2013

***Contractor: Blackboard Connect, Inc.**

By: [Signature] Title: SECRETARY
 Print Name: Michael C. Bisignano Date: 1 APRIL, 2013

*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers.

County Of Orange

A political subdivision of the State of California

By: [Signature] Title: PURCHASING MANAGER
 Print Name: Douglas Pippins Date: 5/22/13

Approved by Board of Supervisors on: 5/21/13

Approved as to Form
 Office of the County Counsel

By: [Signature]
 Angelica C. Daftary, Deputy

**ATTACHMENT A
SCOPE OF WORK
PUBLIC MASS NOTIFICATION SYSTEM**

1. Requirements

Contractor shall implement a County-wide public mass notification system with the primary objective of quickly delivering alert, warning, and instructional messages via phone, SMS, and/or e-mail to County residents and businesses during times of disaster. The Contractor shall provide to County a production ready system licensed for use throughout Orange County's entire region.

Contractor shall provide a system with sufficient administrative controls to manage system use across County and city public safety jurisdictions. System users shall only be capable of viewing information and launching notification sessions to citizens within their jurisdiction. The system shall have sufficient functionality, security and bandwidth to accommodate County-wide data, regional use, multilingual outbound messages, geographical call list generation, and tiered system administration and use. Contractor's service shall be a Software as a Service ("SaaS") that will accomplish the County's mass notification objectives stated herein. Contractor's county-wide mass notification system shall include, but is not limited to, the following:

- a. Facilitate public mass notification distribution.
- b. Tiered administration and security levels to optimize, manage, and control system use. The service shall be highly configurable to provide granular user rights and roles, restricting data access and administrative oversight to the appropriate personnel. The contractor shall work in conjunction with the County to define multiple user groups with different levels of access. Specific rights and roles for each user account profile shall be established that restrict or allow defined functions and access to various levels of the database based upon the profile. Each department and user shall have full access to the appropriate areas of his or her purview, with capability to communicate across departments or to the public, while still providing a secure environment in which only the appropriate personnel have service access to notify their respective stakeholders.
- c. Intuitive and easy to use interface that requires minimal training with an easy, user-friendly message initiation process. There shall be four methods for delivery of messages:
 1. Web User Interface: The authorized user will log-in to the Blackboard Connect service via the web interface
 2. Dial-In Messaging Card: The user will be issued a Dial-In Messaging Card that can be kept in a wallet. On this card the toll-free number the user calls from the User Interface will be on the card as well as the User ID. Upon entering the Message Assistant, the user can enter their password and follow a series of telephonic prompts to send a message directly from the phone as if he/she is using the User Interface
 3. iPhone or Android application: The user can also create and send a message using our iPhone/iPad/iPod or Android application on any 3G or Wifi Network. The Connect App allows the user to create a voice, email and/or text message and send it to any of the groups that are created or held within the County's

Connect account. The User can create voice messages by recording them directly into the iPhone/iPad/iPod without leaving the application or dialing the message assistant number.

4. Client Care Help Desk: If the user has any difficulty following the prompts, the 24/7/365 Client Care Team is available to assist the user. Or if the user wishes to call a group other than the crisis team or "all" contacts, again, the Client Care team can support the user.
- d. Ability for citizens to register phone numbers and e-mail addresses via the County's website. Contractor shall provide an interactive, multi-lingual web portal for augmented data collection beyond the initial number, to allow constituents to specify calling preferences, such as primary and secondary contact information, opt-in cell phone numbers, request TTY/TDD calling, and indicated a home language preference. The portal shall integrate with the service for data upload. Data collected on the web portal shall be entered directly into City's account. Authorized City users can export that data as frequently as they wish. The public and businesses may self-subscribe through the portal for cell phone, make additional opt-out selections, identify primary notification numbers, etc.
- e. Ability for agencies to utilize the system for internal notification use including a message in the form of a customized survey with up to nine (9) questions to send to contacts. The recipients respond to a message via their telephone keypad. The service shall tabulate the results and then provides them to users via the website and e-mail reports.
- f. Dissemination of messages to Telecommunications Device for the Deaf (TTD) / TeleType (TTY). The service shall detect if a TTY message reaches a person or a machine and allow users to send messages to multiple devices, including TTY/TDD devices, to maximize access and outreach to the community. This capability shall be identified in the record for each address by the individual via the portal.
- g. Dissemination of messages in citizen's preferred language (Spanish, Vietnamese, or English). The service shall recognize and extract the native language from a client database field for each contact and facilitate the grouping of messages by the language spoken. The service shall support voice notification in multiple languages. Text messaging and email will be available in all Roman alphabet languages. Text-to-voice conversion shall be preloaded in English, Chinese (Cantonese), Chinese (Mandarin), Danish, Dutch, French, German, Italian, Japanese, Korean, Norwegian, Polish, Portuguese, Russian, Spanish, Swedish and Vietnamese. Text-to-text translation is available from English to Danish, Dutch, French, German, Italian, Norwegian, Portuguese, Spanish, Swedish and Vietnamese.
- h. Accurate, up-to-date County-wide constituent phone and e-mail data. The service shall have an automated, unattended process to import 911 or any other County provided data.
- i. Up-to-date County geographical maps. All County data shall be automatically geo-coded with latitude and longitude coordinates to allow the County to make geographically specific calls (e.g. calling within a one mile radius of an incident, etc.). The service shall provide an intuitive geo-mapping tool that will allow the County to create specific call list for certain areas of the County's by quick and easily drawing shapes on a map. This tool shall also accept GIS Generated Boundary Files ("shape files") and save them in the system for users to recall them at the point of need, as often as desired

- j. Capability of geo-coding AT&T and Verizon phone data to County-wide geographical maps. The Contractor shall utilize data extracted from the 9-1-1 database, and employ methods and procedures to ensure that the outbound telephone subscriber notification database is regularly managed, geo-coded, error-corrected and updated. Service shall allow for a pre-geocoded import, provides monthly non-geocoded reports upon request. All geo-coding information (i.e. lat/long) is the property of the County and is available upon request.
- k. Capability of generating call lists via geographical map selection. The service will provide an intuitive geo-mapping tool that will allow the County to create specific call list for certain areas of the County by quick and easily drawing shapes on a map. For the most precise map shapes, this tool will also accept GIS Generated Boundary Files ("shape files") and save them in the system for users to recall them at the point of need, as often as desired.
- l. Sufficient security, backup, and redundancy. Contractor shall utilize the following measures to support physical equipment and subsequent data security: Data facilities with redundant power feeds and data connectivity, are fireproof, flood proof, and have level 4 rating earthquake protection; All data shall be maintained at data centers with 24/7/365 manned monitoring by experienced security personnel; Access to all data shall be limited to specific authorized personnel with valid identification, handprint identification, and a key card to enter the facility; and, Databases segregate into isolated VLANs with stringent access control lists (ACLs) to protect data entering and exiting Blackboard Connect's network. Contractor shall utilize secure transmissions for all data transfer to and from the clients' sites. Specifically, Contractor shall utilize the following protocols to ensure secure data transfers: HTTPS/SSL/SFTP. All data transmitted to and from a client administration website shall utilize secure transmissions that use 128 bit SSL encryption or better. All data transfer shall be performed using either SSL or SecureFTP at the County's preference; Firewalls. All Contractor database servers at all data centers shall be behind a firewall, inaccessible from the outside and secured on a separate Virtual Local Area Network (VLAN) with non-routable IP addresses to the Internet. All firewalls shall be monitored 24/7/365 by experienced security personnel using the latest industry standard tools; Controlled Access. Employee access shall be controlled by stringent access control lists and requires domain level authentication for access; and, DMZs. Contractor web servers shall reside in a perimeter security network called a demilitarized zone (DMZ) that separates the internal network from the outside world.
- m. Contractor shall guarantee a 99.99% uptime of service so that the County can initiate messages when necessary.
- n. The ability to deliver 3.2 million 60 second voice calls per hour and 1.8 million text and email messages per hour.
- o. Integration, and is registered, with FEMA's Integrated Public Alert and Warning System (IPAWS) and the Commercial Mobile Alerting System (CMAS).

III. Contractor Responsibilities

Contractor shall perform services as follows:

- 1. Solution: Contractor shall provide a public mass notification system that meets the County's functional and technical requirements specified in this Contract, including all

hardware, software, and communications equipment required to support the business objectives.

2. **Design Specification:** Contractor shall provide a detail system design specification document, with diagram, that represents all components required of the public mass notification system and identifies how the system will be installed and accessed from within and outside the County's network environment.
3. **Implementation Services:** Contractor shall perform and complete the services, tasks, and obligations listed herein:
Schedule

Phase 1 - Implementation Deliverables

Weeks 1-2 After Contract Execution

- **Contract Execution:** Contractor's Client Care Team will begin the integration process immediately upon receipt of the executed contract.
- **County Identifies a Project Manager:** This person will be the primary contact person for the Contractor's Client Care Team to establish an Implementation timeline and Training schedule.
- **County identifies IT/Data Lead Contact:** This person will interface with Contractor's Integration Specialists to upload all message recipient data, such as phone numbers, emails and SMS information.
- **Establish Roll-out Schedule:** Contractor's Client Care works with the County Project Manager and IT/Data Lead to establish an implementation timeline for the upload of data, training of users, and launch of the Connect service.
 - **Define User Rights and Roles:** Contractor's Client Care and County collaborate, set expectations and define roles for launch and usage. County sets rights and roles for all users based upon user type, role, privileges, and responsibilities.
- **Upload Employee Data:** Contractor will import employee contact data and integrate with County's HR and other database systems, establishing regularly scheduled automated, unattended imports. Contractor will work with County and provide autoscripts, as needed, to automate uploads for all data.
 - **Web Portal Established:** Contractor will set-up a web portal for County, using County-specified parameters, including drop down for language preference, etc. The portal will collect augmented community data, such as e-mail and SMS contacts. Additionally, the Client Care Team will work with County to establish a link from the County website to the portal.

Phase 2 - Training Deliverables

Week 3-4 After Contract Execution

- **Initial Training:** A 75-90 minute training session for each identified user in County is included at no additional cost. Unlimited additional training, as needed, is available throughout the life of the Contract. Contractor

anticipates training will be completed in no more than 1 week. The number of users granted access to Connect and trained is determined by County.

- **Documentation Provided:** County Users receive - User Guides, Send-A-Message "Cheat Sheets", Reference Guides and Dial-In Messaging cards (if their identified role warrants it). County Champion receives a User Management Guide, County Guidelines, Introduction Letters, a Welcome Packet and other forms and templates. The IT/Data Lead receives a Data Reference Guide, an Upload Reference Guide and sample data files
- **Public Relations Roll-Out:** As part of the roll-out, Contractor will work closely with the Sheriff's Community Relations Department along with our contracted PR Agency to help plan and distribute press releases, prepare letters of explanation for the community and formulate strategies to assist the County to proactively launch the service to the community.

Phase 3 - Ongoing Deliverables

Ongoing for the Lifetime of the Contract

- **Ongoing Training:** Unlimited training, new user training and refresher training are included in Contractor's fee throughout the life of the Contract.
- **24/7/365 Technical and Client Support:** Shall be provided through a toll-free number and e-mail. All designated County users have unlimited access to this level of support through the life of the contract.
- **Usage Reports:** Contractor shall provide usage reports regularly to County, to ensure that all departments are using the service optimally. This is in addition to the message delivery details that are automatically delivered by e-mail for each message as a standard capability of the Connect service. County Users can generate their own usage reports as well.
- **Assessment and Evaluation –** Contractor's Client Care members will work consultatively with County to develop benchmarks and assist in evaluating progress toward those benchmarks.

PROJECT TEAM

The following are the Contractor's key project team members.

Contractor's Project Team:

1. **Project Manager** – This individual leads the implementation, training, and rollout process from a management perspective. All daily activities, such as ensuring timely scheduling and training, rest with the Project Manager. The rest of the project team supports him/her. The Project Manager (also named Account Manager) interfaces with County for reporting and documentation.
2. **Project Specialists** – Client Care – An additional team of Contractor's Client Care Specialists works under the leadership of the Project Manager. Their role is to provide training, support, and client service for all County needs. The Team shall include Specialists dedicated to County for the life of the Contract. Each Project Specialist will be assigned as a liaison to a specific component of the Project, such as Departmental Training or County Training, and will be responsible for day-to-day management and conducting regular new user—and refresher—training.

3. Director of Integration and Support - This individual works with the Project Manager to ensure the smooth progression of all technical deliverables, including but not limited to managing the testing process and any delivery of required customization. This person will also manage Contractor's Integration Team to ensure the upload of data and automation of all notification services. This individual is the technical project lead, responsible for creating, monitoring, and achieving sign-off on the test plan.

The Project Team will meet all service issues, but Contractor's Help Desk as well as back-end Technology Team will provide additional support required by County. For example, in the event that the Project Manager and other members of the team are not immediately available, the Blackboard Connect Help Desk will be available 24/7/365. To ensure that Contractor's support personnel are not affected by a regional event, such as an earthquake, Contractor's Client Care Team resides in multiple states that span the country, including all four US time zones.

County's Project Team:

County's Project Team will include at least one point of contact, the Project Manager. This person will meet weekly with Contractor's Project Manager to discuss status of deliverables and objectives. Meeting schedules will be established between Project Manager and County officials during the roll-out of the project. Additional members of the team may include an IT Manager and/or Data Manager and other members, as needed.

During the implementation and training phase, Contractor shall work with County to create an articulated best practices plan for use that adheres to existing client protocols for communication. Contractor prints this County Best Practices/Policies & Procedures Guide for County and distributes and discusses it during training. It shall not only be based upon joint conversations between County and the Contractor's Client Care Team, but also upon Contractor-provided samples from other government agencies as a guide. Contractor will advise County of fields that are available to include in the reports and will provide sample reports for review.

4. Testing and Acceptance:

If a problem is identified during testing of the Software that cannot be remedied within the agreed upon time by Contractor's and County's Project Managers, the Contractor shall submit a written response to the County indicating as such and the County shall then return the Software to the Contractor and the Contract shall be terminated in accordance with Paragraph E, Acceptance, of this Contract.

Procedures

Contractor's product shall be a fully implemented, fully hosted solution, where there is no software or hardware needed. Prior to roll-out, Contractor puts all new features and enhancements through rigorous testing including Alpha and Beta phase as appropriate prior to rolling out the feature to the client-facing interface. Contractor's product uses a combination of automated and manual testing to perform ongoing quality assurance testing of the Connect service. For automated testing, Contractor's QA personnel utilize Mercury's QuickTest Pro. Manual testing is performed on a case-by-case basis for testing where automation will not suffice. All issues are tracked in an internal bug tracking system and subsequently monitored by not only the individual QA personnel, but also all the Directors

involved in the development and release of a feature. Quality Assurance personnel are involved from the beginning of the software development lifecycle and see each feature through from development to final launch and validation. Test and Acceptance Plans may be changed in agreement by County and Contractor.

Test and Acceptance Plan outline is as follows:

- 1.1 Scope & Plan Overview
- 1.2 Testing Approach
- 1.3 Test Schedule (Test ID#, name, description, time and date of execution)
- 1.4 Description of SetUp Procedures
- 1.5 Description of Action Procedure
- 1.6 Description of System Results
- 1.7 Description of Expected Results
- 1.8 Description of Actual Results
- 1.9 Variance Reporting
- 1.10 Resource Requirements for Resolution
- 1.11 Corrective Action
- 1.12 Summary of Results (with Signature/sign-off line)
- 1.13 Conclusion

5. Training, Manuals, and Documentation: The Contractor shall provide County with and maintain two (2) copies of a comprehensive and customized Public Mass Notification System Manual designed to document the proposed solutions software functions, guide trained users on detail process steps and train futures users. Additionally, technical specifications, including a network diagram of the systems architecture, data dictionary and data schema, shall be provided to allow proper maintenance of the System by County network and database administrator staff. The County may copy all manuals and documentation provided by Contractor for use and distribution to County public safety departments as needed. The Contractor shall provide all technical, administrative and user training required for County staff to use the software solution.

Contractor shall provide training of County staff including all technical, administrative and user training. All training shall be conducted using the actual application and data of the County. Training material shall be provided in both soft and hard copies for future County "train the trainer" sessions.

Training sessions shall seat up-to 25 participants per session. For on-site training, the Contractor shall provide a central site for training. Contractor shall also provide a Train-the-Trainer model should the County require it. During training sessions, users will be trained in best practices, and provided with detailed information regarding Contractor support.

End user training shall consist of:

Introduction & Website Overview; Contacts (search & view contact details); Groups Management (creating groups & editing groups); Message Types; Send a

message (3-steps process); Scripting messages; Recording messages; Selecting contacts by list; Selecting contacts via Geo-Calling; Scheduling messages' Reviewing Call Reports; Re-Send Messages; Updating User Account Information; and Q & A.

Power users/administrators receive additional information about assigning user rights and roles, call authorization functionality, PIN authentication, and best practices policies and procedures development. Technical administrators, operations staff, and support staff receive additional training in data upload and system integration management as well as troubleshooting as relevant.

Authorized users have access to online training and training materials, which can be reviewed and approved by the County. Blackboard Connect is responsible for the provision of all training materials, which shall include hard copy and electronic copy as needed. Training Materials will include the following documentation at minimum:

Documentation Provided:

1. End Users - User Guides, Send-A-Message Cheat Sheet, and Dial-In messaging card.
2. System Administrators/Technical - All items above, plus the following items: User Management Guide, County Best Practices Guidelines, Introduction Letters, and other Forms, Data Reference Guide and Upload Reference Guide.
3. Train the Trainer Users - All items above minus the Data Reference Guide, plus the following items: Trainer Script for Presentation, Trainer's handbook, Trainer's Guide to Best Practices.
6. System Annual Maintenance and Support and Upgrades:

Contractor will provide unlimited live 24 Hour/7 Days a Week/365 Days a Year support for all users--not solely for named users--through Contractor's 24-hour toll-free support line at no additional cost to the County. Support response time shall be 15 minutes or less for all issues, at all times of day or night, through the Help Desk toll-free support line. The service shall include unlimited 24-hour support for all users backed by Contractor's Client Care Team who will assist the County to implement the service, train users, drive appropriate usage of the service, and establish and monitor success metrics to ensure measurable results are delivered and documented.

Contractor will ensure integration, training, and guided system use according to best practices built with help from our existing clients. Contractor will provide technical directors to load and integrate data from their database systems to our contact management system. Contractor will provide "Quick Reference Guides" for users, replete with message script templates as well as "tips and tools" on how to create quality outbound messages to parents. Contractor will assign a Client Care Specialist who will help drive usage of the system. Based on experience in serving other clients of the Connect service, Specialists offer coaching on message length, frequency of use, content, and tone to ensure receptiveness and satisfaction from recipients. The Specialist leads the County through an assessment and evaluation

process to ensure the benefits from using the Connect service are tracked and documented.

All members of Contractor's Connect Client Care Team shall be full-time, Blackboard Connect employed customer service professionals. Contractor will assure data security by requiring all staff to undergo and clear extensive background checks prior to employment. Additionally, all Client Care Team members are Level 1/2 cross-trained in both customer and technical support to address a variety of County needs.

In the event that an issue needs to be escalated, escalation levels are listed below. Response time from level to level is typically an hour or less, but will be dependent upon the severity of the issue. Incident resolution will be dependent upon the severity of the issue as well. Contractor's Client Care Account Manager will provide updates throughout any incident until there is incident resolution.

Escalation Level	Contact	Contact Number
Level 1	Help Desk or Client Care Manager (System & Functional Issues)	(877) 428-9411
Level 2	Client Care Director (System & Functional Issues)	(818) 808-1700 or as above
Level 3	Senior Client Care Director (Functional Issues) Technology Director – Integration Director (System Issues)	(818) 808-1700 or as above
Level 4	Chief Technology Officer (System Issues)	(818) 808-1700 or as above

Contractor shall seamlessly roll upgrades and updates into the service on an ongoing basis. All upgrades and enhancements will be rolled out seamlessly into the web interface after extensive testing. Major upgrades typically occur quarterly. Minor upgrades occur weekly or as needed. County will be notified about any additional client-facing functionality through email or phone call from Contractor's Client Care Account Manager. All major upgrades and updates include new user documentation and training as requested. Unlimited new and refresher training is available to all users at any time throughout the lifetime of the Contract.

For each upgrade, Contractor will provide release notes, detailing what changes have been made to Contractor's system, and updated documentation, user manuals, and training materials with each update/upgrade of the system while under maintenance agreement, to include one (1) complete set of documentation for the application administrator, one (1) complete set of documentation for the County's IT personnel, one (1) complete user set able to be copied, and one (1) electronic copy in the most current version of Microsoft Word, and (1) electronic copy in web browser accessible format.

ATTACHMENT B COST SUMMARY

I. COMPENSATION

This is a fixed price Contract between the County and the Contractor for a Public Mass Notification System as further described in this Contract. The Contractor agrees to supply all goods and services to provide and fully implement the Public Mass Notification System Solution including: Software License, implementation, data and map integration, software training, documentation, as well as, annual software maintenance and support. The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The County shall have no obligation to pay any sum in excess of the total Contract amount specified herein unless authorized by formal Amendment.

