Regular Meeting Agenda
November 5, 2013
Placentia City Council
Placentia City Council as Successor to the Placentia Redevelopment Agency
Placentia Industrial Commercial Development Authority

Scott W. Nelson
Mayor

Joseph V. Aguirre
Mayor Pro Tem

Constance M. Underhill
Council Member

Chad P. Wanke
Council Member

Jeremy B. Yamaguchi
Council Member

Patrick J. Melia
City Clerk

Craig S. Green
City Treasurer

Troy L. Butzlaff, ICMA-CM
City Administrator

Andrew V. Arczynski
City Attorney

City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

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Mission Statement

The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.

Vision Statement

The City of Placentia will maintain an open, honest, responsive and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.

Copies of all agenda materials are available for public review in the Office of the City Clerk, online at www.placentia.org, and at Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

Procedures for Addressing the Council/Board Members

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "**Oral Communications**" portion of the agenda should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE the item is called.

The Council and Board members encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Council and Board discourage clapping, booing or shouts of approval or disagreement from the audience.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND BOARD MEMBERS ARE IN SESSION.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA – EXECUTIVE SESSION
November 5, 2013
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Underhill
Councilmember/Board Member Wanke
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Aguirre
Mayor/Board Chair Nelson

ORAL COMMUNICATIONS:
At this time the public may address the City Council and Boards of Directors concerning any items on the Executive Session Agenda only.

The City Council and Boards of Directors will recess to the City Council Caucus Room for the purpose of conducting their Executive Session proceedings.

CITY COUNCIL:

1. Pursuant to Government Code Section 54956.9(a) for Conference with Legal Counsel Regarding Existing Litigation – One (1) Item

    a. Placentia Police Officers Association v. City of Placentia, Orange County Superior Court, Case No. 30-2011-00485327

2. Pursuant to Government Code Section 54956.9(b) for Conference with Legal Counsel Regarding Anticipated Litigation – Two (2) Items

3. Pursuant to Government Code Section 54956.9(c) for Conference with Legal Counsel Regarding the Initiation of Litigation – One (1) Item

4. Pursuant to Government Code Section 54957.6 Conference with City Labor Negotiator Concerning Labor Negotiations with the following groups:

    a. Placentia Police Officers Association (PPOA)
    b. Placentia Police Management Association (PPMA)
    c. Placentia City Employees Association (PCEA)

    City Representatives: Troy L. Butzlaff, City Administrator
    Steve Pischel, Dir. Administrative/Community Services

5. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

    a. Property: 334 W. Santa Fe Avenue, APN 140-09-08
    City Negotiator: Troy L. Butzlaff, City Administrator
    Negotiating Parties: Maria Medina
    Under Negotiations: Price and Terms of Payment

    b. Property: Vacant 0.0631 Acre Parcel, APN 339-102-01
    City Negotiator: Troy L. Butzlaff, City Administrator

Negotiating Parties: Suburban Propane, L.P.
Under Negotiations: Price and Terms of Payment

SUCCESSOR AGENCY:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

    a. Property: 132 Crowther Avenue, APN 339-091-08
    Agency Negotiator: Troy L. Butzlaff, Executive Director
    Negotiating Parties: Mark McEwen, DMWP, LLC
    Under Negotiations: Price and Terms of Lease

ICDA:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

    a. Property: 235 South Bradford Avenue, APN 339-365-15
    Agency Negotiator: Troy L. Butzlaff, Executive Director
    Negotiating Parties: Gerald Near
    Under Negotiations: Price and Terms of Payment

    b. Property: 120 South Bradford Avenue, APN 339-052-23
    Agency Negotiator: Troy L. Butzlaff, Executive Director
    Negotiating Parties: Budget Finance Company (Lender)
    Under Negotiations: Price and Terms of Payment

RECESS: The City Council and Boards of Directors will recess to their 7:00 p.m. Regular Meeting.

PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA
November 5, 2013
7:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Underhill
Councilmember/Board Member Wanke
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Aguirre
Mayor/Board Chair Nelson

INVOCATION: Police Chaplain Arturo Rodriguez

PLEDGE OF ALLEGIANCE:

PRESENTATIONS:

1. **Requests for Commendations and Proclamations**

   a. Proclamation Declaring the Month of November, as Pancreatic Cancer Awareness Month
   Recipients: Pancreatic Cancer Action Network and Heide Bush
   Presenter: Mayor Nelson

   b. Orange County Grand Jury 2014/15 Recruiting Campaign
   Presenters: Orange County Grand Jury Barry Durham and April Lancaster

   c. Recognition of Valencia High School Interact Club
   Recipients: Valencia High School Students Sunny Le, Gabby Szczeblowski, Sonia Dinh, Lisa Jian, Ryan Borden, and Yash Kelkar
   Presenter: Mayor Nelson

   Recommended Action: It is recommended that the City Council:
   Approve requests as submitted and make presentations to those present

EXECUTIVE SESSION REPORT:

CITY ADMINISTRATOR REPORT:

ORAL COMMUNICATIONS:
At this time the public may address the City Council and Boards of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council and Boards of Directors. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

CITY COUNCIL/BOARD MEMBERS COMMENTS AND REPORTS:
The purpose of these reports is to provide information on projects and programs that are discussed at interagency board, committee, and commission meetings. No decisions are to be made on these issues. If a Council or Board Member would like formal action on any of the discussed items, it will be placed on a future Council or Board Agenda.

1. CONSENT CALENDAR (Items 1.a. through 1.i.):

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council and Boards of Directors or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

COUNCIL / SUCCESSOR AGENCY / ICDA CONSENT CALENDAR:

a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**
Financial Impact: None
Recommended Action: Approve

b. **Minutes**
City Council / Successor / ICDA Regular Meeting – October 15, 2013
Recommended Action: Approve

c. **City Fiscal Year 2013-14 Warrant Register for October 16, 2013 through November 5, 2013**
Financial Impact: $1,058,172.72
Recommended Action: Approve

COUNCIL CONSENT CALENDAR:

d. **Acceptance of Construction Work for the Valencia Avenue Rehabilitation Project**
Financial Impact: Expense: $592,626.67
Offsetting Revenue: $296,313.33 State Proposition 1B Funding & $296,313.34 Measure M Fair Share Funds
Budgeted: $592,626.67 (Account No.: 333552-6185 J/L 61034)
Recommended Action: It is recommended that the City Council:
1) Accept contract work performed by Sulley-Miller Contracting Company, for construction work of the Valencia Avenue Rehabilitation Project in the amount of $593,626.67
2) Authorize the City Engineer to file a Notice of Completion with the Orange County Clerk Recorder's Office for the project
3) Authorize the City Engineer to release retention funds in accordance with the terms of the contract

e. **Recommendation to Approve Pipeline License Agreements 13-48136 and 13-47969 with Burlington Northern Santa Fe Railway Company for Lakeview Grade Separation Project**
Financial Impact: None
Recommended Action: It is recommended that the City Council:
1) Approve Pipeline License Agreement 13-48136 for a sewer pipeline
2) Approve Pipeline License Agreement 13-47969 for a storm water pipeline
3) Authorize the Mayor to execute the Pipeline License Agreement on behalf of the City, in a form approved by the City Attorney

f. **Recommendation to Approve Amendment No. 2 to Cooperative Agreement C-2-1330 between the Orange County Transportation Authority and City of Placentia for the Richfield Road Widening Project**
Financial Impact: Expense: $350,000.00 for Construction Services
Offsetting Revenue: $350,000.00 OCTA

Recommended Action: It is recommended that the City Council:

1) Approve Amendment No. 2 to Cooperative Agreement No. C-2-1330 between the City of Placentia and the Orange County Transportation Authority for the Richfield Road Widening Project, in a form approved by the City Attorney
2) Authorize the Mayor to execute Amendment No. 2 to Cooperative Agreement No. C-2-1330 on behalf of the City

g. **Acceptance of Construction Work for the Pedestrian Accessibility Phase ll Project**

Financial Impact: Expense: $217,715.21
Offsetting Revenue: $217,715.21 CDBG
Budgeted: $217,715.21 (Account No.: 333552-6185 J/L 61102, Construction Capital Projects)
Recommended Action: It is recommended that the City Council:

1) Accept contract work performed by Y & M Construction, for the Pedestrian Accessibility Phase ll Project in the total amount of $217,715.21
2) Authorize the City Engineer to file a Notice of Completion with Orange County Clerk Recorder's Office for the project
3) Authorize the City Engineer to release retention funds in accordance with the terms of the contract

h. **Approval of Final Tract Map No. 17489 Including Conditional Acceptance of Offers of Dedication, Approval of Subdivision Agreement and Acceptance of Improvement Bonds**

Financial Impact: None
Recommended Action: It is recommended that the City Council:

1) Approve Final Tract Map 17489, subject to review and approval of the County Surveyor, and accept the dedication and relinquishment of vehicular access rights, subject to final completion, as follows:
   a. An easement for road and utility purposes along Golden Avenue
   b. Release and relinquishment of vehicular access rights along Golden Avenue except at the approved driveway location
2) Authorize the City Clerk to sign Final Tract Map 17489
3) Approve and authorize the Mayor and City Clerk to execute the Subdivision Improvement Agreement
4) Accept the Improvement Performance Bond #0635564 and Labor and Material Bond #0635564, each in the amount of $556,217.00 from International Fidelity Insurance Company for the construction of Improvements

i. **Adoption of Resolution Authorizing the Submission of an Application to the California Infrastructure and Economic Development Bank for Financing of the Acquisition and Capital Improvement of 132 E. Crowther Avenue**

Financial Impact: Savings: $300,000.00 in avoided lease payments over remaining lease term
Expenditures: $88,673.52 estimates monthly loan payment for $1,300,000.00 at 2.44 percent for 15-year term
Recommended Action: It is recommended that the City Council:

1) Adopt Resolution No. R-2013-52, A Resolution of the City Council of the City of Placentia, California, authorizing the submission of an application to the California Infrastructure and Economic Development Bank for financing of 132 E. Crowther Avenue

2) Authorize the City Administrator to submit an application to I-Bank for a 15-year loan of $1,300,000.00 at an interest rate of approximately 2.44 percent for the purchase and related capital improvements of 132 Crowther Avenue

SUCCESSOR AGENCY CONSENT CALENDAR: None

ICDA CONSENT CALENDAR: None

2. PUBLIC HEARINGS:

COUNCIL/SUCCESSOR AGENCY/ICDA: None

COUNCIL:

a. **Public Hearing, Introduction and First Reading for an Ordinance of the City Council of the City of Placentia, California, Repealing Chapter 18.04 of title 18 and Chapters 20.04, 20.08, 20.12, 20.16, 20.20 and 20.56 of Title 20 of the Placentia Municipal Code and Adopting by Reference, the California Fire Code, 2013 Edition, the California Building Code, 2013 Edition, the California Residential Code, 2013 Edition, the California Green Building Standards Code, 2013 Edition, the California Plumbing Code, 2013 Edition, the California Mechanical Code, 2013 Edition, and the California Electrical Code, 2013 Edition, Including all Appendices, with Certain Amendments, Additions and Deletions Thereto, Including Fees and Penalties; and Approval of Resolution Making Required Findings Pursuant to the California Health & Safety Code**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

1) Conduct public hearing and consider Staff and public input pertaining to the ordinance and amendments recommended by Staff. Close public hearing upon completion of testimony
2) Introduce for First Reading Ordinance O-2013-08, "An Ordinance of the City Council of the City of Placenta, California, Repealing Chapter 18.04 of Title 18 and Chapters 20.04, 20.08, 20.12, 20.16, 20.20 and 20.56 of Title 20 of the Placentia Municipal Code and Adopting By, Reference, the California Fire Code, 2013 Edition, the California Building Code, 2013 Edition, the California Residential Code, 2013 Edition, the California Plumbing Code, 2013 Edition, the California Electrical Code, 2013 Edition, California Mechanical Code, 2013 Edition, and the California Green Building Standards Code, 2013 Edition, Including all Appendices, with Certain Amendments, Additions and Deletions Thereto, Including Fees and Penalties"
3) Adopt Resolution No. R-2013-53, A Resolution of the City Council of the City of Placentia, California, making required findings pursuant to California Health and Safety Code § 17958.5(a) pertaining to modifications to the standardized codes promulgated by the State of California

SUCCESSOR AGENCY: None

ICDA: None

3. OLD BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA OLD BUSINESS: None

COUNCIL OLD BUSINESS: None

SUCCESSOR AGENCY OLD BUSINESS: None

ICDA OLD BUSINESS: None

4. NEW BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA NEW BUSINESS: None

ICDA NEW BUSINESS: None

COUNCIL NEW BUSINESS:

a. **Adoption of Goals and Policies for the Implementation of the Mello-Roos Community Facilities Act of 1982, as Amended, California Government Code § 53311, *Et Seq*., Regarding the Formation of Community Facilities Districts**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

1) Consider the evidence supplied by Staff and the City's consultant, Willdan Engineering
2) Adopt Resolution No. R-2013-54, A Resolution of the City Council of the City of Placentia, California, adopting Goals and Policies for the Implementation of the Mello-Roos Community Facilities Act of 1982, as Amended, California Government Code § 53311, *Et Seq*., Regarding the Formation of Community Facilities Districts

SUCCESSOR AGENCY NEW BUSINESS: None

ICDA NEW BUSINESS: None

CITY COUNCIL/BOARD MEMBERS REQUESTS:
Council/Board Members may make requests or ask questions of Staff. If a Council/Board Member would like to have formal action taken on a requested matter, it will be placed on a future Council or Board Agenda.

ADJOURNMENT:
The City Council/Successor Agency/ICDA Agency Board of Directors will adjourn to November 19, 2013 at 5:30 p.m.

In
Memory
of
Joe Rodarte
Retired Placentia Police Officer

CERTIFICATION OF POSTING
I, Tania Moreno, Deputy City Clerk for the City of Placentia and Assistant Secretary of the Industrial Commercial Development Authority and Successor Agency, hereby certify that the Agenda for the November 5, 2013 meetings of the City Council, Successor Agency, and Industrial Commercial Development Authority was posted on October 31, 2013.

_____

Tania Moreno, Deputy City Clerk

PROCLAMATION DESIGNATING NOVEMBER 2013 AS NATIONAL PANCREATIC CANCER AWARENESS MONTH
CITY COUNCIL MEETING NOVEMBER 5, 2013

City of Administrator Butzlaff to introduce item and turn over to Mayor Nelson for recognition of National Pancreatic Cancer Awareness month.

Pancreatic Cancer has impacted the City family over the past year including the life of Police Officer/Detective Phil Bush, one year ago next week. Phil's battle with this disease was short lived with him only surviving 10 months from diagnosis to passing. Phil leaves behind his wife and four children all who miss their husband and father deeply. Also, just one month ago, Gloria Shkoler, community volunteer and wife of Placentia Library Board President Al Shkoler, passed away due to Pancreatic Cancer.

With us tonight is Heidi Bush, wife of Phil Bush, who helped her husband battle this disease prior to his passing in November of last year.

Mayor to provide a brief summary of Pancreatic Cancer Awareness Month.

Certificate to be mailed to the Pancreatic Cancer Action Network, second certificate to be presented to Heide Bush.

Recipient: Pancreatic Cancer Action Network and Heide Bush
Presenter: Mayor Nelson

Presentation A
November 5, 2013

ORANGE COUNTY GRAND JURY 2014-15 RECRUITING CAMPAIGN
CITY COUNCIL MEETING NOVEMBER 5, 2013

The California Grand Jury is unique in its function and selection process compared to other juries, including petit and trial juries and Federal Grand Juries. Each county is required by law to impanel a body of 23 or 19 members, depending on county population, to serve for a term of one year. This body is mandated to investigate and report on both criminal and civil matters within the county.

Orange County Grand Jury Barry Durham and April Lancaster will provide a brief presentation regarding the upcoming Orange County Grand Jury 2014-15 Recruitment

Presenter: Orange County Grand Jury Barry Durham and April Lancaster

Presentation B
November 5, 2013

RECOGNITION OF VALENCIA HIGH SCHOOL INTERACT CLUB
COUNCIL MEETING NOVEMBER 5, 2013

Mayor Nelson to present Certificates of Recognition to the Valencia High School Interact Club members.

The Interact Club has been very active in the community. They have raised $500 for a Placentia needy family, as identified by the PYLUSD, raised $1,000 to build a water well in Sudan, provided over 50 volunteers to assist the City with the Heritage Festival, and will be volunteering this year to decorate a float in the Pasadena Rose Parade.

Presenter: Mayor Nelson
Recipients: Sunny Le, Gabby Szceblowski, Sonia Dinh, Lisa Jian, Ryan Borden, and Yash Kelkar

Presentation C
November 5, 2013

PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA – EXECUTIVE SESSION
October 15, 2013
6:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA

CALL TO ORDER: Mayor/Board Chair Nelson called the meeting to order at 6:07 p.m.

ROLL CALL:

PRESENT: Council/Agency Members Aguirre, Nelson, Underhill, Wanke
ABSENT: Council/Agency Member Yamaguchi

ORAL COMMUNICATIONS: None

CITY COUNCIL:

1. Pursuant to Government Code Section 54956.9(a) for Conference with Legal Counsel Regarding Existing Litigation – One (1) Item

    a. Placentia Police Officers Association v. City of Placentia, Orange County Superior Court, Case No. 30-2011-00485327

2. Pursuant to Government Code Section 54956.9(b) for Conference with Legal Counsel Regarding Anticipated Litigation – Two (2) Items

3. Pursuant to Government Code Section 54956.9(c) for Conference with Legal Counsel Regarding the Initiation of Litigation – One (1) Item

4. Pursuant to Government Code Section 54957.6 Conference with City Labor Negotiator Concerning Labor Negotiations with the following groups:

    a. Placentia Police Officers Association (PPOA)
    b. Placentia Police Management Association (PPMA)
    c. Placentia City Employees Association (PCEA)

    City Representatives: Troy L. Butzlaff, City Administrator
    Steve Pischel, Dir. Administrative/Community Services

5. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

    a. Property: 334 W. Santa Fe Avenue, 140-09-08-65
    City Negotiator: Troy L. Butzlaff, City Administrator
    Negotiating Parties: Maria Medina
    Under Negotiations: Price and Terms of Payment

SUCCESSOR AGENCY:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

a. Property: 132 Crowther Avenue, APN 339-091-08
Agency Negotiator: Troy L. Butzlaff, Executive Director
Negotiating Parties: Lee Petsas, UBI Business Brokers
Under Negotiations: Price and Terms of Lease

ICDA:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:

   a. Property: 235 South Bradford Avenue, APN 339-365-15
   Agency Negotiator: Troy L. Butzlaff, Executive Director
   Negotiating Parties: Gerald Near
   Under Negotiations: Price and Terms of Payment

RECESS: The City Council and Boards of Directors recessed to their 7:00 p.m. Regular Meeting.

ROLL CALL:

PRESENT: Council/Agency Members Aguirre, Nelson, Underhill, Wanke
ABSENT: Council/Agency Member Yamaguchi

STAFF PRESENT: City Administrator/Executive Director, Troy L. Butzlaff; City Attorney/Authority Counsel, Andrew V. Arczynski; Director of Administrative and Community Services, Steve Pischel; Director of Finance, Karen Ogawa; Director of Public Works, Steve Drinovsky; Police Chief, Rick Hicks; Deputy Chief of Police, Ward Smith; Finance Services Manager, Michael Nguyen; City Clerk, Patrick Melia; Deputy City Clerk, Tania Moreno

INVOCATION: Police Chaplain Gary Drabek

PLEDGE OF ALLEGIANCE: Councilmember Wanke

PRESENTATIONS: None

EXECUTIVE SESSION REPORT: City Attorney/Agency Counsel Arczynski reported the Council/Agency met in Executive Session to discuss the items listed on the agenda. He stated there was no reportable action from Executive Session.

CITY ADMINISTRATOR REPORT:
City Administrator Butzlaff announced the upcoming Free Flu Shot Clinic on October 25, 2013, Shred Day and E-Waste Collection event on October 26, 2013, and the National Take-Back Initiative event on October 26, 2013. He announced that the City, in partnership with the Friendly Center, is now accepting registration for the Community Christmas Basket Program. He reported that Staff, Heritage Committee, and volunteers did a tremendous job to make the 49th Annual Heritage Festival and Parade a huge success. He announced that Director of Finance Ogawa has accepted a job offer with another city. He thanked Mrs. Ogawa for the years of service and wished her the best on her new job.

ORAL COMMUNICATIONS:
Craig Green, City Treasurer, reported that he would be submitting a financial report to Council with his recommendations to budget cuts, revenue ideas, and suggestions on how to enhance investments. He requested an update on the status of the E-payables Program.

Golden State Water Company District Manager Robert Handford thanked the City for submitting the letter to the Orange County Water District Board regarding annexation. He noted that the board approved the annexation without appropriate financial assets.

Mayor Nelson inquired about the impact to ratepayers.

Mr. Handford responded that there would be no immediate impact until the rate case is completed.

Stanley Nelson, resident, expressed his concerns regarding markings that appear to be graffiti on La Jolla area. He inquired if Lamar Advertising Company had made the markings. He inquired if the City has allowed Lamar to conduct work.

City Administrator Butlzaff noted that Staff is not aware of Lamar Advertising Company conducting any type of work in the City.

City Attorney Arczynski noted that the fluorescent marks appear to be underground service alerts.

Paul Olivares, resident, requested an update on the status of the Outdoor Advertising Display Project and the markings on the street.

Mayor Nelson directed Staff to look into the markings reported by Mr. Stanley and Mr. Olivares.

CITY COUNCIL/BOARD MEMBERS COMMENTS AND REPORTS:
Councilmember Wanke congratulated Director of Finance Ogawa on her new job and thanked her for all her work.

Councilmember Underhill noted that the Heritage Festival and Parade was a success. She thanked all Staff, Heritage Committee and volunteers for their hard work. She wished Director of Finance Ogawa the best on her new job.

Mayor Pro Tem Aguirre thanked Director of Finance Ogawa for her hard work and wished her the best on her new job. He thanked Staff, volunteers and participants of the Heritage Festival and Parade. He attended the Orange County Fire Authority Board special meeting on October 7, 2013. He noted that the OCFA Board discussed ambulance contracts, RFP process, Orange County Fire Authority workers liability issues reported by OC Register newspaper, and their seatbelt policy.

Mayor Nelson noted that the Heritage Festival and Parade was a success. He thanked the Heritage Committee, Staff and volunteers. He congratulated Director of Finance Ogawa on her new position and the clean audit report. He noted that Staff would follow-up on the Outdoor Advertising Display Program status.

1. CONSENT CALENDAR (Items 1.a. through 1.f.):
A motion was made by Mayor Pro Tem Aguirre, seconded by Councilmember Underhill, to approve Consent Calendar Item Nos. 1.a. through 1.f.

COUNCIL/SUCCESSOR AGENCY/ICDA CONSENT CALENDAR:

a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**
Financial Impact: None
Recommended Action: Approve
(4 – 0, Councilmember Yamaguchi absent)

b. **Minutes**
City Council/Successor/ICDA Regular Meeting – October 1, 2013
Recommended Action: Approve
(4 – 0, Councilmember Yamaguchi absent)

c. **City Fiscal Year 2013-14 Warrant Register for October 2, 2013 through October 15, 2013**
Financial Impact: $1,148,872.06
Recommended Action: Approve
(4 – 0, Councilmember Yamaguchi absent)

COUNCIL CONSENT CALENDAR:

d. **Appropriation of Proposition 69 Funding and Authorization to Purchase Supplies and Equipment for the Police Department**
Financial Impact: Expense: $13,027.00 (Account No.: 1032043-6301)
Offsetting Revenue: $13,027.00 (Account No.: 0010-3001)
Recommended Action: It is recommended that the City Council:
1) Approve the appropriation of Prop 69 funding from the Orange County Board of Supervisors in the amount of $13,027.00
2) Adopt Resolution No. R-2013-50, A Resolution of the City Council of the City of Placentia, California, authorizing a budget amendment in Fiscal Year 2013-14 in the aggregate amount of $13,027.00 in compliance with City Charter §§ 1206 and 1209 pertaining to appropriations for actual expenditures
3) Authorize the purchase of replacement computers/monitors/printers, drying cabinet filters, and vehicle storage stands in an amount not to exceed $13,027.00
4) Authorize the City Administrator to execute all necessary documents to effectuate these actions

(4 – 0, Councilmember Yamaguchi absent)

e. **Amendment to Orange County Fire Authority Joint Powers Authority Agreement – Equity**
Financial Impact: None
Recommended Action: It is recommended that the City Council:
1) Approve and direct the City Administrator to execute the submitted Second Amendment to the Amended Orange County Fire Authority JPA Agreement
2) Authorize the City Attorney to join in supporting the OCFA's validation action, when filed, seeking to obtain a judicial declaration of the validity of the Second Amendment to the Amended JPA Agreement

(4 – 0, Councilmember Yamaguchi absent)

f. **Ratification of Emergency Proposal and Purchase Order Related to Traffic Signal Cabinet and Service Enclosure Repairs**
Financial Impact: Expense: $92,044.22
Offsetting Revenue: $92,044.22 Insurance Claim
Budgeted: $92,044.22 (Account No.: 103652-6099)
Recommended Action: It is recommended that the City Council:
1) Approve proposal to Siemens for an amount not to exceed $92,044.22
2) Authorize the City Administrator to execute contract documents on behalf of the City, in a form approved by the City Attorney

3) Approve the attached budgeted resolution appropriating $92,044.22 to Account No. 103652-6099 (Street Maintenance)

(4 – 0, Councilmember Yamaguchi absent)

SUCCESSOR AGENCY CONSENT CALENDAR: None

ICDA CONSENT CALENDAR: None

2. PUBLIC HEARINGS:

COUNCIL/SUCCESSOR AGENCY/ICDA: None

COUNCIL: None

SUCCESSOR AGENCY: None

ICDA: None

3. OLD BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA OLD BUSINESS: None

COUNCIL OLD BUSINESS: None

SUCCESSOR AGENCY OLD BUSINESS: None

ICDA OLD BUSINESS: None

4. NEW BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA NEW BUSINESS: None

ICDA NEW BUSINESS: None

COUNCIL NEW BUSINESS: None

SUCCESSOR AGENCY NEW BUSINESS:

a. **Adoption of a Resolution Approving Issuance of Tax Allocation Refunding Bonds and Related Documents**

Financial Impact: Savings of approximately $700,000.00 over remaining life of bonds

Recommended Action: It is recommended that the City Council:

1) Adopt Resolution RSA-2013-07, A Resolution of the City Council of the City of Placentia, California, acting as the Successor Agency to the Redevelopment Agency of the City of Placentia, approving the final form of certain documents relating to the issuance and sale of the 2013 Tax Allocation Refunding bonds to refinance outstanding bonds of the former Placentia Redevelopment Agency, and approving related matters and official actions

(4 – 0, Councilmember Yamaguchi absent)

City Administrator Butzlaff noted that this item is the final action by the Successor Agency approving a resolution that would issue the tax allocation refunding bonds and other related documents. He noted that over the past few months the Successor Agency has approved various actions relative to the refinancing of the bonds issuance.

Financial Advisor Suzanne Harrell reported that this is the final action required by the Successor Agency for the refunding of the bonds. She noted that they expect the bonds to be issue in late October or early November to meet the prepaying date. She noted that the refinancing would reduce the debt service payments on the 2002 bonds and save approximately $40,000 each year. She noted that the Oversight Board would require no further action. She introduced Underwriter Robin Thomas and Bond Counsel Charles Adams.

Councilmember Underhill inquired about the possibility of first paying down the principal rather than distributing the savings to the various tax entities.

Financial Advisor Suzanne Harrell responded that the Redevelopment Dissolution Act does not allow the City to accelerate payments of the existing debt.

A motion was made by Councilmember Wanke, seconded by Mayor Pro Tem Aguirre, and carried (4 – 0) to adopt Resolution RSA-2013-07, a resolution of the City Council of the City of Placentia, California, acting as the Successor Agency to the Redevelopment Agency of the City of Placentia, approving the final form of certain documents relating to the issuance and sale of the 2013 Tax Allocation Refunding bonds to refinance outstanding bonds of the former Placentia Redevelopment Agency, and approving related matters and official actions.

ICDA: None

CITY COUNCIL/BOARD MEMBERS REQUESTS: None

ADJOURNMENT: The City Council/Successor Agency/ICDA Agency Board of Directors adjourned at 7:34 p.m. to the next regular meeting on November 5, 2013 at 5:30 p.m. in memory of Gloria Shkoler and Joseph Keefe.

SCOTT W. NELSON
MAYOR/AGENCY CHAIR

ATTEST:

PATRICK J. MELIA, CITY CLERK/AGENCY SECRETARY

City of Placentia
Warrant Register
For 11/5/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				Grand Total:	1,058,172.72				

Warrant Totals by ID	
AP	987,655.02
EP	70,517.70
IP	0.00
OP	0.00

Fund Name	Warrant Totals by Fund
101-General Fund	227,467.17
208-Successor Agency Ret Oblg Fnd	14,854.85
225-Asset Seizure	275.50
260-Street Lighting District	29,852.07
265-Landscape Maintenance	34,190.69
275-Sewer Maintenance	5,062.49
280-Misc Grants Fund	234.70
401-City Capital Projects	103,392.36
501-Refuse Administration	224,339.37
601-Employee Health & Welfare	206,919.65
605-Risk Management	24,074.04
615-Information Technology	36,818.14
620-Citywide Services	116,439.75
701-Special Deposits	23,618.93
715-Community Facilities District	10,633.01
Warrant Total:	1,058,172.72

Void Total:	0.00
Warrant Total:	1,058,172.72

LEGEND	
EP	Electronic Payment
MW IP	Machine Written (Immediate Pay)
MW OH	Machine Written (Open Hold)
RV	Reversed Warrant

1.c.
November 5, 2013

mn 10/29

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	ACOSTA, JOAQUIN E000017	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005103	10/31/2013
				Vendor Total:	**210.74**				
EP	ALDWIR, MAMOUN E000113	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,315.08	NOVEMBER 13		00005104	10/31/2013
				Vendor Total:	**1,315.08**				
EP	ANDERSON, MARLA E000071	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	811.00	NOVEMBER 13		00005105	10/31/2013
				Vendor Total:	**811.00**				
EP	ARMSTRONG, JOHN T E000046	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,198.00	NOVEMBER 13		00005106	10/31/2013
				Vendor Total:	**1,198.00**				
EP	BABCOCK, CHARLES A E000015	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	283.00	NOVEMBER 13		00005107	10/31/2013
				Vendor Total:	**283.00**				
EP	BEALS, SHARLENE E000076	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005108	10/31/2013
				Vendor Total:	**210.74**				
EP	BONESCHANS, DENNIS E000020	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005109	10/31/2013
				Vendor Total:	**210.74**				
EP	BUNNELL, DONALD E000062	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005110	10/31/2013
				Vendor Total:	**536.48**				
EP	BURGNER, ARTHUR E000074	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005111	10/31/2013
				Vendor Total:	**536.48**				
EP	CHANDLER, JOHN P E000109	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	919.00	NOVEMBER 13		00005112	10/31/2013

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				Vendor Total:	**919.00**				
EP	CHANG, ROBERT E000107	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,330.00	NOVEMBER 13		00005113	10/31/2013
				Vendor Total:	**1,330.00**				
EP	COBBETT, GEOFFREY E000007	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	798.20	NOVEMBER 13		00005114	10/31/2013
				Vendor Total:	**798.20**				
EP	COOK, ARLENE M E000018	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005115	10/31/2013
				Vendor Total:	**536.48**				
EP	D'AMATO, ROBERT E000056	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005116	10/31/2013
				Vendor Total:	**536.48**				
EP	DAVID, PRESTON E000112	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	985.06	NOVEMBER 13		00005117	10/31/2013
				Vendor Total:	**985.06**				
EP	DAVIS, CAROLYN E000005	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005118	10/31/2013
				Vendor Total:	**536.48**				
EP	DELOS SANTOS, JAMIE E000045	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	997.00	NOVEMBER 13		00005119	10/31/2013
				Vendor Total:	**997.00**				
EP	DICKSON, ROBERTA JO E000011	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005120	10/31/2013
				Vendor Total:	**210.74**				
EP	DOWNEY, CAROL E000082	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005121	10/31/2013
				Vendor Total:	**536.48**				
EP	DURNIL, RODNEY	NOV MEDICAL REIMBURSEMENT	395083-5161	R102413	985.06	NOVEMBER 13		00005122	10/31/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	E000036		Health Insurance Premiums						
				Vendor Total:	**985.06**				
EP	ECKENRODE, NORMAN E000029	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005123	10/31/2013
				Vendor Total:	**536.48**				
EP	ELSTRO, ANN M E000027	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005124	10/31/2013
				Vendor Total:	**536.48**				
EP	ESCOBOSA, LILLIAN E000055	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005125	10/31/2013
				Vendor Total:	**536.48**				
EP	ESPINOZA, ROSALINDA E000016	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	441.00	NOVEMBER 13		00005126	10/31/2013
				Vendor Total:	**441.00**				
EP	FIGUEROA, DANIEL E000057	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	146.32	NOVEMBER 13		00005127	10/31/2013
				Vendor Total:	**146.32**				
EP	FISCHER, HAROLD A E000023	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	625.00	NOVEMBER 13		00005128	10/31/2013
				Vendor Total:	**625.00**				
EP	FRICKE, JUERGEN E000075	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	677.00	NOVEMBER 13		00005129	10/31/2013
				Vendor Total:	**677.00**				
EP	FULLER, GLENN H E000081	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	663.00	NOVEMBER 13		00005130	10/31/2013
				Vendor Total:	**663.00**				
EP	GALLANT, KAREN E000008	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005131	10/31/2013
				Vendor Total:	**536.48**				

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Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	GARNER, JO ANN E000047	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005132	10/31/2013
				Vendor Total:	**536.48**				
EP	GARNER, KITTY E000080	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	997.00	NOVEMBER 13		00005133	10/31/2013
				Vendor Total:	**997.00**				
EP	GOMEZ, DANIEL E000049	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005134	10/31/2013
				Vendor Total:	**536.48**				
EP	GRIMM, DENNIS L E000042	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	419.00	NOVEMBER 13		00005135	10/31/2013
				Vendor Total:	**419.00**				
EP	HOCH, ELEANOR M E000078	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005136	10/31/2013
				Vendor Total:	**210.74**				
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/18/13	0029-2170 Deferred Comp Payable - ICMA	PY13021	53.23	2995/1301021		00005101	10/18/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/18/13	0010-2170 Deferred Comp Payable - ICMA	PY13021	7,908.26	2995/1301021		00005101	10/18/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/18/13	0037-2170 Deferred Comp Payable - ICMA	PY13021	50.31	2995/1301021		00005101	10/18/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/18/13	0048-2170 Deferred Comp Payable - ICMA	PY13021	103.13	2995/1301021		00005101	10/18/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/18/13	0043-2170 Deferred Comp Payable - ICMA	PY13021	50.00	2995/1301021		00005101	10/18/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 10/12/13 PD DATE 10/10/13	0010-2170 Deferred Comp Payable - ICMA	PY13821A	3,000.00	2995/1301821		00005102	10/22/2013
				Vendor Total:	**11,164.93**				
EP	IRVINE, SUZETTE E000019	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	811.00	NOVEMBER 13		00005137	10/31/2013

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				Vendor Total:	**811.00**				
EP	JENKINS, ROBERT E000084	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 1:		00005138	10/31/2013
				Vendor Total:	**536.48**				
EP	JOHNSON, SHARON E000099	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 1:		00005139	10/31/2013
				Vendor Total:	**536.48**				
EP	JONES, ROBERT E000053	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	146.32	NOVEMBER 1:		00005140	10/31/2013
				Vendor Total:	**146.32**				
EP	JUDD, TERRELL E000115	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,315.08	NOVEMBER 1:		00005141	10/31/2013
				Vendor Total:	**1,315.08**				
EP	KIRKLAND, RICHARD L E000110	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	435.03	NOVEMBER 1:		00005142	10/31/2013
				Vendor Total:	**435.03**				
EP	LITTLE, DIANE M E000098	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	419.00	NOVEMBER 1:		00005143	10/31/2013
				Vendor Total:	**419.00**				
EP	LOWREY, B J E000041	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	276.00	NOVEMBER 1:		00005144	10/31/2013
				Vendor Total:	**276.00**				
EP	MAERTZWEILER, MICHAEL E000032	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 1:		00005145	10/31/2013
				Vendor Total:	**536.48**				
EP	MANNING, VEDA M E000063	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 1:		00005146	10/31/2013
				Vendor Total:	**210.74**				
EP	MARMOLEJO, PACO	NOV MEDICAL REIMBURSEMENT	395083-5161	R102413	1,330.00	NOVEMBER 1:		00005147	10/31/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	E000068		Health Insurance Premiums						
				Vendor Total:	**1,330.00**				
EP	MILANO, JAMES E000054	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005148	10/31/2013
				Vendor Total:	**536.48**				
EP	MILLER, RICHARD E000106	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	919.00	NOVEMBER 13		00005149	10/31/2013
				Vendor Total:	**919.00**				
EP	MONTOOTH, MARLENE E000021	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005150	10/31/2013
				Vendor Total:	**210.74**				
EP	MOORE, LARRY W E000044	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	441.00	NOVEMBER 13		00005151	10/31/2013
				Vendor Total:	**441.00**				
EP	NAJERA, ROBERT JR E000065	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	985.06	NOVEMBER 13		00005152	10/31/2013
				Vendor Total:	**985.06**				
EP	NISSEN, JANICE E000073	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005153	10/31/2013
				Vendor Total:	**210.74**				
EP	OLEA, ARLENE J E000014	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,315.08	NOVEMBER 13		00005154	10/31/2013
				Vendor Total:	**1,315.08**				
EP	ORTEGA, MANUEL E E000100	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	926.00	NOVEMBER 13		00005155	10/31/2013
				Vendor Total:	**926.00**				
EP	PALMER, GEORGE E000094	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	810.00	NOVEMBER 13		00005156	10/31/2013
				Vendor Total:	**810.00**				

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	PASCUA, RAYNALD E000114	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,330.00	NOVEMBER 1:		00005157	10/31/2013
				Vendor Total:	**1,330.00**				
EP	PASPALL, MIHAJLO E000085	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	407.64	NOVEMBER 1:		00005158	10/31/2013
				Vendor Total:	**407.64**				
EP	PEREZ, ROBERT E000111	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	146.32	NOVEMBER 1:		00005159	10/31/2013
				Vendor Total:	**146.32**				
EP	PICHON, WALTER E000103	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	255.43	NOVEMBER 1:		00005160	10/31/2013
				Vendor Total:	**255.43**				
EP	PONCE, EDMUND M E000040	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 1:		00005161	10/31/2013
				Vendor Total:	**210.74**				
EP	REDIFER, KIM R E000022	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	810.00	NOVEMBER 1:		00005162	10/31/2013
				Vendor Total:	**810.00**				
EP	RENDEN, BRIAN E000083	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	883.00	NOVEMBER 1:		00005163	10/31/2013
				Vendor Total:	**883.00**				
EP	REYES, ROGER T E000024	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	811.00	NOVEMBER 1:		00005164	10/31/2013
				Vendor Total:	**811.00**				
EP	RICE, RUSSELL J E000059	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	973.00	NOVEMBER 1:		00005165	10/31/2013
				Vendor Total:	**973.00**				
EP	RISHER, THOMAS A E000013	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	811.00	NOVEMBER 1:		00005166	10/31/2013

City of Placentia
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For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				Vendor Total:	**811.00**				
EP	RITCHIE, SYLVIA E000072	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005167	10/31/2013
				Vendor Total:	**536.48**				
EP	RIVERA, AIDA E000026	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005168	10/31/2013
				Vendor Total:	**210.74**				
EP	ROACH, MICHAEL E000105	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	919.00	NOVEMBER 13		00005169	10/31/2013
				Vendor Total:	**919.00**				
EP	ROBB, SANDRA E000043	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005170	10/31/2013
				Vendor Total:	**536.48**				
EP	ROBERTSON, JAMES S E000093	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005171	10/31/2013
				Vendor Total:	**210.74**				
EP	RODARTE, JOE R E000034	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	663.00	NOVEMBER 13		00005172	10/31/2013
				Vendor Total:	**663.00**				
EP	ROKOSZ, KEN A E000035	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	435.03	NOVEMBER 13		00005173	10/31/2013
				Vendor Total:	**435.03**				
EP	ROSE, RICHARD D E000050	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	989.01	NOVEMBER 13		00005174	10/31/2013
				Vendor Total:	**989.01**				
EP	SALE, LEE R E000031	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005175	10/31/2013
				Vendor Total:	**536.48**				
EP	SANCHEZ, LAURA	NOV MEDICAL REIMBURSEMENT	395083-5161	R102413	210.74	NOVEMBER 13		00005176	10/31/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	E000058		Health Insurance Premiums						
				Vendor Total:	**210.74**				
EP	SANGOLUISA, ZORA G E000048	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005177	10/31/2013
				Vendor Total:	**210.74**				
EP	SCHLIEDER, BEVERLY E000120	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,330.00	NOVEMBER 13		00005178	10/31/2013
				Vendor Total:	**1,330.00**				
EP	SCHULTZ, DANIEL E000070	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	146.32	NOVEMBER 13		00005179	10/31/2013
				Vendor Total:	**146.32**				
EP	SOMOYA, JOHN P E000089	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	810.00	NOVEMBER 13		00005180	10/31/2013
				Vendor Total:	**810.00**				
EP	SOTO, PHILIP J E000052	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005181	10/31/2013
				Vendor Total:	**536.48**				
EP	SPRAGUE, GARY A E000064	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,198.00	NOVEMBER 13		00005182	10/31/2013
				Vendor Total:	**1,198.00**				
EP	STEPHEN, JEFFREY E000119	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,330.00	NOVEMBER 13		00005183	10/31/2013
				Vendor Total:	**1,330.00**				
EP	TAYLOR, DAVID M E000088	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	919.00	NOVEMBER 13		00005184	10/31/2013
				Vendor Total:	**919.00**				
EP	THOMANN, DARYLL L E000101	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005185	10/31/2013
				Vendor Total:	**536.48**				

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EP	TOTH, STEVE E000067	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	810.00	NOVEMBER 13		00005186	10/31/2013
				Vendor Total:	**810.00**				
EP	TRIFOS, WILLIAM E000104	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,153.00	NOVEMBER 13		00005187	10/31/2013
				Vendor Total:	**1,153.00**				
EP	VALENTINE, THOMAS E000118	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,198.00	NOVEMBER 13		00005188	10/31/2013
				Vendor Total:	**1,198.00**				
EP	VERSTYNEN, WILLIAM E000092	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	415.75	NOVEMBER 13		00005189	10/31/2013
				Vendor Total:	**415.75**				
EP	WAHL, KATHLEEN A E000030	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	210.74	NOVEMBER 13		00005190	10/31/2013
				Vendor Total:	**210.74**				
EP	WIEST, STEPHEN E000079	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	536.48	NOVEMBER 13		00005191	10/31/2013
				Vendor Total:	**536.48**				
EP	WORDEN, LARRY M E000116	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	1,153.00	NOVEMBER 13		00005192	10/31/2013
				Vendor Total:	**1,153.00**				
EP	ZINN, JOHN E000009	NOV MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R102413	985.06	NOVEMBER 13		00005193	10/31/2013
				Vendor Total:	**985.06**				
				Type Total:	**70,517.70**				
MW OH	ADAMSON POLICE PRODUC V007539	BODY ARMOR-REINKER	103042-6360 / 50072-6360 Uniforms	TK1028A	787.32	INV115053	P09025	00082062	11/05/2013
MW OH	ADAMSON POLICE PRODUC V007539	BODY ARMOR-MCKENZIE	103042-6360 / 50070-6360 Uniforms	TK1028A	787.32	INV115053	P09025	00082062	11/05/2013

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MW OH	ADAMSON POLICE PRODUC V007539	BODY ARMOR-DEAN	103041-6360 / 50040-6360 Uniforms	TK1028A	787.33	INV115054	P09212	00082062	11/05/2013
				Vendor Total:	**2,361.97**				
MW OH	AINLEY, JON V004735	INTERMEDIATE ACTION TEAM-MI	103041-6250 Staff Training	TK1028A	57.02	62210	P09505	00082063	11/05/2013
				Vendor Total:	**57.02**				
MW OH	ALCALA, JASON V006564	DRIVING FORCE-MEALS,MILEAGE	103041-6250 Staff Training	TK1028A	15.35	72201	P09480	00082064	11/05/2013
				Vendor Total:	**15.35**				
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	133.00	10000356	P09296	00082065	11/05/2013
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	18.00	10005167	P09296	00082065	11/05/2013
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	120.00	10007673	P09296	00082065	11/05/2013
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	340.00	10043463	P09296	00082065	11/05/2013
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	25.00	10055817	P09296	00082065	11/05/2013
MW OH	AMERICAN RED CROSS V008105	REC STAFF CERTIFICATIONS	104071-6299 / 79510-6299 Other Purchased Services	TK1028A	171.00	10061820	P09296	00082065	11/05/2013
				Vendor Total:	**807.00**				
MW OH	ANAHEIM REGIONAL MEDI V007613	SEXUAL ASSULT EXAM #13-3178	103040-6099 Other Professional Services	TK1028E	750.00	090713	P09448	00082066	11/05/2013
MW OH	ANAHEIM REGIONAL MEDI V007613	SEXUAL ASSULT EXAM #13-3230	103040-6099 Other Professional Services	TK1028E	750.00	091113	P09451	00082066	11/05/2013
				Vendor Total:	**1,500.00**				
MW OH	ANAYA, RAY V009200	DEPOSIT REFUND-KRAEMER	100000-4385 / 79175-4385 Facility Rental	TK1028A	100.00	90703		00082067	11/05/2013
				Vendor Total:	**100.00**				

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MW OH	AQUINO, LUCIA V009208	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028A	60.00	90743		00082068	11/05/2013
				Vendor Total:	**60.00**				
MW IP	AT & T V008736	OCT DSL CHARGES-POWELL BLD(	431010-6215 Telephone	ITK1023A	170.00	092613		00082039	10/23/2013
MW IP	AT & T V008736	SEPT U-VERSE CHARGES	431010-6215 Telephone	ITK1017B	50.00	SEPTEMBER 1:		00082015	10/17/2013
				Vendor Total:	**220.00**				
MW IP	AT & T MOBILITY V008709	OCT IPAD CHARGES	431010-6215 Telephone	ITK1023A	447.85	X10152013		00082038	10/23/2013
				Vendor Total:	**447.85**				
MW IP	AT&T V004144	AUG-OCT PHONE CHARGES	431010-6215 Telephone	ITK1023A	2,472.44	092513		00082040	10/23/2013
MW IP	AT&T V004144	AUG-OCT PHONE CHARGES	296561-6215 Telephone	ITK1023A	405.58	092513		00082040	10/23/2013
MW IP	AT&T V004144	AUG-OCT PHONE CHARGES	0010-1220 Accts Rec/Plac Library Dist	ITK1023A	7.91	092513		00082040	10/23/2013
				Vendor Total:	**2,885.93**				
MW OH	ATHENS SERVICES V006622	SEPT STREET SWEEPING	374387-6099 Other Professional Services	TK1028E	14,186.90	3899190913	P09060	00082069	11/05/2013
				Vendor Total:	**14,186.90**				
MW OH	B & M LAWN & GARDEN CE V000127	PW TOOLS/EQUIPMENT	433658-6134 Vehicle Repair & Maintenance	TK1028A	211.88	134844	P08943	00082070	11/05/2013
				Vendor Total:	**211.88**				
MW OH	BERMUDEZ, ALBERT V003180	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028A	110.00	92313	P09454	00082071	11/05/2013
				Vendor Total:	**110.00**				
MW OH	BLUE PACIFIC POOLS OF SC V009196	POOL BOND RELEASE #50-1-622	0044-2045 Construction Deposits(Swim)	TK1028A	500.00	102313	P09520	00082072	11/05/2013

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				Vendor Total:	**500.00**				
MW OH	BREA ELECTRIC COMPANY V007990	LAMPS/BALLAST REPAIRS	103655-6290 Dept. Contract Services	TK1028E	382.50	19832	P09175	00082073	11/05/2013
MW OH	BREA ELECTRIC COMPANY V007990	LAMPS/BALLAST REPAIRS	103655-6290 Dept. Contract Services	TK1028E	1,006.31	19879	P09175	00082073	11/05/2013
				Vendor Total:	**1,388.81**				
MW OH	CALIFORNIA BUILDING OFI V000253	BLDG DEPT TRAINING	0044-2049 Health & Safety Collection	TK1028A	1,275.00	8856	P09469	00082074	11/05/2013
				Vendor Total:	**1,275.00**				
MW IP	CALIFORNIA DENTAL NETV V008102	NOV DENTAL INSURANCE	395000-4720 ISF Dental Ins Reimbursement	ITK1009A	895.52	NOV 2013		00082006	10/09/2013
MW IP	CALIFORNIA DENTAL NETV V008102	NOV DENTAL INSURANCE	395083-5162 Dental Insurance Premiums	ITK1009A	178.86	NOV 2013		00082006	10/09/2013
				Vendor Total:	**1,074.38**				
MW OH	CALIFORNIA PEACE OFFICE V000208	MEMBERSHIP RENEWAL-GLOE	103041-6099 Other Professional Services	TK1028E	125.00	100313	P09534	00082075	11/05/2013
				Vendor Total:	**125.00**				
MW IP	CALIFORNIA PUBLIC EMPL V006234	OCT MEDICAL PREMIUMS	395000-4715 ISF Health Ins Reimbursement	ITK1023A	119,082.28	1000000141397		00082041	10/23/2013
MW IP	CALIFORNIA PUBLIC EMPL V006234	OCT MEDICAL PREMIUMS	395083-5161 Health Insurance Premiums	ITK1023A	12,269.51	1000000141397		00082041	10/23/2013
				Vendor Total:	**131,351.79**				
MW OH	CALIFORNIA STATE DISBUI V004813	P/E 10/12/13 PD DATE 10/18/13	0010-2196 Garnishments W/H	PY13021	1,114.53	2700/1301021		00082030	10/18/2013
				Vendor Total:	**1,114.53**				
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE-CITY CLERK	374386-6175 Office Equipment Rental	ITK1023A	429.31	13179340	P08966	00082042	10/23/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE-CITY CLERK	431010-6175 Office Equipment Rental	ITK1023A	429.30	13179340	P08966	00082042	10/23/2013
MW IP	CANON FINANCIAL SERVIC	OCT PD FAX LEASE PAYMENT	374386-6175	ITK1017B	15.08	13139337	P09070	00082016	10/17/2013

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	V008867		Office Equipment Rental						
MW IP	CANON FINANCIAL SERVIC V008867	OCT PD FAX LEASE PAYMENT	431010-6175 Office Equipment Rental	ITK1017B	15.09	13139337	P09070	00082016	10/17/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT PD FAX LEASE PAYMENT	431010-6175 Office Equipment Rental	ITK1023A	15.09	13139337A	P09070	00082042	10/23/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT PD FAX LEASE PAYMENT	374386-6175 Office Equipment Rental	ITK1023A	15.08	13139337A	P09070	00082042	10/23/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE PAYMENT	374386-6175 Office Equipment Rental	ITK1017B	15.08	13139338	P09071	00082016	10/17/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE PAYMENT	431010-6175 Office Equipment Rental	ITK1017B	15.09	13139338	P09071	00082016	10/17/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE PAYMENT	374386-6175 Office Equipment Rental	ITK1023A	250.00	13139338A	P09071	00082042	10/23/2013
MW IP	CANON FINANCIAL SERVIC V008867	OCT COPIER LEASE PAYMENTS	431010-6175 Office Equipment Rental	ITK1023A	250.00	13139338A	P09071	00082042	10/23/2013
				Vendor Total:	**1,449.12**				
MW IP	CANON SOLUTIONS AMERI V008809	OCT COPIER USAGE (CLICKS)	431010-6175 Office Equipment Rental	ITK1023A	116.57	4011007296	P09069	00082043	10/23/2013
MW IP	CANON SOLUTIONS AMERI V008809	SEPT COPIER USAGE (CLICKS)	431010-6175 Office Equipment Rental	ITK1023A	284.47	4011017958	P09392	00082043	10/23/2013
				Vendor Total:	**401.04**				
MW OH	CARD QUEST INC. V004355	PVC CARDS FOR ID CARDS	101512-6301 Special Department Supplies	TK1028A	61.86	81741	P09546	00082076	11/05/2013
				Vendor Total:	**61.86**				
MW OH	CARDENAS, JOEL V002648	NOV MONTHLY EXPENSES	103550-5001 Salaries/Full-Time Regular	TK1028A	50.00	NOVEMBER 13		00082077	11/05/2013
				Vendor Total:	**50.00**				
MW OH	CARDENAS, MARICELA V009206	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028A	55.00	90739		00082078	11/05/2013
				Vendor Total:	**55.00**				

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MW OH	CARL WARREN & CO V008011	3RD PARTY LIABILITY CLAIMS	404582-6025 Third Party Administration	TK1028A	1,481.00	1536160	P09119	00082079	11/05/2013
				Vendor Total:	**1,481.00**				
MW OH	CASTRO-GRAHAM, ANTONI V008605	NOV MONTHLY EXPENSES	103550-5001 Salaries/Full-Time Regular	TK1028A	50.00	NOVEMBER 13		00082080	11/05/2013
				Vendor Total:	**50.00**				
MW IP	CBE V008124	SEPT COPIER OVERAGE-REC	431010-6175 Office Equipment Rental	ITK1017B	508.74	IN1542776	P08898	00082017	10/17/2013
MW IP	CBE V008124	SEPT COPIER OVERAGE-ADMIN	431010-6175 Office Equipment Rental	ITK1017B	381.79	IN1542775	P08899	00082017	10/17/2013
MW IP	CBE V008124	SEPT COPIER LEASE-WHITTEN	101572-6135 Repair/Maint Off Furn & Eqp	ITK1017B	41.70	IN1542777	P09298	00082017	10/17/2013
				Vendor Total:	**932.23**				
MW OH	CHERENE, BECKY V005069	REIMBURSEMENT MTG/CLASS	0044-2049 Health & Safety Collection	TK1028A	60.00	081513	P09521	00082081	11/05/2013
				Vendor Total:	**60.00**				
MW OH	CLEAN CITY V007411	SEPT GRAFFITI REMOVAL	103652-6290 Dept. Contract Services	TK1028A	19,273.00	255	P09090	00082082	11/05/2013
				Vendor Total:	**19,273.00**				
MW OH	COMMERCIAL AQUATIC SE V005203	AUG GOMEZ POOL MAINT	433654-6130 Repair & Maint/Facilities	TK1028E	600.00	113-2166	P09209	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	SEPT POOL MAINT-GOMEZ	433654-6130 Repair & Maint/Facilities	TK1028A	300.00	113-2452	P09209	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	SEPT POOL MAINT-WHITTEN	433654-6130 Repair & Maint/Facilities	TK1028A	300.00	113-2453	P09209	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	AUG WHITTEN POOL MAINT	433654-6130 Repair & Maint/Facilities	TK1028E	600.00	113-2465	P09209	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	JULY WHITTEN CHEMICAL DELIV	433654-6137 Repair Maint/Equipment	TK1028E	404.83	113-1620	P09539	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE	JULY GOMEZ CHEMICAL DELIVEI	433654-6137	TK1028E	265.68	113-1692	P09539	00082083	11/05/2013