II. PAYMENT

The total Contract amount for the first three years shall not exceed: \$900,000.00 *

Year One Costs	
Enterprise License/Subscription	
1. Perpetual License/Subscription	Not Applicable
2. Annual License/Subscription	\$300,000.00 *
Usage Transaction Fee	No Charge
Software/Service Configuration and integration with other County systems	No Charge
Implementation Services and Customizations	No Charge
Software Training, Manuals and Documentation	No Charge
Annual Software Maintenance and Support Fee	No Charge
Hosting Services Fees: If Hosted by Contractor, identify and describe any additional one-time and on-going fees	No Charge
CA Sales Tax 8.00% (If applicable)	No Charge
Year One Total:	\$300,000.00 *

Year Two Costs	
Annual License and Software Maintenance and Support Fee	\$300,000.00 *
Hosting Services Fees: If hosted by Contractor, identify and describe any additional on-going fees	No Charge
Year Two Total:	\$300,000.00 *

Year Three Costs	
Annual License Software Maintenance and Support Fee	\$300,000.00 *
Hosting Services Fees: If Hosted by Contractor, identify	No Charge

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File Folder 625420

Contractor Initial: 
Contract # MA-060-13011688

and describe any additional on-going fees	
Year Three Total:	\$300,000.00 *

Year Four Costs – If Renewed	
Annual License Maintenance and Support Fee	\$300,000.00 *
<u>Hosting Services Fees</u> : If Hosted by Contractor, identify and describe any additional on-going fees	No Charge
Year Four Total:	\$300,000.00 *

- * Use of the system for testing, internal notification, and emergency purposes is included in the annual license fee for all users. Emergency is defined as a period of time before, during, and after a situation where life or property is endangered. Other political sub-divisions and County of Orange agencies/departments may buy additional OUTREACH and SURVEY non-emergency message units at \$10,000.00 per 50,000 voice or text messages. Contractor will continue to offer UNLIMITED email messages. Other political sub-divisions and County of Orange agencies/departments wanting to utilize this and other non-emergency aspects of this Contract will be required to issue their own subordinate contract documents.

III. Payment Terms

Software Annual License or Annual Maintenance and Support: Invoices for Annual License with Maintenance and Support costs will be submitted annually in advance to the address specified below.

Contractor shall reference Contract number on invoice. Payment will be Net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements.

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

IV. Payment/Invoicing Instructions

The Contractor will provide an invoice on Contractor's letterhead for services rendered. Each invoice will have a number and will include the following information:

- Contractor's name and address
- Contractor's remittance address (if different from 1 above)
- Name of County agency or department
- County Contract number
- Cost
- Contractor's Federal I. D. number

Blackboard Connect, Inc.
File Folder 625420

Contractor Initial: 
Contract # MA-060-13011688

g. Total

The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction. The County Project Manager, or designee, is responsible for approval of invoices and subsequent submittal of invoices to the Auditor-Controller for processing of payment. Except for the optional fourth year of this Contract, for the avoidance of doubt, Contractor shall invoice each applicable Annual License and Annual Support and Maintenance Fee annually in advance.

Invoices and support documentation are to be forwarded to:

Orange County Sheriff's Dept
Emergency Management Bureau
Attn: Donna Boston
2644 Santiago Canyon Rd.
Silverado, CA 92676



Orange County Operational Area
Countywide Public Mass Notification System
Standard Operating Procedures

Exhibit BEffective: June 30, 2008Revised: May 24, 2016**I. PURPOSE**

The purpose of this document is to outline the Standard Operating Procedures for the use and administration of AlertOC, the Orange County Public Mass Notification System, hereinafter referred to as "System". This document will provide more specific step-by-step procedures and roles and responsibilities at the regional level including describing expectation of participants. Individual jurisdictions/agencies should create and maintain and regional concepts. The step-by step procedures for activation and use will be maintained in a separate document maintained by each jurisdiction/agency as a part of their emergency response plans for overall planning and response efforts. A copy of these procedures shall be maintained in PrepareOC.

This document does not supersede any policy and procedures outlines in the Memorandums of Understandings signed by participating agencies, but should be used to support the use of the Orange County Mass Notification System.

II. SYSTEM DESCRIPTION

The primary intent of the Countywide Public Mass Notification System is to disseminate early warning and time sensitive information to county businesses and residents during time of an emergency event. The Public Mass Notification System is only one component of the County of Orange Public Warning System. As deemed fit by local authorities, the System should be used in conjunction with the other public warning mechanisms including, but not limited to, route alerting, the Emergency Alert System, sirens, and press releases.

The Mass Notification System is available 24/7 and has been pre-loaded with Orange County landline phone numbers (including unlisted) and countywide geographic maps. Additionally, citizens have the option to provide additional contact information via self-registration portal www.alertoc.com with link access from county and all participating entity websites. Upon local authority decision to activate, the System will be used to send a message, describing the situation and recommended action the public should take, to affected businesses and households via telephone, e-mail and/or text.

The County of Orange, Orange County Sheriff's Department is the sponsor of the Countywide Public Mass Notification System initiative and will take appropriate measures to ensure that the System is in a state of operational readiness at all times. It is the responsibility of all participating Agencies to maximize citizen benefits from the System.

While the County's intent for implementing and maintaining the System is for "emergency" use, upon consent from local authorities, cities may optionally use the System to disseminate "government-related" non-emergency notifications to citizens and organization resources within its jurisdiction. See Section V. Authorized Use and Section VIII. Cost for policy guidelines relating to non-emergency use.



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Countywide Public Mass Notification System Standard Operating Procedures

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III. GOVERNANCE

The Orange County Sheriff's Department Emergency Management Division will manage the Mass Notification System as a countywide asset under the Policy and Guidance approved and recommended by the Orange County AlertOC Working Group., and agreed upon by each individual Agency when they opt into the system.

Use of the System by each Agency is contingent upon that Agency abiding by the contract with the mass notification vendor, and the protocols established by the Emergency Management Council and Operational Area Executive Board.

The System utilizes the 9-1-1 database to complete the notifications. The use of the 9-1-1 database is regulated by the California Public Utilities Code (CPUC) sections 2872 and 2891.1. The information contained in the 9-1-1 database is confidential and proprietary and shall not be disclosed or utilized except by authorized personnel for the purpose of emergency notifications. Any agency in violation of this regulation is subject to criminal charges as described in the CPUC.

The Orange County Sheriff's Department Emergency Management Division is responsible to ensure that the provisions of the contract are implemented properly. Authorized users must respect the integrity of the database, understand the privacy issues and fully comply with the policies and protocols outlined in this document. If violations of the MOU and this approved policy document are made by any individual or Agency, the Orange County Sheriff's Department reserves the right to disable that individual's or Agency's login(s).

IV. OVERVIEW OF GENERAL SYSTEM FEATURES

At minimum, the Orange County Sheriff's Department shall acquire and maintain a Public Mass Notification System capable of meeting the following requirements.

- A. Licensed for use throughout the County's entire region
- B. Capacity to send a 45 second message to 10,000 residents and businesses within 10 minutes
- C. Capacity to send messages via phone, e-mail and text
- D. Accessible via the public Internet
- E. Provides audit trail logging and reporting
- F. GIS map interface for geographic call list generation
- G. Citizen self-registration web portal (available in English, Spanish and Vietnamese)
- H. Interactive phone survey technology and reporting
- I. IVR based notification setup and execution
- J. Capable of identifying constituents preferred language and sending message in English, Spanish and Vietnamese



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V. AUTHORIZED USE

The Mass Notification System is designed to be a countywide asset, available to all Agencies that have a dedicated public safety answering point (PSAP) and/or a resident population they are responsible for making protective action recommendations.

An Agency may participate in the countywide System at no charge when used for emergency purposes until June 2021.

Agencies authorized to join the system at no cost are limited to the incorporated cities in the Orange County Operational Area, County agencies and departments, the Municipal Water District of Orange County and Orange County Retail Water Agencies. Each participating Agency must sign a MOU and will maintain, at minimum, a Local Agency Administrator responsible for implementing and administering use of the System at the local level.

Cities

Cities wishing to participate may do so by having an authoritative representative sign the "Orange County Public Mass Notification System" MOU. Upon signing the agreement, the Agency will be provided a local administrator account, a vendor provided user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send an unlimited number of emergency notifications to the public as well as an unlimited number of emergency and non-emergency inter-department messages. Each participating City shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide.

County Users

Unincorporated areas of Orange County will have emergency messaging to the public launched by the Orange County Sheriff's Department. All other county agencies may have access to utilize the system for interdepartmental use. Each participating County agency shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide and provide this guideline to the Orange County Sheriff's Department Emergency Management Division.

Water Retail Water Agencies

The Municipal Water District of Orange County and Orange County Retail Water Agencies wishing to participate may do so by having an authoritative representative sign the "Orange County Water Retail Agency Public Mass Notification System" MOU. Upon signing the agreement, the Agency will be provided a local administrator account, and the Orange County Sheriff's Department, Emergency Management Division in collaboration with the Municipal Water District of Orange County – Water Emergency response Organization of Orange County (WEROC) will provide a user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send emergency notifications to the public by utilizing pre-established GIS shape files or the system's interactive map feature to identify their water users. Each participating agency shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide.



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Emergency Use

Use of the Mass Notification System for emergency activity contains two components: (1) the need to disseminate critical, safety-related information to individuals regarding emergency events occurring now, follow up information regarding the event and termination of the emergency event., and (2) communicating with safety-responder staff, volunteers and involved parties about the emergency event.

As a general rule, the System is to be used when the public is being asked to take some action (e.g. evacuate, prepare to evacuate, shelter in place, boil tap water before drinking, local assistance centers and other follow up information, reentry to an areas after evacuation orders have been lifted or termination of the emergency because the danger has passed).

Emergency Public Notifications are limited to:

1. Imminent or perceived threat to life or property
2. Disaster notifications
3. Evacuation notices
4. Public health emergencies
5. Public safety emergencies
6. Any notification to provide emergency information to a defined community

The following criteria should be utilized to assist with determining the need to issue an alert:

1. Severity. Is there a significant threat to public life and safety?
2. Public Protection. Is there a need for members of the public to take a protective action in order to reduce loss of life or substantial loss of property?
3. Warning. Will providing warning information assist members of the public in making the decision to take proper and prudent action?
4. Timing. Does the situation require immediate public knowledge in order to avoid adverse impact?
5. Geographical area. Is the situation limited to a defined geographical area? Is that area of a size that will allow for an effective use of the system, given the outgoing call capacity?
6. Are other means of disseminating the information inadequate to ensure proper and time delivery of the information?
7. Is the message being sent follow up information to an emergency event in progress?

If the answer to ALL of these questions is "Yes", then an activation of the Mass Notification System for emergency purposes may be warranted.

To assist with trigger points for potential message use topics refer to Attachment A

Emergency Responder Notifications are limited to:

1. Contacting first responders to advise of an emergency
2. Contacting first responders to report for duty due to an emergency



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3. Contacting key staff regarding an emergency or crisis situation
4. Contacting agency employees/DSWs to report at a different time or location (or provide an update) due to an emergency
5. Exercises

Emergency considerations:

1. Notification shall clearly state situation is an emergency
2. Message length shall not exceed 60 seconds
3. It is highly recommended all messages are recorded using a real voice and not the computer transcriber.
4. It is highly recommended to provide a phone number or website where the public can obtain additional or updated information
5. An all clear notification should be sent when applicable

A. Inter-Department Communication

City and County Agencies may use the Mass Notification System for non-emergency inter-departmental business communication as needed, without cost. It is recommended that individual Agencies identify where this would add value to their operations and establish separate written protocols and procedures for this use.

B. Non-Emergency Public Use

No agency shall use the Mass Notification System for non-emergency public announcements unless a separate contract with the vendor is established. Non-emergency use shall be consistent and in compliance with the non-emergency guidelines included within. Any agency in violation of this term may have their use of the system suspended. Additionally, E 911 data is not allowed to be utilized for non-emergency use according to the law California Public Utilities Code (CPUC) sections 2872 and 2891.1 and violators may be subject to criminal enforcement. Jurisdictions will be limited to utilizing the self-registering portal entry data only when launching non-emergency messages.

Agencies who contract to use the countywide System for non-emergency activity agree to give precedence to emergency notification call-outs by delaying or terminating non-emergency notification sessions if needed to increase emergency message success. The primary concern for point of failure in this situation is not the Mass Notification System, but the telephone port capacity of local phone providers responsible for delivering calls to residents. Cost associated with non-emergency public notifications is the responsibility of the local Agency, See section VIII.

Non-emergency public notification use is prohibited for any of the following purposes:

1. Any message of commercial nature
2. Any message of a political nature
3. Any non-official business (e.g. articles, retirement announcements, etc.)
4. To send a message to an E911 obtained data source; see Section III, Governance, for additional information relating to E911 data use restrictions



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C. Confidentiality

Agencies shall be responsible for: (i) ensuring that users maintain the confidentiality of all user login and password information; (ii) ensuring that users use the service in accordance with all applicable laws and regulations, including those relating to use of personal information; (iii) any breach of the terms of this policy or the vendor agreement by any user; and (iv) all communications by users using the service. Agencies shall promptly notify the Orange County Sheriff's Department and the vendor if it becomes aware of any user action or omission that would constitute a breach or violation of this policy or the vendor agreement.

Through the "Memorandum of Understanding between the County of Orange and Participants for use of Countywide Mass Notification System," each agency is bound in writing to the confidentiality obligations sufficient to permit agencies to fully perform its obligations under this policy or the vendor agreement.

VI. AUTHORIZED SYSTEM USERS

A. Public Notifications

In general, use of the system in most cities is the responsibility of the local law enforcement agency. Since law is responsible to make alert, notification and evacuation orders. However, others may also be authorized to make notifications will be officials including , emergency management, fire and city manager departments.

County Administrator: The Orange County Sheriff's Department will act as the Countywide Public Mass Notification System County Administrator. County Administrator responsibilities are covered in section IX. System Administration and Operation.

County User: Orange County Sheriff's Department Emergency Communication Division (9-1-1 dispatch), Control One and Emergency Management Division personnel will be setup as "County" users. County Users will have permission to access and launch emergency notifications to all jurisdictions within Orange County consistent with County Operational Area public safety response guidelines. All other county agencies will have permission to execute inter department notifications.

The Orange County Emergency Operations Center, when activated will be responsible for all public notifications to unincorporated areas during an emergency. For day to day use of the system for public safety incidents including but not limited to hazmats, felony crimes with suspects still at large, the Orange County Sheriff's Department Commander will be responsible for execution of messages.

Local Agency Administrator: A minimum of one designated Local Agency Administrator will be required for each Agency participating in the countywide System. Local Agency Administrator responsibilities are covered in section IX. System Administration and Operation.



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Local Agency User: Participating Agencies may have an unlimited number of Local Agency Users. Local Agency Users will have access to resident contact records within their jurisdiction as well as neighboring jurisdictions with an established MOU agreement. Local Agency Users will be authorized and managed by the Local Agency Administrator and may have varied system permissions.

Any City jurisdiction who has contracted police services shall grant and provide access to their jurisdictions system in order to launch messages in a timely manner.

- Water agencies are identified as local users under the Orange County Sheriff's Department Emergency Management Division.

Inter-Department User: Inter-departmental users will have permission to inter-departmental contact information only and are authorized to use the system solely for inter-departmental communication including but limited to first responder or volunteer call-outs. Additional user for special contact groups including In House Special Services (IHSS), access and functional need cliental may be established with prior authorization from the Orange County Sheriff's Department to ensure no vendor contract violations are occurring.

VII. ACTIVATION OF THE SYSTEM

Each City Jurisdiction is responsible for launching messages to affected citizens and businesses within their jurisdiction. Determination of authority to request activation of the Mass Notification System rest with local officials, not with the County of Orange or the Orange County Sheriff's Department Emergency Management Division. Water agencies are responsible for launching messages to affected citizens and businesses as identified in their service district. The following is protocol to be followed when an emergency message is launched anywhere in Orange County.

A. Public Notifications

1. The County of Orange is authorized to use the System to send notifications of regional emergencies to any and all residents within the Operational Area (example: Countywide quarantine order for a health alert). Upon sending a countywide notification, Orange County Sheriff's Department Emergency Management Division will, as soon as possible, advise the appropriate local Agency that mass notifications have been sent by the County to residents of their cities. Pre-notification to emergency managers by email or WebEOC of this AlertOC activation before actual delivery of the message will occur if possible.
2. Other than regional emergency notifications, public notifications are the responsibility of the individual City/Local Government. In the event that the geographical location of an incident requires a message to be delivered to multiple jurisdictions, the responsible Agency will inform each individual Agency so that they can send the message to those affected within their own jurisdiction. Exception: Small unincorporated neighborhoods embedded within City limits will receive mass notification of local city emergency activity from City Officials. This does not include the unincorporated areas of Rossmoor, Midway City, Cowan Heights, Lemon Heights, all canyons, Coto de Caza and Trabuco Canyon areas. Any of the fore mentioned unincorporated areas by names, coordination



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- will have to occur with the Orange County Sheriff's Department/Watch Commander when the EOC is not activated.
3. For a City wishing to send or receive messages to or from a neighboring Agency during time of a multi-jurisdictional incident, an MOU should be established between both parties that grants permission for the handling Agency to send emergency notification to residents within the affected Agency. (Exception will be made for cities who have contracted law enforcement services. No MOU will be required and access SHALL be granted).
 - a. In the event no MOU has been established, the local city agency will contact the Police Watch Commander who is the 24 hour warning point for all cities for approval and coordination.
 4. Water agencies sending information to the public will do so only to pre-loaded GIS shape files containing their service areas. This procedure must occur due to the overlapping jurisdictional boundary areas. Water agencies will launch messages under the Orange County user account. Pre-notification to the Water Emergency Response of Orange County (WEROC) emergency manager, and impacted city emergency managers will occur prior to the launch of the message by email containing the AlertOC message before actual delivery of the message will occur.
 - a. The WEROC Emergency Manager is responsible to notify and provide the information to the OA/County Emergency Manager since the identification information will show the County of Orange as the initiator.
 5. In the event a participating Agency is unable to send out an emergency message, the Orange County Control One Coordinated Communications Center is available to act on the local Agency's behalf. Agencies that do not have a current MOU with the County may also request Control One to send out an emergency message. Control One will not be available to send internal notifications. All rules and guidelines are applicable. It is still the responsibility of the local agency with the primary responsibility of the incident to receive approval for adjacent jurisdictions on multi-jurisdictional events. Attachment B is the launch form containing all information required in order to launch a message. Authority to request mutual aid assistance from Control One must be requested by a Lieutenant or above (same protocols as requesting a Code Alex).
 6. If the Operational Area EOC is activated, agencies may request to utilize the Orange County Information Hotline 714-628-7085 as the identification phone number for residents and businesses to call to obtain additional information. Agencies are requested to send a copy of the AlertOC script to the OA EOC before the message is launched, if possible.
 7. Participating Agencies are authorized to develop pre-established notification lists and messages to meet their individual needs. These lists may include special populations (e.g. in-home care, schools, etc.) or those susceptible to certain risks (e.g. homes within dam inundation zone). It is the responsibility of the participating Agency to create, maintain and update these lists.
- B. Emergency Response and Inter-Department Notifications:**
1. Each participating Agency is authorized to create employee/volunteer and department call lists and pre-recorded messages.
 2. Any non-city agency wishing to create specialty groups which still contain public contact information (ex: special needs callouts) may do so with prior consent. However, any



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activation of information to any of these groups needs to be coordinated to ensure clear, concise and accurate information is being dispersed. During emergencies, messages will be coordinated with the Operational Area, Orange County Sheriff's Department Emergency Management Division.

3. It is the sole responsibility of each participating Agency to maintain these lists and to launch notifications as deemed necessary.

VIII. COSTS

The County of Orange agrees to fund the System for notifications classified as "emergency use". The County of Orange also agrees to continue to purchase updated E911 telephone data and geographic maps.

Costs associated with use of the System for non-emergency activity is the responsibility of the local Agency through separate contract with the mass notification Vendor.

IX. SYSTEM ADMINISTRATION/OPERATIONS

Individual Agencies are responsible for providing logins and procedural training to key individuals within their Agency responsible for using the Mass Notification System.

A. County Administrator

The Orange County Sheriff's Department will assign and maintain a designated Mass Notification Program Administrator responsible for overall acquisition, accessibility, maintenance, compliance and management of all components required to provide an effective countywide mass notification system.

The County Administrator is responsible for:

1. System acquisition and contract management.
2. Policy management and as needed modification (in consultation with public safety, emergency management and emergency response personnel.)
3. Audit compliance: routine monitoring of System use to insure policy and contract compliance.
4. Access management: record management of signed MOU from each participating Agency, distribution of local administrator accounts and updated local administrator contact list.
5. Data management: E911 data acquisition, update and compliance monitoring. Countywide map file acquisition, update and overall geo-coding.
6. Testing: facilitate routine System-wide test exercise, document overall test results and recommend and execute, as needed, corrective action at the County level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the public aware of the countywide public mass notification system initiative and citizen web portal.
8. System support: provide support to Local Agency Administrators.

B. Local Agency Administrator



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Participating Agencies agree to appoint a designated Mass Notification Local Administrator responsible for leading, coordinating, monitoring and optimizing use of the Mass Notification System at the local level. Local Agency Administrator shall act as the Agency's central point of contact and will work collaboratively with the County Administrator to insure local use of the system is within policy and MOU guidelines.

Local Agency Administrator is responsible for:

1. Contract acquisition if Agency will use the system for non-emergency purposes.
2. Local Agency Mass Notification Operating Procedure development and management.
3. Use compliance: routine monitoring to ensure System is used within the conditions and terms of this document and associated MOU.
4. Access management: local user account distribution and management, record management of MOU(s) and signed end user P&P.
5. Data management: perform routine data management, error-correcting and data integrity updates to System contact and geo-coded map data.
6. Testing: facilitate routine local System test exercise, document local test results and recommend and execute, as needed, corrective action at the local level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the local community aware of the intended use of the Mass Notification System and citizen web portal.
8. System support: provide support to local Agency end-users.

X. INFORMATION SYSTEMS AND SUPPORT

The Orange County Sheriff's Department will acquire and maintain 24x7x365 vendor support for the Mass Notification System. Participating Agencies are authorized to contact vendor support as needed.

XI. ROUTINE TESTING

The Mass Notification System will be tested quarterly. Test exercises will be geared towards insuring that use of the System in an emergency is optimized. This includes testing operational readiness, activation procedures and system effectiveness as well as validating data and system processes. Through test exercises, System administrators and users will be able to observe the mode of operation to augment and refresh System and process knowledge.

Specific test exercise routines, roles, responsibilities and schedule will be detailed in the Operational Area Standard Operating Procedure document.

By signing the Mass Notification System MOU, participating Agencies agree to take part in quarterly Mass Notification countywide test exercises.

XII. DEFINITIONS

1. **System** – All components of the Mass Notification System including hardware, software, access portals, contact data and GIS maps.



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2. **Resident** – Comprises households and businesses.
3. **IVR** – Interactive Voice Response is a phone technology that allows a computer to detect voice and touch tones using a normal phone call. This technology will allow a user of the Mass Notification System to launch a message to a pre-defined call list when a pc or internet connection is not available.
4. **Emergency** - "Emergency" shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the county and participants' respective jurisdictions.

Attachment: Exhibit B - Alert OC Operating Procedures (1330 : Countywide Public Mass Notification System)



Orange County Operational Area
Countywide Public Mass Notification System
Standard Operating Procedures

Exhibit B**Revision History:**

Revision Date	Author	Description
April 18, 2008	PMNS Policy Committee	Document originated
May 19, 2008	PMNS Executive Review Team	Non-emergency session termination in Section V., Item C.
June 16, 2008	Teara LeBlanc	Exception clause in Section VII, Item A., bullet 2.
May 2010	Vicki Osborn	Revision of all sections
June 2012	Raymond Cheung	Revision for OCSD transition
May 2013	Raymond Cheung	Revision for new vendor contract
May 2016	Raymond Cheung	Added confidentiality item to Section V., Item C. and allowed non-emergency use in Section V., Item B. and Section VIII.

Attachment: Exhibit B - Alert OC Operating Procedures (1330 : Countywide Public Mass Notification System)



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Exhibit B

Countywide Public Mass Notification System Standard Operating Procedures

Attachment A – Alert OC Trigger Points Guidelines (Placeholder)

Type of Incident	Description	Meets Public Safety Criteria
Active Shooter	A shooting with armed individual or individuals is occurring in a known area.	Yes
Boil Water Orders	An unsafe water supply issue requiring the public to boil water before use.	Yes
Building Fire	A fire occurring in an urban area requiring evacuation or shelter in place for the immediate area.	Yes
Violent Crimes	Violent crimes that just occurred such as robbery, assault, murder, etc.	Yes
Felony Suspect at Large	Law enforcement is currently searching for a felony suspect that is suspected to be in a certain area.	Yes
HazMat	Hazardous Materials incidents that require a fire/hazmat response and may include evacuations or shelter-in-place orders.	Yes
Health Orders	Any public health order made pursuant to County Health Officer recommendations.	Yes
Missing Adult (920A) with special circs	12- 17 yrs with decreased mental capacity or medical condition	Yes
Missing Child (920C)	12 yrs or younger ***Discussion add Amber alert triggers	Yes
Missing Juvi (920J) with special circs	18 yrs and older 12- 17 yrs with decreased mental capacity or medical condition	Yes
Severe Weather Related	Weather warnings that forecast an occurring or imminent threat to public safety or coincide with protective action recommendations such as voluntary or mandatory evacuation orders.	Yes
Evacuation or Shelter-in-Place	Voluntary or mandatory evacuation or shelter-in-place orders.	Yes
Wildland Fire	A fire occurring in a wildland urban interface area requiring immediate evacuation or shelter-in-place.	Yes
Road Closures	Unplanned road closures due to an emergency situation.	Yes
Planned Events	Road closures due to community events planned in advance.	No



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AlertOC Activation Form (for emergency use only)
 (Attachment B)

Request Received		
Date/Time:		
By: (Name/Title)		
Jurisdiction Information		
Jurisdiction Name:		
Requestor: (Name/Title)		
Contact Phone Numbers:	#1:	#2:
Authorizing Official: (Name/Title)		
Message Specifics		
Date/Time Message to Be Sent: ☐ Immediately		
Targeted Recipients:		
Type of Message: ☐ Phone ☐ e-mail ☐ SMS		
SMS Content:		
Message Content:		
Staff Executing Message		
Initiator Name (printed):		
Authorizing Sheriff Official:		
Date and Time Sent:		
Name, Date and Time Results provided to jurisdiction		

Attachment: Exhibit B - Alert OC Operating Procedures (1330 : Countywide Public Mass Notification System)

NONDISCLOSURE AGREEMENT**Exhibit C**

**NONDISCLOSURE AGREEMENT BETWEEN
PACIFIC BELL TELEPHONE COMPANY dba SBC CALIFORNIA,
AND
THE COUNTY OF ORANGE, CALIFORNIA**

THIS AGREEMENT, effective this 26th day of June, 2008, ("Effective Date") is between PACIFIC BELL TELEPHONE COMPANY dba SBC CALIFORNIA, a California corporation (hereinafter "SBC California"), County of Orange (hereinafter "Customer") and NTI Group, Inc. (hereinafter "Subcontractor").

1. Customer has requested Neighborhood Call service from SBC California under SBC California's Tariff, CAL.P.U.C. NO. A9.2.6 and agrees to comply with all provisions of SBC California's Tariff, CAL.P.U.C. NO. A9.2.6.
2. Customer has identified Subcontractor as its agent for obtaining Neighborhood Call subscriber information from SBC California for provision of community alerts and notifications to citizens as defined in California Public Utilities Commission Code Sections 2872 and 2891.1 and as allowed in SBC California's Tariff, CAL.P.U.C. NO. A9.2.6. In the event Customer elects to no longer use Subcontractor for obtaining Neighborhood Call subscriber information, Customer shall provide SBC California written notice of such change 30 days in advance of Subcontractor's agency status being terminated by Customer.
3. Subcontractor certifies that it has reviewed the terms and conditions of the SBC California Tariff, CAL. P.U.C. NO. A9.2.6 for Neighborhood Call and specifically A9.2.6B.2.b which stipulates in part: "The Neighborhood Call database information provided to Customer pursuant to this tariff is confidential and proprietary and such information will be held in confidence and only used and disclosed to Customer's employees or its subcontractors and agents with a need to know for purposes of providing a community alert and notifications to citizens as defined in California Public Utilities Code Sections 2872 and 2891.1. Customer agrees that each of its employees, subcontractors or agents receiving or having access to the Neighborhood Call database information will be informed that such information is subject to the terms and conditions of this tariff and the Neighborhood Call database information will remain the property of Pacific; that the Neighborhood Call database information will be treated with the same degree of care as Customer affords to its own highly confidential and proprietary information; and that the Neighborhood Call database information will not be reproduced in any manner, unless otherwise specifically authorized in writing by Pacific. Upon request, Customer will promptly return to Pacific all Neighborhood Call database information in a tangible form or certify to Pacific that such information has been destroyed."
4. Subcontractor agrees to comply with each of the obligations contained in SBC California's Tariff, CAL. P.U.C. NO. A9.2.6.B.2.b for Neighborhood Call Tariff. Notwithstanding the preceding sentence, Subcontractor agrees that no Neighborhood Call subscriber information will be shared with any non-employee of Subcontractor, whether it be a subcontractor or agent, without the written authorization of Customer and the execution of a Nondisclosure Agreement with SBC California.
5. This Nondisclosure Agreement shall be in effect from the Effective Date until such time that Customer terminates its request for Neighborhood Call service from SBC California or Customer elects to no longer use Subcontractor for obtaining Neighborhood Call subscriber information. Subcontractor's duty to keep the Neighborhood Call subscriber information confidential shall continue beyond the term of this Nondisclosure Agreement until such time that Subcontractor returns to SBC California all Neighborhood Call subscriber information in a tangible form or certifies to SBC California that such information has been destroyed.
6. Nothing contained in this Nondisclosure Agreement shall be construed as granting or conferring any rights by license or otherwise in any Information.
7. This Nondisclosure Agreement shall benefit and be binding upon the parties hereto and their respective subsidiaries, affiliates, successors and assigns.
8. This Nondisclosure Agreement shall be governed by and construed in accordance with the laws of the State of California, irrespective of its choice of laws principles.

[SIGNATURE PAGE FOLLOWS]

PACIFIC BELL TELEPHONE COMPANY dba
SBC CALIFORNIA

By: _____

Print Name: _____

Title: _____

Date Signed: _____

XXXX (Subcontractor and/or Agent)

By: _____

Print Name: _____

Title: _____

Date Signed: _____

XXXX (Customer)

By: _____

Print Name: Teara Le Blanc

Title Program Manager

Date Signed: June 30, 2008

Exhibit C

Attachment: Exhibit C - Non Disclosure Agreement (1330 : Countywide Public Mass Notification System)

Public Mass Notification System
Individual User Agreement

1. Matthew Prince (hereinafter "USER") is an agent, officer, employee or representative of [Orange County Sheriff's Department – City of Laguna Hills], (hereinafter "PARTICIPANT").
2. PARTICIPANT is a signatory to a Memorandum of Understanding ("MOU") between with the County of Orange ("COUNTY") for Use of Countywide Mass Notification System ("SYSTEM").
3. As an agent, officer, employee or representative of PARTICIPANT, USER has been granted access to the System by PARTICIPANT and is deemed an Individual User under the MOU.
4. USER understands that as an Individual User, USER may only use the SYSTEM in the manner described in the MOU, the Everbridge GSA Approved End User License Agreement, and in accordance with the requirements of the law. .
5. By signing this Individual User Agreement, USER hereby further expressly agrees to the do following things:
 - a) to maintain the confidentiality of login and password information;
 - b) to use the System in accordance with all applicable laws and regulations, including those relating to use of personal information;
 - c) to be responsible for any breach of the terms of the Agreement with Everbridge and/or the MOU between PARTICIPANT and COUNTY caused by the Individual User; and
 - d) to maintain the confidentiality of all records and information to which the Individual User may have access as a result of their access to the System pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU; and
 - e) that all information transmitted and the use of the SYSTEM by USER shall be in compliance with California Public Utilities Code section 2872.
6. USER also acknowledges having been provided the opportunity to review the GSA Approved End User License Agreement with Everbridge, the MOU and California Public Utilities Code section 2872, prior to signing this Individual User Agreement, and hereby agrees to abide by both the letter and intent of those documents.
7. USER may withdraw their consent to terms contained within this Individual User Agreement at any time by notifying PARTICIPANT in writing. USER acknowledges,

however, that withdrawing USER's consent will result in immediate termination of USER's right and ability to access the SYSTEM.

By signing this Individual User Agreement, USER acknowledges having thoroughly read the foregoing, and hereby consents and agrees to the above terms and conditions.

Dated: _____

Signature

Printed Name



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Designation of Voting Delegate for League of California Cities Annual Conference

RECOMMENDATION: That the City Council appoint Mayor Sedgwick as the Voting Delegate for the League of California Cities Annual Conference.

SUMMARY:

The Annual Conference for the League of California Cities (League) is scheduled for Wednesday, September 13, 2017, through Friday, September 15, 2017, in Sacramento. An important part of the Annual Conference is the Annual Business Meeting scheduled for noon on Friday, September 13, 2017. At this meeting, the League membership will consider and take actions on resolutions that establish League policy. The attached Memorandum from the League describes the process and provides procedures for voting at the Annual Conference.

In order to vote at the Annual Business Meeting, the City Council must designate a Voting Delegate and, if so desired, a Voting Delegate Alternate. The Voting Delegate Form must be returned to the League no later than Friday, September 1, 2017. The League by-laws provide that each City is entitled to one vote in matters affecting municipal or League policy. At its December 13, 2016 meeting, the City Council reconfirmed the appointment of the Mayor as the Voting Delegate and the Mayor Pro Tempore as the alternate. Mayor Sedgwick has indicated that he plans to attend the Annual Conference; therefore, it is appropriate to appoint Mayor Sedgwick as the Voting Delegate.

Designation of LOCC Voting Delegate

July 11, 2017

Page 2

ATTACHMENTS:

- May 3, 2017 LOCC Memorandum

MAY 12 2017



1400 K Street, Suite 400 • Sacramento, California 95814
 Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

CITY OF LAGUNA HILLS

Council Action Advised by July 31, 2017

May 3, 2017

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
 League of California Cities Annual Conference – September 13 – 15, Sacramento**

The League's 2017 Annual Conference is scheduled for September 13 – 15 in Sacramento. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, September 15, at the Sacramento Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 1, 2017. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Attachment: May 3, 2017 LOCC Memorandum (1338 : Designation of LOCC Voting Delegate)

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 13, 8:00 a.m. – 6:00 p.m.; Thursday, September 14, 7:00 a.m. – 4:00 p.m.; and Friday, September 15, 7:30 a.m.– Noon. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 1. If you have questions, please call Carly Shelby at (916) 658-8279.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2017 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, September 1, 2017. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail: _____

Mayor or City Clerk _____ Phone: _____

(circle one) (signature)

Date: _____

Please complete and return by Friday, September 1, 2017

League of California Cities
ATTN: **Carly Shelby**
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: cshelby@cacities.org
(916) 658-8279



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for June 13, 2017, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the June 13, 2017, Regular Meeting.

ATTACHMENTS:

- PA Minutes 61317

RESULT:	APPROVED [4-0]
MOVER:	Janine Heft, Council Member
SECONDER:	Melody Carruth, Mayor Pro Tempore
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSTAIN:	Barbara D. Kogerman, Council Member

3.5 Establishment of No Parking Zones for Street Sweeping Purposes on Designated Streets in the North Laguna Hills Mixed-Use Zone

Mayor Pro Tempore Carruth removed Item No. 3.5 from the Consent Calendar to allow Public Comments.

Nina De La Torre requested that the City Council consider establishing "No Parking Zones" on all designated streets in the North Laguna Hills Mixed-Use Zone as opposed to "No Parking Zones for Street Sweeping Purposes."

Recommendation: That the City Council: (1) Find and determine that the proposed parking restrictions are not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(C)(2) and 15060(C)(3) of CEQA guidelines, California Code of Regulations Title 14, and (2) Adopt Resolution No. 2017-06-13-1, A Resolution of the City Council of the City of Laguna Hills, California, establishing No Parking Zones for Street Sweeping Purposes on all designated streets in the North Laguna Hills Mixed-Use Zone.

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

4. PLANNING AGENCY

Mayor Sedgwick recessed the City Council meeting and acting in the capacity of Chair, called the Regular Meeting of the Planning Agency of the City of Laguna Hills, California, to order at 8:00 p.m.

4.1. ROLL CALL OF PLANNING AGENCY MEMBERS

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

4.2. PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR MAY 9, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for May 9, 2017, Regular Meeting.**

Recommendation: That the Planning Agency approve the Minutes for the May 9, 2017, Regular Meeting.

RESULT:	APPROVED [4 TO 0]
MOVER:	Janine Heft, Agency Member
SECONDER:	Melody Carruth, Vice Chair
AYES:	Don Sedgwick, Chair; Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Barbara D. Kogerman, Council Member

4.4 ADMINISTRATIVE REPORTS**4.4.1 Adoption of a Resolution Making Findings of General Plan Consistency for the Proposed Fiscal Year 2017/2018 Capital Improvement Program**

Director of Public Services Rosenfield briefly reviewed the information provided in the Staff Report.

Recommendation: That the Planning Agency adopt Resolution No. PA2017-06-13-1, A Resolution of the Planning Agency of the City of Laguna Hills, California, finding that the proposed Fiscal Year 2017/2018 Capital Improvement Program conforms with the General Plan of the City of Laguna Hills pursuant to California Government Code Section 65401.

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

4.5 PLANNING AGENCY PUBLIC HEARINGS

4.5.1 Conditional Use Permit/Site Development Permit (CUP/SDPM) No. 12-15-3399, a Request by Kevin Akash on Behalf of Elite Hospitality, Inc. to Redevelop the Property at 23061 Avenida de la Carlota in the Mixed-Use Zone and Hospitality Overlay Zone Including Demolition of an Existing 76-Room, Three-Story Motel and Construction and Operation of a New 86-Room, Five-Story Hilton Home2 Suites Hotel

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

Chair Sedgwick opened the Public Hearing.

Kevin Akash, applicant on behalf of Elite Hospitality, Inc., spoke in favor of the project.

Chair Sedgwick closed the Public Hearing.

Recommendation: That the Planning Agency: (1) Conduct a Public Hearing for CUP/SDPM No. 12-15-3399; and (2) Adopt Resolution No. PA2017-06-13-2, A Resolution of the Planning Agency of the City of Laguna Hills, California, approving Conditional Use Permit/Site Development Permit (CUP/SDPM) No. 12-15-3399, a request by Kevin Akash, on behalf of Elite Hospitality, Inc., to redevelop the property at 23061 Avenida de la Carlota in the Mixed-Use Zone and Hospitality Overlay Zone including demolition of an existing 76-room, three-story motel and construction and operation of a new 86-room, five-story Hilton Home2 Suites hotel, and finding that the Project qualifies for the Infill Development Projects Exemption from the California Environmental Quality Act."

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

PLANNING AGENCY ADJOURNMENT

Mayor Sedgwick reconvened the City Council meeting at 8:21 p.m. All Council Members were present.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 Zoning Text Amendment No. 12-16-3724, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit Indoor Vehicle Impound and Indoor Towing Facilities within the Mixed-Use Zoning District

Council Member Heft recused herself from participating in any discussion or decision regarding Item No. 5.1 due to a possible conflict of interest and left the meeting at 8:22 p.m.

Senior Planner Wu reviewed the information provided in the Staff Report, provided a PowerPoint presentation, and responded to Council requests for additional information.

Mayor Sedgwick opened the Public Hearing.

Nina De La Torre, applicant, spoke in favor of the Zoning Text Amendment and responded to Council requests for additional information regarding towing facilities.

Mayor Sedgwick closed the Public Hearing.

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

Recommendation: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the proposed activity is not subject to the California Environmental Quality Act (CEQA) per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines; and (3) Introduce for first reading, read by title only, and waive



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: Zoning Text Amendment No. 1-17-3758, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, Updating Chapter 9-04 (Definitions) and Chapter 9-44 (Access and Parking) to Ensure Consistency with Chapter 4-28 (Massage Establishments) and Adding Parking Requirements for Massage Establishments, and an Amendment to Title 4 (Business Regulations), Modifying Chapter 4-28 (Massage Establishments) to Clarify the Process of Massage Establishment Operator's Permit Issuance

RECOMMENDATION: That the City Council: (1) Conduct a Public Hearing; (2) Find and determine that the proposed activity is not subject to the California Environmental Quality Act (CEQA) per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines; and (3) Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 1-17-3758, an Amendment to Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code, updating Chapter (9-04) (Definitions) and Chapter 9-44 (Access and Parking) to ensure consistency with Chapter 4-28 (Massage Establishments) and adding Parking Requirements for Massage Establishments, and an Amendment to Title 4 (Business Regulations), Modifying Chapter 4-28 (Massage Establishments) to clarify the process of Massage Establishment Operator's Permit Issuance.

SUMMARY:

In October 2016, the City amended its massage establishment regulations contained in Title 4 (Business Regulations) of the Laguna Hills Municipal Code (LHMC). Minor

revisions to the Laguna Hills Development Code (Zoning Code) found in Title 9 of the LHMC are needed to achieve consistency with the updated massage regulations. Other miscellaneous changes are recommended to add parking requirements for massage establishment uses, and to clarify the process for issuance of a Massage Establishment Operator's Permit. Therefore, a Zoning Text Amendment (ZTA) is proposed to revise Section 9-04.130 ("M" definitions) to update definitions relating to massage establishments consistent with the City's massage establishment regulations, to add "massage establishment" to Table 9-44.A (Number of Parking Stalls Required) and specify the number of parking stalls required for a massage establishment use, and to modify Section 4-28.030 (State Certification and Operator's Permit required) to clarify the sequencing of obtaining a Massage Establishment Operator's Permit and Certificate of Use and Occupancy Permit.