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	V005203		Repair Maint/Equipment						
MW OH	COMMERCIAL AQUATIC SE V005203	AUG GOMEZ CHEMICAL DELIVER	433654-6137 Repair Maint/Equipment	TK1028E	32.88	113-2188	P09539	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	SEPT WHITTEN CHEMICAL DELIV	433654-6137 Repair Maint/Equipment	TK1028E	740.99	113-2400	P09539	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	SEPT GOMEZ CHEMICAL DELIVER	433654-6137 Repair Maint/Equipment	TK1028E	804.17	113-2401	P09539	00082083	11/05/2013
MW OH	COMMERCIAL AQUATIC SE V005203	OCT GOMEZ CHEMICAL DELIVER	433654-6137 Repair Maint/Equipment	TK1028E	398.52	113-2591	P09539	00082083	11/05/2013
				Vendor Total:	**4,447.07**				
MW OH	CONROY, BRIAN V008501	BASIC NARCO-MILEAGE	213041-6250 Staff Training	TK1028E	232.60	72190	P09514	00082084	11/05/2013
				Vendor Total:	**232.60**				
MW OH	COUNTY OF ORANGE V005595	YEARLY INSPECTIONS	433654-6137 Repair Maint/Equipment	TK1028A	320.64	IN0944728	P09453	00082085	11/05/2013
				Vendor Total:	**320.64**				
MW OH	D & D SERVICES INC. V007321	OCT-DEC ANIMAL DISPOSAL	103045-6280 Animal Control Services	TK1028E	720.00	93118	P09177	00082086	11/05/2013
				Vendor Total:	**720.00**				
MW OH	DATA TICKET INC. V006119	AUGUST CITATION PROCESSING	103041-6301 Special Department Supplies	TK1028E	200.00	48845	P09447	00082087	11/05/2013
				Vendor Total:	**200.00**				
MW OH	DE LA TORRE, EDUARDO V003527	NOV MONTHLY EXPENSES	101514-5001 Salaries/Full-Time Regular	TK1028A	20.00	NOVEMBER 1		00082088	11/05/2013
MW OH	DE LA TORRE, EDUARDO V003527	NOV MONTHLY EXPENSES	101511-5001 Salaries/Full-Time Regular	TK1028A	5.00	NOVEMBER 1		00082088	11/05/2013
MW OH	DE LA TORRE, EDUARDO V003527	NOV MONTHLY EXPENSES	374386-5001 Salaries/Full-Time Regular	TK1028A	25.00	NOVEMBER 1		00082088	11/05/2013
				Vendor Total:	**50.00**				
MW OH	DEAN, ANDREW	DRIVING FORCE-MEALS/MILES	103041-6250	TK1028A	15.35	3219	P09477	00082089	11/05/2013

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	V003077		Staff Training						
				Vendor Total:	**15.35**				
MW OH	DIVISION OF THE STATE AF V008904	SB1186 3RD QTR TAXES	0044-2032 SB 1186 BL State Fee	TK1028A	194.70	093013		00082090	11/05/2013
				Vendor Total:	**194.70**				
MW OH	DOOLEY ENTERPRISES INC V000347	AMMUNITION	103043-6301 Special Department Supplies	TK1028A	2,878.96	48830	P09094	00082091	11/05/2013
MW OH	DOOLEY ENTERPRISES INC V000347	AMMUNITION	103043-6162 Range Training	TK1028A	11,781.50	48830	P09094	00082091	11/05/2013
				Vendor Total:	**14,660.46**				
MW OH	DRABEK, GARY V004197	SEPT RESERVE OFFICER STIPEND	103041-5005 / 50065-5005 Salaries/Part-Time	TK1028A	200.00	SEPT 13	P08873	00082092	11/05/2013
				Vendor Total:	**200.00**				
MW OH	DREW, BRIAN V004950	DRIVING FORCE MEALS/MILEAGE	103041-6250 Staff Training	TK1028A	15.35	6129	P09484	00082093	11/05/2013
				Vendor Total:	**15.35**				
MW OH	EDUCATIONAL CREDIT MG V004608	P/E 10/12/13 PD DATE 10/18/13	0010-2196 Garnishments W/H	PY13021	462.48	2711/1301021		00082031	10/18/2013
MW OH	EDUCATIONAL CREDIT MG V004608	P/E 10/12/13 PD DATE 10/18/13	0043-2196 Garnishments W/H	PY13021	11.57	2711/1301021		00082031	10/18/2013
				Vendor Total:	**474.05**				
MW IP	ENTENMANN-ROVIN CO V000342	SERVICE PINS FOR 2013	101512-6301 Special Department Supplies	ITK1023A	943.60	0096696-IN	P09252	00082044	10/23/2013
				Vendor Total:	**943.60**				
MW OH	EXPRESS EMPLOYMENT PR V009055	9/29-10/6 PW CONTRACT SVS	433658-6290 Dept. Contract Services	TK1028B	2,439.68	13133121-7	P08955	00082094	11/05/2013
				Vendor Total:	**2,439.68**				
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	27.66	190551	P09197	00082095	11/05/2013

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MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	460.51	190606	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	15.36	190737	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	295.12	C58109	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	419.01	C58510	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	153.16	C58846	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	864.80	C59118	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	750.31	C59295	P09197	00082095	11/05/2013
MW OH	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	TK1028B	75.95	C59612	P09197	00082095	11/05/2013
				Vendor Total:	**3,061.88**				
MW OH	FASTSIGNS V007748	CHAMBER OF COMMERCE SIGN	433654-6301 Special Department Supplies	TK1028B	686.67	261/28627	P09398	00082096	11/05/2013
				Vendor Total:	**686.67**				
MW IP	FENSTERMAKER, DANIEL V005067	SEPT MEDIA SERVICES	441573-6099 Other Professional Services	ITK1009A	3,687.25	PLA-13-009	P09006	00082007	10/09/2013
MW OH	FENSTERMAKER, DANIEL V005067	OCT MEDIA SERVICES	441573-6099 Other Professional Services	TK1028D	4,466.03	PLA-13-010	P09006	00082097	11/05/2013
				Vendor Total:	**8,153.28**				
MW OH	FERGUSON PRAET & SHERN V000396	SEPT LEGAL SERVICES:GONZALE	404582-6006 / 10036-6006 Litigation	TK1028B	2,405.00	17580	P09545	00082098	11/05/2013
				Vendor Total:	**2,405.00**				
MW IP	FIDELITY SECURITY LIFE I V008132	OCT VISION PREMIUMS	395000-4740 ISF Employee Optical Costs	ITK1009A	1,802.50	6239897		00082008	10/09/2013

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Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW IP	FIDELITY SECURITY LIFE IN V008132	OCT VISION PREMIUMS	395083-5164 Optical Insurance Premiums	ITK1009A	1,085.50	6239897		00082008	10/09/2013
				Vendor Total:	**2,888.00**				
MW OH	FREEMAN ROOFING V009177	BOND REFUND #30-13-47	0044-2033 Construction & Demo Deposit	TK1028B	100.00	30-13-47	P09464	00082099	11/05/2013
				Vendor Total:	**100.00**				
MW IP	GAS CO, THE V000909	SEPT GAS CHARGES	431010-6340 Natural Gas	ITK1017B	30.05	091213		00082018	10/17/2013
MW IP	GAS CO, THE V000909	SEPT GAS CHARGES	431010-6340 Natural Gas	ITK1023A	138.07	101813		00082045	10/23/2013
				Vendor Total:	**168.12**				
MW IP	GE CAPITAL V008085	OCT COPIER LEASE-ADMIN	431010-6175 Office Equipment Rental	ITK1017B	164.58	59504348	P08896	00082019	10/17/2013
MW IP	GE CAPITAL V008085	OCT COPIER LEASE-ADMIN	374386-6175 Office Equipment Rental	ITK1017B	164.58	59504348	P08896	00082019	10/17/2013
MW IP	GE CAPITAL V008085	OCT COPIER LEASE-REC	431010-6175 Office Equipment Rental	ITK1017B	145.03	59507790	P08897	00082019	10/17/2013
MW IP	GE CAPITAL V008085	OCT COPIER LEASE-REC	374386-6175 Office Equipment Rental	ITK1017B	145.03	59507790	P08897	00082019	10/17/2013
				Vendor Total:	**619.22**				
MW OH	GLOE, ADAM V002828	DRIVING FORCE MEALS/MILEAGE	103041-6250 Staff Training	TK1028B	15.35	21098	P09478	00082100	11/05/2013
				Vendor Total:	**15.35**				
MW IP	GOLDEN STATE WATER CO V005147	JULY-OCT WATER CHARGES	296561-6335 Water	ITK1017B	26,235.37	092513		00082020	10/17/2013
MW IP	GOLDEN STATE WATER CO V005147	JULY-OCT WATER CHARGES	431010-6335 Water	ITK1017B	22,481.48	092513		00082020	10/17/2013
				Vendor Total:	**48,716.85**				
MW OH	GPA CONSULTING V009191	CONSULTING SVS: PACKINGHOUS	431010-6999 Other Expenditure	TK1028B	7,752.50	130925-667	P09499	00082101	11/05/2013

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				Vendor Total:	**7,752.50**				
MW OH	GREAT WEST V006983	P/E 10/12/13 PD DATE 10/18/13	0029-2172 Deferred Comp Pay. - Gr West	PY13021	14.91	2607/1301021		00082032	10/18/2013
MW OH	GREAT WEST V006983	P/E 10/12/13 PD DATE 10/18/13	0010-2172 Deferred Comp Pay. - Gr West	PY13021	847.87	2607/1301021		00082032	10/18/2013
MW OH	GREAT WEST V006983	P/E 10/12/13 PD DATE 10/18/13	0048-2172 Deferred Comp Pay. - Gr West	PY13021	36.92	2607/1301021		00082032	10/18/2013
				Vendor Total:	**899.70**				
MW OH	GREENE, PAMELA V009210	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028B	55.00	90733		00082102	11/05/2013
				Vendor Total:	**55.00**				
MW OH	HARRIS & ASSOCIATES V007293	SEPT CONSTRUCTION MGMT-VAL	333552-6185 / 6103440020-6185 Construction Services	TK1028B	3,884.53	22788	P09269	00082103	11/05/2013
MW OH	HARRIS & ASSOCIATES V007293	SEPT CONSTRUCTION MGMT-VAL	333552-6185 / 6103440600-6185 Construction Services	TK1028B	3,884.54	22788	P09269	00082103	11/05/2013
				Vendor Total:	**7,769.07**				
MW OH	HENDRICKSON, ERIC V007376	NOV MONTHLY EXPENSES	102021-5001 Salaries/Full-Time Regular	TK1028B	50.00	NOVEMBER 13		00082104	11/05/2013
				Vendor Total:	**50.00**				
MW OH	HI-WAY SAFETY RENTALS I V000459	STREET SIGNS	103652-6310 Street Signs	TK1028B	189.54	8524	P09456	00082105	11/05/2013
				Vendor Total:	**189.54**				
MW OH	HUNSAKER & ASSOCIATES V008537	CITY YARD CLARIFIER SEWER LA	484356-6015 Engineering Services	TK1028B	2,424.00	12100289	P09459	00082106	11/05/2013
				Vendor Total:	**2,424.00**				
MW OH	HUNT JR, BRUCE V006512	REIMBURSEMENT-HERITAGE SUP	0044-2067 / 79392-2067 Heritage Committee	TK1028E	20.00	101213	P09538	00082107	11/05/2013
				Vendor Total:	**20.00**				
MW OH	HUNZIKER, JEFF	DRIVING FORCE MEALS,MILEAGE	103041-6250	TK1028E	15.35	6162	P09482	00082108	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V008131		Staff Training						
				Vendor Total:	**15.35**				
MW OH	IMPERIAL SPRINKLER SUPI V006506	IRRIGATION SUPPLIES	103655-6301 Special Department Supplies	TK1028B	67.27	1832718-00	P09054	00082109	11/05/2013
				Vendor Total:	**67.27**				
MW OH	INTERNAL CONTROL V000504	4 PRE-EMPLOYMENT POLYGRAPI	103040-6099 Other Professional Services	TK1028E	500.00	10536	P09450	00082110	11/05/2013
				Vendor Total:	**500.00**				
MW IP	INTERNATIONAL INSTITUTI V000506	MEMBERSHIP RENEWAL-MELIA,M	101002-6255 Dues & Memberships	ITK1023A	285.00	081313	P09552	00082046	10/23/2013
MW IP	INTERNATIONAL INSTITUTI V000506	MEMBERSHIP-MARTINEZ	101002-6255 Dues & Memberships	ITK1023A	85.00	081313	P09552	00082046	10/23/2013
				Vendor Total:	**370.00**				
MW OH	JOHN L HUNTER & ASSOCI/ V009056	SEPT NPDES INSPECTIONS	103550-6015 Engineering Services	TK1028B	2,570.00	PLANP0913	P08957	00082111	11/05/2013
				Vendor Total:	**2,570.00**				
MW IP	KEY GOVERNMENT FINANC V007864	OCT PHONE SYSTEM LEASE	333523-6840 / 30016-6840 Machinery & Equipment	ITK1009A	3,000.92	153495001311	P08961	00082009	10/09/2013
				Vendor Total:	**3,000.92**				
MW OH	KIDDIE AMUSEMENTS V007263	HERITAGE GAME VENDOR PERCE	0044-2067 / 79392-2067 Heritage Committee	TK1028E	1,262.25	10122013	P09562	00082112	11/05/2013
				Vendor Total:	**1,262.25**				
MW OH	KIDZ LOVE SOCCER V008469	FALL INSTRUCTOR PAYMENT	104071-6060 / 79248-6060 Instructional Services	TK1028B	2,283.00	FALL 2013	P09506	00082113	11/05/2013
				Vendor Total:	**2,283.00**				
MW OH	KNOWLES-MCNIFF INC V000558	SEPT SOFTWARE SUPPORT	422023-6136 Software Maintenance	TK1028B	1,842.75	INV90610	P09570	00082114	11/05/2013
				Vendor Total:	**1,842.75**				
MW OH	KOSMONT COMPANIES	AUG REAL ESTATE ADVISORY SV	540000-6099	TK1028B	7,304.85	0032	P09508	00082115	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V006131		Other Professional Services						
				Vendor Total:	**7,304.85**				
MW OH	LE-NGUYEN, MAGGIE V007345	NOV MONTHLY EXPENSES	102021-5001 Salaries/Full-Time Regular	TK1028B	50.00	NOVEMBER 13		00082116	11/05/2013
				Vendor Total:	**50.00**				
MW OH	LEAGUE OF CALIFORNIA CI V000573	NEW LAW/ELECTION SEMINAR RE	101002-6245 Meetings & Conferences	TK1028B	450.00	10172013	P09498	00082117	11/05/2013
				Vendor Total:	**450.00**				
MW OH	LEAL, MERCEDES V008666	DEPOSIT REFUND-KRAEMER	100000-4385 / 79175-4385 Facility Rental	TK1028B	100.00	90651		00082118	11/05/2013
				Vendor Total:	**100.00**				
MW OH	LILLEY PLANNING GROUP V008540	9/16-30 BLDG INSPECTION SVS	102532-6045 Building Inspection Services	TK1028B	2,160.00	PLA129	P09113	00082119	11/05/2013
MW OH	LILLEY PLANNING GROUP V008540	9/16-30 BLDG PLAN CHECK SVS	102532-6290 Dept. Contract Services	TK1028B	4,012.00	PLA129	P09113	00082119	11/05/2013
MW OH	LILLEY PLANNING GROUP V008540	9/16-30 PW INSPECTOR SVS	103550-6290 Dept. Contract Services	TK1028B	1,840.00	PLA129B	P09144	00082119	11/05/2013
				Vendor Total:	**8,012.00**				
MW OH	LUNA, JUAN V003288	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028B	97.19	92713	P09496	00082120	11/05/2013
				Vendor Total:	**97.19**				
MW OH	MADISON, MARY V006896	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028B	60.00	90745		00082121	11/05/2013
				Vendor Total:	**60.00**				
MW OH	MAKOWSKI, ROBERT V005712	NOV MONTHLY EXPENSES	374386-5001 Salaries/Full-Time Regular	TK1028B	12.50	NOVEMBER 13		00082122	11/05/2013
MW OH	MAKOWSKI, ROBERT V005712	NOV MONTHLY EXPENSES	484356-5001 Salaries/Full-Time Regular	TK1028B	12.50	NOVEMBER 13		00082122	11/05/2013
MW OH	MAKOWSKI, ROBERT	NOV MONTHLY EXPENSES	102533-5001	TK1028B	25.00	NOVEMBER 13		00082122	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V005712		Salaries/Full-Time Regular						
				Vendor Total:	**50.00**				
MW OH	MALONE, SEAN V003148	DRIVING FORCE MEALS/MILEAGE	103041-6250 Staff Training	TK1028B	15.35	62190	P09479	00082123	11/05/2013
				Vendor Total:	**15.35**				
MW IP	MANAGED HEALTH NETWC V008122	UNEMPLOYMENT CLAIMS MGMT	395083-5161 Health Insurance Premiums	ITK1023A	557.44	3200051372	P09466	00082047	10/23/2013
				Vendor Total:	**557.44**				
MW OH	MARIPOSA HORTICULTURA V000647	SEPT LANDSCAPE MAINT-LIBRAR	0010-1220 Accts Rec/Plac Library Dist	TK1028E	1,452.49	61327	P09088	00082124	11/05/2013
MW OH	MARIPOSA HORTICULTURA V000647	SEPT LANSCAPE MAINT	103655-6115 Landscaping	TK1028E	41,247.78	61327	P09088	00082124	11/05/2013
MW OH	MARIPOSA HORTICULTURA V000647	SEPT LANDSCAPE MAINT-LMD	296561-6115 Landscaping	TK1028E	7,099.50	61328	P09088	00082124	11/05/2013
				Vendor Total:	**49,799.77**				
MW OH	MARSHALL, ELAINE V008399	DEPOSIT REFUND-AGUIRRE	100000-4385 / 79160-4385 Facility Rental	TK1028B	357.00	90633		00082125	11/05/2013
				Vendor Total:	**357.00**				
MW OH	MARTINEZ, STEVE V006490	SEPT RESERVE OFFICER STIPEND	103041-5005 / 50065-5005 Salaries/Part-Time	TK1028B	225.00	SEPT 13	P08874	00082126	11/05/2013
				Vendor Total:	**225.00**				
MW OH	MASTERPIECE POOLS & SP V001896	POOL BOND RELEASE #50-1-621	0044-2045 Construction Deposits(Swim)	TK1028B	500.00	102313	P09519	00082127	11/05/2013
				Vendor Total:	**500.00**				
MW OH	MC FADDEN-DALE HARDW. V000635	PW PARTS	433658-6301 Special Department Supplies	TK1028B	1.47	117802/5	P09056	00082128	11/05/2013
MW OH	MC FADDEN-DALE HARDW. V000635	PW PARTS	433658-6301 Special Department Supplies	TK1028B	18.27	119501/5	P09056	00082128	11/05/2013
MW OH	MC FADDEN-DALE HARDW.	PW PARTS	433658-6301	TK1028B	14.47	119601/5	P09056	00082128	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V000635		Special Department Supplies						
				Vendor Total:	**34.21**				
MW OH	MCCONAHA, MICHAEL V002517	NOV MONTHLY EXPENSES	103550-5001 Salaries/Full-Time Regular	TK1028B	50.00	NOVEMBER 1:		00082129	11/05/2013
				Vendor Total:	**50.00**				
MW OH	MERIDIAN SPECIALTY VEH V008959	CLAMPING RACK SHELF	103043-6137 Repair Maint/Equipment	TK1028E	291.45	2013-0325	P09446	00082130	11/05/2013
				Vendor Total:	**291.45**				
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	70.00	1010	P09444	00082131	11/05/2013
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	70.00	1011	P09444	00082131	11/05/2013
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	70.00	1012	P09444	00082131	11/05/2013
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	70.00	1014	P09444	00082131	11/05/2013
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	70.00	1015	P09444	00082131	11/05/2013
MW OH	MMASC V008471	MMASC FALL FORUM	101512-6250 Staff Training	TK1028B	85.00	1016	P09444	00082131	11/05/2013
				Vendor Total:	**435.00**				
MW OH	MONOGRAM MAGIC V008879	PD UNIFORM SHIRTS	103041-6360 Uniforms	TK1028E	252.59	43126	P09461	00082132	11/05/2013
MW OH	MONOGRAM MAGIC V008879	GRAPHICS FOR POLO SHIRTS	103041-6360 Uniforms	TK1028E	129.60	43131	P09471	00082132	11/05/2013
				Vendor Total:	**382.19**				
MW OH	MORENO, TANIA V007723	NOV MONTHLY EXPENSES	101002-5001 Salaries/Full-Time Regular	TK1028B	25.00	NOVEMBER 1:		00082133	11/05/2013
MW OH	MORENO, TANIA V007723	NOV MONTHLY EXPENSES	101513-5001 Salaries/Full-Time Regular	TK1028B	25.00	NOVEMBER 1:		00082133	11/05/2013

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				Vendor Total:	**50.00**				
MW OH	MUNISERVICES V007753	BUSINESS LICENSE AUDIT SVS	100000-4101 Gross Receipts	TK1028B	1,482.26	0000031907	P09549	00082134	11/05/2013
MW OH	MUNISERVICES V007753	BUSINESS LICENSE AUDIT SVS	100000-4130 Rental Property	TK1028B	63.20	0000031907	P09549	00082134	11/05/2013
MW OH	MUNISERVICES V007753	BUSINESS LICENSE AUDIT SVS	100000-4105 Professional	TK1028B	159.30	0000031907	P09549	00082134	11/05/2013
MW OH	MUNISERVICES V007753	BUSINESS LICENSE AUDIT SVS	100000-4120 Contractors	TK1028B	281.60	0000031907	P09549	00082134	11/05/2013
				Vendor Total:	**1,986.36**				
MW OH	NGUYEN, MICHAEL V005291	NOV MONTHLY EXPENSES	102021-5001 Salaries/Full-Time Regular	TK1028B	50.00	NOVEMBER 1:		00082135	11/05/2013
				Vendor Total:	**50.00**				
MW OH	NICKS, JONATHAN V004909	NOV MONTHLY EXPENSES	104072-5001 Salaries/Full-Time Regular	TK1028B	50.00	NOVEMBER 1:		00082136	11/05/2013
				Vendor Total:	**50.00**				
MW OH	NIEVES, MIGUEL V002675	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028B	110.00	92513	P09465	00082137	11/05/2013
				Vendor Total:	**110.00**				
MW OH	NURSE4YOU V009201	BUSINESS LICENSE REFUND	100000-4102 Business License Admin Fee	TK1028B	18.00	101613		00082138	11/05/2013
MW OH	NURSE4YOU V009201	BUSINESS LICENSE REFUND	100000-4105 Professional	TK1028B	66.00	101613		00082138	11/05/2013
MW OH	NURSE4YOU V009201	BUSINESS LICENSE REFUND	0044-2032 SB 1186 BL State Fee	TK1028B	2.00	101613		00082138	11/05/2013
				Vendor Total:	**86.00**				
MW OH	OC PLUMBING V004312	CLEAR DRAIN-EMERGENCY PLUM	103655-6130 Repair & Maint/Facilities	TK1028B	1,600.00	13061	P09455	00082139	11/05/2013
				Vendor Total:	**1,600.00**				
MW OH	OFFICE INDUSTRIES	RECYCLED PAPER	374386-6315	TK1028C	244.13	044278	P08886	00082140	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V007477		Office Supplies						
MW OH	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	TK1028C	244.13	044366	P08886	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103650-6315 Office Supplies	TK1028B	69.45	044329I	P08944	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	104070-6315 Office Supplies	TK1028B	357.91	044292	P09009	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	TK1028B	181.43	044236I	P09126	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	TK1028B	435.77	044244I	P09126	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	TK1028B	30.08	044333I	P09126	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	TK1028B	126.30	044362I	P09126	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103040-6315 Office Supplies	TK1028B	634.48	043922I	P09510	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103040-6315 Office Supplies	TK1028E	492.11	043922IA	P09511	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103040-6315 Office Supplies	TK1028E	386.64	044361I	P09511	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103040-6315 Office Supplies	TK1028E	18.79	044383I	P09511	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102531-6315 Office Supplies	TK1028B	8.21	044424I	P09522	00082140	11/05/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102532-6315 Office Supplies	TK1028C	41.88	044426I	P09523	00082140	11/05/2013
				Vendor Total:	**3,271.31**				
MW OH	OLEA-FLORES, TANISLADA V009202	DEPOSIT REFUND-KRAEMER	100000-4385 / 79175-4385 Facility Rental	TK1028C	100.00	90704		00082141	11/05/2013

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				Vendor Total:	**100.00**				
MW IP	OLSON, WENDY V006562	HERITAGE CAR SHOW PRIZES	0044-2067 / 79392-2067 Heritage Committee	ITK1009A	300.00	100313		00082010	10/09/2013
				Vendor Total:	**300.00**				
MW OH	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	TK1028C	9.42	247557	P09178	00082142	11/05/2013
MW OH	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	TK1028C	117.71	248612	P09178	00082142	11/05/2013
				Vendor Total:	**127.13**				
MW OH	ONWARD ENGINEERING V008092	TOPOGRAPHIC-PLACENTIA AVE R	103550-6015 / 61033-6015 Engineering Services	TK1028C	3,570.00	2315	P09424	00082143	11/05/2013
				Vendor Total:	**3,570.00**				
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/12/13 PD DATE 10/18/13	0010-2176 PCEA/OCEA Assoc Dues	PY13021	268.24	2610/1301021		00082033	10/18/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/12/13 PD DATE 10/18/13	0048-2176 PCEA/OCEA Assoc Dues	PY13021	15.74	2610/1301021		00082033	10/18/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/12/13 PD DATE 10/18/13	0043-2176 PCEA/OCEA Assoc Dues	PY13021	19.24	2610/1301021		00082033	10/18/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/12/13 PD DATE 10/18/13	0029-2176 PCEA/OCEA Assoc Dues	PY13021	7.51	2610/1301021		00082033	10/18/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/12/13 PD DATE 10/18/13	0037-2176 PCEA/OCEA Assoc Dues	PY13021	6.73	2610/1301021		00082033	10/18/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/24/13 PD DATE 10/24/13	0010-2176 PCEA/OCEA Assoc Dues	PY13822	9.62	2610/1301822		00082060	10/24/2013
MW OH	ORANGE COUNTY EMPLOY V000699	P/E 10/21/13 PD DATE 10/21/13	0010-2176 PCEA/OCEA Assoc Dues	PY13922	9.62	2610/1301922		00082058	10/24/2013
				Vendor Total:	**336.70**				
MW IP	ORANGE COUNTY FIRE AUT V000704	JULY PLAN CHECK CHARGES	0044-2055 Or Co Fire Auth/Pln Rev Depos	ITK1023A	471.00	PC188553		00082048	10/23/2013
MW IP	ORANGE COUNTY FIRE AUT	AUG PLAN CHECK CHARGES	0044-2055	ITK1023A	471.00	PC188554		00082048	10/23/2013

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	V000704		Or Co Fire Auth/Pln Rev Depos						
MW IP	ORANGE COUNTY FIRE AUT V000704	AUG PLAN CHECK CHARGES	0044-2055 Or Co Fire Auth/Pln Rev Depos	ITK1023A	471.00	PC188555		00082048	10/23/2013
				Vendor Total:	**1,413.00**				
MW OH	ORANGE COUNTY HEALTH V009116	CUPA PAYMENT	103043-6299 Other Purchased Services	TK1028E	8.50	954872	P09535	00082144	11/05/2013
				Vendor Total:	**8.50**				
MW OH	ORANGE COUNTY HONDA V008818	MOTORCYCLE REPAIR/SERVICE	433658-6290 Dept. Contract Services	TK1028C	840.01	30432	P08975	00082145	11/05/2013
				Vendor Total:	**840.01**				
MW OH	ORANGE COUNTY SANITAT V000698	JULY SEWER FACILITY CHARGES	0044-2037 County Sanitation Dist Fee	TK1028C	620.35	080113		00082146	11/05/2013
				Vendor Total:	**620.35**				
MW OH	ORANGE COUNTY SHERIFF V007556	DRIVING FORCE REG	103041-6250 Staff Training	TK1028C	73.60	7120	P09492	00082147	11/05/2013
				Vendor Total:	**73.60**				
MW OH	ORANGE COUNTY TREASUI V007306	SEPT PARKING CITATIONS	0044-2038 Parking Fines	TK1028C	5,012.50	100713		00082148	11/05/2013
MW OH	ORANGE COUNTY TREASUI V007306	NPDES WATER QUALITY	374386-6257 Licenses & Permits	TK1028A	629.00	PW102795	P09495	00082148	11/05/2013
				Vendor Total:	**5,641.50**				
MW OH	ORANGE EMPIRE CHAPTER V002802	ICC MEMBERSHIP	102532-6255 Dues & Memberships	TK1028C	90.00	101613	P09509	00082149	11/05/2013
				Vendor Total:	**90.00**				
MW OH	ORTEGA, JEANETTE V007724	NOV MONTHLY EXPENSES	101572-5001 Salaries/Full-Time Regular	TK1028C	50.00	NOVEMBER 13		00082150	11/05/2013
				Vendor Total:	**50.00**				
MW OH	PAK WEST PAPER & PACKA V000815	JANITORIAL SUPPLIES	433654-6301 Special Department Supplies	TK1028C	1,759.07	PINV121494	P09497	00082151	11/05/2013

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				Vendor Total:	**1,759.07**				
MW OH	PAPCO IRRIGATION V000799	BACKFLOW TESTING/REPAIRS	103655-6290 Dept. Contract Services	TK1028E	259.78	10968	P08972	00082152	11/05/2013
MW OH	PAPCO IRRIGATION V000799	BACKFLOW CERTIFICATES	103655-6290 Dept. Contract Services	TK1028E	1,920.00	8376	P08972	00082152	11/05/2013
MW OH	PAPCO IRRIGATION V000799	BACKFLOW TESTING	103655-6290 Dept. Contract Services	TK1028E	961.93	8377	P08972	00082152	11/05/2013
				Vendor Total:	**3,141.71**				
MW OH	PARKHOUSE TIRE INC V004472	TIRES	433658-6134 Vehicle Repair & Maintenance	TK1028C	184.68	1020122582	P09057	00082153	11/05/2013
MW OH	PARKHOUSE TIRE INC V004472	TIRES	433658-6134 Vehicle Repair & Maintenance	TK1028C	586.66	1020122604	P09057	00082153	11/05/2013
				Vendor Total:	**771.34**				
MW IP	PARS V006999	OCT TRUST ADMIN SVS	395083-6025 Third Party Administration	ITK1023A	400.00	27009		00082049	10/23/2013
				Vendor Total:	**400.00**				
MW OH	PARTS SOURCE V000817	VEHICLE/EQUIP PARTS	433658-6134 Vehicle Repair & Maintenance	TK1028C	34.71	98042	P09179	00082154	11/05/2013
MW OH	PARTS SOURCE V000817	VEHICLE/EQUIP PARTS	433658-6134 Vehicle Repair & Maintenance	TK1028C	30.30	98576	P09179	00082154	11/05/2013
				Vendor Total:	**65.01**				
MW OH	PASCARELLA, RICHARD V002546	BACKGROUND INVEST TRAINING	103040-6250 Staff Training	TK1028E	350.86	71101	P09513	00082155	11/05/2013
				Vendor Total:	**350.86**				
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 10/12/13 PD DATE 10/18/13	0037-2176 PCEA/OCEA Assoc Dues	PY13021	0.70	2615/1301021		00082034	10/18/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 10/12/13 PD DATE 10/18/13	0010-2176 PCEA/OCEA Assoc Dues	PY13021	27.88	2615/1301021		00082034	10/18/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 10/12/13 PD DATE 10/18/13	0048-2176 PCEA/OCEA Assoc Dues	PY13021	1.64	2615/1301021		00082034	10/18/2013

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MW OH	PCEA C/O NORTH ORANGE (V000679	P/E 10/12/13 PD DATE 10/18/13	0029-2176 PCEA/OCEA Assoc Dues	PY13021	0.78	2615/1301021		00082034	10/18/2013
MW OH	PCEA C/O NORTH ORANGE (V000679	P/E 10/12/13 PD DATE 10/18/13	0043-2176 PCEA/OCEA Assoc Dues	PY13021	2.00	2615/1301021		00082034	10/18/2013
MW OH	PCEA C/O NORTH ORANGE (V000679	P/E 10/24/13 PD DATE 10/24/13	0010-2176 PCEA/OCEA Assoc Dues	PY13822	1.00	2615/1301822		00082061	10/24/2013
MW OH	PCEA C/O NORTH ORANGE (V000679	P/E 10/21/13 PD DATE 10/21/13	0010-2176 PCEA/OCEA Assoc Dues	PY13922	1.00	2615/1301922		00082059	10/24/2013
				Vendor Total:	**35.00**				
MW OH	PENNYSAVER USA PUBLISI V000856	HERITAGE ADVERTISING	0044-2067 / 79392-2067 Heritage Committee	TK1028E	323.20	120855441	P09556	00082156	11/05/2013
MW OH	PENNYSAVER USA PUBLISI V000856	HERITAGE ADVERTISING	0044-2067 / 79392-2067 Heritage Committee	TK1028E	317.78	120855481	P09556	00082156	11/05/2013
				Vendor Total:	**640.98**				
MW OH	PERLAS, RODA V007599	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028C	55.00	90735		00082157	11/05/2013
MW OH	PERLAS, RODA V007599	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028C	55.00	90737		00082157	11/05/2013
				Vendor Total:	**110.00**				
MW IP	PLACENTIA CITY OF V000778	SEPT DENTAL CLAIMS	395083-5130 Dental Claim	ITK1017B	5,296.60	0904-0929		00082021	10/17/2013
				Vendor Total:	**5,296.60**				
MW OH	PLACENTIA POLICE MANA(V000839	P/E 10/12/13 PD DATE 10/18/13	0010-2180 Police Mgmt Assn Dues	PY13021	1,000.28	2625/1301021		00082035	10/18/2013
				Vendor Total:	**1,000.28**				
MW OH	PLACENTIA POLICE OFFICE V003519	P/E 10/12/13 PD DATE 10/18/13	0050-2178 Placentia Police Assoc Dues	PY13021	94.70	2620/1301021		00082036	10/18/2013
MW OH	PLACENTIA POLICE OFFICE V003519	P/E 10/12/13 PD DATE 10/18/13	0010-2178 Placentia Police Assoc Dues	PY13021	2,928.58	2620/1301021		00082036	10/18/2013
				Vendor Total:	**3,023.28**				

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MW IP	PLACENTIA, CITY OF V000782	SEPT WORKERS COMP REIMBURS	404580-5165 Workers' Compensation Claims	ITK1017B	19,616.56	0903-1004		00082022	10/17/2013
				Vendor Total:	**19,616.56**				
MW OH	PLACENTIA, CITY OF V000860	CITY CLERK LUNCHEON	101002-6245 Meetings & Conferences	TK1028A	24.00	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	PARKING	101511-6245 Meetings & Conferences	TK1028A	11.00	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	MMASC MEETING REG	102020-6245 Meetings & Conferences	TK1028A	10.00	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	POSTAGE	102531-6325 Postage	TK1028A	2.76	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	MEETING SUPPLIES	101511-6245 Meetings & Conferences	TK1028A	15.00	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	BUILDING CODE REG	102532-6245 Meetings & Conferences	TK1028A	25.00	102413	P09548	00082158	11/05/2013
MW OH	PLACENTIA, CITY OF V000860	POSTAGE	431010-6325 Postage	TK1028A	5.06	102413	P09548	00082158	11/05/2013
				Vendor Total:	**92.82**				
MW IP	PLANNING DIRECTORS OF (V009203	PLANNING OFFICIALS FORUM-SCI	102531-6245 Meetings & Conferences	ITK1023A	95.00	102313	P09557	00082050	10/23/2013
				Vendor Total:	**95.00**				
MW IP	PRINCIPAL LIFE V008141	SEPT DENTAL PREMIUMS	395083-5162 Dental Insurance Premiums	ITK1009A	689.92	SEPT 2013		00082012	10/09/2013
MW IP	PRINCIPAL LIFE V008141	SEPT DENTAL PREMIUMS	395000-4720 ISF Dental Ins Reimbursement	ITK1009A	580.16	SEPT 2013		00082012	10/09/2013
				Vendor Total:	**1,270.08**				
MW IP	PRINCIPAL LIFE INSURANC V000844	OCT LIFE INSURANCE	103650-5163 Life Insurance Premiums	ITK1009A	240.97	OCT 2013		00082011	10/09/2013
MW IP	PRINCIPAL LIFE INSURANC V000844	OCT LIFE INSURANCE	103040-5163 Life Insurance Premiums	ITK1009A	398.62	OCT 2013		00082011	10/09/2013

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MW IP	PRINCIPAL LIFE INSURANC V000844	OCT LIFE INSURANCE	101511-5163 Life Insurance Premiums	ITK1009A	379.61	OCT 2013		00082011	10/09/2013
MW IP	PRINCIPAL LIFE INSURANC V000844	OCT LIFE INSURANCE	101512-5163 Life Insurance Premiums	ITK1009A	126.23	OCT 2013		00082011	10/09/2013
MW IP	PRINCIPAL LIFE INSURANC V000844	OCT LIFE INSURANCE	102020-5163 Life Insurance Premiums	ITK1009A	86.73	OCT 2013		00082011	10/09/2013
				Vendor Total:	**1,232.16**				
MW OH	RADOMSKI, DAVID V002832	DRIVING FORCE-MEALS	103042-6250 Staff Training	TK1028C	8.00	7219	P09489	00082159	11/05/2013
				Vendor Total:	**8.00**				
MW OH	RAILPROS INC V009100	SEPT QUIET ZONE UPDATE	333552-6015 / 6105615155-6015 Engineering Services	TK1028C	3,254.68	CPQZ_201309	P09111	00082160	11/05/2013
				Vendor Total:	**3,254.68**				
MW OH	REGER, JASON V004017	DRIVING FORCE-MEALS	103042-6250 Staff Training	TK1028C	8.00	62198	P09488	00082161	11/05/2013
				Vendor Total:	**8.00**				
MW OH	REINKER, DANIEL V004860	DRIVING FORCE-MEALS	103042-6250 Staff Training	TK1028C	8.00	62190	P09487	00082162	11/05/2013
				Vendor Total:	**8.00**				
MW IP	RELIANCE STANDARD LIFE V008214	OCT LTD/LIFE INSURANCE	0010-2186 Optional Life Insurance	ITK1009A	703.40	OCT 2013		00082013	10/09/2013
MW IP	RELIANCE STANDARD LIFE V008214	OCT LTD/LIFE INSURANCE	395000-4730 ISF LTD Ins Reimbursements	ITK1009A	2,661.86	OCT 2013		00082013	10/09/2013
MW IP	RELIANCE STANDARD LIFE V008214	OCT LTD/LIFE INSURANCE	395083-5163 Life Insurance Premiums	ITK1009A	669.96	OCT 2013		00082013	10/09/2013
MW IP	RELIANCE STANDARD LIFE V008214	OCT LTD/LIFE INSURANCE	395000-4725 ISF Life Ins Reimbursements	ITK1009A	1,396.77	OCT 2013		00082013	10/09/2013
				Vendor Total:	**5,431.99**				
MW OH	REPUBLIC WASTE SERVICE V007205	SEPT REFUSE COLLECTION	374386-6101 Disposal	TK1028C	207,715.41	SEPTEMBER 1:	P09118	00082163	11/05/2013

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				Vendor Total:	**207,715.41**				
MW OH	RING AND PING COMMUNIC V009119	REPLACE PA SYSTEM	433654-6130 Repair & Maint/Facilities	TK1028C	886.23	0000330	P09501	00082164	11/05/2013
				Vendor Total:	**886.23**				
MW OH	RIVAS, RUBIA V004557	WOMEN LEADERS IN LAW-MEALS	103041-6250 Staff Training	TK1028C	80.00	7210	P09476	00082165	11/05/2013
MW OH	RIVAS, RUBIA V004557	DRIVING FORCE MEALS/MILEAGE	103041-6250 Staff Training	TK1028E	15.35	7123	P09483	00082165	11/05/2013
				Vendor Total:	**95.35**				
MW OH	RODRIGUEZ, TIFFANY V009199	CLASS REFUND	100000-4340 / 79248-4340 Recreation Programs	TK1028C	70.00	90651		00082166	11/05/2013
				Vendor Total:	**70.00**				
MW OH	ROMERO, BENJAMIN V008247	INTERMEDIATE CODE ENFORCEM	103041-6250 Staff Training	TK1028C	117.12	6129	P09504	00082167	11/05/2013
				Vendor Total:	**117.12**				
MW OH	RUBALCAVA, OSBALDO V002646	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028C	110.00	092013	P09452	00082168	11/05/2013
				Vendor Total:	**110.00**				
MW OH	SAHABU, JEREMIAH J. V009179	VETERANS ADVISORY SCHOLARS	101572-6301 Special Department Supplies	TK1028C	100.00	100313	P09467	00082169	11/05/2013
				Vendor Total:	**100.00**				
MW OH	SCHWARTZ, MONIQUE V004447	NOV MONTHLY EXPENSES	102531-5001 Salaries/Full-Time Regular	TK1028C	50.00	NOVEMBER 13		00082170	11/05/2013
				Vendor Total:	**50.00**				
MW OH	SCIENTIA CONSULTING GR V005617	JAN MDC SERVICE	103043-6099 Other Professional Services	TK1028E	1,254.00	6947	P09460	00082171	11/05/2013
MW OH	SCIENTIA CONSULTING GR V005617	FEB MDC SERVICE	103043-6099 Other Professional Services	TK1028E	1,254.00	6973	P09460	00082171	11/05/2013
MW OH	SCIENTIA CONSULTING GR	MARCH MDC SERVICE	103043-6099	TK1028E	1,254.00	6998	P09460	00082171	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V005617		Other Professional Services						
MW OH	SCIENTIA CONSULTING GR V005617	APRIL MDC SERVICE	103043-6099 Other Professional Services	TK1028E	1,254.00	7021	P09460	00082171	11/05/2013
MW OH	SCIENTIA CONSULTING GR V005617	USB EXTENSION CABLE	103043-6099 Other Professional Services	TK1028E	43.45	7055	P09460	00082171	11/05/2013
MW OH	SCIENTIA CONSULTING GR V005617	MAY MDC SERVICE	103043-6099 Other Professional Services	TK1028E	1,254.00	7115	P09460	00082171	11/05/2013
MW OH	SCIENTIA CONSULTING GR V005617	JUNE MDC SERVICE	103043-6099 Other Professional Services	TK1028E	1,254.00	7116	P09460	00082171	11/05/2013
				Vendor Total:	**7,567.45**				
MW OH	SHRED-IT LOS ANGELES V000905	9/25 SHRED DOCUMENTS	374386-6299 Other Purchased Services	TK1028C	86.67	9402578101	P08883	00082172	11/05/2013
MW OH	SHRED-IT LOS ANGELES V000905	10/9 SHRED DOCUMENTS	374386-6299 Other Purchased Services	TK1028C	86.67	9402650806	P08883	00082172	11/05/2013
				Vendor Total:	**173.34**				
MW IP	SIGALOS, DENNIS A. V007072	OCT-DEC LEASE PAYMENT-166 E.	103041-6160 Facility Rental	ITK1023A	15,913.50	102213	P09554	00082051	10/23/2013
				Vendor Total:	**15,913.50**				
MW IP	SIMONIAN, ANDRE V007971	HERITAGE GAME VENDOR PAYOU	0044-2067 / 79392-2067 Heritage Committee	ITK1017B	2,940.00	10122013		00082023	10/17/2013
				Vendor Total:	**2,940.00**				
MW OH	SMITH, WARD V002806	NOV MONTHLY EXPENSES	103040-5001 Salaries/Full-Time Regular	TK1028C	50.00	NOVEMBER 1		00082173	11/05/2013
				Vendor Total:	**50.00**				
MW OH	SOUTH COAST AQMD V001190	LIQUID DISPENSING SYSTEM	433658-6134 Vehicle Repair & Maintenance	TK1028C	187.48	2632061	P09458	00082174	11/05/2013
MW OH	SOUTH COAST AQMD V001190	EMMISION FEES	433658-6134 Vehicle Repair & Maintenance	TK1028C	117.87	2633222	P09458	00082174	11/05/2013
				Vendor Total:	**305.35**				
MW IP	SOUTHERN CALIFORNIA EI	AUG-OCT ELECTRIC CHARGES	286560-6330	ITK1023A	29,852.07	100913		00082052	10/23/2013

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	V000910		Electricity						
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	103552-6330 Electricity	ITK1023A	94.79	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	0010-1232 Accts Rec/Other Agencies	ITK1023A	19.86	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	0010-1228 AR/County of Orange	ITK1023A	13.24	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	0010-1226 AR/City of Yorba Linda	ITK1023A	109.64	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	0010-1224 AR/City of Fullerton	ITK1023A	101.88	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	0010-1220 Accts Rec/Plac Library Dist	ITK1023A	7,469.80	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	431010-6330 Electricity	ITK1023A	54,763.12	100913		00082052	10/23/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	AUG-OCT ELECTRIC CHARGES	296561-6330 Electricity	ITK1023A	368.11	100913		00082052	10/23/2013
				Vendor Total:	**92,792.51**				
MW IP	SPRINT V006126	SEPT RELAY SERVICES	431010-6215 Telephone	ITK1017B	574.79	9509113100073		00082025	10/17/2013
				Vendor Total:	**574.79**				
MW IP	SPRINT V006533	SEPT RELAY SERVICES	431010-6215 Telephone	ITK1017B	37.92	313574471-023		00082024	10/17/2013
				Vendor Total:	**37.92**				
MW IP	ST JOSEPH HERITAGE HEAI V000980	AUG PRE-EMPLOYMENT PHYSICA	101512-6099 Other Professional Services	ITK1009A	280.00	24693	P09436	00082014	10/09/2013
				Vendor Total:	**280.00**				
MW OH	STAPLES ADVANTAGE V007323	3 HP COLOR LASERJET PRINTERS	213041-6301 Special Department Supplies	TK1028E	42.90	3195677901A	P09472	00082175	11/05/2013
				Vendor Total:	**42.90**				

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MW OH	STATE OF CALIFORNIA V000184	JULY-SEPT STRONG MOTION FEES	0044-2031 Strong Motion Admin	TK1028C	32.60	0701-0930		00082176	11/05/2013
MW OH	STATE OF CALIFORNIA V000184	JULY-SEPT STRONG MOTION FEES	0044-2030 Strong Motion Fees/Res.	TK1028C	208.54	0701-0930		00082176	11/05/2013
MW OH	STATE OF CALIFORNIA V000184	JULY-SEPT STRONG MOTION FEES	0044-2035 Strong Motion Fees/Non-Res	TK1028C	383.73	0701-0930		00082176	11/05/2013
				Vendor Total:	**624.87**				
MW OH	SUBURBAN PROPANE V000971	PROPANE	433658-6345 Gasoline & Diesel Fuel	TK1028C	149.87	093013	P08947	00082177	11/05/2013
				Vendor Total:	**149.87**				
MW OH	SULLY MILLER CONTRACTI V008986	BASTANCHURY KRAEMER MEDIA	333552-6185 / 6113040998-6185 Construction Services	TK1028C	33,278.50	139579A	P09462	00082178	11/05/2013
				Vendor Total:	**33,278.50**				
MW OH	SUNGARD PUBLIC SECTOR V005987	JULY OS/ASP SERVICES	422023-6136 Software Maintenance	TK1028D	5,480.72	66959	P08992	00082179	11/05/2013
MW OH	SUNGARD PUBLIC SECTOR V005987	NOV OS/ASP SERVICES	422023-6136 Software Maintenance	TK1028C	5,667.06	72467	P08992	00082179	11/05/2013
MW OH	SUNGARD PUBLIC SECTOR V005987	OCT BI-TECH UPGRADE SUPPORT	422023-6136 Software Maintenance	TK1028C	22,577.61	71305	P09442	00082179	11/05/2013
				Vendor Total:	**33,725.39**				
MW OH	SYNOPTEK INC V007863	SEPT BACKUP SERVER PROJECT	333523-6840 / 30028-6840 Machinery & Equipment	TK1028C	167.51	220650	P09008	00082180	11/05/2013
				Vendor Total:	**167.51**				
MW IP	T-MOBILE V004339	SEPT CELL PHONE CHARGES	431010-6215 Telephone	ITK1017B	631.73	100213		00082026	10/17/2013
				Vendor Total:	**631.73**				
MW IP	TALX UC eXpress V002944	UNEMPLOYMENT CLAIMS MGMT	404581-6025 Third Party Administration	ITK1023A	217.78	1402736	P09500	00082053	10/23/2013
				Vendor Total:	**217.78**				
MW OH	TASER INTERNATIONAL	X26 TASER CARTRIDGE	103041-6301	TK1028E	633.97	SI1335932	P09533	00082181	11/05/2013

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	V002552		Special Department Supplies						
				Vendor Total:	**633.97**				
MW IP	THE KARAGINES FAMILY T V007073	OCT-DEC LEASE PAYMENT-166 E.	103041-6160 Facility Rental	ITK1023A	15,913.50	102213	P09555	00082054	10/23/2013
				Vendor Total:	**15,913.50**				
MW IP	TIME WARNER CABLE V004450	OCT CABLE CHARGES	431010-6215 Telephone	ITK1017B	1,774.36	100113		00082027	10/17/2013
MW IP	TIME WARNER CABLE V004450	OCT-NOV CABLE CHARGES	431010-6215 Telephone	ITK1023A	139.93	101413		00082055	10/23/2013
MW IP	TIME WARNER CABLE V004450	OCT-NOV CABLE CHARGES	431010-6215 Telephone	ITK1023A	1,169.96	101513		00082055	10/23/2013
				Vendor Total:	**3,084.25**				
MW OH	TOVAR, MANUEL V003703	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028D	75.39	112112	P09457	00082182	11/05/2013
MW OH	TOVAR, MANUEL V003703	BOOT REIMBURSEMENT	103650-6360 Uniforms	TK1028D	37.80	112112	P09457	00082182	11/05/2013
				Vendor Total:	**113.19**				
MW OH	TRILLIUM V007952	SEPT CNG FUEL	433658-6345 Gasoline & Diesel Fuel	TK1028D	53.58	INV0006062	P08948	00082183	11/05/2013
				Vendor Total:	**53.58**				
MW OH	TRIPEPI SMITH & ASSOCIAT V007848	SEPT IT CONSULTING	422023-6290 Dept. Contract Services	TK1028D	1,250.00	809	P09515	00082184	11/05/2013
				Vendor Total:	**1,250.00**				
MW OH	TURBO DATA SYSTEMS INC V001238	SEPT CITATION PROCESSING	103041-6099 Other Professional Services	TK1028D	645.72	20682	P08918	00082185	11/05/2013
				Vendor Total:	**645.72**				
MW OH	URBAN, ASHLEY V004861	NOV MONTHLY EXPENSES	103042-5001 Salaries/Full-Time Regular	TK1028D	50.00	NOVEMBER 13		00082186	11/05/2013
MW OH	URBAN, ASHLEY	ARCMP HANDS ON TRAINING	103042-6250	TK1028D	99.15	61210	P09503	00082186	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V004861		Staff Training						
				Vendor Total:	**149.15**				
MW IP	US BANK V001073	2009 LEASE REV BONDS	105525-6030 Trustee Fees	ITK1017B	2,500.00	3456068	P09440	00082028	10/17/2013
MW IP	US BANK V001073	RDA 2009 SUBORDINATE TAX ALL	540000-6030 Trustee Fees	ITK1017B	1,750.00	3456068	P09440	00082028	10/17/2013
MW IP	US BANK V001073	CERTIFICATE OF PARTICIPATION	105525-6030 Trustee Fees	ITK1017B	1,500.00	3456068	P09440	00082028	10/17/2013
MW IP	US BANK V001073	RDA HOUSING SET-UP TAX ALLO(	540000-6030 Trustee Fees	ITK1017B	2,900.00	3456068	P09440	00082028	10/17/2013
MW IP	US BANK V001073	RDA TAX ALLOCATION BOND	540000-6030 Trustee Fees	ITK1017B	2,900.00	3456068	P09440	00082028	10/17/2013
MW IP	US BANK V001073	2009 SPECIAL TAX REF REVENUE	476562-6030 Trustee Fees	ITK1017B	2,500.00	3456051	P09441	00082028	10/17/2013
MW IP	US BANK V001073	CFD #89-1, 1996 SPECIAL TAX BO	476562-6030 Trustee Fees	ITK1017B	2,750.00	3456051	P09441	00082028	10/17/2013
MW IP	US BANK V001073	2001A SPECIAL TAX BONDS	476562-6030 Trustee Fees	ITK1017B	2,825.00	3456051	P09441	00082028	10/17/2013
				Vendor Total:	**19,625.00**				
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 9/28 PD 10/4	0010-2126 Employee PARS/ARS W/H	TK1028D	919.22	100313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 9/28 PD 10/4	0010-2131 Employer PARS/ARS Payable	TK1028D	919.22	100313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 9/28 PD 10/4	0043-2131 Employer PARS/ARS Payable	TK1028D	25.68	100313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 9/28 PD 10/4	0043-2126 Employee PARS/ARS W/H	TK1028D	25.68	100313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 10/12 PD 10/8	0010-2126 Employee PARS/ARS W/H	TK1028D	1,359.76	82313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400	PARS/ARS P/E 10/12 PD 10/8	0043-2131	TK1028D	25.50	82313I		00082187	11/05/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V008781		Employer PARS/ARS Payable						
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 10/12 PD 10/8	0010-2131 Employer PARS/ARS Payable	TK1028D	1,359.76	82313I		00082187	11/05/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 10/12 PD 10/8	0043-2126 Employee PARS/ARS W/H	TK1028D	25.50	82313I		00082187	11/05/2013
				Vendor Total:	**4,660.32**				
MW OH	US LEGAL SUPPORT INC V008962	LEGAL SERVICES:MARTINEZ	404582-6006 Litigation	TK1028D	117.95	661371	P09518	00082188	11/05/2013
MW OH	US LEGAL SUPPORT INC V008962	LEGAL SERVICES:MARTINEZ	404582-6006 Litigation	TK1028D	111.80	663139	P09518	00082188	11/05/2013
MW OH	US LEGAL SUPPORT INC V008962	LEGAL SERVICES:MARTINEZ	404582-6006 Litigation	TK1028D	123.95	664335	P09518	00082188	11/05/2013
				Vendor Total:	**353.70**				
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 10/12/13 PD DATE 10/18/13	0037-2170 Deferred Comp Payable - ICMA	PY13021	17.06	2606/1301021		00082037	10/18/2013
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 10/12/13 PD DATE 10/18/13	0048-2170 Deferred Comp Payable - ICMA	PY13021	8.56	2606/1301021		00082037	10/18/2013
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 10/12/13 PD DATE 10/18/13	0010-2170 Deferred Comp Payable - ICMA	PY13021	1,100.98	2606/1301021		00082037	10/18/2013
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 10/12/13 PD DATE 10/18/13	0029-2170 Deferred Comp Payable - ICMA	PY13021	5.70	2606/1301021		00082037	10/18/2013
				Vendor Total:	**1,132.30**				
MW IP	VERIZON WIRELESS V008735	SEPT PD CELL PHONE CHARGES	431010-6215 Telephone	ITK1017B	1,164.26	9711871780		00082029	10/17/2013
				Vendor Total:	**1,164.26**				
MW OH	WAGONER, BEAU V009143	DRIVING FORCE MEALS,MILEAGE	103041-6250 Staff Training	TK1028D	15.35	62190	P09481	00082189	11/05/2013
				Vendor Total:	**15.35**				
MW OH	WEST COAST ARBORISTS IN V001124	9/1-15 TREE TRIMMING	103655-6115 Landscaping	TK1028D	13,680.00	91228	P09336	00082190	11/05/2013