AUTHORITY:

Adoption of an amendment to the LHMC is a legislative act of the City Council subject to consideration and approval of an Ordinance after a Public Hearing (LHMC §9-90.050 and 060).

BACKGROUND:

In October 2016, the City Council adopted Ordinance 2016-5 amending and restating Chapter 4-28 (Massage Establishments) of the LHMC to update the City's massage regulations in accordance with changes in State law. The Ordinance required all existing and new massage establishments to obtain a City Massage Establishment Operator's Permit and imposed reasonable operational standards for massage establishments concerning facilities, operations, and prohibited conduct.

The Zoning Code has not been revised in conformance with the updated massage establishment regulations. Staff is bringing forward the proposed ZTA to align the provisions of the Zoning Code with the newly adopted Chapter 4-28 Massage Establishment Regulations. The proposed changes to the Zoning Code achieve consistency with Chapter 4-28 by revising Section 9-04.130 definitions of "massage" and "massage establishment" and modifying Table 9-44.A to specify the number of parking stalls required for a massage establishment use.

Additionally, the proposed ZTA will revise Section 4-28.030 to clarify that a Massage Establishment Operator's Permit may be issued prior to the issuance of a Certificate of Use and Occupancy Permit; however, no massage establishment may operate within the

City unless and until a Certificate of Use and Occupancy Permit has been issued by the City for the massage establishment, and all applicable fees have been paid.

PROPOSAL:

The proposed changes, which are identified in Attachment 1, can be summarized as follows:

A. Chapter 9-04, Section 9-04.130 ("M" Definitions)

- Replicate the Chapter 4-28 definitions of "Massage" and "Massage Establishment." The definitions would read:
 - "Massage" or "massage services" means any method of applying pressure on, causing friction against, stroking, kneading, rubbing, tapping, pounding, vibrating, acupressure, or bodywork, stimulating, compression on or movement of the external parts of the human body of another, either directly with the hands or some other body part, with or without the aid of or by means of any mechanical or electrical apparatus, hot stones, or other appliance or device, for money or any form of consideration. Massage may incorporate supplementary aids such as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations commonly used in this practice.
 - "Massage establishment" means any business or establishment with a fixed location within the City of Laguna Hills where any individual, firm, association, partnership, limited liability company, corporation, or combination of individuals, offers, engages in, conducts, carries on, or permits to be engaged in, conducted or carried on, massage services within the City, including the business office of a sole provider who provides massage services at such business office. Any type of business or establishment at which massage services are provided shall be considered a massage establishment for purposes of this title, regardless if the business holds itself out as something other than a massage establishment and/or also offers or provides other types of products or services. Any business or establishment that offers any combination of massage services and sauna facilities including, but not limited to, showers, baths, wet and dry heat rooms, pools and hot tubs, shall be deemed a massage establishment under this title.

B. Chapter 9-44, Table 9-44.A (Parking Stalls Required)

- Add "Massage Establishment"
- Add a parking ratio of 3 stalls/massage station

The proposed 3 stalls per station is currently the ratio established for "Beauty/nail salon." Staff has historically applied this ratio to massage establishments due to the similar nature of the uses.

C. Chapter 4-28, Section 4-28.030 (State certification and Operator's Permit required)

- Replace "No operator's permit shall be issued to a person pursuant to this chapter unless..." with "No massage establishment may operate within the City unless..."
- Correct a typo in the code section

CONCLUSION:

The proposed Ordinance is intended to: (1) Align the provisions of Title 9 with the recently-adopted Massage Establishments Ordinance; (2) Clarify the parking standard for massage establishment uses; and (3) Clarify that a Massage Establishment Operator's Permit may be issued prior to the issuance of a Certificate of Use and Occupancy Permit; however, no massage establishment may operate within the City unless and until a Certificate of Use and Occupancy Permit has been issued by the City for the massage establishment, and all applicable fees have been paid, all necessary in maintaining a consistent and effective Municipal Code. Thus, staff is recommending approval of the proposed Ordinance.

CEQA FINDINGS:

Environmental review is not required under the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly. Approval of the proposed Ordinance would not approve any development project. Approval of the proposed Ordinance would reconcile the definitions applied to a use already permitted and existing in the City, add express parking stall requirements for that use, and ensure consistency between the Zoning Code and Chapter 4.28 (Massage Establishments) of the LHMC.

ZTA No. 1-17-3758 - Minor Revisions to the City's Masage Regulations
July 11, 2017
Page 5

ATTACHMENTS:

- 2 ZTA 1-17-3758 ATTACH 1 SUMMARY
- 3 ZTA 1-17-3758 ATTACH 2 ORDINANCE

Zoning Text Amendment No. 1-17-3758: Summary of Changes

A. Chapter 9-04 (Definitions)

“Massage” or “massage services” means any method of ~~treating the external parts of the body for remedial, hygienic, relation or any other reason or purpose, whether by means of applying~~ pressure on, causing friction against ~~or~~, stroking, kneading, rubbing, tapping, pounding, vibrating, ~~rubbing, or other manner~~ acupressure, or bodywork, stimulating, compression on or movement of the external parts of the human body of ~~touching external parts of the body another, either directly~~ with the hands, or some other body part, with or without the aid of or by means of any mechanical or electrical apparatus, hot stones, or other appliance ~~with or without or device, for money or any form of consideration. Massage may incorporate~~ supplementary aids such as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment, or other similar preparations commonly used in this practice.

“Massage establishment” means any business ~~conducted~~ or establishment with a fixed location within the city of Laguna Hills where any ~~person~~ individual, firm, association, partnership, limited liability company, corporation, or combination of individuals offers, engages in, conducts, carries on or permits to be engaged in, conducted or carried on ~~for money or any massage services within the city, including the business office of a sole provider who provides massage services at such business office. Any type of business or establishment at which massage services are provided shall be considered a massage establishment for purposes of this chapter, regardless if the business holds itself out as something other consideration, administer~~ than a massage establishment and/or also offers or provides other types of products or services. Any business or establishment that offers any combination of massage services and sauna facilities, including, but not limited to another person a massage, bath, or health treatment involving massages or, showers, baths, wet and dry heat rooms, pools and hot tubs, shall be deemed a massage establishment under this chapter.

B. Chapter 9-44 (Access and Parking)

Use	Required Number of Stalls
Commercial Uses—Personal Services	
<u>Massage Establishment</u>	<u>3 stalls/massage station</u>

C. Chapter 4-28.030 (State certification and operator’s permit required)

~~No operator’s permit shall be issued to a person pursuant to this chapter~~ No massage establishment may operate within the city unless: (1) the massage establishment is located and conducted within a zoning district that permits such uses; and (2) a certificate of use and occupancy permit (“COUO”) has been issued ~~for the~~ by the city for the massage establishment, and all applicable COUO fees, established by resolution of City Council, have been paid.

ORDINANCE NO. 2017-

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 1-17-3758, AN AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE, UPDATING CHAPTER 9-04 (DEFINITIONS) AND CHAPTER 9-44 (ACCESS AND PARKING) TO ENSURE CONSISTENCY WITH CHAPTER 4-28 (MASSAGE ESTABLISHMENTS) AND ADDING PARKING REQUIREMENTS FOR MASSAGE ESTABLISHMENTS, AND AN AMENDMENT TO TITLE 4 (BUSINESS REGULATIONS), MODIFYING CHAPTER 4-28 (MASSAGE ESTABLISHMENTS) TO CLARIFY THE PROCESS OF MASSAGE ESTABLISHMENT OPERATOR'S PERMIT ISSUANCE

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

WHEREAS, Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code (LHMC) establishes allowable uses of property within all zoning districts in the City; and

WHEREAS, Chapter 4-28 of Title 4 of the LHMC imposes permit requirements and restrictions that are reasonably necessary to protect the health, safety, and welfare of the citizens of the City and would facilitate meaningful and effective regulation of massage establishments; and

WHEREAS, On October 25, 2016, the City Council of the City of Laguna Hills, California, adopted Ordinance 2016-5 which amended and restated Chapter 4-28 of Title 4 of the LHMC in response to Senate Bill 731 and Assembly Bill 1147 regarding regulations and licensing for massage therapists and massage establishments; and

WHEREAS, This Ordinance is a City-initiated Zoning Text Amendment subject to Chapter 9-90 of the LHMC. Adoption of an Amendment to the LHMC is a legislative act of the City Council subject to consideration and approval of an Ordinance after a Public Hearing (LHMC §9-90.050 and 060); and

WHEREAS, The City Council of the City of Laguna Hills has held a duly noticed Public Hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties at a Public Hearing held on July 11, 2017.

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

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

SECTION 2. The City Council of the City of Laguna Hills, California, hereby finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, Title 14, Chapter 3, Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly. Approval of the Ordinance does not approve any development project. Approval of the Ordinance will reconcile the definitions applied to a use already permitted and existing in the City, add express parking stall requirements for that use, and ensure consistency between Title 9 (Zoning and Subdivisions) and Chapter 4.28 (Massage Establishments) of the LHMC.

SECTION 3. Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-04 (Definitions), Section 9-04.130 ("M" Definitions), is hereby amended by revising the definition of "Massage" to read as follows:

"Massage" or "massage services" means any method of applying pressure on, causing friction against, stroking, kneading, rubbing, tapping, pounding, vibrating, acupressure, or bodywork, stimulating, compression on or movement of the external parts of the human body of another, either directly with the hands or some other body part, with or without the aid of or by means of any mechanical or electrical apparatus, hot stones, or other appliance or device, for money or any form of consideration. Massage may incorporate supplementary aids such as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations commonly used in this practice.

SECTION 4. Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-04 (Definitions), Section 9-04.130 ("M" Definitions), is hereby amended by revising the definition of "Massage Establishment" to read as follows:

"Massage establishment" means any business or establishment with a fixed location within the City of Laguna Hills where any individual, firm, association, partnership, limited liability company, corporation, or combination of individuals, offers, engages in, conducts, carries on or permits to be engaged in, conducted or carried on, massage services within the city, including the business office of a sole provider who provides massage services at such business office. Any type of business or establishment at which massage services are provided shall be considered a massage establishment for purposes of this title, regardless if the business holds itself out as something other than a massage establishment and/or also offers or provides other types of products or services. Any business or establishment that offers any combination of massage services and sauna facilities, including, but not limited to, showers, baths, wet and dry heat rooms, pools and hot tubs, shall be deemed a massage establishment under this title.

SECTION 5. Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-44 (Access and Parking), Table 9-44.A, is hereby amended by adding the use "Massage Establishments" to read as follows:

Use	Required Number of Stalls
Commercial Uses—Personal Services	
Massage Establishment	3 stalls/massage station

SECTION 6. Chapter 4-28.030 (D) of Title 4 of the Laguna Hills Municipal Code is hereby amended to read as follows:

"No massage establishment may operate within the City unless: (1) the massage establishment is located and conducted within a zoning district that permits such uses; and (2) a Certificate of Use and Occupancy Permit ("COUO") has been issued by the city for the massage establishment, and all applicable COUO fees, established by resolution of City Council, have been paid."

SECTION 7. This Ordinance shall take effect on _____, 2017, the 31st day following the adoption of this Ordinance by the City Council.

SECTION 8. Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code.

SECTION 9. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 10. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

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

DON SEDGWICK, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

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

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Laguna Hills, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss

AFFIDAVIT OF POSTING

CITY OF LAGUNA HILLS)

AND PUBLICATION

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

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

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

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT NO. 1-17-3758, AN AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE, UPDATING CHAPTER 9-04 (DEFINITIONS) AND CHAPTER 9-44 (ACCESS AND PARKING) TO ENSURE CONSISTENCY WITH CHAPTER 4-28 (MASSAGE ESTABLISHMENTS) AND ADDING PARKING REQUIREMENTS FOR MASSAGE ESTABLISHMENTS, AND AN AMENDMENT TO TITLE 4 (BUSINESS REGULATIONS), MODIFYING CHAPTER 4-28 (MASSAGE ESTABLISHMENTS) TO CLARIFY THE PROCESS OF MASSAGE ESTABLISHMENT OPERATOR'S PERMIT ISSUANCE.

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

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

MELISSA AU-YEUNG, CITY CLERK
Laguna Hills, California



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer
ISSUE: Confirmation of 2017 Weed Abatement Cost Report

RECOMMENDATION: That the City Council conduct a Public Hearing regarding the 2017 Weed Abatement Cost Report and adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, confirming the 2017 Weed Abatement Cost Report and providing for the collection of weed abatement assessments on the next regular tax bill levied against the subject parcels for municipal purposes."

SUMMARY:

In accordance with Government Code Section 39560, et seq., this is the time and place that has been fixed by Resolution No. 2017-05-09-2 of the City Council to receive and consider an accounting of the costs associated with weed abatement on each separate parcel of land where removal work has been performed, which report is required by law to be submitted to the City Council for confirmation of all itemized abatement costs. The City Council must conduct a Public Hearing to receive any public comments, complaints, or objections from property owners liable to be assessed for the abatement in connection with the Fiscal Year 2016/2017 Weed Abatement Program prior to adopting a Resolution confirming the cost report associated with the clearing of properties as authorized. It is recommended that the City Council conduct the Public Hearing and confirm the cost report.

Confirmation of 2017 Weed Abatement Cost Report

July 11, 2017

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BACKGROUND:

The objective of the Weed Abatement Program is to declare by Resolution as a public nuisance and abate all weeds, rubbish, refuse, and dirt upon the streets, sidewalks, parkways, or private property in the City, as identified and described in the 2017 Weed Abatement List. This is done for the purpose of health and safety, management of fire hazards, and to provide a reasonable degree of fire safety to both improved and unimproved properties. The Weed Abatement Program is administered by the Public Services Department under the direction of the Director of Public Services/City Engineer. The City Council adopted Resolution Nos. 2017-04-11-1 and 2017-05-09-2 in April and May of this year, respectively, which authorized the annual Weed Abatement Program.

Property owners of properties that were identified as containing materials needing abatement under this program were notified by letter dated April 12, 2017, to clear their properties by May 31, 2017. Extensive public relations efforts were made by staff to reduce the number of private properties to be cleared by the City contractor. All affected properties were contacted a second and, if necessary, a third time by personal contact or by a door hanger, if no person was found on the property, to further notify and encourage voluntary abatement compliance. City staff's extensive efforts to assure private property compliance, in addition to good public response this year, resulted in near perfect compliance with 517 of the 519 private properties identified for weed abatement clearing their own parcels. No response from two property owners resulted in the City having the necessary weed abatement performed by the City contractor. The City has also completed its annual weed abatement on public properties throughout the City.

The Weed Abatement Public Hearing Notice for confirmation of 2017 Weed Abatement Cost Report was published and posted as required by State law. Hence, it is recommended the City Council open the Public Hearing, take testimony, close the Public Hearing, and adopt the Resolution confirming the cost report associated with the clearing of properties as authorized.

Confirmation of 2017 Weed Abatement Cost Report

July 11, 2017

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FISCAL IMPACT:

The total cost to be assessed for the private properties abated is \$1,144.00 as shown on the attached Weed Abatement Cost Report. This cost is comprised of direct contractor work charges and a \$437.00 per parcel administrative fee per each property abated. The City will be reimbursed for the \$1,144.00 in costs through property tax collection procedures. Weed Abatement on public parcels has proceeded in accordance with the budget.

ATTACHMENTS:

- Proposed Resolution
- 2017 Weed Abatement Cost Report Exhibit A

RESOLUTION NO. 2017-07-11-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, CONFIRMING THE 2017 WEED ABATEMENT COST REPORT AND PROVIDING FOR THE COLLECTION OF WEED ABATEMENT ASSESSMENTS ON THE NEXT REGULAR TAX BILL LEVIED AGAINST THE SUBJECT PARCELS FOR MUNICIPAL PURPOSES

WHEREAS, on April 11, 2017, the City Council adopted Resolution No. 2017-04-11-1, thereby commencing the Weed Abatement Program for 2017 in accordance with the requirements and procedures set forth in Government Code Section 39560 *et seq.*; the objective of the Weed Abatement Program is to declare by Resolution as a public nuisance and abate all weeds growing upon the streets, sidewalks, or private property in the City, and all rubbish, refuse, and dirt upon parkways, sidewalks, or private property in the City, as identified and described in the 2017 Weed Abatement List, for health and safety purposes, for management of fire hazards, and to provide a reasonable degree of fire safety to both improved and unimproved properties; and

WHEREAS, Resolution No. 2017-04-11-1 commenced the 2017 Weed Abatement Program by declaring the weeds, rubbish, refuse and/or dirt on specified parcels of land identified in the 2017 Weed Abatement List to be a public nuisance and authorized the City Clerk to send written notice of the proposed public nuisance abatement to all persons owning property identified and described in the 2017 Weed Abatement List and advising them to remove any and all weeds, rubbish, refuse and/or dirt that, when dry, become a fire hazard; and

WHEREAS, on April 12, 2017, the City sent the legally required notice to destroy weeds and remove rubbish, refuse, and dirt to all affected property owners identified on the 2017 Weed Abatement List; the notice provided that if the public nuisance is not abated and removed by the owners of the affected parcels of land by May 31, 2017, such nuisances will be abated and removed by City authorities in accordance with the abatement procedures set forth in Government Code §39560 *et seq.*, in which case the cost of such removal shall be assessed upon the parcel of lands from which or in front of which such weeds, rubbish, refuse, and/or dirt are removed and that upon confirmation such cost will constitute a lien upon such parcel or lands until paid; and

WHEREAS, the legally required mailed notice sent to the affected property owners provided that the City Council would hear and consider all property owner objections and protests to the proposed public nuisance abatement as part of a Public Hearing process conducted on May 9, 2017; and

WHEREAS, during the May 9, 2017 Public Hearing, the City Council was to have heard and considered all objections and protests presented by property owners and

other interested parties to the proposed public nuisance abatement and removal of all weeds, rubbish, refuse, and/or dirt on specified parcels identified and described in the 2017 Weed Abatement List; however, no public testimony was received; and

WHEREAS, on May 9, 2017, the City Council adopted Resolution No. 2017-05-09-2, thereby: (1) determining not to allow any objections; (2) issuing an abatement order and authorizing the Director of Public Services/City Engineer to abate and remove by use of City authorities all weeds, rubbish, refuse, and/or dirt on specified parcels as identified and described in the 2017 Weed Abatement List; (3) acquiring jurisdiction to proceed and perform the work of weed, rubbish, refuse, and/or dirt removal on specified parcels; (4) declaring that it is the intention of the City Council to assess the amount of the City's cost for the abatement of the public nuisances upon the specified parcels of land identified and described on the 2017 Weed Abatement List, which assessments against the respective parcels of land shall constitute a lien; and (5) ordering the Director of Public Services/City Engineer to keep an accounting of the cost of abatement on each separate parcel of land where removal work is performed and to submit to the City Council for confirmation an itemized written report showing such abatement costs; and

WHEREAS, pursuant to Resolution Nos. 2017-04-11-1 and 2017-05-09-2, the Director of Public Services/City Engineer did abate such nuisances and/or caused the same to be abated by having such weeds removed; and

WHEREAS, the Director of Public Services/City Engineer kept an accounting of the cost of such abatement in front of or upon each separate parcel of land in the form of an itemized cost report submitted this date to the City Council showing the cost of removing the weeds in front of or upon each separate lot, parcel, or piece of land, or both ("2017 Weed Abatement Cost Report"), said report having been posted in the manner and for the time required by law; and

WHEREAS, the City Council duly considered the 2017 Weed Abatement Cost Report, along with any objections of the property owners liable to be assessed for the abatement on this 11th day of July 2017.

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

SECTION 1. The City Council has received and considered the 2017 Weed Abatement Cost Report prepared by the Director of Public Services/City Engineer, which is attached hereto as Exhibit "A", and hereby confirms the report without modification.

SECTION 2. The City Clerk is hereby directed for each subject parcel, to record this Resolution in the office of the County Recorder and also to promptly forward a certified copy of this Resolution confirming the 2017 Weed Abatement Cost Report

along with a certified copy of the 2017 Weed Abatement Cost Report to the Orange County Auditor-Controller and County Tax Collector, who shall add the amount of the assessments to the next regular tax bill levied against the subject parcels for municipal purposes.

PASSED, APPROVED, AND ADOPTED this 11th day of July 2017.