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
MW OH	WEST COAST ARBORISTS IN V001124	9/16-30 TREE TRIMMING	103655-6115 Landscaping	TK1028D	6,600.00	91534	P09336	00082190	11/05/2013
				Vendor Total:	**20,280.00**				
MW OH	WESTMINSTER PRESS V001125	PRINTING SVS-WINTER QUARTER	104070-6230 Printing & Binding	TK1028D	4,711.25	0029284-IN	P09112	00082191	11/05/2013
				Vendor Total:	**4,711.25**				
MW OH	WEX BANK V007269	OCT PD FLEET GAS	433658-6345 Gasoline & Diesel Fuel	TK1028E	3,501.64	34625245	P09068	00082192	11/05/2013
				Vendor Total:	**3,501.64**				
MW OH	WILLDAN ENGINEERING V001127	AUG SIGNAL SYNCH SVS	333552-6185 / 6109640019-6185 Construction Services	TK1028D	70.00	00612200	P09494	00082193	11/05/2013
MW OH	WILLDAN ENGINEERING V001127	AUG TRAFFIC ENGINEER-SAFE RC	333552-6185 / 6111440011-6185 Construction Services	TK1028E	3,675.00	00612205	P09530	00082193	11/05/2013
MW OH	WILLDAN ENGINEERING V001127	AUG TRAFFIC ENGINEER-SAFE RC	333552-6185 / 6111440151-6185 Construction Services	TK1028E	3,675.00	00612205	P09530	00082193	11/05/2013
				Vendor Total:	**7,420.00**				
MW OH	WILLDAN ENGINEERING V007112	SEPT SEWER LAYER/GIS SRVS	484376-6120 R & M/Sewer & Storm Drain	TK1028D	2,210.00	00512393	P09045	00082194	11/05/2013
				Vendor Total:	**2,210.00**				
MW OH	WILLDAN FINANCIAL SERV V005723	ARBITRAGE REBATE	476562-6099 Other Professional Services	TK1028D	1,300.00	010-21974	P09568	00082195	11/05/2013
MW OH	WILLDAN FINANCIAL SERV V005723	CFD ADMIN FEE	476562-6099 Other Professional Services	TK1028D	1,258.01	010-22210	P09568	00082195	11/05/2013
				Vendor Total:	**2,558.01**				
MW OH	WILLIAMS, DESIRAE V009207	CLASS REFUND	100000-4340 / 79360-4340 Recreation Programs	TK1028D	55.00	90741		00082196	11/05/2013
				Vendor Total:	**55.00**				
MW OH	WINTEMUTE, MELODYE V008851	SUMMER INSTRUCTOR PAYMENT	104071-6060 / 79148-6060 Instructional Services	TK1028D	30.55	SUMMER 2013	P09507	00082197	11/05/2013

City of Placentia
Warrant Register
For 10/29/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
				Vendor Total:	**30.55**				
MW OH	WM CURBSIDE INC V000230	AUG USED OIL COLLECTION	504315-6301 / 20040-6301 Special Department Supplies	TK1028E	140.00	5484	P09044	00082198	11/05/2013
				Vendor Total:	**140.00**				
MW OH	WOMEN LEADING GOVERN V007615	MEMBERSHIP-CASTRO-GRAHAM	103550-6255 Dues & Memberships	TK1028E	50.00	061513	P09529	00082199	11/05/2013
				Vendor Total:	**50.00**				
MW OH	Y & M CONSTRUCTION V008975	CONSTRUCTION-PED ACCESS	333552-6185 / 6110240202-6185 Construction Services	TK1028D	48,501.68	PP#3	P09273	00082200	11/05/2013
				Vendor Total:	**48,501.68**				
MW IP	YORBA LINDA WATER DIST V001148	SEPT WATER CHARGES	431010-6335 Water	ITK1023A	464.05	101413		00082056	10/23/2013
				Vendor Total:	**464.05**				
MW IP	YORBA LINDA WATER DIST V006633	SEPT SEWER CHARGES	484356-6297 Billing Services	ITK1023A	250.00	64214		00082057	10/23/2013
				Vendor Total:	**250.00**				
MW OH	YORBA REGIONAL ANIMAL V008472	K9 MED TREATMENT/BOARDING	103041-6301 Special Department Supplies	TK1028E	366.00	093013	P09470	00082201	11/05/2013
				Vendor Total:	**366.00**				
MW OH	ZAVALA, MARTIN V009209	DEPOSIT REFUND-BACKS BDLG	100000-4385 / 79161-4385 Facility Rental	TK1028D	150.00	90705		00082202	11/05/2013
				Vendor Total:	**150.00**				
MW OH	ZUMAR INDUSTRIES INC V001156	STREET SIGNS	103652-6310 Street Signs	TK1028E	6,391.82	0148263	P08976	00082203	11/05/2013
				Vendor Total:	**6,391.82**				
				Type Total:	**987,655.02**				
				Warrant Total:	**1,058,172.72**				

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: NOVEMBER 5, 2013

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK FOR THE VALENCIA AVENUE REHABILITATION PROJECT**

FINANCIAL IMPACT:		
	EXPENSE:	$592,626.67
	OFFSETTING REVENUE:	$296,313.33 STATE PROPOSITION 1B FUNDING & $296,313.34 MEASURE M FAIR SHARE FUNDS
	BUDGETED:	$592,626.67 (ACCOUNT NO.:333552-6185 J/L 61034)

SUMMARY:

On May 7, 2013, the City Council awarded a contract to Sully-Miller Contracting Company, for construction of the Valencia Avenue Rehabilitation Project. This action will conclude the project and authorize filing a "Notice of Completion" with the Orange County Clerk Recorder's Office in the amount of $593,626.67.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Accept contract work performed by Sully-Miller Contracting Company, for construction of the Valencia Avenue Rehabilitation Project in the total amount of $593,626.67; and

2. Authorize the City Engineer to file a Notice of Completion with the Orange County Clerk Recorder's Office for the project; and

3. Authorize the City Engineer to release retention funds in accordance with the terms of the contract.

DISCUSSION:

The City of Placentia was approved by Orange County Transportation Authority (OCTA) to use State Proposition 1B State-Local Partnership Program (SLPP) funds on the Valencia Avenue Rehabilitation Project. OCTA distributed $21 million dollars of remaining SLPP funds among thirty-five (35) Orange County agencies with a minimum of $318,000 disbursed to each agency.

The Valencia Avenue Rehabilitation Project began at Yorba Linda Boulevard and ended at the north City limits. The work included pavement rehabilitation, grinding, and rubberized asphalt overlay, concrete repairs, and ADA curb ramps.

On May 7, 2013, the City Council awarded a contract to Sully-Miller Contracting Company, in an amount of $538,731.70 for construction of this project. The project had a total of three change orders, which ultimately resulted in an increase of $53,894.97 to the project. The funding source for construction of this project was $296,313.33 is State SLPP Funds and $296,313.34 Measure M Local Fairshare Funds.

The project was completed on September 30, 2013. The City is prepared to accept the contractor's work and file a Notice of Completion with the Orange County Recorder's Office for this project. In addition, the City Engineer is prepared to release $29,631.33, which is the amount held in retention.

FISCAL IMPACT:

The project is funded by $296,313.33 State SLPP funds and $296,313.34 Measure M Local Fairshare Funds.

Prepared by: Reviewed and approved:

Steve Drinovsky
Director of Public Works

Troy L. Butzlaff, ICMA-CM
City Administrator

Attachments: As Stated

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name: City Clerk
Street Address: City of Placentia, 401 E. Chapman Ave.
City & State: Placentia, CA 92870

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Free Recording Per Government Code Section 6103

City Council Approval:

Deputy City Clerk

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for Complete requirements.)

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is City of Placentia
3. The full address of the owner is 401 East Chapman Avenue, Placentia, CA 92870
4. The nature of the interest or estate of the owner is: In fee.

   N/A

   (If other than fee, strike "In fee" and insert, for example, 'purchaser under contract of purchase," or "lessee")
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are: NAMES ADDRESSES

   N/A
6. A work of improvement on the property hereinafter described was completed on September 30, 2013. The work done was:

   The project included pavement rehabilitation, grinding, and rubberized asphalt overlay, concrete repairs, and ADA curb ramps

The name of the contractor, if any, for such work of improvement was Sully-Miller Contracting Company

7. 135 S. State College Ste. 400, Brea, CA 92821 — May 7, 2013
   (If no contractor for work of improvement as a whole, insert "none".) (Date of Contract)
8. The property on which said work of improvement was completed is in the city of Placentia
   County of Orange, State of California, and is described as follows: Valencia Avenue Rehabilitation Project
9. The street address of said property is "none"
   (If no street address has been officially assigned. insert "none".)

CITY OF PLACENTIA

Dated: 11-5-2013
Verification for Individual Owner

Signature of owner or corporate officer of owner named in paragraph 2 or his agent

VERIFICATION

I, the undersigned, say: I am the City Engineer ("President of", "Manager of", "Owner of", etc.) the declarant of the foregoing Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 5 (Date of Signature.), 2013, at Placentia (City where signed.), California.

(Personal signature of the individual who is swearing that the contents of the notice of completion are true.)-

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

A notice of completion must be filed for record WITHIN 10 DAYS after completion of the work of improvement (to be computed exclusive of the day of completion), as provided in Civil code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If the ownership is in two or more persons as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the other co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3 and 5, the full address called for should include street number, city, county and state.

As to paragraphs 6 and 7, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows (1) Strike the words "A work of improvement" from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundations for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 7 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g., on so-called "owner-builder jobs."

In paragraph 8, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 9, show the street address, if any, assigned to the property by any competent public or governmental authority.

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: NOVEMBER 5, 2013

SUBJECT: **RECOMMENDATION TO APPROVE PIPELINE LICENSE AGREEMENTS 13-48136 AND 13-47969 WITH BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY FOR LAKEVIEW GRADE SEPARATION PROJECT**

FISCAL IMPACT: EXPENSE: NONE
BUDGETED:

SUMMARY:

The Orange County Transportation Authority (OCTA) is overseeing the right-of-way acquisition, design, and construction of five (5) railroad grade separation projects along the Orangethorpe rail corridor, in the cities of Placentia, Anaheim, and Fullerton. Construction contracts for the Lakeview Avenue railroad grade separation project will be awarded next year. Prior to commencement of construction, all agreements must be in place and fully executed. This action will approve Pipeline License Agreements between the Burlington Northern Santa Fe Railway Company (BNSF) and the City of Placentia. Pipeline License Agreement 13-48136 involves the installation of a sewer pipeline that is eight (8) inches in diameter inside a twenty-four inch steel casing. Pipeline License Agreement 13-47969 involves the installation of a storm drain pipeline that is thirty inches in diameter inside a forty-two inch steel casing.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve Pipeline License Agreement 13-48136 for a sewer pipeline; and
2. Approve Pipeline License Agreement 13-47969 for a storm water pipeline; and
3. Authorize the Mayor to execute the Pipeline License Agreement on behalf of the City, in a form approved by the City Attorney.

DISCUSSION:

During project design for the Lakeview Avenue Overpass it was determined that new storm drain and sewer pipes would need to be installed beneath the BNSF Railway. The installation of these new pipelines require new license agreements with BNSF. These agreements have

been prepared describing the City's responsibilities related to the storm drain and sewer pipes. As a condition of the license agreements, BNSF requires the City to pay contract fees and to provide Railroad Protective Liability Insurance. The OCTA has agreed to pay all costs associated with the license agreements.

FISCAL IMPACT:

BNSF Railway Company requires $7,150 for each license agreement which pays for a license, contract fees, and to provide for a Railroad Protective Liability Policy. As part of the Lakeview Avenue Overpass Project, the OCTA will pay for each license of $6,000 on the City's behalf. OCTA will also pay for the Railroad Protective Liability Insurance for one year in the amount of $1,150. The total amount of $14,300 will be provided to BNSF Railway once the City has executed the agreements and returned them to OCTA.

Prepared by:

Steve Drinovsky
Director of Public Works

Reviewed and approved:

Troy L. Butzlaff, ICMA-CM
City Administrator

Attachments:

1. Pipeline License Agreements

PIPELINE LICENSE

THIS PIPELINE LICENSE ("**License**") is made to be effective _____, 2013, (the "**Effective Date**") by and between **BNSF RAILWAY COMPANY**, a Delaware corporation ("**Licensor**") and **CITY OF PLACENTIA**, a ("**Licensee**").

In consideration of the mutual covenants contained herein, the parties agree to the following:

GENERAL

1. Grant of License. Licensor hereby grants Licensee a non-exclusive license, subject to all rights, interests, and estates of third parties, including, without limitation, any leases, use rights, easements, liens, or other encumbrances, and upon the terms and conditions set forth below, to construct and maintain, in strict accordance with the drawings and specifications approved by Licensor as part of Licensee's application process (the "**Drawings and Specifications**"), One (1) pipeline, Eight (8") inches in diameter inside a Twenty Four (24") inch steel casing (collectively, the "**Pipeline**"), across or along Licensor's rail corridor at or near the station of Placentia, County of Orange, State of California, Line Segment 7602, Mile Post 41.91 as shown on the attached Drawing No. 1-58400, dated July 18, 2013, attached hereto as **Exhibit "A"** and incorporated herein by reference (the "**Premises**").

2. Term. This License shall commence on the Effective Date and shall continue perpetuity, subject to prior termination as hereinafter described.

3. Existing Improvements. Licensee shall not disturb any improvements of Licensor or Licensor's existing lessees, licensees, easement beneficiaries or lien holders, if any, or interfere with the use, repair, maintenance or replacement of such improvements.

4. Use of the Premises. Licensee shall use the Premises solely for construction, maintenance, and use of the Pipeline in accordance with the Drawings and Specifications. The Pipeline shall carry sewage, and Licensee shall not use the Pipeline to carry any other material or use the Premises for any other purpose.

5. Alterations. Except as set forth in this License, Licensee may not make any alterations to the Premises or permanently affix anything to the Premises or any buildings or other structures adjacent to the Premises without Licensor's prior written consent.

COMPENSATION

6. License Fee. Licensee shall pay Licensor, prior to the Effective Date, the sum of Six Thousand and No/100 Dollars ($6,000) as compensation for the use of the Premises.

7. Costs and Expenses.

   7.1 For the purpose of this License, "cost" or "costs" and "expense" or "expenses" includes, but is not limited to, actual labor and material costs including all assignable additives, and material and supply costs at current value where used.

   7.2 Licensee agrees to reimburse Licensor (pursuant to the terms of **Section 8** below) for all costs and expenses incurred by Licensor in connection with Licensee's use of the Premises or the presence, construction and maintenance of the Pipeline, including but not limited to the furnishing of Licensor's flaggers and any vehicle rental costs incurred. Licensee shall bear the cost of flagger services and other safety measures provided by Licensor, when deemed necessary by Licensor's representative. Flagging **costs** shall include, but not be limited to, the following: pay for at least an eight (8) hour basic day with time and one-half or double time for overtime, rest days and holidays (as applicable); vacation allowance; paid holidays (as applicable); railway and unemployment insurance; public liability and property damage insurance; health and welfare benefits; transportation; meals; lodging and

supervision. **Negotiations for railway labor or collective bargaining agreements and rate changes authorized by appropriate Federal authorities may increase flagging rates. Flagging rates in effect at the time of performance by the flaggers will be used to calculate the flagging costs pursuant to this Section 7.**

8. Payment Terms. All invoices are due thirty (30) days after the date of invoice. If Licensee fails to pay any monies due to Licensor within thirty (30) days after the invoice date, then Licensee shall pay interest on such unpaid sum from the due date until paid at an annual rate equal to the lesser of (i) the prime rate last published in *The Wall Street Journal* in the preceding December plus two and one-half percent (2-1/2%), or (ii) the maximum rate permitted by law.

LICENSOR'S RESERVED RIGHTS

9. Reserved Rights of Use. Licensor excepts and reserves the right, to be exercised by Licensor and any other parties who may obtain written permission or authority from Licensor:

9.1 to maintain, use, operate, repair, replace, modify and relocate any utility, power or communication pipe/lines/cables and appurtenances (other than the Pipeline) and other facilities or structures of like character upon, over, under or across the Premises existing as of the Effective Date;

9.2 to construct, maintain, renew, use, operate, change, modify and relocate any tracks or additional facilities, structures and related appurtenances upon, over, under or across the Premises; or

9.3 to use the Premises in any manner as Licensor in its sole discretion deems appropriate, provided Licensor uses all commercially reasonable efforts to avoid material interference with the use of the Premises by Licensee for the purpose specified in **Section 4** above.

10. Right to Require Relocation. If at any time during the term of this License, Licensor desires the use of its rail corridor in such a manner as would, in Licensor's reasonable opinion, be interfered with by the Pipeline, Licensee shall, at its sole expense, within thirty (30) days after receiving written notice from Licensor to such effect, make such changes in the Pipeline as in the sole discretion of Licensor may be necessary to avoid interference with the proposed use of Licensor's rail corridor, including, without limitation, the relocation of the Pipeline, or the construction of a new pipeline to replace the Pipeline. Notwithstanding the foregoing, Licensee agrees to make all emergency changes and minor adjustments, as determined by Licensor in its sole discretion, to the Pipeline promptly upon Licensor's request.

LICENSEE'S OPERATIONS

11. Construction and Maintenance of the Pipeline.

11.1 Licensee shall notify Licensor's Roadmaster, at 7427 Rosemead blvd., Pico Rivera, California, 90660, telephone (323) 307-5815 (Office) or (909) 522-7322 (Cell), at least ten (10) business days prior to installation of the Pipeline and prior to entering the Premises for any subsequent maintenance thereon. In the event of emergency, Licensee shall notify Licensor of Licensee's entry onto the Premises at the telephone number above as soon as practicable and shall promptly thereafter follow up with written notice of such entry.

11.2 Licensee's on-site supervisors shall retain/maintain a fully executed copy of this License at all times while on the Premises.

11.3 While on the Premises, Licensee shall use only public roadways to cross from one side of Licensor's tracks to the other.

11.4 Any contractors or subcontractors performing work on the Pipeline or entering the Premises on behalf of Licensee shall be deemed servants and agents of Licensee for purposes of this License.

11.5 Under no conditions shall Licensee be permitted to conduct any tests, investigations or any other activity using mechanized equipment and/or machinery, or place or store any mechanized equipment, tools or other materials, within twenty-five (25) feet of the centerline of any railroad track on the Premises unless Licensee has obtained prior written approval from Licensor. Licensee shall, at its sole cost and expense, perform all activities on and about the Premises in such a manner as not at any time to endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. If ordered to cease using the Premises at any time by Licensor's personnel due to any hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to monitor Licensee's use of the Premises to determine the safe nature thereof, it being solely Licensee's responsibility to ensure that Licensee's use of the Premises is safe. Neither the exercise nor the failure by Licensor to exercise any rights granted in this Section will alter the liability allocation provided by this License.

11.6 Licensee shall, at its sole cost and expense, construct and maintain the Pipeline in such a manner and of such material that the Pipeline will not at any time endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. The construction of the Pipeline shall be completed within one (1) year of the Effective Date, and any subsequent maintenance shall be completed within one (1) year of initiation. Within fifteen (15) days after completion of the construction of the Pipeline or the performance of any subsequent maintenance thereon, Licensee shall, at Licensee's own cost and expense, restore the Premises to substantially their state as of the Effective Date, unless otherwise approved in advance by Licensor in writing. On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense, surrender the Premises to Licensor pursuant to the terms and conditions set forth in **Section 24** hereof.

11.7 Licensor may direct one or more of its field engineers to observe or inspect the construction and/or maintenance of the Pipeline at any time for compliance with the Drawings and Specifications and Legal Requirements (defined below). If ordered at any time to halt construction or maintenance of the Pipeline by Licensor's personnel due to non-compliance with the Drawings and Specifications or any other hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to observe or inspect, or to halt work on, the Pipeline, it being solely Licensee's responsibility to ensure that the Pipeline is constructed and maintained in strict accordance with the Drawings and Specifications and in a safe and workmanlike manner in compliance with all terms hereof. Neither the exercise of, nor the failure by Licensor to exercise, any right granted by this Section will alter in any way the liability allocation provided by this License. If at any time Licensee shall, in the sole judgment of Licensor, fail to properly perform its obligations under this **Section 11**, Licensor may, at its option and at Licensee's sole expense, arrange for the performance of such work as it deems necessary for the safety of its operations and activities. Licensee shall promptly reimburse Licensor for all costs and expenses of such work, pursuant to the terms of **Section 8**. Licensor's failure to perform any obligations of Licensee shall not alter the liability allocation hereunder.

12. Boring and Excavation.

12.1 Prior to Licensee conducting any boring, excavation, or similar work on or about any portion of the Premises, Licensee shall explore the proposed location for such work with hand tools to a depth of at least three (3) feet below the surface of the ground to determine whether pipelines or other structures exist below the surface, provided, however, that in lieu of the foregoing, Licensee shall have the right to use suitable detection equipment or other generally accepted industry practice (*e.g.*, consulting with the Underground Services Association) to determine the existence or location of pipelines and other subsurface structures prior to drilling or excavating with mechanized equipment. Licensee may request information from Licensor concerning the existence and approximate location of Licensor's underground lines, utilities, and pipelines at or near the vicinity of the proposed Pipeline by contacting

Licensor's Telecommunications Helpdesk at least thirty (30) business days prior to installation of the Pipeline. Upon receiving Licensee's timely request, Licensor will provide Licensee with the information Licensor has in its possession regarding any existing underground lines, utilities, and pipelines at or near the vicinity of the proposed Pipeline and, if applicable, identify the location of such lines on the Premises pursuant to Licensor's standard procedures. Licensor does not warrant the accuracy or completeness of information relating to subsurface conditions of the Premises and Licensee's operations will be subject at all times to the liability provisions herein.

12.2 For all bores greater than 26-inch diameter and at a depth less than 10.0 feet below bottom of rail, a soil investigation must be performed by Licensee and reviewed by Licensor prior to construction. This study is to determine if granular material is present, and to prevent subsidence during the installation process. If the investigation determines in Licensor's reasonable opinion that granular material is present, Licensor may select a new location for Licensee's use, or may require Licensee to furnish for Licensor's review and approval, in Licensor's sole discretion, a remedial plan to deal with the granular material. Once Licensor has approved any such remedial plan in writing, Licensee shall, at Licensee's sole cost and expense, carry out the approved plan in accordance with all terms thereof and hereof.

12.3 Any open hole, boring, or well, constructed on the Premises by Licensee shall be safely covered and secured at all times when Licensee is not working in the actual vicinity thereof. Following completion of that portion of the work, all holes or borings constructed on the Premises by Licensee shall be:

12.3.1 filled in to surrounding ground level with compacted bentonite grout; or

12.3.2 otherwise secured or retired in accordance with any applicable Legal Requirement. No excavated materials may remain on Licensor's property for more than ten (10) days, but must be properly disposed of by Licensee in accordance with applicable Legal Requirements.

LIABILITY AND INSURANCE

13. Liability and Indemnification.

13.1 For purposes of this License: (a) "**Indemnitees**" means Licensor and Licensor's affiliated companies, partners, successors, assigns, legal representatives, officers, directors, shareholders, employees, and agents; (b) "**Liabilities**" means all claims, liabilities, fines, penalties, costs, damages, losses, liens, causes of action, suits, demands, judgments, and expenses (including, without limitation, court costs, reasonable attorneys' fees, costs of investigation, removal and remediation, and governmental oversight costs) environmental or otherwise; and (c) "**Licensee Parties**" means Licensee or Licensee's officers, agents, invitees, licensees, employees, or contractors, or any party directly or indirectly employed by any of them, or any party they control or exercise control over.

13.2 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FOR, FROM, AND AGAINST ANY AND ALL LIABILITIES OF ANY NATURE, KIND, OR DESCRIPTION DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART):**

13.2.1 **THIS LICENSE, INCLUDING, WITHOUT LIMITATION, ITS ENVIRONMENTAL PROVISIONS,**

13.2.2 **ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE,**

13.2.3 **LICENSEE'S OCCUPATION AND USE OF THE PREMISES,**

13.2.4 **THE ENVIRONMENTAL CONDITION AND STATUS OF THE PREMISES CAUSED BY OR CONTRIBUTED TO BY LICENSEE, OR**

13.2.5 **ANY ACT OR OMISSION OF ANY LICENSEE PARTY.**

13.3 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE NOW AND FOREVER WAIVES ANY AND ALL CLAIMS THAT BY VIRTUE OF ENTERING INTO THIS LICENSE, LICENSOR IS A GENERATOR, OWNER, OPERATOR, ARRANGER, OR TRANSPORTER FOR THE PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED ("CERCLA") OR OTHER ENVIRONMENTAL LAWS (DEFINED BELOW). LICENSEE WILL INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM ANY AND ALL SUCH CLAIMS. NOTHING IN THIS LICENSE IS MEANT BY EITHER PARTY TO CONSTITUTE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES AND THIS LICENSE SHOULD NOT BE SO CONSTRUED. IF ANY AGENCY OR COURT CONSTRUES THIS LICENSE TO BE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES, LICENSEE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND INDEMNITEES FOR ANY LIABILITIES RELATED TO THAT CONSTRUCTION OF THIS LICENSE. IN NO EVENT AS BETWEEN LICENSOR AND LICENSEE AS TO USE OF THE PREMISES AS CONTEMPLATED BY THIS LICENSE SHALL LICENSOR BE RESPONSIBLE TO LICENSEE FOR THE ENVIRONMENTAL CONDITION OF THE PREMISES.**

13.4 **IF ANY EMPLOYEE OF ANY LICENSEE PARTY ASSERTS THAT HE OR SHE IS AN EMPLOYEE OF ANY INDEMNITEE, TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM AND AGAINST ANY LIABILITIES ARISING OUT OF OR RELATED TO (IN WHOLE OR IN PART) ANY SUCH ASSERTION INCLUDING, BUT NOT LIMITED TO, ASSERTIONS OF EMPLOYMENT BY AN INDEMNITEE RELATED TO THE FOLLOWING OR ANY PROCEEDINGS THEREUNDER: THE FEDERAL EMPLOYERS' LIABILITY ACT, THE SAFETY APPLIANCE ACT, THE LOCOMOTIVE INSPECTION ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, AND ANY SIMILAR STATE OR FEDERAL STATUTE.**

13.5 **THE FOREGOING OBLIGATIONS OF LICENSEE SHALL NOT APPLY TO THE EXTENT LIABILITIES ARE PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE, BUT SHALL APPLY TO ALL OTHER LIABILITIES, INCLUDING THOSE ARISING FROM OR ATTRIBUTED TO ANY OTHER ALLEGED OR ACTUAL NEGLIGENCE, INTENTIONAL ACTS, OR STRICT LIABILITY OF ANY INDEMNITEE.**

13.6 Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or other proceeding brought against any Indemnitee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any Indemnitee. Licensee shall pay all costs and expenses incident to such defense, including, but not limited to, reasonable attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments.

14. Personal Property Risk of Loss. **ALL PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO, FIXTURES, EQUIPMENT, OR RELATED MATERIALS UPON THE PREMISES WILL BE AT THE RISK OF LICENSEE ONLY, AND NO INDEMNITEE WILL BE LIABLE FOR ANY DAMAGE THERETO OR THEFT THEREOF, WHETHER OR NOT DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF ANY INDEMNITEE.**

15. Insurance. Licensee shall, at its sole cost and expense, procure and maintain during the life of this License the following insurance coverage:

15.1 Commercial General Liability Insurance. This insurance shall contain broad form contractual liability with a combined single limit of a minimum of $5,000,000 each occurrence and an aggregate limit of at least $10,000,000 but in no event less than the amount otherwise carried by Licensee. Coverage must be purchased on a post 2004 ISO occurrence or equivalent and include coverage for, but not limited to, the following:

- Bodily Injury and Property Damage
- Personal Injury and Advertising Injury
- Fire legal liability
- Products and completed operations

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor and Jones Lang LaSalle Brokerage, Inc.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

It is agreed that the workers' compensation and employers' liability related exclusions in the Commercial General Liability Insurance policy(s) required herein are intended to apply to employees of the policy holder and shall not apply to Licensor's employees.

No other endorsements limiting coverage may be included on the policy.

15.2 Business Automobile Insurance. This insurance shall contain a combined single limit of at least $1,000,000, and include coverage for, but not limited to the following:

- Bodily injury and property damage.
- Any and all vehicles owned, used or hired.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

15.3 Workers' Compensation and Employers' Liability Insurance. This insurance shall include coverage for, but not limited to:

- Licensee's statutory liability under the workers' compensation laws of the state(s) in which the services are to be performed. If optional under state laws, the insurance must cover all employees anyway.
- Employers' Liability (Part B) with limits of at least $500,000 each accident, $500,000 by disease policy limit, $500,000 by disease each employee.

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.

15.4 Railroad Protective Liability Insurance. This insurance shall name only Licensor as the Insured with coverage of at least $5,000,000 per occurrence and $10,000,000 in the aggregate. The coverage obtained under this policy shall only be effective during the initial installation and/or construction of the Pipeline. **THE CONSTRUCTION OF THE PIPELINE SHALL BE COMPLETED WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE.** If further maintenance of the Pipeline is needed at a later date, an additional Railroad Protective Liability Insurance Policy shall be required. The policy shall be issued on a standard ISO form CG 00 35 12 03 and include the following:

- Endorsed to include the Pollution Exclusion Amendment.
- Endorsed to include the Limited Seepage and Pollution Endorsement.
- Endorsed to include Evacuation Expense Coverage Endorsement.

- No other endorsements restricting coverage may be added.
- The original policy must be provided to Licensor prior to performing any work or services under this License.
- Definition of "Physical Damage to Property" shall be endorsed to read: "means direct and accidental loss of or damage to all property owned by any named insured and all property in any named insured's care, custody and control arising out of the acts or omissions of the contractor named on the Declarations."

In lieu of providing a Railroad Protective Liability Policy, for a period of one (1) year from the Effective Date, Licensee may participate in Licensor's Blanket Railroad Protective Liability Insurance Policy available to Licensee or its contractor. The limits of coverage are the same as above. The cost is $1,150.

☐ I **elect** to participate in Licensor's Blanket Policy;

☐ I **elect not** to participate in Licensor's Blanket Policy.

15.5 Pollution Legal Liability (PLL) Insurance. Intentionally deleted, not required for this permit.

15.6 Other Requirements:

15.6.1 Where allowable by law, all policies (applying to coverage listed above) shall contain no exclusion for punitive damages.

15.6.2 Licensee agrees to waive its right of recovery against Licensor for all claims and suits against Licensor. In addition, Licensee's insurers, through the terms of the policy or a policy endorsement, must waive their right of subrogation against Licensor for all claims and suits, and the certificate of insurance must reflect the waiver of subrogation endorsement. Licensee further waives its right of recovery, and its insurers must also waive their right of subrogation against Licensor for loss of Licensee's owned or leased property, or property under Licensee's care, custody, or control.

15.6.3 Licensee is not allowed to self-insure without the prior written consent of Licensor. If granted by Licensor, any self-insured retention or other financial responsibility for claims shall be covered directly by Licensee in lieu of insurance. Any and all Licensor liabilities that would otherwise, in accordance with the provisions of this License, be covered by Licensee's insurance will be covered as if Licensee elected not to include a self-insured retention or other financial responsibility for claims.

15.6.4 Prior to entering the Premises, Licensee shall furnish to Licensor an acceptable certificate(s) of insurance including an original signature of the authorized representative evidencing the required coverage, endorsements, and amendments. Licensee shall notify Licensor in writing at least 30 days prior to any cancellation, non-renewal, substitution, or material alteration. In the event of a claim or lawsuit involving Licensor arising out of this License, Licensee will make available any required policy covering such claim or lawsuit.

15.6.5 Any insurance policy shall be written by a reputable insurance company acceptable to Licensor or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.

15.6.6 If coverage is purchased on a "claims made" basis, Licensee hereby agrees to maintain coverage in force for a minimum of three years after expiration or termination of this License. Annually, Licensee agrees to provide evidence of such coverage as required hereunder.

15.6.7 Licensee represents that this License has been thoroughly reviewed by Licensee's insurance agent(s)/broker(s), who have been instructed by Licensee to procure the insurance coverage required by this License. Allocated Loss Expense shall be in addition to all policy limits for coverages referenced above.

15.6.8 Not more frequently than once every five years, Licensor may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.

15.6.9 If any portion of the operation is to be subcontracted by Licensee, Licensee shall require that the subcontractor shall provide and maintain insurance coverages as set forth herein, naming Licensor as an additional insured, and shall require that the subcontractor shall release, defend and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensor herein.

15.6.10 Failure to provide evidence as required by this **Section 15** shall entitle, but not require, Licensor to terminate this License immediately. Acceptance of a certificate that does not comply with this Section shall not operate as a waiver of Licensee's obligations hereunder.

15.6.11 The fact that insurance (including, without limitation, self-insurance) is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this License. Damages recoverable by Licensor shall not be limited by the amount of the required insurance coverage.

15.6.12 For purposes of this **Section 15**, Licensor shall mean "Burlington Northern Santa Fe, LLC", "BNSF Railway Company" and the subsidiaries, successors, assigns and affiliates of each.

COMPLIANCE WITH LAWS, REGULATIONS, AND ENVIRONMENTAL MATTERS

16. Compliance with Laws, Rules, and Regulations.

16.1 Licensee shall observe and comply with any and all laws, statutes, regulations, ordinances, orders, covenants, restrictions, or decisions of any court of competent jurisdiction ("**Legal Requirements**") relating to the construction, maintenance, and use of the Pipeline and the use of the Premises.

16.2 Prior to entering the Premises, Licensee shall and shall cause its contractor(s) to comply with all of Licensor's applicable safety rules and regulations. Licensee must ensure that each of its employees, contractors, agents or invitees entering upon the Premises completes the safety orientation program at the Website "www.contractororientation.com" (the "**Safety Orientation**") within one year prior to entering upon the Premises. Additionally, Licensee must ensure that each and every employee of Licensee, its contractors, agents and invitees possess a card certifying completion of the Safety Orientation prior to entering upon the Premises. Licensee must renew the Safety Orientation annually.

16.3 Licensee shall obtain on or before the date it or its contractor enters the Premises, any and all additional rights-of way, easements, licenses and other agreements relating to the grant of rights and interests in and/or access to the Premises (collectively, the "**Rights**") and such other rights, licenses, permits, authorizations, and approvals (including without limitation, any necessary local, state, federal or tribal authorizations and environmental permits) that are necessary in order to permit Licensee to construct, maintain, own and operate the Pipeline and otherwise to perform its obligations hereunder in accordance with the terms and conditions hereof.

16.4 Licensee shall either require that the initial stated term of each such Rights be for a period that does not expire, in accordance with its ordinary terms, prior to the last day of the term of this License or, if the initial stated term of any such Right expires in accordance with its ordinary terms on a date earlier than the last day of the term of this License, Licensee shall, at its cost, exercise any renewal rights thereunder, or otherwise acquire such extensions, additions and/or replacements as may be

necessary, in order to cause the stated term thereof to be continued until a date that is not earlier than the last day of the term of this License.

16.5 Upon the expiration or termination of any Right that is necessary in order for Licensee to own, operate or use the Pipeline in accordance with the terms and conditions of this License, this License thereby shall automatically expire upon such expiration or termination of the Right.

17. Environmental.

17.1 Licensee shall strictly comply with all federal, state and local environmental Legal Requirements and regulations in its use of the Premises, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), the Clean Water Act, the Oil Pollution Act, the Hazardous Materials Transportation Act, and CERCLA (collectively referred to as the **"Environmental Laws"**). Licensee shall not maintain a treatment, storage, transfer or disposal facility, or underground storage tank, as defined by Environmental Laws on the Premises. Licensee shall not release or suffer the release of oil or hazardous substances, as defined by Environmental Laws on or about the Premises.

17.2 Licensee covenants that it will not handle or transport "hazardous waste" or "hazardous substances", as "hazardous waste" and "hazardous substances" may now or in the future be defined by any federal, state, or local governmental agency or body through the Pipeline on Licensor's property. Licensee agrees periodically to furnish Licensor with proof, satisfactory to Licensor that Licensee is in compliance with the provisions of this **Section 17.2**.

17.3 Licensee shall give Licensor immediate notice to Licensor's Resource Operations Center at (800) 832-5452 of any known (i) release of hazardous substances on, from, or affecting the Premises, (ii) violation of Environmental Laws, or (iii) inspection or inquiry by governmental authorities charged with enforcing Environmental Laws with respect to Licensee's use of the Premises. Licensee shall use the best efforts to promptly respond to any release on, from, or affecting the Premises. Licensee also shall give Licensor immediate notice of all measures undertaken on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.

17.4 If Licensor has notice from Licensee or otherwise of a release or violation of Environmental Laws arising in any way with respect to the Pipeline which occurred or may occur during the term of this License, Licensor may require Licensee, at Licensee's sole risk and expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation affecting the Premises or Licensor's right-of-way.

17.5 Licensee shall promptly report to Licensor in writing any conditions or activities upon the Premises known to Licensee which create a risk of harm to persons, property or the environment and shall take whatever action is necessary to prevent injury to persons, property, or the environment arising out of such conditions or activities; provided, however, that Licensee's reporting to Licensor shall not relieve Licensee of any obligation whatsoever imposed on it by this License. Licensee shall promptly respond to Licensor's request for information regarding said conditions or activities.

DISCLAIMER OF WARRANTIES

18. No Warranties.

18.1 **LICENSOR'S DUTIES AND WARRANTIES ARE LIMITED TO THOSE EXPRESSLY STATED IN THIS LICENSE AND SHALL NOT INCLUDE ANY IMPLIED DUTIES OR IMPLIED WARRANTIES, NOW OR IN THE FUTURE. NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY LICENSOR OTHER THAN THOSE CONTAINED IN THIS LICENSE. LICENSEE HEREBY WAIVES ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES OR**

WHICH MAY EXIST BY OPERATION OF LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

18.2 **LICENSOR MAKES NO WARRANTY, REPRESENTATION OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING (A) THE SCOPE OF THE LICENSE OR OTHER RIGHTS GRANTED HEREUNDER TO LICENSEE OR (B) WHETHER OR NOT LICENSEE'S CONSTRUCTION, MAINTENANCE, OWNERSHIP, USE OR OPERATION OF THE PIPELINE WILL VIOLATE OR INFRINGE UPON THE RIGHTS, INTERESTS AND ESTATES OF THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY LEASES, USE RIGHTS, EASEMENTS AND LIENS OF ANY THIRD PARTY.**

19. Disclaimer of Warranty for Quiet Enjoyment. **LICENSOR DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LICENSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE.**

20. Eviction at Risk of Licensee. In case of the eviction of Licensee by anyone owning, claiming title to, or claiming any interest in the Premises, or by the abandonment by Licensor of the affected rail corridor, Licensor shall not be liable (i) to refund Licensee any compensation paid hereunder, except for the pro-rata part of any recurring charge paid in advance, or (ii) for any damage Licensee sustains in connection with the eviction.

LIENS AND TAXES

21. Liens and Charges. Licensee shall promptly pay and discharge any and all liens arising out of any construction, alterations or repairs done, suffered or permitted to be done by Licensee on Premises. Licensor is hereby authorized to post any notices or take any other action upon or with respect to Premises that is or may be permitted by law to prevent the attachment of any such liens to Premises; provided, however, that failure of Licensor to take any such action shall not relieve Licensee of any obligation or liability under this **Section 21** or any other Section of this License.

22. Taxes. Licensee shall pay when due any taxes, assessments or other charges (collectively, "**Taxes**") levied or assessed by any governmental or quasi-governmental body upon the Pipeline or any other improvements constructed or installed on the Premises by or for Licensee (collectively, the "**Improvements**") or any Taxes levied or assessed against Licensor or the Premises that are attributable to the Improvements.

DEFAULT, TERMINATION, AND SURRENDER

23. Default and Termination. In addition to and not in limitation of Licensor's right to terminate for failure to provide evidence of insurance as required pursuant to the terms of **Section 15**, the following events are also deemed to be events of default pursuant to which Licensor has the right to terminate as set forth below:

23.1 If default shall be made in any of Licensee's covenants, agreements, or obligations contained in this License and Licensee fails to cure said default within thirty (30) days after written notice is provided to Licensee by Licensor, or in case of any assignment or transfer of this License in violation of **Section 26** below, Licensor may, at its option, terminate this License by serving five (5) days' notice in writing upon Licensee. Notwithstanding the foregoing, Licensor shall have the right to terminate this License immediately if Licensee fails to provide evidence of insurance as required in **Section 15**.

23.2 Should Licensee not comply fully with the obligations of **Section 17** regarding the handling or transporting of hazardous waste or hazardous material, notwithstanding anything contained in any other provision of this License, Licensor may, at its option, terminate this License by serving five (5) days' notice of termination upon Licensee.

23.3 Any waiver by Licensor of any default or defaults shall not constitute a waiver of the right to terminate this License for any subsequent default or defaults, nor shall any such waiver in any way affect Licensor's ability to enforce any Section of this License. The remedy set forth in this **Section 23** shall

be in addition to, and not in limitation of, any other remedies that Licensor may have at law or in equity.

23.4 In addition to and not in limitation of Licensor's rights to terminate this License for failure to provide evidence of insurance or occurrence of defaults as described above, this License may be terminated by either party, at any time, by serving thirty (30) days' written notice of termination upon the other party. Such termination shall not release either party hereto from any liability or obligation under the License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or thereafter in case by the terms of the License it is provided that anything shall or may be done after termination hereof.

24. Surrender of the Premises.

24.1 On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense:

24.1.1 if so directed by Licensor in writing, remove the Improvements, the Pipeline and all appurtenances thereto, or, at the sole discretion of Licensor, fill and cap or otherwise appropriately decommission the Pipeline with a method satisfactory to Licensor;

24.1.2 report and restore any damage to the Premises or Licensor's other property arising from, growing out of, or connected with Licensee's use of the Premises;

24.1.3 remedy any unsafe conditions on the Premises created or aggravated by Licensee; and

24.1.4 leave the Premises in substantially the condition which existed as of the Effective Date.

24.2 Upon any expiration or termination of this License, if Licensee fails to surrender the Premises to Licensor or if Licensee fails to complete its obligations under **Section 24.1** above (the "**Restoration Obligations**"), Licensee shall have a limited license to enter upon the Premises solely to the extent necessary for Licensee to complete the Restoration Obligations, and all liabilities and obligations of Licensee hereunder shall continue in effect until the Premises are surrendered and the Restoration Obligations are completed. Neither termination nor expiration shall release Licensee from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or, if later, the date when Licensee surrenders the Premises and all of the Restoration Obligations are completed.

24.3 If Licensee fails to complete the Restoration Obligations within thirty (30) days after the date of such termination of its tenancy, then Licensor may, at its election, either: (i) remove the Pipeline and the other Improvements or otherwise restore the Premises, and in such event Licensee shall, within thirty (30) days after receipt of bill therefor, reimburse Licensor for cost incurred, (ii) upon written notice to Licensee, take and hold the Pipeline and the other Improvements and personal property as its sole property, without payment or obligation to Licensee therefor, or (iii) specifically enforce Licensee's obligation to restore and/or pursue any remedy at law or in equity against Licensee for failure to so restore. Further, if Licensor has consented to the Pipeline and the other Improvements remaining on the Premises following termination, Licensee shall, upon request by Licensor, provide a bill of sale in a form acceptable to Licensor conveying the Pipeline and the other Improvements to Licensor.

MISCELLANEOUS

25. Successors and Assigns. All provisions contained in this License shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of Licensor and Licensee to the same extent as if each such successor and assign was named a party to this License.

26. Assignment.

26.1 Licensee may not sell, assign, transfer, or hypothecate this License or any right, obligation, or interest herein (either voluntarily or by operation of law, merger, or otherwise) without the prior written consent of Licensor, which consent may not be unreasonably withheld or delayed by Licensor. Any attempted assignment by Licensee in violation of this **Section 26** shall be a breach of this License and, in addition, shall be voidable by Licensor in its sole and absolute discretion.

26.2 For purposes of this **Section 26**, the word "assign" shall include without limitation (a) any sale of the equity interests of Licensee following which the equity interest holders of Licensee immediately prior to such sale own, directly or indirectly, less than 50% of the combined voting power of the outstanding voting equity interests of Licensee, (b) any sale of all or substantially all of the assets of (i) Licensee and (ii) to the extent such entities exist, Licensee's parent and subsidiaries, taken as a whole, or (c) any reorganization, recapitalization, merger or consolidation involving Licensee. Notwithstanding the foregoing, any reorganization, recapitalization, merger or consolidation following which the equity interest holders of Licensee immediately prior to such reorganization, recapitalization, merger or consolidation own, directly or indirectly, at least 50% of the combined voting power of the outstanding voting equity interests of Licensee or any successor thereto or the entity resulting from such reorganization, recapitalization, merger or consolidation shall not be deemed an assignment. THIS LICENSE SHALL NOT RUN WITH THE LAND WITHOUT THE EXPRESS WRITTEN CONSENT OF LICENSOR, SUCH CONSENT TO BE IN LICENSOR'S SOLE DISCRETION.

26.3 Notwithstanding the provisions of **Section 26.1** above or anything contained in this License to the contrary, if Licensee sells, assigns, transfers, or hypothecates this License or any interest herein in contravention of the provisions of this License (a "**Purported Assignment**") to another party (a "**Purported Transferee**"), the Purported Transferee's enjoyment of the rights and privileges granted under this License shall be deemed to be the Purported Transferee's agreement to be bound by all of the terms and provisions of this License, including but not limited to the obligation to comply with the provisions of **Section 15** above concerning insurance requirements. In addition to and not in limitation of the foregoing, Licensee, for itself, its successors and assigns, shall indemnify, defend and hold harmless Licensor for all Liabilities of any nature, kind or description of any person or entity directly or indirectly arising out of, resulting from or related to (in whole or in part) a Purported Assignment.

26.4 The provisions of this **Section 26** shall survive the expiration or earlier termination of this License.

27. Notices. Any notice, invoice, or other writing required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of a nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Licensor: Jones Lang LaSalle Brokerage, Inc.
4300 Amon Carter Blvd., Suite 100
Fort Worth, TX 76155
Attn: Permits/Licenses

with a copy to: BNSF Railway Company
2500 Lou Menk Dr. – AOB3
Fort Worth, TX 76131
Attn: Senior Manager Real Estate

If to Licensee: City of Placentia
401 East Chapman Avenue
Placentia, California 92870

28. Survival. Neither termination nor expiration will release either party from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or expiration, or, if later, the date when the Pipeline and the other Improvements are removed and the Premises are restored to its condition as of the Effective Date.

29. Recordation. It is understood and agreed that this License shall not be placed or allowed to be placed on public record.

30. Applicable Law. All questions concerning the interpretation or application of provisions of this License shall be decided according to the substantive laws of the State of Texas without regard to conflicts of law provisions.

31. Severability. To the maximum extent possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this License.

32. Integration. This License is the full and complete agreement between Licensor and Licensee with respect to all matters relating to Licensee's use of the Premises, and supersedes any and all other agreements between the parties hereto relating to Licensee's use of the Premises as described herein. However, nothing herein is intended to terminate any surviving obligation of Licensee or Licensee's obligation to defend and hold Licensor harmless in any prior written agreement between the parties.

33. Joint and Several Liability. If Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.

34. Waiver. The waiver by Licensor of the breach of any provision herein by Licensee shall in no way impair the right of Licensor to enforce that provision for any subsequent breach thereof.

35. Interpretation.

35.1 This License shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftsmanship; both parties hereby agree that this License shall not be subject to the principle that a contract would be construed against the party which drafted the same. Article titles, headings to sections and paragraphs and the table of contents (if any) are inserted for convenience of reference only and are not intended to be a part or to affect the meaning or interpretation hereof. The exhibit or exhibits referred to herein shall be construed with and as an integral part of this License to the same extent as if they were set forth verbatim herein.

35.2 As used herein, "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "writing", "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; references to any person are also to that person's successors and permitted assigns; "hereof", "herein", "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section, or other subdivision hereof or attachment hereto; references to any gender include references to the masculine or feminine as the context requires; references to the plural include the singular and vice versa; and references to this License or other documents are as amended, modified or supplemented from time to time.

36. Counterparts. This License may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this License may also be exchanged via email or electronic facsimile machines and any email or electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

37. Licensor's Representative. Jones Lang LaSalle Brokerage, Inc. is acting as representative for BNSF Railway Company.

This License has been duly executed by the parties hereto as of the date below each party's signature; to be effective, however, as of the Effective Date.

LICENSOR:

BNSF RAILWAY COMPANY a Delaware corporation

By: Jones Lang LaSalle Brokerage, Inc.,
4300 Amon Carter Blvd, Suite 100
Fort Worth, TX 76155

By: _____
Ed Darter
Title: Sr. Vice President - National Accounts

Date: _____

LICENSEE:

CITY OF PLACENTIA a

By: 401 East Chapman Avenue
Placentia, California 92870

By: _____

Title: _____

Date: _____

TRACKING NO. 13-48136

MAP REF. 500274

EXHIBIT "A"

ATTACHED TO CONTRACT BETWEEN

BNSF RAILWAY COMPANY

AND

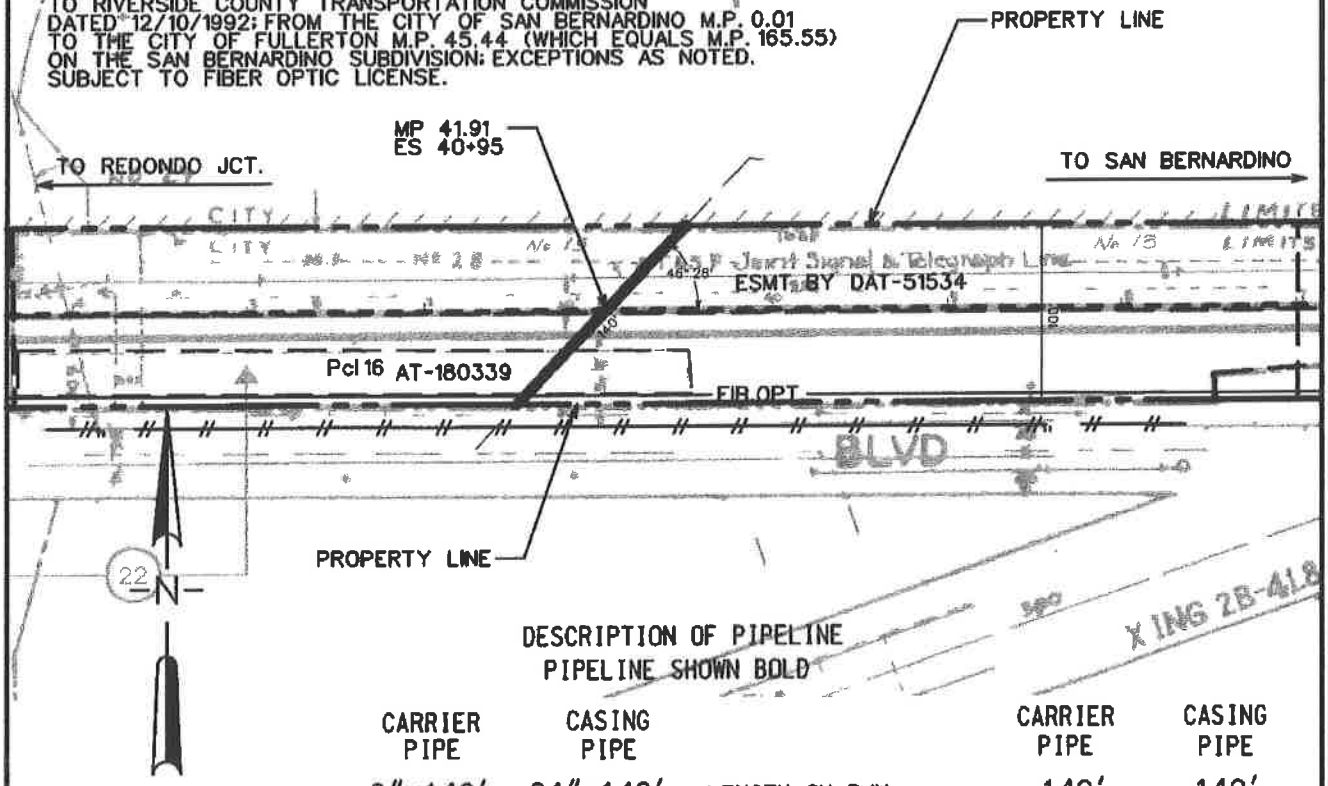
CITY OF PLACENTIA

SCALE: 1 IN.= 100 FT.
CALIFORNIA DIV.
SAN BERNARDINO SUBDIV. L.S. 7602
DATE 07/18/2013

SECTION: -
TOWNSHIP: -
RANGE: -
MERIDIAN: SBM

AT&SF RY
CA-33
01

NOTE:
ALL RIGHT OF WAY SUBJECT TO EASEMENT NO. DAT-51534 TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION DATED 12/10/1992; FROM THE CITY OF SAN BERNARDINO M.P. 0.01 TO THE CITY OF FULLERTON M.P. 45.44 (WHICH EQUALS M.P. 165.55) ON THE SAN BERNARDINO SUBDIVISION; EXCEPTIONS AS NOTED. SUBJECT TO FIBER OPTIC LICENSE.



DESCRIPTION OF PIPELINE
PIPELINE SHOWN BOLD

	CARRIER PIPE	CASING PIPE		CARRIER PIPE	CASING PIPE
SIZE:	8"x140'	24"x140'	LENGTH ON R/W:	140'	140'
CONTENTS:	SEWER		WORKING PRESSURE:	-	
PIPE MATERIAL:	VCP	STEEL	BURY: BASE/RAIL TO TOP OF CASING		18'
SPECIFICATION/GRADE:	ASTM C-700	ASTM A-606	BURY: NATURAL GROUND		14'
WALL THICKNESS:	0.98"	0.25"	BURY: ROADWAY DITCHES		14'
COATING:	-	-	CATHODIC PROTECTION		YES

VENTS: NUMBER - SIZE - HEIGHT OF VENT ABOVE GROUND -
NOTE: CASING TO BE JACKED ONLY.

AT PLACENTIA
COUNTY OF ORANGE STATE OF CA JNC

DRAWING NO. 1-58400

PIPELINE LICENSE

THIS PIPELINE LICENSE ("**License**") is made to be effective _____, 2013, (the "**Effective Date**") by and between **BNSF RAILWAY COMPANY**, a Delaware corporation ("**Licensor**") and **CITY OF PLACENTIA**, ("**Licensee**").

In consideration of the mutual covenants contained herein, the parties agree to the following:

GENERAL

1. Grant of License. Licensor hereby grants Licensee a non-exclusive license, subject to all rights, interests, and estates of third parties, including, without limitation, any leases, use rights, easements, liens, or other encumbrances, and upon the terms and conditions set forth below, to construct and maintain, in strict accordance with the drawings and specifications approved by Licensor as part of Licensee's application process (the "**Drawings and Specifications**"), One (1) pipeline, Thirty (30") inches in diameter inside a Forty Two (42") inch steel casing (collectively, the "**Pipeline**"), across or along Licensor's rail corridor at or near the station of Anaheim/Placentia, County of Orange, State of California, Line Segment 7600, Mile Post 39.95 as shown on the attached Drawing No. 1-58205, dated June 21, 2013, attached hereto as **Exhibit "A"** and incorporated herein by reference (the "**Premises**").

2. Term. This License shall commence on the Effective Date and shall continue in perpetuity, subject to prior termination as hereinafter described.

3. Existing Improvements. Licensee shall not disturb any improvements of Licensor or Licensor's existing lessees, licensees, easement beneficiaries or lien holders, if any, or interfere with the use, repair, maintenance or replacement of such improvements.

4. Use of the Premises. Licensee shall use the Premises solely for construction, maintenance, and use of the Pipeline in accordance with the Drawings and Specifications. The Pipeline shall carry storm water, and Licensee shall not use the Pipeline to carry any other material or use the Premises for any other purpose.

5. Alterations. Except as set forth in this License, Licensee may not make any alterations to the Premises or permanently affix anything to the Premises or any buildings or other structures adjacent to the Premises without Licensor's prior written consent.

COMPENSATION

6. License Fee. Licensee shall pay Licensor, prior to the Effective Date, the sum of Six Thousand and No/100 Dollars ($6,000) as compensation for the use of the Premises.