DON SEDGWICK, MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
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.
_____ adopted by the City Council of the City of Laguna Hills, California,
at a regular meeting thereof, held on the 11th day of July 2017, by the following vote:

AYES:

NOES:

ABSENT:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: Proposed Resolution (1331 : Confirmation of 2017 Weed Abatement Cost Report)

2017 Weed Abatement Cost Report
Exhibit A
 (Privately Owned Parcels)

<u>AP Number:</u>	<u>Address:</u>	<u>Work Date:</u>	<u>Hand Work</u> <u>Cleared</u> (sf):	<u>Mow Work</u> <u>Cleared</u> (sf):	<u>Admin.</u> <u>Fee:</u>	<u>Mowing</u> <u>Charges:</u>	<u>Hand</u> <u>Charges:</u>	<u>Total Charged:</u>	<u>City/District</u> <u>Code:</u>
588-141-06	Behind 23092 Mill Creek Rd	6/28/2017	3,000	0	\$437.00	\$ -	\$90.00	\$527.00	081
627-051-04	24941 Nellie Gail Rd	6/28/2017	6,000	0	\$437.00	\$ -	\$180.00	\$617.00	081



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Manager

ISSUE: A Proposed Resolution Amending the City's Comprehensive Fee Schedule By: (1) Adjusting Certain Development Processing Fees and Other City Rates, Charges, and User Fees for Various Government Services Based on the Increase in the Consumer Price Index; and (2) Approving Adjustments that Eliminate, Reduce And/Or Modify Other User Fees and Charges.

RECOMMENDATION: That the City Council: (1) Conduct a Public Hearing; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, amending the Comprehensive Fee Schedule by: (1) Adjusting certain development processing fees and other City rates, charges, and user fees for various government services based on the increase in the Consumer Price Index (CPI); and (2) Approving adjustments that eliminate, reduce, and/or modify other user fees and charges, and finding that the action is statutorily exempt from the California Environmental Quality Act (CEQA) per Section 15273 of the CEQA Guidelines and Public Resources Code Section 21080(B)(8)."

SUMMARY:

User fees shift the burden of paying for specific governmental services away from the general population to the specific recipients who benefit from the service. Pursuant to the provisions of the California Constitution and the laws of the State of California, the City of Laguna Hills is authorized to adopt and implement fees, rates, and charges for municipal services provided that such fees, rates, and charges do not exceed the estimated reasonable cost of providing such services.

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In 2016, the City engaged Willdan Financial Services (Willdan) to conduct an independent detailed analysis of City services and the costs reasonably borne by providing those services. Willdan prepared the study and report listing the applicable direct and indirect costs for certain services provided by the City, describing the reasonable relationship between fees, rates, and charges, and the services provided by the City, and setting forth the time and method for payment of the fees, rates, and charges, which were identified in the “Cost Allocation Plan” and “Comprehensive User Fee Study Report,” dated August 24, 2016, and August 31, 2016, respectively. Copies of these reports are on file in the City Clerk’s office.

On September 13, 2016, the City Council adopted Resolution No. 2016-09-13-04, which approved Willdan’s Cost Allocation Plan and Comprehensive User Fee Study reports, and approved the methodology for calculating and collecting the user fees and charges established therein. Furthermore, pursuant to Resolution No. 2016-09-13-04, the City Council approved and adopted the updated Development Processing Fees and other user rates, charges, and fees as set forth and established in the “Comprehensive Fee Schedule,” finding that the user fees and charges established do not exceed the estimated reasonable cost of providing the service for which the fee is levied.

Section 7 of Resolution No. 2016-09-13-04 adopted a policy by which to periodically review and update the Comprehensive Fee Schedule and authorized an annual increase of the user fees and charges set forth in the Comprehensive Fee Schedule commencing on July 1, 2017, and on July 1st of each Fiscal Year thereafter, for all fees and charges that can apply, in accordance with the Consumer Price Index (CPI) reported for the month of April of the corresponding year for the Los Angeles-Riverside-Orange County area for all Urban Consumers. Since the cost to provide services increases each year, it is the intent of the annual update to keep up with increasing costs. The City could conduct an in-depth fee study annually to recalculate the growth in costs, but this would require a considerable sum of time and money. Typically, cities generally recalculate fees each year based on the annual CPI, which measures the increased cost of living for specific regions in the country. Additionally, as part of the annual update, staff conducts a review of the Comprehensive Fee Schedule and determines if adjustments that eliminate, reduce, and/or modify user fees are necessary and authorized.

At this time staff has completed its annual review of the Comprehensive Fee Schedule and has determined: (1) An increase of 2.7% to applicable fees and charges should be applied to reflect the CPI for April 2017; (2) Certain fee reductions based on recalculated amounts supported by Willdan’s approved methodology and City staff tabulation; (3) Other minor modifications to the Comprehensive Fee Schedule, which do not involve

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July 11, 2017

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fee increases, establishment of new fees, or reductions that are not supported by Willdan's approved methodology; and (4) The elimination or deletion of certain previously established fees. Staff recommends that the City Council conduct the required Public Hearing and adopt the proposed Resolution amending the City's Comprehensive Fee Schedule. If approved, the CPI increases to certain user fees and charges established pursuant to the proposed Resolution will take effect and will be implemented sixty (60) days following the date of adoption – September 9, 2017.

BACKGROUND:

Proposition 4 (1979) and Proposition 13 (1978) reduced the ability for cities to generate revenue from property and other taxes. Due to the passage of both Propositions, alternative revenue sources became increasingly necessary. One alternative was to shift the burden of paying for specific governmental services from the general population to the specific recipients who benefit from the service through user fees. The assumption is that those individuals and businesses that specifically benefit from municipal services should pay for the costs of some or all of the services being provided.

Pursuant to the provisions of the California Constitution and the laws of the State of California, the City is authorized to adopt and implement fees, rates, and charges for municipal services provided that such fees, rates, and charges do not exceed the estimated reasonable cost of providing such services. A city has the authority to impose fees, charges, and rates under its police power. As long as the local enactments are not in conflict with general laws, the power to impose valid regulatory fees is not dependent on any legislatively authorized taxing power but exists pursuant to the direct grant of police power under Cal. Const. Art. XI, §7.

A fee may not exceed the estimated reasonable cost of providing the service or facility for which the fee is charged. A fee which does exceed such cost may be considered a special tax. In addition, fees, charges, and rates must be reasonable, fair, and equitable in nature and proportionately representative of the costs incurred by the regulatory agency. In fixing the fee, it is proper and reasonable to take into account not only the expense merely of direct regulation, but all the incidental consequences that may be likely to subject the public to cost.

It is the City's intent to establish and maintain a comprehensive schedule of user fees, in accordance with applicable provisions of state law, including, without limitation, Article XI, Section 7 of the California Constitution and Government Code §66000 et seq., and to recover the costs reasonably borne through fees, charges, and regulatory license

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fees. To this end, in 2016, the City retained the professional services of Willdan to perform a comprehensive study of all City development processing fees and other City rates, charges, and fees for various governmental services. Willdan's primary objective was to calculate the current full cost of providing those services and programs offered by various City departments including all direct, indirect, and support costs associated with providing those services and programs.

Upon completion of their extensive review of the City's existing User Fee Schedule, Willdan determined the full cost recovery fees that may be charged to users for each service and prepared the following reports: (1) A Cost Allocation Plan; (2) A Comprehensive User Fee Study Report; and (3) A Comprehensive User Fee Schedule, all of which are on file with the City Clerk.

The Cost Allocation Plan described the methodology used and analysis completed in determining the appropriate allocation of costs. Its primary purpose was to allocate costs from departments that provide services internally to operating departments that conduct the day-to-day operations necessary to serve the community. To ensure these central service department costs are allocated to the operating departments appropriately, Willdan analyzed the City costs to determine which costs are allowable versus unallowable in accordance with accepted and standard cost allocation principles. The Comprehensive User Fee Study Report detailed the approach and methodology used, steps of the study, cost analysis, policy considerations, and recommendations of the Consultant. It also contained a listing of chargeable services detailing the current fee charged by the City, the updated full cost recovery fee, the proposed new fee, and the City's subsidy based on any difference between the full cost recovery fee and the proposed new fee. While one of the major objectives of the fee study was to account for all the direct and indirect costs of providing the services, some of the fees are lower than the full cost recovery amount in order to continue to encourage the public to avail itself of such services as has been the City's practice in prior years.

Within the Comprehensive Fee Study Report, Willdan suggested developing a fee schedule that has the flexibility to remain current as labor efforts and material costs fluctuate over time. Willdan recommended that the City include an inflationary factor in the Resolution adopting the Fee Schedule that annually updates all fees that apply. The most commonly used inflator is some form of the CPI and the primary driving factor in the cost of user fees is the salary and benefit cost of the staff providing the service(s). Hence, Willdan suggested utilizing the equivalent factor used in adjusting pay for the bargaining unit employees provided in the City's Memorandum of Understanding. This factor is the year-over-year change in CPI reported for the month of April of the

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corresponding year for the Los Angeles-Riverside-Orange County area for all Urban Consumers.

On September 13, 2016, the City Council adopted Resolution No. 2016-09-13-04, which approved Willdan's Cost Allocation Plan and Comprehensive User Fee Study Report, and approved the methodology for calculating and collecting the user fees and charges established therein (collectively, the "Fee Study"). Furthermore, pursuant to Resolution No. 2016-09-13-04, the City Council approved and adopted the updated Development Processing Fees and other user rates, charges, and fees as set forth and established in the Comprehensive Fee Schedule, finding that the user fees and charges established do not exceed the estimated reasonable cost of providing the service for which the fee is levied.

Section 7 of Resolution No. 2016-09-13-04 adopted a policy by which to periodically review and update the Comprehensive Fee Schedule and authorized an annual increase of the user fees and charges set forth in the Comprehensive Fee Schedule, commencing on July 1, 2017, and on July 1st of each fiscal year thereafter, for all fees and charges that can apply in accordance with the CPI reported for the month of April of the corresponding year for the Los Angeles-Riverside-Orange County area for all Urban Consumers. Since the cost to provide services increases each year, it is the intent of the annual update to keep up with increasing costs. The City could conduct an in-depth fee study annually to recalculate the growth in costs but this would require a considerable sum of time and money. Typically, cities generally recalculate fees each year based on the annual CPI, which measures the increased cost of living for specific regions in the country. Additionally, as part of the annual update, staff conducts a review of the Comprehensive Fee Schedule and determines if adjustments that eliminate, reduce, and/or modify user fees are necessary and authorized.

At this time, staff has completed its annual review of the Comprehensive Fee Schedule and has determined: (1) An increase of 2.7% to applicable fees and charges should be applied to reflect the CPI for April 2017; (2) Certain fee reductions based on recalculated amounts supported by Willdan's approved methodology and City staff tabulation; (3) Other minor modifications to the Comprehensive Fee Schedule, which do not involve fee increases, establishment of new fees, or reductions that are not supported by Willdan's approved methodology; and (4) The elimination or deletion of certain previously established fees. The proposed amendments to the Comprehensive Fee Schedule, attached to this report (Attachment A), list the fees by department, the fee title/name, the current fee amount, the proposed adjusted fee amount, and the amount by which the fee changed.

The following is a discussion of the proposed amendments to the Comprehensive Fee Schedule:

- **CPI Adjustment**

Attached to this report is the News Release by the US Department of Labor, which documents the change in the CPI (Attachment B). On Page 2 of the New Release, Table A reports the annual change in CPI for the Los Angeles-Riverside-Orange County area for the month of April 2017 is 2.7%. The proposed adjusted fee, listed on the attached amendments to the Comprehensive Fee Schedule (Attachment A), represents the increase after applying the 2.7% increase.

- **Fee Reductions**

Staff conducted a review of the changes in application processing of Massage Establishment Operator Permits and determined that a reduction to the Massage Establishment Operator Permit Fee is necessary. This fee is for new Massage Establishment Operator Permit Applications, processing, regulatory enforcement, and renewals. According to the Laguna Hills Municipal Code Chapter 4-28, the application shall be accompanied by an appropriate filing fee established by Resolution of the City Council, which represents the City's reasonable cost to process the application and provide regulatory functions necessary to enforce this Chapter, including without limitation inspections of massage establishments. The proposed lower fee represents the City's fully burdened hourly rate to provide the service. Attached to this report is the Proposed Recalculation of Massage Establishment Operator Permit Fee, (Attachment C), itemizing and documenting precisely how the proposed fee was calculated, which demonstrates that the proposed reduction reflects the City's estimated reasonable cost of providing the service and administering the regulatory program. Additionally, as the application processing is handled through the Community Development Department, this fee has been reclassified from the list of Public Safety fees (Line #1 & Line #2) to the Community Development – Planning fees (Line #56) in the attached Adjustments to the Comprehensive Fee Schedule.

- **Other Minor Modifications**

Staff determined other minor modifications to the Comprehensive Fee Schedule which do not involve fee increases, establishment of new fees, or reductions that are not supported by Willdan's approved methodology. These minor modifications serve merely to enhance transparency and further clarify how the fee is applied, which are detailed in the Minor Modifications List attached to this report (Attachment D).

- **Elimination/Deletion of Certain Previously Established Fees**

Staff re-evaluated the application processing of all the permit fees listed with the Public Safety department fees. An updated survey of the time spent by staff determined there is no staff time or other City resource spent by which to recover cost from the applicant and; hence, staff is proposing that these fees be eliminated. The proposed deleted fees, which are Public Safety Fee #3 through Public Safety Fee #10, are noted on Page 3 of the attached Amendments to the Comprehensive Fee Schedule (Attachment A).

Another fee that is proposed for elimination is Community Development Fee Line #32, titled "Document Charge", as this fee is a duplication of Community Development Fee Line #33, "Permanent Record Retention Fee", which is noted on page 5 of the attached amendments to the Comprehensive Fee Schedule (Attachment A). These fees are synonymous and therefore do not need to be listed separately. The elimination of one would mitigate any confusion in its application.

The Building Industry Association (BIA) is typically interested in and monitors fee study updates in local jurisdictions. Staff has advised the BIA that the City's Comprehensive Fee Study will be considered by the City of Laguna Hills City Council during a Public Hearing on July 11, 2017.

CONCLUSION:

Staff recommends that the City Council: (1) Conduct a Public Hearing; and (2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, amending the Comprehensive Fee Schedule by: (1) Adjusting certain development processing fees and other City rates, charges, and user fees for various government services based on the increase in the Consumer Price Index (CPI); and

Comprehensive User Fee Schedule - Annual Update

July 11, 2017

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(2) Approving adjustments that eliminate, reduce, and/or modify other user fees and charges, and finding that the action is statutorily exempt from the California Environmental Quality Act (CEQA) per Section 15273 of the CEQA guidelines and Public Resources Code Section 21080(B)(8).” (Attachment E)

CEQA FINDINGS:

Staff recommends that the City Council find that adoption of the proposed Resolution adjusting certain development processing fees and other City rates, charges, and user fees for various government services, based on the annual increase in the CPI for the month of April 2017, which will take effect and will be implemented sixty (60) days from the date of adoption, be found statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 of the CEQA Guidelines and Public Resources Code Section 21080(B)(8). In accordance with such determination, staff will file a Notice of Exemption immediately upon adoption of the proposed Resolution.

FISCAL IMPACT:

By approving the recommended increases, the City will be able to maximize revenue by recovering the estimated cost of providing the service and reduce the subsidy borne by the City’s General Fund.

ATTACHMENTS:

- A. Proposed Amendments to the Comprehensive Fee Schedule
- B. Bureau of Labor Statistics News Release, May 12, 2017
- C. Recalculation of Massage Establishment Operator Permit Fee - Tabulation
- D. Minor Modification List
- E. Proposed Resolution

PROPOSED AMENDMENTS TO THE COMPREHENSIVE FEE SCHEDULE

A: City Clerk

Fee #	Title	Unit	Notes	Current Fee	Proposed Adjusted Fee	\$ change
1	Duplication of City Documents	first five sheets free, 6 or more sheets at \$.25 per page		\$ 0.25	\$ 0.25	— \$ -
2	Duplication of City Documents - two-sided	first five sheets free, 6 or more sheets at \$.25 per page		\$ 0.25	\$ 0.25	— \$ -
3	Certification on a City Document	per certification		\$ 16.00	\$ 16.43	▲ \$ 0.43
4	Duplication of a Certified City Document	per sheet		\$ 3.00	\$ 3.08	▲ \$ 0.08
5	Copies of City Council and/or Commission or Board Agendas	per sheet		\$ 0.25	\$ 0.25	— \$ -
6	Mailed copies of City Council and/or Commission or Board Agendas	per year	same document	\$ 174.00	\$ 178.70	▲ \$ 4.70
7	Copies of City Council and/or Commission or Board Minutes	per sheet		\$ 0.37	\$ 0.37	— \$ -
8	Mailed copies of City Council and/or Commission or Board Minutes	per year	same document	\$ 175.00	\$ 179.73	▲ \$ 4.72
9	Duplication of Audio Tape of City Council and/or Commission or Board meetings	per disk		\$ 44.00	\$ 45.19	▲ \$ 1.19
10	Cost of mailed or delivered copies of documents, except for subscriptions to City Council and/or Commission or Board Agendas or Minutes,			\$ 7.00	\$ 7.19	▲ \$ 0.19

B: Admin Services

Fee #	Title	Sub Title	Unit	Current Fee	Proposed	
					Adjusted Fee	\$ change
1	Bill Processing Administrative Fee		% of amount billed	20%	\$ 0.20	\$ -
2	Returned Insufficient Funds Check - Service Fee	For First Check Returned	Pursuant to California Civil Code section 1719	\$ 25.00	\$ 25.00	\$ -
3	Returned Insufficient Funds Check - Service Fee	Two or More Returned (for each subsequent check)		\$ 35.00	\$ 35.00	\$ -

C: Public Safety

Fee #	Title	Current Fee	Proposed Adjusted Fee	\$ change	
1	Massage Establishment - new issuance				(a), (b)
2	Massage Establishment - renewal				(a), (b)
3	Coin Dealer - new issuance	\$ 344.00	\$ -	▼ \$ (344.00)	(b)
4	Coin Dealer - renewal	\$ 183.00	\$ -	▼ \$ (183.00)	(b)
5	Gun Dealer - new issuance	\$ 344.00	\$ -	▼ \$ (344.00)	(b)
6	Gun Dealer - renewal	\$ 183.00	\$ -	▼ \$ (183.00)	(b)
7	Public Dance - new issuance	\$ 344.00	\$ -	▼ \$ (344.00)	(b)
8	Public Dance - renewal	\$ 183.00	\$ -	▼ \$ (183.00)	(b)
9	Secondhand Dealer - new issuance	\$ 344.00	\$ -	▼ \$ (344.00)	(b)
10	Secondhand Dealer - renewal	\$ 183.00	\$ -	▼ \$ (183.00)	(b)

^(a) Massage Establishment Fees (#1 & #2 above) reclassified to Community Development - Planning Fee Schedule (line fee no. 56)

^(b) A review of changes in application processing determined the fee should be eliminated or reduced.

D: Engineering and Public Works

Fee #	Title	Sub Title	Unit	Notes	Current Fee ^(a)	Proposed Adjusted Fee	\$ change
1	ENCROACHMENT	Encroachment Agreement Recording Fee			\$ 30.00	\$ 30.81	▲ \$ 0.81
2	ENCROACHMENT	Encroachment Agreement Preparation			\$ 363.00	\$ 372.80	▲ \$ 9.80
3	IMPROVEMENT PLAN CHECK & INSPECTION FEES	Improvement or Grading Plan Check	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
4	IMPROVEMENT PLAN CHECK & INSPECTION FEES	Improvement or Grading Inspection	total actual cost incurred	Deposit-based ^(a)	\$ 3,000.00	\$ 3,000.00	▬ \$ -
5	LANDSCAPE PLAN REVIEW & INSPECTION FEES	Landscape Improvements Plan Check / Inspection	total actual cost incurred	Deposit-based ^(a)	\$ 1,000.00	\$ 1,000.00	▬ \$ -
6	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Transportation - Single Trip			\$ 16.00	\$ 16.00	▬ \$ -
7	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Transportation - Annual Permit			\$ 90.00	\$ 90.00	▬ \$ -
8	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Temporary Access - Across a Public Right of Way			\$ 237.00	\$ 243.40	▲ \$ 6.40
9	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Storage in the Public Right of Way per day			\$ 306.00	\$ 314.26	▲ \$ 8.26
10	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Commercial Photography or Filming on Public Property	total actual cost incurred	Deposit-based ^(a)	\$ 1,000.00	\$ 1,000.00	▬ \$ -
11	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Road Closure per day			\$ 283.00	\$ 290.64	▲ \$ 7.64
12	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Block Party			\$ 105.00	\$ 107.84	▲ \$ 2.83
13	PUBLIC PROPERTY PERMIT FEES - Temporary Use Permits	Traffic Control / Lane Closure Plan - one day			\$ 818.00	\$ 840.09	▲ \$ 22.09
14	PUBLIC PROPERTY PERMIT FEES - Encroachment	Underground Utilities Under 1,000 Linear Feet			\$ 718.00	\$ 737.39	▲ \$ 19.39
15	PUBLIC PROPERTY PERMIT FEES - Encroachment	Underground Utilities Over 1,000 Linear Feet	total actual cost incurred	Deposit-based ^(a)	\$ 3,000.00	\$ 3,000.00	▬ \$ -
16	PUBLIC PROPERTY PERMIT FEES - Encroachment	Curb Core			\$ 73.00	\$ 74.97	▲ \$ 1.97
17	PUBLIC PROPERTY PERMIT FEES - Encroachment	Residential Driveway			\$ 222.00	\$ 227.99	▲ \$ 5.99
18	PUBLIC PROPERTY PERMIT FEES - Encroachment	Commercial Driveway			\$ 581.00	\$ 596.69	▲ \$ 15.69
19	PUBLIC PROPERTY PERMIT FEES - Encroachment	Curbs & gutters - up to 100 linear feet			\$ 581.00	\$ 596.69	▲ \$ 15.69
20	PUBLIC PROPERTY PERMIT FEES - Encroachment	Curbs & gutters - over 100 linear feet	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
21	PUBLIC PROPERTY PERMIT FEES - Encroachment	Paving - up to 1,000 square feet			\$ 718.00	\$ 737.39	▲ \$ 19.39
22	PUBLIC PROPERTY PERMIT FEES - Encroachment	Paving - over 1,000 square feet	total actual cost incurred	Deposit-based ^(a)	\$ 3,000.00	\$ 3,000.00	▬ \$ -
23	PUBLIC PROPERTY PERMIT FEES - Encroachment	Sidewalks - up to 500 square feet			\$ 444.00	\$ 455.99	▲ \$ 11.99
24	PUBLIC PROPERTY PERMIT FEES - Encroachment	Sidewalks - over 500 square feet	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
25	PUBLIC PROPERTY PERMIT FEES - Encroachment	Storm Drain Entry			\$ 658.00	\$ 675.77	▲ \$ 17.77
26	PUBLIC PROPERTY PERMIT FEES - Encroachment	Catch Basin			\$ 902.00	\$ 926.35	▲ \$ 24.35
27	OTHER ITEMS IN THE PUBLIC RIGHT OF WAY	Placement of a News Rack/year			\$ 454.00	\$ 466.26	▲ \$ 12.26
28	OTHER ITEMS IN THE PUBLIC RIGHT OF WAY	Placement of Temporary Collection Bins, over 3 cubic yards or to be utilized more than 7 days in the public right-of-way/ per week		Excluding Solid Waste Franchisee	\$ 145.00	\$ 148.92	▲ \$ 3.91
29	OTHER ITEMS IN THE PUBLIC RIGHT OF WAY	Placement of a Delivery Drop Box/year			\$ 213.00	\$ 218.75	▲ \$ 5.75
30	SURVEYING - MAP CHECKING	Final Tract/Parcel Map	total actual cost incurred	Deposit-based ^(a)	\$ 3,000.00	\$ 3,000.00	▬ \$ -
31	SURVEYING - MAP CHECKING	Lot Line Adjustment/Parcel Merger	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
32	SURVEYING - MAP CHECKING	Street/Easement Vacation Request	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
33	SURVEYING - MAP CHECKING	Easement/Dedication/Other	total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -
34	PERMIT ISSUANCE FEE	Permit Issuance Fee (grading or encroachment permit)			\$ 154.00	\$ 158.16	▲ \$ 4.16
35	OTHER ITEMS IN THE PUBLIC RIGHT OF WAY	Review/inspect Water Quality Management Plan/SWPPP			\$ 597.00	\$ 613.12	▲ \$ 16.12
36	WEED ABATEMENT ADMINISTRATION PER PARCEL	Weed Abatement Administrative Fee			\$ 437.00	\$ 448.80	▲ \$ 11.80
37	PARKING PERMIT FEE	Fee to obtain parking permit decal	annual administrative fee	est by CC Resolution	\$ 15.00	\$ 15.00	▬ \$ -
38	Parade Permit Application		total actual cost incurred	Deposit-based ^(a)	\$ 2,000.00	\$ 2,000.00	▬ \$ -

^(a) For deposit-based fees, the amounts shown reflect the initial deposit due, which may be reduced in increments of \$500 based upon actual expenditures at the sole discretion of the Public Works Director

E: Community Development/Planning

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Proposed Adjusted Fee	\$ change
1	Planning	Annexation/Detachment		Deposit	Plus LACFO Application Fee	\$ 9,856.00	\$ 10,122.11	▲ \$ 266.11
2	Planning	Appeals	- All Others	Set fee. If applicant files an appeal on an actual cost case an additional deposit not req and all appeals charged against orig deposit.		\$ 6,381.00	\$ 6,553.29	▲ \$ 172.29
3	Planning	Certification of compliance subdivisions		Deposit		\$ 1,268.00	\$ 1,302.24	▲ \$ 34.24
4	Planning	Change of Plans - Major		Deposit		\$ 5,978.00	\$ 6,139.41	▲ \$ 161.41
5	Planning	Change of Plans - Minor		Set fee		\$ 1,207.00	\$ 1,239.59	▲ \$ 32.59
6	Planning	Conditional use permit		Deposit		\$ 7,385.00	\$ 7,584.40	▲ \$ 199.40
7	Planning	Certificate of Use and Occupancy		Set fee	Includes building permit issuance	\$ 207.00	\$ 212.59	▲ \$ 5.59
8	Planning	Development agreements		Deposit		\$ 9,954.00	\$ 10,222.76	▲ \$ 268.76
9	Planning	Environmental Impact Report for staff management and oversight of EIR		Deposit		\$ 18,186.00	\$ 18,677.02	▲ \$ 491.02
10	Planning	Negative Declaration		Actual cost deposit		\$ 3,348.00	\$ 3,438.40	▲ \$ 90.40
11	Planning	Environmental Mitigation Monitoring Program		Actual cost deposit. Costs are determined as part of the EIR or Negative Declaration		\$ 4,456.00	\$ 4,576.31	▲ \$ 120.31
12	Planning	Extension of time		Deposit		\$ 1,036.00	\$ 1,063.97	▲ \$ 27.97
13	Planning	General Plan Amendment		Deposit		\$ 6,841.00	\$ 7,025.71	▲ \$ 184.71
14	Planning	Lot Line Adjustment		Deposit		\$ 1,030.00	\$ 1,057.81	▲ \$ 27.81
15	Planning	Park Modifications		Deposit		\$ 1,128.00	\$ 1,158.46	▲ \$ 30.46
16	Planning	Parking Use Permit		Deposit		\$ 7,800.00	\$ 8,010.60	▲ \$ 210.60
17	Planning	Precise Plan (Mixed use District Only)		Deposit		\$ 9,948.00	\$ 10,216.60	▲ \$ 268.60
18	Planning	Preliminary Project Review		Set fee		\$ 578.00	\$ 593.61	▲ \$ 15.61
19	Planning	Site Development Permit (Administrative)		Deposit		\$ 993.00	\$ 1,019.81	▲ \$ 26.81
20	Planning	Site Development Permit (Planning Agency)		Deposit		\$ 5,881.00	\$ 6,039.79	▲ \$ 158.79
21	Planning	Special Animal Permit		Actual cost, not to exceed deposit		\$ 800.00	\$ 821.60	▲ \$ 21.60
22	Planning	Special Use Permit		Deposit		\$ 7,479.00	\$ 7,680.93	▲ \$ 201.93
23	Planning	Specific Plan		Deposit		\$ 27,619.00	\$ 28,364.71	▲ \$ 745.71
24	Planning	Specific Plan Amendment		Deposit		\$ 13,443.00	\$ 13,805.96	▲ \$ 362.96
25	Planning	Temporary Sign Permit				\$ 71.00	\$ 72.92	▲ \$ 1.92
26	Planning	Temporary Use Permit				\$ 287.00	\$ 294.75	▲ \$ 7.75
27	Planning	Tentative Tract Map		\$1,000 set fee, plus \$4,500 deposit		\$ 8,323.00	\$ 8,547.72	▲ \$ 224.72
28	Planning	Tentative Parcel Map		Deposit		\$ 8,323.00	\$ 8,547.72	▲ \$ 224.72
29	Planning	Variance		Deposit		\$ 5,704.00	\$ 5,858.01	▲ \$ 154.01
30	Planning	Zone Change		Deposit		\$ 9,537.00	\$ 9,794.50	▲ \$ 257.50
31	Miscellaneous Fees	Concurrently filed applications		TBD by Planning Director		\$ 10.00	TBD	
32	Miscellaneous Fees	Document Charges		TBD by Planning Director	Fee is duplicate of #33 Permanent Record Retention Fee	\$ 10.00	Delete Fee	
33	Miscellaneous Fees	Permanent Record Retention		Per application		\$ 81.00	\$ 83.19	▲ \$ 2.19
34	Miscellaneous Fees	Record research/Zoning Verification Letter				Actual Cost	Actual Cost	
35	Public Documents for Purchase	General Plan Master EIR				\$ 70.00	\$ 71.89	▲ \$ 1.89
36	Public Documents for Purchase	General Plan - Book				\$ 70.00	\$ 71.89	▲ \$ 1.89
37	Public Documents for Purchase	General Plan - CD				\$ 33.00	\$ 33.89	▲ \$ 0.89
38	Public Documents for Purchase	Development Code - Book				\$ 70.00	\$ 71.89	▲ \$ 1.89
39	Public Documents for Purchase	Development Code - CD				\$ 33.00	\$ 33.89	▲ \$ 0.89
40	Public Documents for Purchase	Urban Village Specific Plan - Book				\$ 70.00	\$ 71.89	▲ \$ 1.89
41	Public Documents for Purchase	Urban Village Specific Plan - CD				\$ 33.00	\$ 33.89	▲ \$ 0.89
42	Public Documents for Purchase	Subdivision Ordinance				\$ 45.00	\$ 46.22	▲ \$ 1.22
43	Public Documents for Purchase	Subdivision Manual				\$ 45.00	\$ 46.22	▲ \$ 1.22
44	Planning	Finding of Public Convenience or Necessity				\$ 329.00	\$ 337.88	▲ \$ 8.88
45	Planning	Wireless Facility Permit Request	6409(a)			\$ 317.00	\$ 325.56	▲ \$ 8.56
46	Planning	Fortune Telling Permit			Established under Res. 2004-11-09-1	\$ 209.00	\$ 214.64	▲ \$ 5.64

E: Community Development/Planning

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Adjusted Fee	\$ change
48	Planning	Wild, Exotic, Dangerous & Nondomestic Animals License		Chapter 13-16.010		\$ 1,030.00	\$ 1,057.81	▲ \$ 27.81
49	Planning	General Plan Interpretation		Table9-92.030		\$ 674.00	\$ 692.20	▲ \$ 18.20
50	Planning	Landscape Plan Fee - Residential		Table9-92.030		\$ 211.00	\$ 216.70	▲ \$ 5.70
51	Planning	Landscape Plan Fee - Commercial		Table9-92.030		\$ 413.00	\$ 424.15	▲ \$ 11.15
52	Planning	Development Code Amendment		Table9-92.030	Deposit	\$ 9,537.00	\$ 9,794.50	▲ \$ 257.50
53	Planngg	Large Family Day Care CUP		9.92-080D		\$ 993.00	\$ 1,019.81	▲ \$ 26.81
54	Building	Relocation Permit		Chapter 10-12.060		\$ 403.00	\$ 413.88	▲ \$ 10.88
55	Building	Condominium Conversion Site & Building Review		Chapter 9-87.070C		\$ 46.00	\$ 47.24	▲ \$ 1.24
56	Planning	Massage Establishment Operator Permit			Reclassified from Public Safety Fee Schedule (line #1 & #2)	\$ 142.88	\$ 146.74	▲ \$ 3.86

(a) Massage Establishment Fee reclassified from Public Safety Fees #1 & #2.

(b) A review of changes in application processing determined the fee should be reduced.

(a), (b)

F: Community Development/Building

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Proposed Fee	Adjusted Fee	\$ change
1	PLUMBING PERMIT FEES	NEW MULTI-FAMILY RESIDENTIAL BUILDINGS (APARTMENTS, MOTELS, HOTELS & CONDOMINIUMS)		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
2	PLUMBING PERMIT FEES	NEW SINGLE AND TWO FAMILY BUILDINGS		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
3	PLUMBING PERMIT FEES	GARAGES. CARPORTS (ATTACHED OR DETACHED) PARKING STRUCTURES. OTHER TYPES OF RESIDENTIAL ALTERATIONS, ADDITIONS AND MODIFICATIONS TO EXISTING COMMERCIAL BUILDINGS REFER TO UNIT FEE SCHEDULE		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
4	UNIT FEE SCHEDULE	Single Fixtures	Single Fixtures	Each		\$ 17.00	\$ 17.46	\$ 0.46	▲
5	MISCELLANEOUS FIXTURES	Solar Collectors		Each		\$ 34.00	\$ 34.92	\$ 0.92	▲
6	MISCELLANEOUS FIXTURES	Solar Piping		Each		\$ 34.00	\$ 34.92	\$ 0.92	▲
7	MISCELLANEOUS FIXTURES	Solar Tank		Each		\$ 34.00	\$ 34.92	\$ 0.92	▲
8	POOL/SPA FEES	Swimming Pool w/Spa	Vinyl-lined (up to 800 sf)			\$ 828.00	\$ 850.36	\$ 22.36	▲
9	POOL/SPA FEES	Swimming Pool w/Spa	Fiberglass			\$ 828.00	\$ 850.36	\$ 22.36	▲
10	POOL/SPA FEES	Swimming Pool w/Spa	Gunite (up to 800 sf) - Custom and to establish master plan coord - Prod Unit			\$ 982.00	\$ 1,008.51	\$ 26.51	▲
11	POOL/SPA FEES	Swimming Pool w/Spa	Additional pool (over 800 sf)			\$ 300.00	\$ 308.10	\$ 8.10	▲
12	POOL/SPA FEES	Swimming Pool w/Spa	Commercial pool (up to 800 sf)			\$ 982.00	\$ 1,008.51	\$ 26.51	▲
13	POOL/SPA FEES	Swimming Pool w/Spa	Commercial pool (over 800 sf)			\$ 1,422.00	\$ 1,460.39	\$ 38.39	▲
14	POOL/SPA FEES	Swimming Pool w/Spa	Demolition - including combo utility capping			\$ 276.00	\$ 283.45	\$ 7.45	▲
15	POOL/SPA FEES	Swimming Pool w/Spa	Minimum permit fee			\$ 80.00	\$ 82.16	\$ 2.16	▲
16	POOL/SPA FEES	Swimming Pool w/Spa	Reinspection Fee			\$ 117.00	\$ 120.16	\$ 3.16	▲
17	POOL/SPA FEES	Gunite Spa Addition (1-100 sf)	Residential or commercial Gunite spa only			\$ 316.00	\$ 324.53	\$ 8.53	▲
18	POOL/SPA FEES	Existing Gunite Pool Replaster	Residential or commercial Gunite pool replaster			\$ 111.00	\$ 114.00	\$ 3.00	▲
19	MECHANICAL PERMIT FEES	NEW MULTI-FAMILY RESIDENTIAL BUILDINGS (APARTMENTS, MOTELS, HOTELS & CONDOMINIUMS)	minimum	- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
20	MECHANICAL PERMIT FEES	NEW SINGLE AND TWO FAMILY BUILDINGS	minimum	- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
21	MECHANICAL PERMIT FEES	GARAGES. CARPORTS (ATTACHED OR DETACHED) PARKING STRUCTURES. OTHER TYPES OF RESIDENTIAL ALTERATIONS, ADDITIONS AND MODIFICATIONS TO EXISTING COMMERCIAL BUILDINGS REFER TO UNIT FEE SCHEDULE	minimum	- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
22	MECHANICAL PERMIT FEES	Duct - Structural				\$ 106.00	\$ 108.86	\$ 2.86	▲
23	MECHANICAL PERMIT FEES	Duct - Ventilating				\$ 106.00	\$ 108.86	\$ 2.86	▲
24	MECHANICAL PERMIT FEES	Fireplace/Factory Built (ICBO)				\$ 78.00	\$ 80.11	\$ 2.11	▲
25	MECHANICAL PERMIT FEES	Heating System & Ducting				\$ 111.00	\$ 114.00	\$ 3.00	▲
26	MECHANICAL PERMIT FEES	Heating System & Ducting - 0-100,000 BTU				\$ 111.00	\$ 114.00	\$ 3.00	▲
27	MECHANICAL PERMIT FEES	Heating System & Ducting - 100,000 BTU				\$ 111.00	\$ 114.00	\$ 3.00	▲
28	MECHANICAL PERMIT FEES	Hood or Canopy				\$ 45.00	\$ 46.22	\$ 1.22	▲
29	MECHANICAL PERMIT FEES	Commerical hood (including ducts) each				\$ 45.00	\$ 46.22	\$ 1.22	▲
30	MECHANICAL PERMIT FEES	Refrigeration System - 0-100,000 BTU				\$ 111.00	\$ 114.00	\$ 3.00	▲
31	MECHANICAL PERMIT FEES	Refrigeration System - 100,000 BTU				\$ 111.00	\$ 114.00	\$ 3.00	▲
32	MECHANICAL PERMIT FEES	System Repair/Alteration				\$ 34.00	\$ 34.92	\$ 0.92	▲
33	MECHANICAL PERMIT FEES	Wall Furnace				\$ 45.00	\$ 46.22	\$ 1.22	▲
34	MECHANICAL PERMIT FEES	Replacement A/C or heat pump	Residential			\$ 29.00	\$ 29.78	\$ 0.78	▲
35	MECHANICAL PERMIT FEES	Replacement A/C or heat pump	- up to 5 tons/5 HP			\$ 62.00	\$ 63.67	\$ 1.67	▲
36	MECHANICAL PERMIT FEES	Replacement A/C or heat pump	- over 5 tons/HP			\$ 106.00	\$ 108.86	\$ 2.86	▲
37	MECHANICAL PERMIT FEES	Single Fixtures				\$ 17.00	\$ 17.46	\$ 0.46	▲
38	ELECTRICAL PERMIT FEES	NEW MULTI-FAMILY RESIDENTIAL BUILDINGS (APARTMENTS, MOTELS, HOTELS & CONDOMINIUMS)		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
39	ELECTRICAL PERMIT FEES	NEW SINGLE AND TWO FAMILY BUILDINGS		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
40	ELECTRICAL PERMIT FEES	GARAGES. CARPORTS (ATTACHED OR DETACHED) PARKING STRUCTURES. OTHER TYPES OF RESIDENTIAL ALTERATIONS, ADDITIONS AND MODIFICATIONS TO EXISTING COMMERCIAL BUILDINGS REFER TO UNIT FEE SCHEDULE		- per 100 square feet		\$ 17.00	\$ 17.46	\$ 0.46	▲
41	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Generator/Transformer - 1-10 kw			\$ 106.00	\$ 108.86	\$ 2.86	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Generator/Transformer - 10-50 kw			\$ 106.00	\$ 108.86	\$ 2.86	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Generator/Transformer - > 50 kw			\$ 73.00	\$ 74.97	\$ 1.97	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Generator/Transformer - > 100 kw			\$ 73.00	\$ 74.97	\$ 1.97	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Motor - up to 100 amps			\$ 73.00	\$ 74.97	\$ 1.97	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Motor - over 100 amps			\$ 73.00	\$ 74.97	\$ 1.97	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Motors - 0-1 HP			\$ 73.00	\$ 74.97	\$ 1.97	▲
	ELECTRICAL PERMIT FEES	POWER APPARATUS	- Motors - 1 1/2 - 8 HP			\$ 73.00	\$ 74.97	\$ 1.97	▲