7. Costs and Expenses.

   7.1 For the purpose of this License, "cost" or "costs" and "expense" or "expenses" includes, but is not limited to, actual labor and material costs including all assignable additives, and material and supply costs at current value where used.

   7.2 Licensee agrees to reimburse Licensor (pursuant to the terms of **Section 8** below) for all costs and expenses incurred by Licensor in connection with Licensee's use of the Premises or the presence, construction and maintenance of the Pipeline, including but not limited to the furnishing of Licensor's flaggers and any vehicle rental costs incurred. Licensee shall bear the cost of flagger services and other safety measures provided by Licensor, when deemed necessary by Licensor's representative. Flagging **costs** shall include, but not be limited to, the following: pay for at least an eight (8) hour basic day with time and one-half or double time for overtime, rest days and holidays (as applicable); vacation allowance; paid holidays (as applicable); railway and unemployment insurance; public liability and property damage insurance; health and welfare benefits; transportation; meals; lodging and supervision. **Negotiations for**

railway labor or collective bargaining agreements and rate changes authorized by appropriate Federal authorities may increase flagging rates. Flagging rates in effect at the time of performance by the flaggers will be used to calculate the flagging costs pursuant to this Section 7.

8. Payment Terms. All invoices are due thirty (30) days after the date of invoice. If Licensee fails to pay any monies due to Licensor within thirty (30) days after the invoice date, then Licensee shall pay interest on such unpaid sum from the due date until paid at an annual rate equal to the lesser of (i) the prime rate last published in *The Wall Street Journal* in the preceding December plus two and one-half percent (2-1/2%), or (ii) the maximum rate permitted by law.

LICENSOR'S RESERVED RIGHTS

9. Reserved Rights of Use. Licensor excepts and reserves the right, to be exercised by Licensor and any other parties who may obtain written permission or authority from Licensor:

9.1 to maintain, use, operate, repair, replace, modify and relocate any utility, power or communication pipe/lines/cables and appurtenances (other than the Pipeline) and other facilities or structures of like character upon, over, under or across the Premises existing as of the Effective Date;

9.2 to construct, maintain, renew, use, operate, change, modify and relocate any tracks or additional facilities, structures and related appurtenances upon, over, under or across the Premises; or

9.3 to use the Premises in any manner as Licensor in its sole discretion deems appropriate, provided Licensor uses all commercially reasonable efforts to avoid material interference with the use of the Premises by Licensee for the purpose specified in **Section 4** above.

10. Right to Require Relocation. If at any time during the term of this License, Licensor desires the use of its rail corridor in such a manner as would, in Licensor's reasonable opinion, be interfered with by the Pipeline, Licensee shall, at its sole expense, within thirty (30) days after receiving written notice from Licensor to such effect, make such changes in the Pipeline as in the sole discretion of Licensor may be necessary to avoid interference with the proposed use of Licensor's rail corridor, including, without limitation, the relocation of the Pipeline, or the construction of a new pipeline to replace the Pipeline. Notwithstanding the foregoing, Licensee agrees to make all emergency changes and minor adjustments, as determined by Licensor in its sole discretion, to the Pipeline promptly upon Licensor's request.

LICENSEE'S OPERATIONS

11. Construction and Maintenance of the Pipeline.

11.1 Licensee shall notify Licensor's Roadmaster, at 740 Carnegie Drive, San Bernardino, California, 92408, telephone (909) 386-4060 (Office) or (760) 267-4308 (Cell), at least ten (10) business days prior to installation of the Pipeline and prior to entering the Premises for any subsequent maintenance thereon. In the event of emergency, Licensee shall notify Licensor of Licensee's entry onto the Premises at the telephone number above as soon as practicable and shall promptly thereafter follow up with written notice of such entry.

11.2 Licensee's on-site supervisors shall retain/maintain a fully executed copy of this License at all times while on the Premises.

11.3 While on the Premises, Licensee shall use only public roadways to cross from one side of Licensor's tracks to the other.

11.4 Any contractors or subcontractors performing work on the Pipeline or entering the Premises on behalf of Licensee shall be deemed servants and agents of Licensee for purposes of this License.

11.5 Under no conditions shall Licensee be permitted to conduct any tests, investigations or any other activity using mechanized equipment and/or machinery, or place or store any mechanized equipment, tools or other materials, within twenty-five (25) feet of the centerline of any railroad track on the Premises unless Licensee has obtained prior written approval from Licensor. Licensee shall, at its sole cost and expense, perform all activities on and about the Premises in such a manner as not at any time to endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. If ordered to cease using the Premises at any time by Licensor's personnel due to any hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to monitor Licensee's use of the Premises to determine the safe nature thereof, it being solely Licensee's responsibility to ensure that Licensee's use of the Premises is safe. Neither the exercise nor the failure by Licensor to exercise any rights granted in this Section will alter the liability allocation provided by this License.

11.6 Licensee shall, at its sole cost and expense, construct and maintain the Pipeline in such a manner and of such material that the Pipeline will not at any time endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. The construction of the Pipeline shall be completed within one (1) year of the Effective Date, and any subsequent maintenance shall be completed within one (1) year of initiation. Within fifteen (15) days after completion of the construction of the Pipeline or the performance of any subsequent maintenance thereon, Licensee shall, at Licensee's own cost and expense, restore the Premises to substantially their state as of the Effective Date, unless otherwise approved in advance by Licensor in writing. On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense, surrender the Premises to Licensor pursuant to the terms and conditions set forth in **Section 24** hereof.

11.7 Licensor may direct one or more of its field engineers to observe or inspect the construction and/or maintenance of the Pipeline at any time for compliance with the Drawings and Specifications and Legal Requirements (defined below). If ordered at any time to halt construction or maintenance of the Pipeline by Licensor's personnel due to non-compliance with the Drawings and Specifications or any other hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to observe or inspect, or to halt work on, the Pipeline, it being solely Licensee's responsibility to ensure that the Pipeline is constructed and maintained in strict accordance with the Drawings and Specifications and in a safe and workmanlike manner in compliance with all terms hereof. Neither the exercise of, nor the failure by Licensor to exercise, any right granted by this Section will alter in any way the liability allocation provided by this License. If at any time Licensee shall, in the sole judgment of Licensor, fail to properly perform its obligations under this **Section 11**, Licensor may, at its option and at Licensee's sole expense, arrange for the performance of such work as it deems necessary for the safety of its operations and activities. Licensee shall promptly reimburse Licensor for all costs and expenses of such work, pursuant to the terms of **Section 8**. Licensor's failure to perform any obligations of Licensee shall not alter the liability allocation hereunder.

12. Boring and Excavation.

12.1 Prior to Licensee conducting any boring, excavation, or similar work on or about any portion of the Premises, Licensee shall explore the proposed location for such work with hand tools to a depth of at least three (3) feet below the surface of the ground to determine whether pipelines or other structures exist below the surface, provided, however, that in lieu of the foregoing, Licensee shall have the right to use suitable detection equipment or other generally accepted industry practice (*e.g.*, consulting with the Underground Services Association) to determine the existence or location of pipelines and other subsurface structures prior to drilling or excavating with mechanized equipment. Licensee may request information from Licensor concerning the existence and approximate location of Licensor's underground lines, utilities, and pipelines at or near the vicinity of the proposed Pipeline by contacting Licensor's Telecommunications Helpdesk at least thirty (30) business days prior to installation of the Pipeline. Upon receiving Licensee's timely request, Licensor will provide Licensee with the information Licensor has in its possession regarding any existing underground lines, utilities, and pipelines at or near the vicinity of the

proposed Pipeline and, if applicable, identify the location of such lines on the Premises pursuant to Licensor's standard procedures. Licensor does not warrant the accuracy or completeness of information relating to subsurface conditions of the Premises and Licensee's operations will be subject at all times to the liability provisions herein.

12.2 For all bores greater than 26-inch diameter and at a depth less than 10.0 feet below bottom of rail, a soil investigation must be performed by Licensee and reviewed by Licensor prior to construction. This study is to determine if granular material is present, and to prevent subsidence during the installation process. If the investigation determines in Licensor's reasonable opinion that granular material is present, Licensor may select a new location for Licensee's use, or may require Licensee to furnish for Licensor's review and approval, in Licensor's sole discretion, a remedial plan to deal with the granular material. Once Licensor has approved any such remedial plan in writing, Licensee shall, at Licensee's sole cost and expense, carry out the approved plan in accordance with all terms thereof and hereof.

12.3 Any open hole, boring, or well, constructed on the Premises by Licensee shall be safely covered and secured at all times when Licensee is not working in the actual vicinity thereof. Following completion of that portion of the work, all holes or borings constructed on the Premises by Licensee shall be:

12.3.1 filled in to surrounding ground level with compacted bentonite grout; or

12.3.2 otherwise secured or retired in accordance with any applicable Legal Requirement. No excavated materials may remain on Licensor's property for more than ten (10) days, but must be properly disposed of by Licensee in accordance with applicable Legal Requirements.

LIABILITY AND INSURANCE

13. Liability and Indemnification.

13.1 For purposes of this License: (a) "**Indemnitees**" means Licensor and Licensor's affiliated companies, partners, successors, assigns, legal representatives, officers, directors, shareholders, employees, and agents; (b) "**Liabilities**" means all claims, liabilities, fines, penalties, costs, damages, losses, liens, causes of action, suits, demands, judgments, and expenses (including, without limitation, court costs, reasonable attorneys' fees, costs of investigation, removal and remediation, and governmental oversight costs) environmental or otherwise; and (c) "**Licensee Parties**" means Licensee or Licensee's officers, agents, invitees, licensees, employees, or contractors, or any party directly or indirectly employed by any of them, or any party they control or exercise control over.

13.2 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FOR, FROM, AND AGAINST ANY AND ALL LIABILITIES OF ANY NATURE, KIND, OR DESCRIPTION DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART):**

13.2.1 **THIS LICENSE, INCLUDING, WITHOUT LIMITATION, ITS ENVIRONMENTAL PROVISIONS,**

13.2.2 **ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE,**

13.2.3 **LICENSEE'S OCCUPATION AND USE OF THE PREMISES,**

13.2.4 **THE ENVIRONMENTAL CONDITION AND STATUS OF THE PREMISES CAUSED BY OR CONTRIBUTED TO BY LICENSEE, OR**

13.2.5 **ANY ACT OR OMISSION OF ANY LICENSEE PARTY.**

13.3 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE NOW AND FOREVER WAIVES ANY AND ALL CLAIMS THAT BY VIRTUE OF ENTERING INTO THIS LICENSE, LICENSOR IS A**

GENERATOR, OWNER, OPERATOR, ARRANGER, OR TRANSPORTER FOR THE PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED ("CERCLA") OR OTHER ENVIRONMENTAL LAWS (DEFINED BELOW). LICENSEE WILL INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM ANY AND ALL SUCH CLAIMS. NOTHING IN THIS LICENSE IS MEANT BY EITHER PARTY TO CONSTITUTE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES AND THIS LICENSE SHOULD NOT BE SO CONSTRUED. IF ANY AGENCY OR COURT CONSTRUES THIS LICENSE TO BE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES, LICENSEE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND INDEMNITEES FOR ANY LIABILITIES RELATED TO THAT CONSTRUCTION OF THIS LICENSE. IN NO EVENT AS BETWEEN LICENSOR AND LICENSEE AS TO USE OF THE PREMISES AS CONTEMPLATED BY THIS LICENSE SHALL LICENSOR BE RESPONSIBLE TO LICENSEE FOR THE ENVIRONMENTAL CONDITION OF THE PREMISES.

13.4 **IF ANY EMPLOYEE OF ANY LICENSEE PARTY ASSERTS THAT HE OR SHE IS AN EMPLOYEE OF ANY INDEMNITEE, TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM AND AGAINST ANY LIABILITIES ARISING OUT OF OR RELATED TO (IN WHOLE OR IN PART) ANY SUCH ASSERTION INCLUDING, BUT NOT LIMITED TO, ASSERTIONS OF EMPLOYMENT BY AN INDEMNITEE RELATED TO THE FOLLOWING OR ANY PROCEEDINGS THEREUNDER: THE FEDERAL EMPLOYERS' LIABILITY ACT, THE SAFETY APPLIANCE ACT, THE LOCOMOTIVE INSPECTION ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, AND ANY SIMILAR STATE OR FEDERAL STATUTE.**

13.5 **THE FOREGOING OBLIGATIONS OF LICENSEE SHALL NOT APPLY TO THE EXTENT LIABILITIES ARE PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE, BUT SHALL APPLY TO ALL OTHER LIABILITIES, INCLUDING THOSE ARISING FROM OR ATTRIBUTED TO ANY OTHER ALLEGED OR ACTUAL NEGLIGENCE, INTENTIONAL ACTS, OR STRICT LIABILITY OF ANY INDEMNITEE.**

13.6 Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or other proceeding brought against any Indemnitee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any Indemnitee. Licensee shall pay all costs and expenses incident to such defense, including, but not limited to, reasonable attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments.

14. Personal Property Risk of Loss. **ALL PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO, FIXTURES, EQUIPMENT, OR RELATED MATERIALS UPON THE PREMISES WILL BE AT THE RISK OF LICENSEE ONLY, AND NO INDEMNITEE WILL BE LIABLE FOR ANY DAMAGE THERETO OR THEFT THEREOF, WHETHER OR NOT DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF ANY INDEMNITEE.**

15. Insurance. Licensee shall, at its sole cost and expense, procure and maintain during the life of this License the following insurance coverage:

15.1 Commercial General Liability Insurance. This insurance shall contain broad form contractual liability with a combined single limit of a minimum of $5,000,000 each occurrence and an aggregate limit of at least $10,000,000 but in no event less than the amount otherwise carried by Licensee. Coverage must be purchased on a post 2004 ISO occurrence or equivalent and include coverage for, but not limited to, the following:

- Bodily Injury and Property Damage
- Personal Injury and Advertising Injury
- Fire legal liability
- Products and completed operations

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor and Jones Lang LaSalle Brokerage, Inc.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

It is agreed that the workers' compensation and employers' liability related exclusions in the Commercial General Liability Insurance policy(s) required herein are intended to apply to employees of the policy holder and shall not apply to Licensor's employees.

No other endorsements limiting coverage may be included on the policy.

15.2 Business Automobile Insurance. This insurance shall contain a combined single limit of at least $1,000,000, and include coverage for, but not limited to the following:

- Bodily injury and property damage.
- Any and all vehicles owned, used or hired.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

15.3 Workers' Compensation and Employers' Liability Insurance. This insurance shall include coverage for, but not limited to:

- Licensee's statutory liability under the workers' compensation laws of the state(s) in which the services are to be performed. If optional under state laws, the insurance must cover all employees anyway.
- Employers' Liability (Part B) with limits of at least $500,000 each accident, $500,000 by disease policy limit, $500,000 by disease each employee.

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.

15.4 Railroad Protective Liability Insurance. This insurance shall name only Licensor as the Insured with coverage of at least $5,000,000 per occurrence and $10,000,000 in the aggregate. The coverage obtained under this policy shall only be effective during the initial installation and/or construction of the Pipeline. **THE CONSTRUCTION OF THE PIPELINE SHALL BE COMPLETED WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE.** If further maintenance of the Pipeline is needed at a later date, an additional Railroad Protective Liability Insurance Policy shall be required. The policy shall be issued on a standard ISO form CG 00 35 12 03 and include the following:

- Endorsed to include the Pollution Exclusion Amendment.
- Endorsed to include the Limited Seepage and Pollution Endorsement.
- Endorsed to include Evacuation Expense Coverage Endorsement.
- No other endorsements restricting coverage may be added.
- The original policy must be provided to Licensor prior to performing any work or services under this License.

- Definition of "Physical Damage to Property" shall be endorsed to read: "means direct and accidental loss of or damage to all property owned by any named insured and all property in any named insured's care, custody and control arising out of the acts or omissions of the contractor named on the Declarations."

In lieu of providing a Railroad Protective Liability Policy, for a period of one (1) year from the Effective Date, Licensee may participate in Licensor's Blanket Railroad Protective Liability Insurance Policy available to Licensee or its contractor. The limits of coverage are the same as above. The cost is $1,150.

- ☐ I **elect** to participate in Licensor's Blanket Policy;
- ☐ I **elect not** to participate in Licensor's Blanket Policy.

15.5 Pollution Legal Liability (PLL) Insurance. Intentionally deleted, not required for this permit.

15.6 Other Requirements:

15.6.1 Where allowable by law, all policies (applying to coverage listed above) shall contain no exclusion for punitive damages.

15.6.2 Licensee agrees to waive its right of recovery against Licensor for all claims and suits against Licensor. In addition, Licensee's insurers, through the terms of the policy or a policy endorsement, must waive their right of subrogation against Licensor for all claims and suits, and the certificate of insurance must reflect the waiver of subrogation endorsement. Licensee further waives its right of recovery, and its insurers must also waive their right of subrogation against Licensor for loss of Licensee's owned or leased property, or property under Licensee's care, custody, or control.

15.6.3 Licensee is not allowed to self-insure without the prior written consent of Licensor. If granted by Licensor, any self-insured retention or other financial responsibility for claims shall be covered directly by Licensee in lieu of insurance. Any and all Licensor liabilities that would otherwise, in accordance with the provisions of this License, be covered by Licensee's insurance will be covered as if Licensee elected not to include a self-insured retention or other financial responsibility for claims.

15.6.4 Prior to entering the Premises, Licensee shall furnish to Licensor an acceptable certificate(s) of insurance including an original signature of the authorized representative evidencing the required coverage, endorsements, and amendments. Licensee shall notify Licensor in writing at least 30 days prior to any cancellation, non-renewal, substitution, or material alteration. In the event of a claim or lawsuit involving Licensor arising out of this License, Licensee will make available any required policy covering such claim or lawsuit.

15.6.5 Any insurance policy shall be written by a reputable insurance company acceptable to Licensor or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.

15.6.6 If coverage is purchased on a "claims made" basis, Licensee hereby agrees to maintain coverage in force for a minimum of three years after expiration or termination of this License. Annually, Licensee agrees to provide evidence of such coverage as required hereunder.

15.6.7 Licensee represents that this License has been thoroughly reviewed by Licensee's insurance agent(s)/broker(s), who have been instructed by Licensee to procure the insurance coverage required by this License. Allocated Loss Expense shall be in addition to all policy limits for coverages referenced above.

15.6.8 Not more frequently than once every five years, Licensor may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.

15.6.9 If any portion of the operation is to be subcontracted by Licensee, Licensee shall require that the subcontractor shall provide and maintain insurance coverages as set forth herein, naming Licensor as an additional insured, and shall require that the subcontractor shall release, defend and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensor herein.

15.6.10 Failure to provide evidence as required by this **Section 15** shall entitle, but not require, Licensor to terminate this License immediately. Acceptance of a certificate that does not comply with this Section shall not operate as a waiver of Licensee's obligations hereunder.

15.6.11 The fact that insurance (including, without limitation, self-insurance) is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this License. Damages recoverable by Licensor shall not be limited by the amount of the required insurance coverage.

15.6.12 For purposes of this **Section 15**, Licensor shall mean "Burlington Northern Santa Fe, LLC", "BNSF Railway Company" and the subsidiaries, successors, assigns and affiliates of each.

COMPLIANCE WITH LAWS, REGULATIONS, AND ENVIRONMENTAL MATTERS

16. Compliance with Laws, Rules, and Regulations.

16.1 Licensee shall observe and comply with any and all laws, statutes, regulations, ordinances, orders, covenants, restrictions, or decisions of any court of competent jurisdiction ("**Legal Requirements**") relating to the construction, maintenance, and use of the Pipeline and the use of the Premises.

16.2 Prior to entering the Premises, Licensee shall and shall cause its contractor(s) to comply with all of Licensor's applicable safety rules and regulations. Licensee must ensure that each of its employees, contractors, agents or invitees entering upon the Premises completes the safety orientation program at the Website "www.contractororientation.com" (the "**Safety Orientation**") within one year prior to entering upon the Premises. Additionally, Licensee must ensure that each and every employee of Licensee, its contractors, agents and invitees possess a card certifying completion of the Safety Orientation prior to entering upon the Premises. Licensee must renew the Safety Orientation annually.

16.3 Licensee shall obtain on or before the date it or its contractor enters the Premises, any and all additional rights-of way, easements, licenses and other agreements relating to the grant of rights and interests in and/or access to the Premises (collectively, the "**Rights**") and such other rights, licenses, permits, authorizations, and approvals (including without limitation, any necessary local, state, federal or tribal authorizations and environmental permits) that are necessary in order to permit Licensee to construct, maintain, own and operate the Pipeline and otherwise to perform its obligations hereunder in accordance with the terms and conditions hereof.

16.4 Licensee shall either require that the initial stated term of each such Rights be for a period that does not expire, in accordance with its ordinary terms, prior to the last day of the term of this License or, if the initial stated term of any such Right expires in accordance with its ordinary terms on a date earlier than the last day of the term of this License, Licensee shall, at its cost, exercise any renewal rights thereunder, or otherwise acquire such extensions, additions and/or replacements as may be necessary, in order to cause the stated term thereof to be continued until a date that is not earlier than the last day of the term of this License.

16.5 Upon the expiration or termination of any Right that is necessary in order for Licensee to own, operate or use the Pipeline in accordance with the terms and conditions of this License, this License thereby shall automatically expire upon such expiration or termination of the Right.

17. Environmental.

17.1 Licensee shall strictly comply with all federal, state and local environmental Legal Requirements and regulations in its use of the Premises, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), the Clean Water Act, the Oil Pollution Act, the Hazardous Materials Transportation Act, and CERCLA (collectively referred to as the "**Environmental Laws**"). Licensee shall not maintain a treatment, storage, transfer or disposal facility, or underground storage tank, as defined by Environmental Laws on the Premises. Licensee shall not release or suffer the release of oil or hazardous substances, as defined by Environmental Laws on or about the Premises.

17.2 Licensee covenants that it will not handle or transport "hazardous waste" or "hazardous substances", as "hazardous waste" and "hazardous substances" may now or in the future be defined by any federal, state, or local governmental agency or body through the Pipeline on Licensor's property. Licensee agrees periodically to furnish Licensor with proof, satisfactory to Licensor that Licensee is in compliance with the provisions of this **Section 17.2**.

17.3 Licensee shall give Licensor immediate notice to Licensor's Resource Operations Center at (800) 832-5452 of any known (i) release of hazardous substances on, from, or affecting the Premises, (ii) violation of Environmental Laws, or (iii) inspection or inquiry by governmental authorities charged with enforcing Environmental Laws with respect to Licensee's use of the Premises. Licensee shall use the best efforts to promptly respond to any release on, from, or affecting the Premises. Licensee also shall give Licensor immediate notice of all measures undertaken on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.

17.4 If Licensor has notice from Licensee or otherwise of a release or violation of Environmental Laws arising in any way with respect to the Pipeline which occurred or may occur during the term of this License, Licensor may require Licensee, at Licensee's sole risk and expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation affecting the Premises or Licensor's right-of-way.

17.5 Licensee shall promptly report to Licensor in writing any conditions or activities upon the Premises known to Licensee which create a risk of harm to persons, property or the environment and shall take whatever action is necessary to prevent injury to persons, property, or the environment arising out of such conditions or activities; provided, however, that Licensee's reporting to Licensor shall not relieve Licensee of any obligation whatsoever imposed on it by this License. Licensee shall promptly respond to Licensor's request for information regarding said conditions or activities.

DISCLAIMER OF WARRANTIES

18. No Warranties.

18.1 **LICENSOR'S DUTIES AND WARRANTIES ARE LIMITED TO THOSE EXPRESSLY STATED IN THIS LICENSE AND SHALL NOT INCLUDE ANY IMPLIED DUTIES OR IMPLIED WARRANTIES, NOW OR IN THE FUTURE. NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY LICENSOR OTHER THAN THOSE CONTAINED IN THIS LICENSE. LICENSEE HEREBY WAIVES ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES OR WHICH MAY EXIST BY OPERATION OF LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

18.2 **LICENSOR MAKES NO WARRANTY, REPRESENTATION OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING (A) THE SCOPE OF THE LICENSE OR OTHER RIGHTS GRANTED**

HEREUNDER TO LICENSEE OR (B) WHETHER OR NOT LICENSEE'S CONSTRUCTION, MAINTENANCE, OWNERSHIP, USE OR OPERATION OF THE PIPELINE WILL VIOLATE OR INFRINGE UPON THE RIGHTS, INTERESTS AND ESTATES OF THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY LEASES, USE RIGHTS, EASEMENTS AND LIENS OF ANY THIRD PARTY.

19. Disclaimer of Warranty for Quiet Enjoyment. **LICENSOR DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LICENSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE.**

20. Eviction at Risk of Licensee. In case of the eviction of Licensee by anyone owning, claiming title to, or claiming any interest in the Premises, or by the abandonment by Licensor of the affected rail corridor, Licensor shall not be liable (i) to refund Licensee any compensation paid hereunder, except for the pro-rata part of any recurring charge paid in advance, or (ii) for any damage Licensee sustains in connection with the eviction.

LIENS AND TAXES

21. Liens and Charges. Licensee shall promptly pay and discharge any and all liens arising out of any construction, alterations or repairs done, suffered or permitted to be done by Licensee on Premises. Licensor is hereby authorized to post any notices or take any other action upon or with respect to Premises that is or may be permitted by law to prevent the attachment of any such liens to Premises; provided, however, that failure of Licensor to take any such action shall not relieve Licensee of any obligation or liability under this **Section 21** or any other Section of this License.

22. Taxes. Licensee shall pay when due any taxes, assessments or other charges (collectively, "**Taxes**") levied or assessed by any governmental or quasi-governmental body upon the Pipeline or any other improvements constructed or installed on the Premises by or for Licensee (collectively, the "**Improvements**") or any Taxes levied or assessed against Licensor or the Premises that are attributable to the Improvements.

DEFAULT, TERMINATION, AND SURRENDER

23. Default and Termination. In addition to and not in limitation of Licensor's right to terminate for failure to provide evidence of insurance as required pursuant to the terms of **Section 15**, the following events are also deemed to be events of default pursuant to which Licensor has the right to terminate as set forth below:

23.1 If default shall be made in any of Licensee's covenants, agreements, or obligations contained in this License and Licensee fails to cure said default within thirty (30) days after written notice is provided to Licensee by Licensor, or in case of any assignment or transfer of this License in violation of **Section 26** below, Licensor may, at its option, terminate this License by serving five (5) days' notice in writing upon Licensee. Notwithstanding the foregoing, Licensor shall have the right to terminate this License immediately if Licensee fails to provide evidence of insurance as required in **Section 15**.

23.2 Should Licensee not comply fully with the obligations of **Section 17** regarding the handling or transporting of hazardous waste or hazardous material, notwithstanding anything contained in any other provision of this License, Licensor may, at its option, terminate this License by serving five (5) days' notice of termination upon Licensee.

23.3 Any waiver by Licensor of any default or defaults shall not constitute a waiver of the right to terminate this License for any subsequent default or defaults, nor shall any such waiver in any way affect Licensor's ability to enforce any Section of this License. The remedy set forth in this **Section 23** shall be in addition to, and not in limitation of, any other remedies that Licensor may have at law or in equity.

23.4 In addition to and not in limitation of Licensor's rights to terminate this License for failure to provide evidence of insurance or occurrence of defaults as described above, this License may be terminated by either party, at any time, by serving thirty (30) days' written notice of termination upon the other party. Such termination shall not release either party hereto from any liability or obligation under the License,

whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or thereafter in case by the terms of the License it is provided that anything shall or may be done after termination hereof.

24. Surrender of the Premises.

24.1 On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense:

24.1.1 if so directed by Licensor in writing, remove the Improvements, the Pipeline and all appurtenances thereto, or, at the sole discretion of Licensor, fill and cap or otherwise appropriately decommission the Pipeline with a method satisfactory to Licensor;

24.1.2 report and restore any damage to the Premises or Licensor's other property arising from, growing out of, or connected with Licensee's use of the Premises;

24.1.3 remedy any unsafe conditions on the Premises created or aggravated by Licensee; and

24.1.4 leave the Premises in substantially the condition which existed as of the Effective Date.