F: Community Development/Building

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Proposed	Adjusted Fee	\$ change
49	ELECTRICAL PERMIT FEES	RECEPTACLE, SWITCH, AND LIGHTING OUTLETS				\$ 17.00	\$ 17.46	▲	\$ 0.46
50	ELECTRICAL PERMIT FEES	RESIDENTIAL APPLIANCES				\$ 17.00	\$ 17.46	▲	\$ 0.46
51	ELECTRICAL PERMIT FEES	SERVICE/METERS/PANELS/DISCONNECT SWITCHES			- 600 volt or less and not over 200 amps each	\$ 166.00	\$ 170.48	▲	\$ 4.48
52	ELECTRICAL PERMIT FEES	SERVICE/METERS/PANELS/DISCONNECT SWITCHES			- 600 volt or less and over 200 amps and up to 500 amps each	\$ 166.00	\$ 170.48	▲	\$ 4.48
53	ELECTRICAL PERMIT FEES	SERVICE/METERS/PANELS/DISCONNECT SWITCHES			- Sub Panel	\$ 78.00	\$ 80.11	▲	\$ 2.11
54	ELECTRICAL PERMIT FEES	SIGNS, OUTLINE LIGHTING AND MARQUEES			- Sign/Channel Letter	\$ 73.00	\$ 74.97	▲	\$ 1.97
55	ELECTRICAL PERMIT FEES	SIGNS, OUTLINE LIGHTING AND MARQUEES			- Sign/Monument Sign	\$ 78.00	\$ 80.11	▲	\$ 2.11
56	ELECTRICAL PERMIT FEES	SIGNS, OUTLINE LIGHTING AND MARQUEES			- Time Clock	\$ 40.00	\$ 41.08	▲	\$ 1.08
57	ELECTRICAL PERMIT FEES	TEMPORARY POWER			- Construction Pole Sub	\$ 45.00	\$ 46.22	▲	\$ 1.22
58	ELECTRICAL PERMIT FEES	TEMPORARY POWER			- Temp. Power Pole	\$ 78.00	\$ 80.11	▲	\$ 2.11
59	ELECTRICAL PERMIT FEES	TEMPORARY POWER			- Temp Const. Pole	\$ 78.00	\$ 80.11	▲	\$ 2.11
60	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Freestanding Outdoor Fireplace/Pizza Oven				\$ 283.00	\$ 290.64	▲	\$ 7.64
61	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Patio Cover/Covered Porch/GreenHouse	(First)	up to 300sf		\$ 285.00	\$ 292.70	▲	\$ 7.69
62	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Patio Cover/Covered Porch/GreenHouse	Each Additional 100sf over 300sf			\$ 106.00	\$ 108.86	▲	\$ 2.86
63	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Enclosed Patio (up to 300sf)				\$ 355.00	\$ 364.59	▲	\$ 9.58
64	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Enclosed Patio	Each additional 100sf over 300 sf			\$ 106.00	\$ 108.86	▲	\$ 2.86
65	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Balcony or deck (up to 300 sf)				\$ 432.00	\$ 443.66	▲	\$ 11.66
66	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Balcony or deck additional sf		each additional 100 sf		\$ 29.00	\$ 29.78	▲	\$ 0.78
67	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Demolition (up to 3,000 sf)				\$ 276.00	\$ 283.45	▲	\$ 7.45
68	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Demolition - additional sf		each additional 3,000 sf		\$ 29.00	\$ 29.78	▲	\$ 0.78
69	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Stucco (< 400 sf)				\$ 276.00	\$ 283.45	▲	\$ 7.45
70	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Stucco - additional sf		each additional 100 sf		\$ 29.00	\$ 29.78	▲	\$ 0.78
71	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Siding (< 400 sf)				\$ 144.00	\$ 147.89	▲	\$ 3.89
72	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Siding additional sf		each additional 100 sf		\$ 18.00	\$ 18.49	▲	\$ 0.49
73	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Garage (wood frame up to 420 sf)				\$ 415.00	\$ 426.21	▲	\$ 11.21
74	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Garage (wood frame sf)		each additional 100 sf		\$ 29.00	\$ 29.78	▲	\$ 0.78
75	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Garage (masonry up to 420 sf)				\$ 415.00	\$ 426.21	▲	\$ 11.21
76	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Garage (masonry sf)		each additional 100 sf		\$ 29.00	\$ 29.78	▲	\$ 0.78
77	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Inspections outside of normal business hours (min. charge of 4 hrs.)				\$ 535.00	\$ 549.45	▲	\$ 14.45
78	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Reinspection fee				\$ 117.00	\$ 120.16	▲	\$ 3.16
79	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Inspections for which no fee is specifically indicated (min charge of 1 hr.)				\$ 139.00	\$ 142.75	▲	\$ 3.75
80	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Investigative Inspections		per hour, minimum		\$ 139.00	\$ 142.75	▲	\$ 3.75
81	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Investigation for work done without permit (minor)		per hour, minimum		\$ 139.00	\$ 142.75	▲	\$ 3.75
	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Permit issuance fee; applies to all types of permits				\$ 80.00	\$ 82.16	▲	\$ 2.16
	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Reissuance of inspection card				\$ 37.00	\$ 38.00	▲	\$ 1.00
	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Special inspection (1 hr. minimum)				\$ 139.00	\$ 142.75	▲	\$ 3.75

F: Community Development/Building

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Proposed Adjusted Fee	\$ change
85	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Re-roofing (light weight w/o structural up to 2,000 sf)		each		\$ 139.00	\$ 142.75	▲ \$ 3.75
86	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Additional re-roof (comp shingle & BUR)		each 1,000 sf		\$ 18.00	\$ 18.49	▲ \$ 0.49
87	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Re-roofing (tile roof with structural calc up to 2,000 sf)		each		\$ 139.00	\$ 142.75	▲ \$ 3.75
88	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Additional re-roof (tile roof)		each 1,000 sf		\$ 18.00	\$ 18.49	▲ \$ 0.49
89	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Retaining wall: 3-6' high (up to 50 lf) (standard)		each		\$ 151.00	\$ 155.08	▲ \$ 4.08
90	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Additional retaining wall		each 50 lf		\$ 18.00	\$ 18.49	▲ \$ 0.49
91	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Retaining wall: 6-10' high (up to 50 lf) (special design)		each		\$ 288.00	\$ 295.78	▲ \$ 7.78
92	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Additional retaining wall		each 50 lf		\$ 18.00	\$ 18.49	▲ \$ 0.49
93	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Retaining wall: 10' high (up to 50 lf) (special design)		each		\$ 425.00	\$ 436.48	▲ \$ 11.48
94	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Additional retaining wall		each 30 lf		\$ 18.00	\$ 18.49	▲ \$ 0.49
95	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Record retention - to be collected at time of permit issuance for:	Oversized plans and documents	per page - documents over 11 x 17 in size		\$ 3.00	\$ 3.08	▲ \$ 0.08
96	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Record retention - to be collected at time of permit issuance for:	Regular sized plans and documents	per page - documents 11 x 17 & under in size		\$ 2.00	\$ 2.05	▲ \$ 0.05
97	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Construction & Demolition Recycling Waste Program Deposit - Application Fee				\$ 40.00	\$ 41.08	▲ \$ 1.08
98	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Freestanding Outdoor Fireplace/Pizza Oven Plan Check				\$ 288.00	\$ 295.78	▲ \$ 7.78
99	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Balcony or deck (up to 300sf) Plan Check		each		\$ 311.00	\$ 319.40	▲ \$ 8.40
100	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Balcony or deck additional sf Plan Check		each additional 100sf		\$ 29.00	\$ 29.78	▲ \$ 0.78
101	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Patio Cover/Covered Porch/GreenHouse (up to 300sf) Plan Check		each		\$ 177.00	\$ 181.78	▲ \$ 4.78
102	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Patio Cover/Covered Porch/GreenHouse additional sf Plan Check		each additional 100sf		\$ 29.00	\$ 29.78	▲ \$ 0.78
103	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Enclosed Patio (up to 300sf) Plan Check		each		\$ 244.00	\$ 250.59	▲ \$ 6.59
104	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Enclosed Patio additional sf Plan Check		each additional 100sf		\$ 40.00	\$ 41.08	▲ \$ 1.08
105	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Retaining Wall Plan Check (per 100sf); all types & sizes of walls		each		\$ 89.00	\$ 91.40	▲ \$ 2.40
106	ELECTRICAL PERMIT FEES	SIGNS, OUTLINE LIGHTING AND MARQUEES	- Sign/Channel Letter Plan Check			\$ 56.00	\$ 57.51	▲ \$ 1.51
107	ELECTRICAL PERMIT FEES	SIGNS, OUTLINE LIGHTING AND MARQUEES	- Sign/Monument Sign Plan Check			\$ 122.00	\$ 125.29	▲ \$ 3.29
108	ELECTRICAL PERMIT FEES	New Cell Site Plan Check				\$ 644.00	\$ 661.39	▲ \$ 17.39
109	ELECTRICAL PERMIT FEES	New Cell Site				\$ 341.00	\$ 350.21	▲ \$ 9.21
110	ELECTRICAL PERMIT FEES	Modifications to Existing Cell Site Plan Check				\$ 211.00	\$ 216.70	▲ \$ 5.70
111	ELECTRICAL PERMIT FEES	Modifications to Existing Cell Site				\$ 198.00	\$ 203.35	▲ \$ 5.35
112	ELECTRICAL PERMIT FEES	Rooftop Solar PV Plan Check				\$ 60.00	\$ 61.62	▲ \$ 1.62
113	ELECTRICAL PERMIT FEES	Rooftop Solar PV		per 100sf	30 min of inspections	\$ 15.00	\$ 15.41	▲ \$ 0.40
114	ELECTRICAL PERMIT FEES	Groundmount Solar PV Plan Check				\$ 189.00	\$ 194.10	▲ \$ 5.10
115	ELECTRICAL PERMIT FEES	Groundmount Solar PV		per 100sf	2 hours of inspections	\$ 264.00	\$ 271.13	▲ \$ 7.13
116	ELECTRICAL PERMIT FEES	PV Revisions Plan Check				\$ 33.00	\$ 33.89	▲ \$ 0.89
117	POOL/SPA FEES	Swimming Pool w/Spa	Commercial pool plan check			\$ 322.00	\$ 330.69	▲ \$ 8.69
118	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Window/Sliding Door Replacement				\$ 133.00	\$ 136.59	▲ \$ 3.59
	PLUMBING PERMIT FEES	Re-pipe				\$ 133.00	\$ 136.59	▲ \$ 3.59
	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Drywall Repair				\$ 133.00	\$ 136.59	▲ \$ 3.59
	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Permit Reinstatement Plan Check			Hourly plan check for expired permits that they need to final out	20% of original plan check	20% of original plan check	▲ \$ -

F: Community Development/Building

Fee #	Fee Group	Title	Sub Title	Unit	Notes	Current Fee	Proposed	Adjusted Fee	\$ change
122	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Permit Reinstatement			for expired permits that they need to final out	\$ 80.00	\$ 82.16	▲	\$ 2.16
123	MISCELLANEOUS SERVICES AND PERMIT ITEMS	OCFA Plan Check Admin Fee			Plus the cost to image and store the plans electronically.	\$ 103.00	\$ 105.78	▲	\$ 2.78
124	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Appeal Hearing before the Board of Appeals			Chapter 10-20.020 Section 204.3	\$ 6,381.00	\$ 6,553.29	▲	\$ 172.29
125	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Water Quality Control Administrative Hearing for Notice of Noncompliance, Administrative Compliance Orders, Invoices for Costs and Adverse Determinations		each	Chapter 5-36.070 A7	\$ -	\$ -	▬	\$ -
126	MISCELLANEOUS SERVICES AND PERMIT ITEMS	Flag Pole			Residential & Commercial	\$ 132.00	\$ 135.56	▲	\$ 3.56

BUILDING PERMIT FEES - CONSTRUCTION TYPES: I A, II A

CBC Class	CBC Occupancy	Square Footage	Current Construction Fee Schedule					Proposed Adjusted Construction Fee Schedule					\$ Change	
R-4	Residential - Residential care / Assisted living	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29
		100,001	20,152.31	plus	9.42	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.68	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.25
S-1	Storage - Moderate hazard	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29
		100,001	20,152.31	plus	8.88	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.12	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24
S-2	Storage - Low hazard	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29
		100,001	20,152.31	plus	8.88	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.12	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24
U	Utility and Miscellaneous	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29
		100,001	20,152.31	plus	8.87	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.11	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24

BUILDING PERMIT FEES - CONSTRUCTION TYPES: III A, IV, V A

CBC Class		CBC Occupancy	Square Footage	Current Construction Fee Schedule						Proposed Adjusted Construction Fee Schedule						\$ Change	
R-4	Residential - Residential care / Assisted living	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45			
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20			
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04			
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36			
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29			
		100,001	20,152.31	plus	9.43	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.68	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.25			
S-1	Storage - Moderate hazard	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45			
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20			
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04			
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36			
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29			
		100,001	20,152.31	plus	8.87	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.11	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24			
S-2	Storage - Low hazard	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45			
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20			
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04			
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36			
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29			
		100,001	20,152.31	plus	8.88	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.12	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24			
U	Utility and Miscellaneous	1,001	\$2,536.40	plus	53.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,604.88	plus	55.14	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	▲	\$68.48	▲	\$1.45			
		5,001	4,683.87	plus	44.28	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	4,810.33	plus	45.48	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	▲	\$126.46	▲	\$1.20			
		10,001	6,898.01	plus	38.37	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	7,084.26	plus	39.40	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	▲	\$186.25	▲	\$1.04			
		20,001	10,734.56	plus	13.29	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	11,024.39	plus	13.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	▲	\$289.83	▲	\$0.36			
		50,001	14,721.13	plus	10.86	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	15,118.60	plus	11.16	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	▲	\$397.47	▲	\$0.29			
		100,001	20,152.31	plus	8.88	for each additional 100 s.f. or fraction thereof	20,696.42	plus	9.12	for each additional 100 s.f. or fraction thereof	▲	\$544.11	▲	\$0.24			

BUILDING PERMIT FEES - CONSTRUCTION TYPES: I B, II B, III B, IV B, V B

CBC Class	CBC Occupancy	Square Footage	Current Construction Fee Schedule						Proposed Adjusted Construction Fee Schedule						\$ Change	
R-3.1	Residential - Licensed facilities	1,001	\$1,953.00	plus	43.55	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,005.73	plus	44.72	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	➡	\$52.73	➡	\$1.18		
		5,001	3,694.87	plus	35.73	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	3,794.63	plus	36.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	➡	\$99.76	➡	\$0.96		
		10,001	5,481.18	plus	30.92	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	5,629.17	plus	31.76	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	➡	\$147.99	➡	\$0.83		
		20,001	8,573.20	plus	10.57	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	8,804.68	plus	10.85	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	➡	\$231.48	➡	\$0.29		
		50,001	11,743.01	plus	8.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	12,060.07	plus	8.88	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	➡	\$317.06	➡	\$0.23		
		100,001	16,068.51	plus	7.45	for each additional 100 s.f. or fraction thereof	16,502.35	plus	7.65	for each additional 100 s.f. or fraction thereof	➡	\$433.85	➡	\$0.20		
R-4	Residential - Residential care / Assisted living	1,001	\$1,953.00	plus	43.55	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,005.73	plus	44.72	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	➡	\$52.73	➡	\$1.18		
		5,001	3,694.87	plus	35.73	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	3,794.63	plus	36.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	➡	\$99.76	➡	\$0.96		
		10,001	5,481.18	plus	30.92	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	5,629.17	plus	31.76	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	➡	\$147.99	➡	\$0.83		
		20,001	8,573.20	plus	10.57	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	8,804.68	plus	10.85	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	➡	\$231.48	➡	\$0.29		
		50,001	11,743.01	plus	8.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	12,060.07	plus	8.88	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	➡	\$317.06	➡	\$0.23		
		100,001	16,068.51	plus	7.51	for each additional 100 s.f. or fraction thereof	16,502.35	plus	7.71	for each additional 100 s.f. or fraction thereof	➡	\$433.85	➡	\$0.20		
S-1	Storage - Moderate hazard	1,001	\$1,953.00	plus	43.55	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,005.73	plus	44.72	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	➡	\$52.73	➡	\$1.18		
		5,001	3,694.87	plus	35.73	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	3,794.63	plus	36.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	➡	\$99.76	➡	\$0.96		
		10,001	5,481.18	plus	30.92	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	5,629.17	plus	31.76	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	➡	\$147.99	➡	\$0.83		
		20,001	8,573.20	plus	10.57	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	8,804.68	plus	10.85	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	➡	\$231.48	➡	\$0.29		
		50,001	11,743.01	plus	8.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	12,060.07	plus	8.88	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	➡	\$317.06	➡	\$0.23		
		100,001	16,068.51	plus	7.07	for each additional 100 s.f. or fraction thereof	16,502.35	plus	7.26	for each additional 100 s.f. or fraction thereof	➡	\$433.85	➡	\$0.19		
S-2	Storage - Low hazard	1,001	\$1,953.00	plus	43.55	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,005.73	plus	44.72	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	➡	\$52.73	➡	\$1.18		
		5,001	3,694.87	plus	35.73	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	3,794.63	plus	36.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	➡	\$99.76	➡	\$0.96		
		10,001	5,481.18	plus	30.92	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	5,629.17	plus	31.76	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	➡	\$147.99	➡	\$0.83		
		20,001	8,573.20	plus	10.57	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	8,804.68	plus	10.85	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	➡	\$231.48	➡	\$0.29		
		50,001	11,743.01	plus	8.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	12,060.07	plus	8.88	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	➡	\$317.06	➡	\$0.23		
		100,001	16,068.51	plus	7.07	for each additional 100 s.f. or fraction thereof	16,502.35	plus	7.26	for each additional 100 s.f. or fraction thereof	➡	\$433.85	➡	\$0.19		
U	Utility and Miscellaneous	1,001	\$1,953.00	plus	43.55	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	\$2,005.73	plus	44.72	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 5,000 s.f.	➡	\$52.73	➡	\$1.18		
		5,001	3,694.87	plus	35.73	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	3,794.63	plus	36.69	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 10,000 s.f.	➡	\$99.76	➡	\$0.96		
		10,001	5,481.18	plus	30.92	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	5,629.17	plus	31.76	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 20,000 s.f.	➡	\$147.99	➡	\$0.83		
		20,001	8,573.20	plus	10.57	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	8,804.68	plus	10.85	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 50,000 s.f.	➡	\$231.48	➡	\$0.29		
		50,001	11,743.01	plus	8.65	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	12,060.07	plus	8.88	for each additional 100 s.f. or fraction thereof > half of 100 s.f., to and including 100,000 s.f.	➡	\$317.06	➡	\$0.23		
		100,001	16,068.51	plus	7.07	for each additional 100 s.f. or fraction thereof	16,502.35	plus	7.26	for each additional 100 s.f. or fraction thereof	➡	\$433.85	➡	\$0.19		

City of Laguna Hills - User Fee

Fully Burdened Hourly Rate (FBHR)

Department	Dept/Position	Current FBHR	CPI	Adjusted FBHR	\$ change
Community Development	CD: Administrative Assistant	146.29	2.70%	150.24	3.95
Community Development	CD: Asst Building Official/Sr Inspector	196.77	2.70%	202.08	5.31
Community Development	CD: Asst. Planner	134.58	2.70%	138.22	3.63
Community Development	CD: Code Enforc Offic- 20 hr/wk	72.18	2.70%	74.13	1.95
Community Development	CD: Community Develop Dir	317.24	2.70%	325.81	8.57
Community Development	CD: Permit Technician	135.39	2.70%	139.04	3.66
Community Development	CD: Receptionist/Secretary	120.87	2.70%	124.13	3.26
Community Development	CD: Senior Planner- Full Time	195.02	2.70%	200.28	5.27
Community Development	CD: Senior Planner- Part Time	166.54	2.70%	171.04	4.50
Community Services	CS: Admin Asst. I	173.95	2.70%	178.65	4.70
Community Services	CS: CS Leader III - 33 hr wk	110.61	2.70%	113.59	2.99
Community Services	CS: CS Senior Leader	169.99	2.70%	174.58	4.59
Community Services	CS: CS Superintendent	352.37	2.70%	361.88	9.51
Community Services	CS: Deputy City Manager	468.65	2.70%	481.30	12.65
Community Services	CS: Recreation Leaders	55.17	2.70%	56.66	1.49
General Government	GG: Accountant I	123.33	2.70%	126.66	3.33
General Government	GG: Accounting Technician	90.37	2.70%	92.81	2.44
General Government	GG: Admin Asst to the City Mgr	90.97	2.70%	93.42	2.46
General Government	GG: Admin Intern- 20 hrs/wk	28.96	2.70%	29.74	0.78
General Government	GG: Assistant to the City Mgr/City Clerk	155.81	2.70%	160.02	4.21
General Government	GG: Asst. City Manager	279.46	2.70%	287.01	7.55
General Government	GG: City Manager	356.41	2.70%	366.04	9.62
General Government	GG: Clerical Asst- 30 hr/wk	49.72	2.70%	51.06	1.34
General Government	GG: Council Member	19.67	2.70%	20.20	0.53
General Government	GG: Finance Manager	174.78	2.70%	179.50	4.72
General Government	GG: Management Assistant	80.81	2.70%	82.99	2.18
General Government	GG: Records Coordinator	84.41	2.70%	86.69	2.28
Non Departmental	ND: Info Tech Specialist	149.67	2.70%	153.71	4.04
Public Services	PS: Admin Assistant - I	137.42	2.70%	141.13	3.71
Public Services	PS: Associate Civil Engineer	307.13	2.70%	315.42	8.29
Public Services	PS: City Eng/PW Dir	520.22	2.70%	534.27	14.05
Public Services	PS: Parks Supervisor	263.20	2.70%	270.31	7.11
Public Safety	PS: Police Sergeant	161.20	2.70%	165.55	4.35
Public Services	PS: Public Works Inspector	274.90	2.70%	282.32	7.42
Public Services	PS: Public Works Supervisor	272.58	2.70%	279.94	7.36

NEWS RELEASE

BUREAU OF LABOR STATISTICS

U. S. D E P A R T M E N T O F L A B O R



For Release: Friday, May 12, 2017

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WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

Media contact: (415) 625-2270

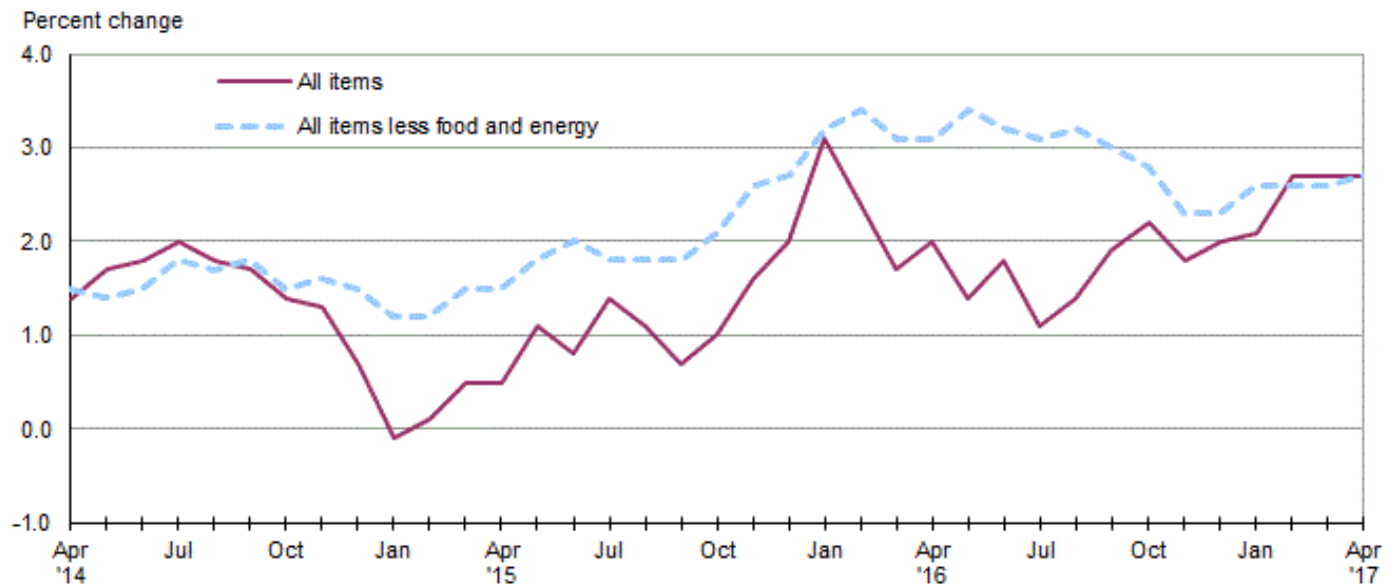
Consumer Price Index, Los Angeles area — April 2017

Area prices were up 0.2 percent over the past month, up 2.7 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), edged up 0.2 percent in April, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Assistant Commissioner for Regional Operations Richard Holden noted that the April increase was influenced by higher prices for other goods and services and recreation. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 2.7 percent. (See [chart 1](#) and [table A.](#)) Energy prices rose 5.6 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 2.7 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Los Angeles, April 2014–April 2017



Source: U.S. Bureau of Labor Statistics.

Food

Food prices edged down 0.1 percent for the month of April. (See [table 1.](#)) Prices for food at home decreased 1.0 percent, but prices for food away from home advanced 0.9 percent for the same period.

Over the year, food prices rose 1.0 percent. Prices for food away from home increased 3.8 percent since a year ago, but prices for food at home decreased 1.2 percent

Energy

The energy index advanced 0.3 percent over the month. The increase was mainly due to higher prices for electricity (1.1 percent). Prices for natural gas service decreased 0.6 percent and prices for gasoline edged down 0.2 percent for the same period.

Energy prices rose 5.6 percent over the year, largely due to higher prices for gasoline (7.3 percent). Prices paid for natural gas service advanced 5.3 percent, and prices for electricity rose 2.4 percent during the past year.

All items less food and energy

The index for all items less food and energy edged up 0.2 percent in April. Higher prices for other goods and services (5.2 percent) and recreation (0.8 percent) were partially offset by lower prices for apparel (-2.9 percent) and shelter (-0.1 percent).

Over the year, the index for all items less food and energy increased 2.7 percent. Components contributing to the increase included other goods and services (5.3 percent) and shelter (4.7 percent). Partly offsetting the increases were price declines in apparel (-4.1 percent) and education and communication (-2.7 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2012		2013		2014		2015		2016		2017	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January.....	0.8	2.1	0.8	2.0	0.5	0.8	-0.3	-0.1	0.7	3.1	0.9	2.1
February.....	0.5	2.1	0.7	2.2	0.5	0.5	0.7	0.1	0.0	2.4	0.6	2.7
March.....	1.0	2.0	0.1	1.3	0.6	1.0	1.0	0.5	0.3	1.7	0.3	2.7
April.....	0.0	1.5	-0.4	0.9	0.0	1.4	-0.1	0.5	0.2	2.0	0.2	2.7
May.....	0.1	1.6	0.1	1.0	0.4	1.7	1.0	1.1	0.5	1.4		
June.....	-0.4	1.6	-0.1	1.4	0.1	1.8	-0.3	0.8	0.1	1.8		
July.....	-0.1	1.9	-0.1	1.3	0.1	2.0	0.7	1.4	0.0	1.1		
August.....	0.6	2.3	0.1	0.8	-0.1	1.8	-0.3	1.1	0.0	1.4		
September.....	0.4	2.2	0.2	0.6	0.0	1.7	-0.4	0.7	0.2	1.9		
October.....	0.8	3.0	0.1	-0.1	-0.1	1.4	0.2	1.0	0.4	2.2		
November.....	-1.0	2.1	-0.5	0.4	-0.7	1.3	0.0	1.6	-0.4	1.8		
December.....	-0.7	1.9	0.0	1.1	-0.5	0.7	-0.1	2.0	0.0	2.0		

The May 2017 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on June 14, 2017.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in the State of California.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Feb. 2017	Mar. 2017	Apr. 2017	Apr. 2016	Feb. 2017	Mar. 2017
Expenditure category						
All items	253.815	254.525	254.971	2.7	0.5	0.2
All items (1967=100)	749.881	751.980	753.297	-	-	-
Food and beverages	253.438	254.571	254.321	1.0	0.3	-0.1
Food	253.592	254.820	254.444	1.0	0.3	-0.1
Food at home	254.014	256.216	253.671	-1.2	-0.1	-1.0
Food away from home	249.263	249.274	251.573	3.8	0.9	0.9
Alcoholic beverages	236.171	235.876	237.450	0.6	0.5	0.7
Housing	285.754	285.975	286.168	4.3	0.1	0.1
Shelter	327.217	327.750	327.432	4.7	0.1	-0.1
Rent of primary residence(1)	342.343	343.624	344.279	5.1	0.6	0.2
Owners' equiv. rent of residences(1)(2)	338.967	339.317	340.072	4.7	0.3	0.2
Owners' equiv. rent of primary residence(1)(2)	338.948	339.298	340.053	4.7	0.3	0.2
Fuels and utilities	304.509	303.031	306.090	3.4	0.5	1.0
Household energy	262.666	260.921	263.247	3.1	0.2	0.9
Energy services(1)	261.069	259.884	261.715	3.0	0.2	0.7
Electricity(1)	301.917	302.157	305.458	2.4	1.2	1.1
Utility (piped) gas service(1)	212.696	208.109	206.940	5.3	-2.7	-0.6
Household furnishings and operations	116.737	116.522	117.355	1.4	0.5	0.7
Apparel	110.245	112.197	108.911	-4.1	-1.2	-2.9
Transportation	195.460	197.847	198.562	2.7	1.6	0.4
Private transportation	190.716	193.043	193.114	2.8	1.3	0.0
Motor fuel	227.233	233.940	233.584	7.4	2.8	-0.2
Gasoline (all types)	222.224	228.870	228.523	7.3	2.8	-0.2
Gasoline, unleaded regular(3)	222.491	229.217	228.867	7.3	2.9	-0.2
Gasoline, unleaded midgrade(3)	213.229	219.494	219.006	7.6	2.7	-0.2
Gasoline, unleaded premium(3)	213.067	219.062	218.778	7.2	2.7	-0.1
Medical care	465.127	465.952	467.445	4.2	0.5	0.3
Recreation(5)	106.204	106.272	107.131	-0.2	0.9	0.8
Education and communication(5)	143.463	142.117	141.997	-2.7	-1.0	-0.1
Other goods and services	389.313	390.346	410.527	5.3	5.4	5.2
Commodity and service group						
All items	253.815	254.525	254.971	2.7	0.5	0.2
Commodities	174.964	176.116	176.498	0.8	0.9	0.2
Commodities less food & beverages	134.087	135.189	135.808	0.6	1.3	0.5
Nondurables less food & beverages	175.166	177.662	178.728	2.3	2.0	0.6
Durables	93.819	93.543	93.721	-2.4	-0.1	0.2
Services	323.995	324.306	324.808	3.6	0.3	0.2
Special aggregate indexes						
All items less medical care	244.649	245.352	245.756	2.5	0.5	0.2
All items less shelter	221.681	222.476	223.272	1.4	0.7	0.4
Commodities less food	138.443	139.522	140.174	0.6	1.3	0.5
Nondurables	215.103	217.027	217.511	1.6	1.1	0.2
Nondurables less food	180.865	183.253	184.361	2.1	1.9	0.6
Services less rent of shelter(2)	328.386	328.376	330.104	2.1	0.5	0.5
Services less medical care services	311.735	312.048	312.469	3.5	0.2	0.1
Energy	241.676	245.165	245.837	5.6	1.7	0.3
All items less energy	256.658	257.164	257.596	2.5	0.4	0.2

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Feb. 2017	Mar. 2017	Apr. 2017	Apr. 2016	Feb. 2017	Mar. 2017
All items less food and energy	257.518	257.903	258.472	2.7	0.4	0.2

Footnotes(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Index is on a December 1982=100 base.

(3) Special index based on a substantially smaller sample.

(4) Indexes on a December 1993=100 base.

(5) Indexes on a December 1997=100 base.

- Data not available

NOTE: Index applies to a month as a whole, not to any specific date.

**Community Development Department
Recalculation of Massage Establishment Operator Permit Fees**

New Massage Establishment Operator Permit Applications, Processing,
Regulatory Enforcement, and Renewals

Position	Task Description	FBHR*	Time (in hours)	Cost
PT Code Enf. Officer	Site Inspections	72.18	0.5	\$ 36.09
Asst. Planner	Application Consultation & Completeness Review	134.58	0.25	\$ 33.64
Admin. Asst.	Application Imaging/ Archiving/ Permit Issuance	146.29	0.5	\$ 73.15
Total Fee				\$142.88

*uses Fully Burdened Hourly Rate from Willdan Comprehensive User Fee Study Report dated August 31, 2016

Minor Modifications to Fee Schedule

Community Development/Building

- Line 49 – remove “maximum” from the unit column
- Line 60 – change the Title to “Freestanding Outdoor Fireplace/Pizza Oven”
- Line 61 – add “(up to 300sf)” after the Title; remove the Sub Title
- Line 62 – change the Sub Title to “each additional 100sf over 300sf”
- Line 63 – change Title to “Enclosed Patio (up to 300sf); remove the Sub Title
- Line 64 – change Title to “Enclosed Patio”; change the Sub Title to “each additional 100sf over 300sf”
- Line 65 – remove the Sub Title
- Line 66 – change Title to “Balcony or deck additional sf”; remove the Sub Title; change the Unit to “each additional 100sf”
- Line 67 – remove the Sub Title
- Line 68 – change the Title to “Demolition additional sf”; remove the Sub Title; change the Unit to “each additional 3,000sf”
- Line 69 – remove the Sub Title
- Line 70 – change the Title to “Stucco additional sf”; remove the Sub Title; change the Unit to “each additional 100sf”
- Line 71 – remove the Sub Title
- Line 72 – change the Title to “Siding additional sf”; remove the Sub; change the Unit to “each additional 100sf”
- Line 73 - remove the Sub Title
- Line 74 – change the Title to “Garage (wood frame additional sf)”; remove the Sub Title; change the Unit to “each additional 100sf”
- Line 75 – remove the Sub Title
- Line 76 – change the Title to “Garage (masonry additional sf)”; remove the Sub Title; change the Unit to “each additional 100sf”
- Line 98 – change Freestanding Outdoor Fireplace Plan Check to Freestanding Outdoor Fireplace/Pizza Ove Plan Check
- Line 100 – remove “per” from the Unit
- Line 101 - change the Unit to “each”
- Line 102 – remove “per” from the Unit
- Line 104 – remove “per” from the Unit
- Line 125 – add “each” to the Unit

BUILDING PERMIT FEES: “CONSTRUCTION TYPES: II B, III B, IV B, V B” –

Change to “BUILDING PERMIT FEES – CONSTRUCTION TYPES I B, II B, III B, IV B, V B”

(to include Type I B omitted due to clerical error)

Community Development/Planning

Line 34 – delete the minimum \$40

Line 31 – remove the \$10 and input the unit of TBD by Director

Line 32 – remove this line (duplication); document charges are covered by the Permanent Record Retention on line 33.

Engineering and Public Works

For all deposit-based fees (Lines 3,4,5,10, 15, 20, 22, 24, 30, 31, 32 , 33 and 38) – Include an annotation clarifying that the required deposit amounts established in the Fee Schedule reflect the initial deposit due, which initial deposit amount may be reduced in increments of \$500 based upon actual expenditures in the sole discretion of the Public Works Director, so as to ensure that the City does not over collect deposit-based fees at the time the initial deposit is made.

RESOLUTION NO. 2017-07-11-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING THE COMPREHENSIVE FEE SCHEDULE BY: (1) ADJUSTING CERTAIN DEVELOPMENT PROCESSING FEES AND OTHER CITY RATES, CHARGES, AND USER FEES FOR VARIOUS GOVERNMENT SERVICES BASED ON THE INCREASE IN THE CONSUMER PRICE INDEX (CPI); AND (2) APPROVING ADJUSTMENTS THAT ELIMINATE, REDUCE, AND/OR MODIFY OTHER USER FEES AND CHARGES, AND FINDING THAT THE ACTION IS STATUTORILY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PER SECTION 15273 OF THE CEQA GUIDELINES AND PUBLIC RESOURCES CODE SECTION 21080(B)(8)

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

WHEREAS, pursuant to the provisions of the California Constitution and the laws of the State of California, the City of Laguna Hills is authorized to adopt and implement fees, rates, and charges for municipal services; provided that such fees, rates, and charges do not exceed the estimated reasonable cost of providing such services; and

WHEREAS, in 2016 the City retained Willdan Financial Services to review and conduct an independent, detailed analysis of City services, the cost reasonably borne by providing those services, the beneficiaries of those services, and the revenues produced by those paying fees for those services, and to prepare a study and report setting forth the specific amount of user fees, rates, and charges; and

WHEREAS, Willdan Financial Services previously prepared a study and report, listing the applicable direct and indirect costs for certain services provided by the City, describing the reasonable relationship between fees, rates, and charges and the services provided by the City, and setting forth the time and method for payment of the fees, rates, and charges, which is identified as the "Cost Allocation Plan" and "Comprehensive User Fee Study Report", dated August 24, 2016, and August 31, 2016, respectively, copies of which are on file in the City Clerk's office; and

WHEREAS, on September 13, 2016, the City Council adopted Resolution No. 2016-09-13-04, which approved the Cost Allocation Plan and the Comprehensive User Fee Study Report, dated August 24, 2016, and August 31, 2016, respectively, prepared by Willdan Financial Services, and approved the methodology for calculating and collecting the user fees and charges established therein (collectively, the "Fee Study"); a copy of the Fee Study is on file with the City Clerk; and

WHEREAS, pursuant to Resolution No. 2016-09-13-04, the City Council approved and adopted updated development processing fees and other user rates, charges, and fees as set forth and established in the "Comprehensive Fee Schedule," finding that the user fees and charges established do not exceed the estimated reasonable cost of providing the services for which the fees are levied; and

WHEREAS, Section 7 of Resolution No. 2016-09-13-04 adopted a policy by which to periodically review and update the Comprehensive Fee Schedule and authorized an annual increase of the user fees and charges set forth in the Comprehensive Fee Schedule, commencing on July 1, 2017, and on July 1st of each fiscal year thereafter, for all fees and charges that can apply, in accordance with the Consumer Price Index (CPI) reported for the month of April of the corresponding year for the Los Angeles-Riverside-Orange County area for all Urban Consumers; and

WHEREAS, upon recommendation of City staff following completion of the annual review of the Comprehensive Fee Schedule, the City Council desires to approve increases to the user fees and charges established pursuant to Resolution No. 2016-09-13-04, for all fees and charges that can apply, in accordance with the Consumer Price Index (CPI) reported for the month of April of the corresponding year for the Los Angeles-Riverside-Orange County area for all Urban Consumers, as well as to approve other adjustments that eliminate, reduce and/or modify certain user fees and charges, by approving amendments to the Comprehensive Fee Schedule as set forth herein; and

WHEREAS, the annual change in the CPI for this first interim update is 2.7%; and

WHEREAS, pursuant to Government Code Section 66014, 66017, and 66018, proposed CPI increases to specific user fees charged for certain services must be adopted by Resolution, following notice and Public Hearing; and

WHEREAS, notice of Public Hearing has been given pursuant to Government Code Section 6062a, oral and written presentations have been made and received, and the required Public Hearing has been held; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

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 Annual Update/CPI Increase. The City Council hereby approves and adopts the amendments to the Comprehensive Fee Schedule as set forth and established in Exhibit "A" attached to this Resolution and incorporated herein by reference, reflecting adjustments to certain development processing fees and other user

rates, charges, and fees based on CPI of 2.7%, as well as other adjustments that serve to eliminate, reduce, and/or modify certain user fees and charges; and the City Council hereby finds and determines that the adjusted user fees and charges established herein do not exceed the estimated reasonable cost of providing the services for which the fees are levied.

SECTION 3. Effective Date. The CPI increases to certain user fees and charges established pursuant to this Resolution shall take effect and shall be implemented 60-days following the adoption of this Resolution.

SECTION 4. Amendments to Comprehensive Fee Schedule. The City Council hereby authorizes and directs the City's Finance Manager to update the Comprehensive Fee Schedule in accordance with the amendments set forth in Exhibit "A" attached hereto.

SECTION 5. Environmental Exemption. The adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15273 of CEQA Guidelines and Section 21080(b)(8) of the Public Resources Code; and in accordance with such determination, the City Clerk is hereby directed to file a Notice of Exemption upon adoption of this Resolution.

SECTION 6. Severability. If any adjusted user fee, rate, or charge adopted by this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such adjusted fee, rate, or charge shall be deemed a separate, distinct, and independent provision of this Resolution, and such holding shall not affect the validity of the remaining user fees, rate, and charges adopted or revised herein. The City Council hereby declares that it would have adopted the Resolution and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

PASSED, APPROVED, AND ADOPTED this 11th day of July 2017.

DON SEDGWICK, MAYOR

ATTEST:

Resolution No. 2017-xx-xx-x

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

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Attachment: E. Proposed Resolution (1339 : Comprehensive User Fee Schedule - Annual Update)

EXHIBIT “A”

Amendments to the Comprehensive Fee Schedule *(First Annual Interim Update)*

Attachment: E. Proposed Resolution (1339 : Comprehensive User Fee Schedule - Annual Update)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: July 11, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Letter of Support for Traffic Relief and Regional Mobility Solutions for South Orange County

RECOMMENDATION: That the City Council authorize the Mayor to sign a letter of support for traffic relief and regional mobility solutions for South Orange County.

SUMMARY:

Mayor Pro Tempore Carruth has requested the City Council review the attached letter of support for traffic relief and mobility solutions for South Orange County and authorize the Mayor to sign the letter and distribute accordingly.

ATTACHMENTS:

- Letter of Support

June 20, 2017

DRAFT

The Honorable Mimi Walters
U.S. House of Representatives
45th District
236 Cannon House Office Bldg.
Washington D.C., 20515

The Honorable Darrell Issa
U.S. House of Representatives
49th District
2347 Rayburn House Office Bldg.
Washington D.C., 20515

The Honorable Patricia C. Bates
California State Senate
36th District
State Capitol, Room 305
Sacramento, CA 95814

The Honorable William Brough
California State Assembly
73rd District
State Capitol, Room 3141
Sacramento, CA 95814

RE: SUPPORT for traffic relief and mobility solutions for South Orange County

Dear Honorable Walters, Honorable Issa, Honorable Bates, and Honorable Brough:

When Laguna Hills incorporated in 1987, the 73 Toll Road had been envisioned, but not yet built. Nearly ten years later, when the 73 was completed and connected to the I-5 freeway, residents throughout the region finally had an alternate to the I-5 and I-405 freeways. Residents throughout our community frequently utilize the 73 Toll Road when travelling north and most Laguna Hills residents as well as residents from throughout South Orange County would agree that the Toll Road system is on balance a benefit and ensures a traffic-free option for commuters, which has a significant value to our quality of life.

Our city appreciates the efforts the Transportation Corridor Agencies (TCA) has put forth to engage the community and ensure the participation of the residents as well as the other transportation agencies both locally (OCTA) and statewide (CalTrans). Soliciting traffic relief ideas from the public and vetting the many ideas that come forth is a time-consuming and cumbersome process, but it ensures public involvement and transparency, which is extremely important to our City and other cities through South Orange County.

While it would be premature at this time to judge any of the ideas as either a preferred alternative or as an unacceptable alternative, we encourage our residents and businesses to stay involved and engaged in the process as it moves forward. The scientific data we receive in the coming years that will be part of the environmental study and traffic analysis will help guide our elected leaders during the deliberation process.

The City of Laguna Hills supports the TCA Board and staff as it pursues regional mobility solutions that will improve traffic flow and enhance the quality of life of all our residents.

Attachment: Letter of Support (1340 : Letter of Support for Traffic Relief for South Orange County)

Sincerely,

Don Sedgwick
Mayor
City of Laguna Hills

cc: TCA Directors
South Orange County City Council Members

Attachment: Letter of Support (1340 : Letter of Support for Traffic Relief for South Orange County)