24.2 Upon any expiration or termination of this License, if Licensee fails to surrender the Premises to Licensor or if Licensee fails to complete its obligations under **Section 24.1** above (the "**Restoration Obligations**"), Licensee shall have a limited license to enter upon the Premises solely to the extent necessary for Licensee to complete the Restoration Obligations, and all liabilities and obligations of Licensee hereunder shall continue in effect until the Premises are surrendered and the Restoration Obligations are completed. Neither termination nor expiration shall release Licensee from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or, if later, the date when Licensee surrenders the Premises and all of the Restoration Obligations are completed.

24.3 If Licensee fails to complete the Restoration Obligations within thirty (30) days after the date of such termination of its tenancy, then Licensor may, at its election, either: (i) remove the Pipeline and the other Improvements or otherwise restore the Premises, and in such event Licensee shall, within thirty (30) days after receipt of bill therefor, reimburse Licensor for cost incurred, (ii) upon written notice to Licensee, take and hold the Pipeline and the other Improvements and personal property as its sole property, without payment or obligation to Licensee therefor, or (iii) specifically enforce Licensee's obligation to restore and/or pursue any remedy at law or in equity against Licensee for failure to so restore. Further, if Licensor has consented to the Pipeline and the other Improvements remaining on the Premises following termination, Licensee shall, upon request by Licensor, provide a bill of sale in a form acceptable to Licensor conveying the Pipeline and the other Improvements to Licensor.

MISCELLANEOUS

25. Successors and Assigns. All provisions contained in this License shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of Licensor and Licensee to the same extent as if each such successor and assign was named a party to this License.

26. Assignment.

26.1 Licensee may not sell, assign, transfer, or hypothecate this License or any right, obligation, or interest herein (either voluntarily or by operation of law, merger, or otherwise) without the prior written consent of Licensor, which consent may not be unreasonably withheld or delayed by Licensor. Any attempted assignment by Licensee in violation of this **Section 26** shall be a breach of this License and, in addition, shall be voidable by Licensor in its sole and absolute discretion.

26.2 For purposes of this **Section 26**, the word "assign" shall include without limitation (a) any sale of the equity interests of Licensee following which the equity interest holders of Licensee immediately prior to such sale own, directly or indirectly, less than 50% of the combined voting power of the outstanding voting equity interests of Licensee, (b) any sale of all or substantially all of the assets of (i) Licensee and (ii) to the extent such entities exist, Licensee's parent and subsidiaries, taken as a whole, or (c) any reorganization, recapitalization, merger or consolidation involving Licensee. Notwithstanding the foregoing, any reorganization, recapitalization, merger or consolidation following which the equity interest holders of Licensee immediately prior to such reorganization, recapitalization, merger or consolidation own, directly or indirectly, at least 50% of the combined voting power of the outstanding voting equity interests of Licensee or any successor thereto or the entity resulting from such reorganization, recapitalization, merger or consolidation shall not be deemed an assignment. THIS LICENSE SHALL NOT RUN WITH THE LAND WITHOUT THE EXPRESS WRITTEN CONSENT OF LICENSOR, SUCH CONSENT TO BE IN LICENSOR'S SOLE DISCRETION.

26.3 Notwithstanding the provisions of **Section 26.1** above or anything contained in this License to the contrary, if Licensee sells, assigns, transfers, or hypothecates this License or any interest herein in contravention of the provisions of this License (a "**Purported Assignment**") to another party (a "**Purported Transferee**"), the Purported Transferee's enjoyment of the rights and privileges granted under this License shall be deemed to be the Purported Transferee's agreement to be bound by all of the terms and provisions of this License, including but not limited to the obligation to comply with the provisions of **Section 15** above concerning insurance requirements. In addition to and not in limitation of the foregoing, Licensee, for itself, its successors and assigns, shall indemnify, defend and hold harmless Licensor for all Liabilities of any nature, kind or description of any person or entity directly or indirectly arising out of, resulting from or related to (in whole or in part) a Purported Assignment.

26.4 The provisions of this **Section 26** shall survive the expiration or earlier termination of this License.

27. Notices. Any notice, invoice, or other writing required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of a nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Licensor: Jones Lang LaSalle Brokerage, Inc.
4300 Amon Carter Blvd., Suite 100
Fort Worth, TX 76155
Attn: Permits/Licenses

with a copy to: BNSF Railway Company
2500 Lou Menk Dr. – AOB3
Fort Worth, TX 76131
Attn: Senior Manager Real Estate

If to Licensee: City of Placentia
401 E Chapman Avenue
Placentia, California 92870

28. Survival. Neither termination nor expiration will release either party from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or expiration, or, if later, the date when the Pipeline and the other Improvements are removed and the Premises are restored to its condition as of the Effective Date.

29. Recordation. It is understood and agreed that this License shall not be placed or allowed to be placed on public record.

30. Applicable Law. All questions concerning the interpretation or application of provisions of this License shall be decided according to the substantive laws of the State of Texas without regard to conflicts of law provisions.

31. Severability. To the maximum extent possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this License.

32. Integration. This License is the full and complete agreement between Licensor and Licensee with respect to all matters relating to Licensee's use of the Premises, and supersedes any and all other agreements between the parties hereto relating to Licensee's use of the Premises as described herein. However, nothing herein is intended to terminate any surviving obligation of Licensee or Licensee's obligation to defend and hold Licensor harmless in any prior written agreement between the parties.

33. Joint and Several Liability. If Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.

34. Waiver. The waiver by Licensor of the breach of any provision herein by Licensee shall in no way impair the right of Licensor to enforce that provision for any subsequent breach thereof.

35. Interpretation.

35.1 This License shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftsmanship; both parties hereby agree that this License shall not be subject to the principle that a contract would be construed against the party which drafted the same. Article titles, headings to sections and paragraphs and the table of contents (if any) are inserted for convenience of reference only and are not intended to be a part or to affect the meaning or interpretation hereof. The exhibit or exhibits referred to herein shall be construed with and as an integral part of this License to the same extent as if they were set forth verbatim herein.

35.2 As used herein, "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "writing", "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; references to any person are also to that person's successors and permitted assigns; "hereof", "herein", "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section, or other subdivision hereof or attachment hereto; references to any gender include references to the masculine or feminine as the context requires; references to the plural include the singular and vice versa; and references to this License or other documents are as amended, modified or supplemented from time to time.

36. Counterparts. This License may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this License may also be exchanged via email or electronic facsimile machines and any email or electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

37. Licensor's Representative. Jones Lang LaSalle Brokerage, Inc. is acting as representative for BNSF Railway Company.

This License has been duly executed by the parties hereto as of the date below each party's signature; to be effective, however, as of the Effective Date.

LICENSOR:

BNSF RAILWAY COMPANY a Delaware corporation

By: Jones Lang LaSalle Brokerage, Inc.,
4300 Amon Carter Blvd, Suite 100
Fort Worth, TX 76155

By: _____
Ed Darter
Title: Vice President - National Accounts

Date: _____

LICENSEE:

CITY OF PLACENTIA a

By: 401 E Chapman Avenue
Placentia, California 92870

By: _____

Title: _____

Date: _____

TRACKING NO. 13-47969

MAP REF. 500272

EXHIBIT "A"

ATTACHED TO CONTRACT BETWEEN

BNSF RAILWAY COMPANY

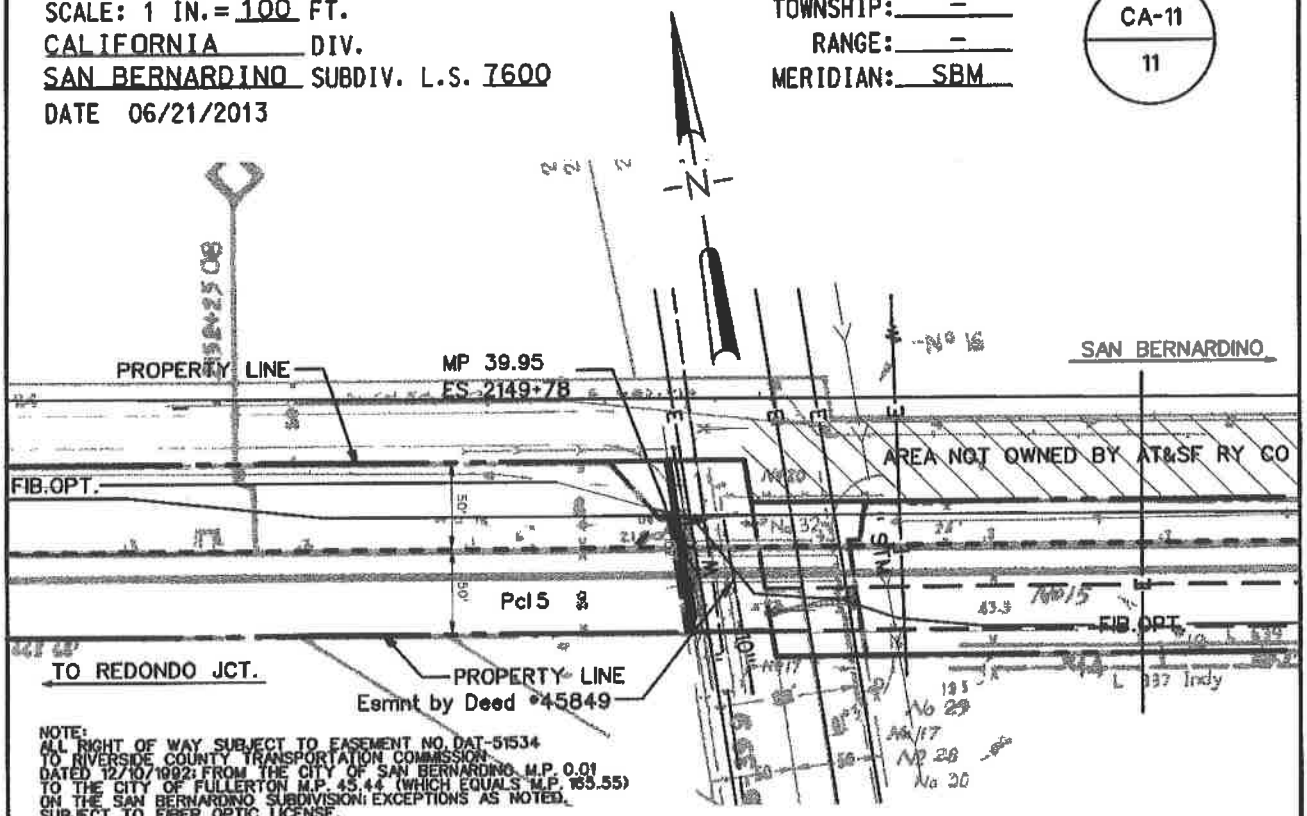
AND

CITY OF PLACENTIA

SCALE: 1 IN. = 100 FT.
CALIFORNIA DIV.
SAN BERNARDINO SUBDIV. L.S. 7600
DATE 06/21/2013

SECTION: -
TOWNSHIP: -
RANGE: -
MERIDIAN: SBM

AT&SF RY
CA-11
11



NOTE:
ALL RIGHT OF WAY SUBJECT TO EASEMENT NO. DAT-51534 TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION DATED 12/10/1992; FROM THE CITY OF SAN BERNARDINO, M.P. 0.01 TO THE CITY OF FULLERTON M.P. 45.44 (WHICH EQUALS M.P. 165.55) ON THE SAN BERNARDINO SUBDIVISION; EXCEPTIONS AS NOTED. SUBJECT TO FIBER OPTIC LICENSE.

DESCRIPTION OF PIPELINE
PIPELINE SHOWN BOLD

	CARRIER PIPE	CASING PIPE		CARRIER PIPE	CASING PIPE
SIZE:	30"	42"	LENGTH ON R/W:	102'	102'
CONTENTS:	STORM WATER		WORKING PRESSURE:	-	
PIPE MATERIAL:	RCP	STEEL	BURY: BASE/RAIL TO TOP OF CASING		8'
SPECIFICATION/GRADE:	3000-D	35,000 PSI	BURY: NATURAL GROUND		5'
WALL THICKNESS:	3"	0.5"	BURY: ROADWAY DITCHES		5'
COATING:	-	-	CATHODIC PROTECTION		YES

VENTS: NUMBER - SIZE - HEIGHT OF VENT ABOVE GROUND -

NOTE: CASING TO BE JACKED OR DRY BORED ONLY

AT ANAHEIM/PLACENTIA
COUNTY OF ORANGE STATE OF CA JLC

DRAWING NO. 1-58205

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: NOVEMBER 5, 2013

SUBJECT: **RECOMMENDATION TO APPROVE AMENDMENT NO. 2 TO COOPERATIVE AGREEMENT C-2-1330 BETWEEN ORANGE COUNTY TRANSPORTATION AUTHORITY AND CITY OF PLACENTIA FOR THE RICHFIELD ROAD WIDENING PROJECT**

FISCAL IMPACT:

EXPENSE:	$350,000 FOR CONSTRUCTION SERVICES
OFFSETTING REVENUE:	$350,000 OCTA

SUMMARY:

The Orange County Transportation Authority (OCTA), in partnership with the cities of Anaheim, Fullerton, Yorba Linda, and Placentia is implementing seven (7) railroad grade separation projects along the Orangethorpe railroad corridor. Subsequent to the original agreement, additional work needed to mitigate traffic impacts of grade separation construction was identified. This amendment includes additional funding to assist the construction of a new traffic signal at Richfield Road and Orchard Drive. This action will approve Amendment No. 2 to Cooperative Agreement C-2-1330 between the City of Placentia and OCTA redefining the terms, conditions, and funding responsibilities for the Richfield Road Widening Project.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve Amendment No. 2 to Cooperative Agreement No. C-2-1330 between the City of Placentia and the Orange County Transportation Authority for the Richfield Road Widening Project, in a form approved by the City Attorney; and

2. Authorize the Mayor to execute Amendment No. 2 to Cooperative Agreement No. C-2-1330 on behalf of the City.

DISCUSSION:

Lakeview Avenue will be closed to traffic during construction of the Lakeview Avenue Railroad Grade Separation Project. The Traffic Management Plan identifies Richfield Road as a primary detour route. The existing Richfield Road at Atwood Channel includes two (2) southbound lanes and one (1) northbound lane. In order for Richfield Road to accommodate detour traffic, the Richfield Road

crossing at Atwood Channel (Project) must be widened to provide an additional unobstructed northbound lane. OCTA has agreed to share costs of the project with the City. The proposed Project improvements will include bridge widening, asphalt concrete pavement, concrete curb and gutter, and sidewalk. This work is required to be completed prior to commencement of construction of the Lakeview Avenue Railroad Grade Separation Project. The City serves as the lead agency for environmental clearance, final design, right-of-way (ROW) engineering and acquisition, permitting, utility relocation, construction, construction management, public outreach, and maintenance of the Project. OCTA will serve as a funding agency for the Project.

On March 06, 2012, the City Council approved a Cooperative Agreement between the City of Placentia and OCTA that defined the specific terms, conditions, and funding responsibilities for each party to construct the Richfield Road Widening Project. Construction bids for the Richfield Road Widening Project were opened on August 22, 2013. Six (6) contractors submitted bids and the apparent low bid of $309,416 was submitted by GRFCO, Inc. The apparent low bidder was determined to be non-responsive. On September 17, 2013, a construction contract was awarded to the second low bidder, Bali Construction, Inc., in the amount of $319,635.93. On September 18, 2013, the City submitted a letter to OCTA detailing the reasons for determining the apparent low bidder non-responsive. The City also requested that OCTA provide additional funding, in the amount of $123,000, to cover the increase in construction and contingency funds.

FISCAL IMPACT:

The original cooperative agreement is $347,000 and defines cost-sharing responsibilities for the project as sixty-five (65) percent ($227,000) by OCTA and thirty-five 35 percent ($120,000) by the City. OCTA is responsible for the construction costs and the City is responsible for the environmental, design, right-of-way (ROW), project management, construction management, permits, and outreach costs of the project. Now with the higher bid price, OCTA's contribution toward construction will increase by $123,000 for a maximum obligation of $350,000.

The City's costs for the project have also increased. The City expended more than $32,500 in design modifications and $17,300 in ROW due to additional requirements from the Orange County Flood Control District (OCFCD). The City's estimated construction management and administration costs are also proportionally increased by $15,500, due to the proportionally increased construction costs and OCFCD requirements, for a total project cost increase of $65,300. This, together with the $123,000 increase to OCTA's contribution, results in a $188,300 total increase to the Project budget. A revised cost share table is in included with this report, which details the increased project costs to be funded by the City and OCTA.

Prepared by:

Steve Drinovsky
Director of Public Works

Reviewed and approved:

Troy L. Butzlaff, ICMA-CM
City Administrator

Attachment:

1. Revised Cost Share Table

REVISED COST SHARES[1]

RICHFIELD WIDENING

OCTA: (65 percent of the total cost)	
Environmental/Design	$0
Design Update and plans, specifications, and estimates (PS&E)	$0
Project Management	$0
Construction Management	$0
Public Outreach	$0
Orange County Flood Control District (OCFCD) Permit	$0
Construction	$350,000
Total:	$350,000

CITY OF PLACENTIA: (35 percent of the total cost of Richfield Widening)	
Environmental/Design	$48,000
Design Update and PS&E	$56,000
Project Management	$10,000
Construction Management	$44,000
Public Outreach	$5,000
OCFCD Permit	$5,000
OCFCD Right-of-Way	$17,300
Construction	$0
Total:	$185,300

RICHFIELD AND ORCHARD TRAFFIC SIGNAL

OCTA: ($150,000 for its funding share)	
Environmental	$0
Design Update and PS&E	$0
Project Management	$0
Construction Management	$0
Construction	$150,000
Total:	$150,000

CITY OF PLACENTIA: ($70,000 for its funding share)	
Environmental	$10,000
Design Update and PS&E	$25,000
Project Management	$10,000
Construction Management	$25,000
Construction	$0
Total:	$70,000

Grand Total: (Cooperative Agreement No. C-2-1330): **$755,300**

[1]Costs for individual tasks are estimates only and may vary; however, totals shall not be exceeded without an amendment to the agreement.

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: NOVEMBER 5, 2013

SUBJECT: **ACCEPTANCE OF CONSTRUCTION WORK FOR THE PEDESTRIAN ACCESSIBILITY PHASE II PROJECT**

FINANCIAL IMPACT:

EXPENSE:	$217,715.21	
OFFSETTING REVENUE:	$217,715.21	CDBG
BUDGETED:	$217,715.21	(ACCOUNT NO.: 333552-6185 J/L 61102, CONSTRUCTION CAPITAL PROJECTS)

SUMMARY:

On April 2, 2013, the City Council awarded a contract to Y & M Construction, for construction of the Pedestrian Accessibility Phase II Project. This action will conclude the project and authorize filing a "Notice of Completion" with the Orange County Clerk Recorder's Office in the amount of $217,715.21.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Accept contract work performed by Y & M Construction, for construction of the Pedestrian Accessibility Phase II Project in the total amount of $217,715.21; and

2. Authorize the City Engineer to file a Notice of Completion with the Orange County Clerk Recorder's Office for the project; and

3. Authorize the City Engineer to release retention funds in accordance with the terms of the contract.

DISCUSSION:

This is the second project in a program to correct deficiencies identified in the City of Placentia ADA Transition Plan. Through a competitive grant application process the City was awarded Community Development Block Grant (CDBG) funding for ADA improvements. The project included construction and/or replacement of curb ramps, sidewalks, and other appurtenant street improvements.

1.g.

November 5, 2013

On April 2, 2013, the City Council awarded a contract to Y & M Construction, in an amount of $233,745, for construction of this project. The project had a total of three change orders, which ultimately resulted in an increase of $12,122.50 to the project. As a result of reduce quantities and an assessment of liquidated damages for not completing the project in the required timeframe the total project cost for construction was $217,715.21. The funding source for construction of this project was $217,715.21 in CDBG funding.

The project was completed on October 1, 2013. The City is prepared to accept the contractor's work and file a Notice of Completion with the Orange County Recorder's Office for this project. In addition, the City Engineer is prepared to release $12,300.79, which is the amount held in retention.

FISCAL IMPACT:

The project is funded by $217,715.21 of CDBG Funding.

Prepared by:

Steve Drinovsky
Director of Public Works

Reviewed and approved:

Troy L. Butzlaff, ICMA-CM
City Administrator

Attachments: As Stated

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name: City Clerk
Street Address: City of Placentia
City & State: 401 E. Chapman Ave. Placentia, CA 92870

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Free Recording Per Government Code Section 6103.

City Council Approval:

Deputy City Clerk

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for Complete requirements.)

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is City of Placentia
3. The full address of the owner is 401 East Chapman Avenue, Placentia, CA 92870
4. The nature of the interest or estate of the owner is: In fee.

   N/A

   (If other than fee, strike "In fee" and insert, for example, 'purchaser under contract of purchase," or "lessee")
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are: NAMES ADDRESSES

   N/A
6. A work of improvement on the property hereinafter described was completed on October 1, 2013. The work done was:

   The project included construction and improvement of curb ramps, sidewalks, and other appurtenant street improvements.

The name of the contractor, if any, for such work of improvement was Y & M Construction

7. 18726 S. Western 212, Gardena, CA 90248 — April 2, 2013
   (If no contractor for work of improvement as a whole, insert "none".) (Date of Contract)
8. The property on which said work of improvement was completed is in the city of Placentia
   County of Orange, State of California, and is described as follows: Pedestrian Accessibility Project Phase II
9. The street address of said property is "none"
   (If no street address has been officially assigned. Insert "none".)

CITY OF PLACENTIA

Dated: 11-5-2013
Verification for Individual Owner

Signature of owner or corporate officer of owner named in paragraph 2 or his agent

VERIFICATION

I, the undersigned, say: I am the City Engineer ("President of", "Manager of", "Owner of", etc.) the declarant of the foregoing Notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 5 (Date of Signature.), 2013, at Placentia (City where signed.), California.

(Personal signature of the individual who is swearing that the contents of the notice of completion are true.)-

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

A notice of completion must be filed for record WITHIN 10 DAYS after completion of the work of improvement (to be computed exclusive of the day of completion), as provided in Civil code Section 3093.

The "owner" who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If the ownership is in two or more persons as joint tenants or tenants in common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the other co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3 and 5, the full address called for should include street number, city, county and state.

As to paragraphs 6 and 7, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows (1) Strike the words "A work of improvement" from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundations for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 7 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g., on so-called "owner-builder jobs."

In paragraph 8, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 9, show the street address, if any, assigned to the property by any competent public or governmental authority.

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: NOVEMBER 5, 2013

SUBJECT: **APPROVAL OF FINAL TRACT MAP NO. 17489 INCLUDING CONDITIONAL ACCEPTANCE OF OFFERS OF DEDICATION, APPROVAL OF SUBDIVISION AGREEMENT AND ACCEPTANCE OF IMPROVEMENT BONDS**

FINANCIAL IMPACT: NONE

SUMMARY:

Tentative Tract Map 17489 was conditionally approved by the City Council at their regular meeting of May 7, 2013. Staff has reviewed Final Tract Map 17489 and finds that it is in substantial conformance with the approved Tentative Map. The City Attorney has reviewed and approved the Subdivision Agreement and the Public Improvement Bond Forms. This action approves the Final Tract Map, Subdivision Agreement, and accepts offers of dedication, subject to final completion, and improvement bonds related to the subdivision.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve Final Tract Map 17489, subject to review and approval of the County Surveyor, and accept the dedication and relinquishment of vehicular access rights, subject to final completion, as follows:

   a.) An easement for road and utility purposes along Golden Avenue.
   b.) Release and relinquishment of vehicular access rights along Golden Avenue except at the approved driveway location.

2. Authorize the City Clerk to sign Final Tract Map 17489.

3. Approve and authorize the Mayor and City Clerk to execute the Subdivision Improvement Agreement.

4. Accept the Improvement Performance Bond #0635564 and Labor and Material Bond #0635564, each in the amount of $556,217 from International Fidelity Insurance Company for the construction of Improvements.

1.h.

November 5, 2013

DISCUSSION:

On May 21, 2013, the City Council adopted an ordinance approving a development agreement with the Olson Company for the development of a 33-unit housing subdivision on a 2.68 acre site located at 1049 Golden Avenue. The next step in the process is consideration of the final map, an agreement for the subdivision work, and posting surety to guarantee completion of subdivision work. The City Engineer has reviewed the final map (attached) and finds that it is in substantial conformance with the tentative map. The City Attorney has reviewed and approved the Subdivision Improvement Agreement and the Improvement Bond forms. Staff recommends that the City Council approve final Tract Map 17489 and accept the offers of dedication, the subdivision agreement, and the public improvement bonds.

FISCAL IMPACT:

The City will receive development fees and payments as part of the obligations defined in the Development Agreement.

Prepared by:

For Jim Smith

Jim Smith,
City Engineer

Reviewed and approved:

Troy Butzlaff, ICMA-CM
City Administrator

Submitted by:

Steve Drinovsky,
Director of Public Works

Attachments: Tract Map 17489
Subdivision Agreement
Improvement Bonds

AGENDA ITEM NO.:_____

COUNCIL MEETING DATE_____

SHEET 1 OF 4 SHEETS
ALL OF TENTATIVE TRACT MAP NO. 17489
NO. OF LOTS: 2 NUMBERED
1 LETTERED

ACREAGE: 4.54 AC. GROSS
3.65 AC. NET

DATE OF SURVEY: AUGUST 12, 2012

TRACT NO. 17489

IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA

BEING A SUBDIVISION OF PARCEL A AND B OF LOT LINE ADJUSTMENT NO. 2013-1, RECORDED JUNE 3, 2013, INSTRUMENT NO. 2013000336102, OF OFFICIAL RECORDS OF ORANGE COUNTY ALSO BEING A PORTION OF LOT 4 IN BLOCK 1 OF THE YORBA LINDA TRACT, PER MAP RECORDED IN BOOK 5, PAGES 17 AND 18 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

LOT 1 FOR CONDOMINIUM PURPOSES

VINCENT W. SCARPATI, R.C.E. 33520
C & V CONSULTING, INC. AUGUST 12, 2012

ACCEPTED AND FILED AT THE REQUEST OF

DATE: _____
TIME _____ FEE $ _____
INSTRUMENT # _____
BOOK _____ PAGE _____
TOM DALY
COUNTY CLERK-RECORDER
BY _____
DEPUTY

OWNERSHIP CERTIFICATE

WE, THE UNDERSIGNED, BEING ALL PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND COVERED BY THIS MAP, DO HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF SAID MAP, AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

WE HEREBY DEDICATE TO THE PUBLIC: GOLDEN AVENUE FOR PUBLIC ROADWAY PURPOSES DESIGNATED LOT "A" AS SHOWN ON THE MAP.

WE HEREBY DEDICATE TO THE CITY OF PLACENTIA AN INGRESS AND EGRESS EASEMENT WITHIN THAT PORTION OF LOT "1" AS SHOWN AS AREA (A) FOR EMERGENCY AND PUBLIC SECURITY VEHICLE PURPOSES.

WE HEREBY RESERVED AND SUBJECT TO THE FORMATION OF A COMMUNITY HOA AFTER RECORDATION A PUBLIC UTILITY EASEMENT, AS SHOWN AS AREA (B) ON THIS MAP AND TO BE MAINTAINED BY SAID HOA;

WE ALSO HEREBY RELEASE AND RELINQUISH TO THE CITY OF PLACENTIA ALL VEHICULAR AND PEDESTRIAN ACCESS RIGHTS TO GOLDEN AVENUE, EXCEPT AT APPROVED ACCESS LOCATIONS.

OLSON URBAN - PLACENTIA 1, LLC
A DELAWARE LIMITED LIABILITY COMPANY

BY: OLSON URBAN COMMUNITIES, LLC
A DELAWARE LIMITED LIABILITY COMPANY
ITS MEMBER

BY: OLSON URBAN VENTURES, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,
ITS MEMBER

BY: OLSON URBAN HOUSING, LLC
A DELAWARE LIMITED LIABILITY COMPANY
ITS MANAGING MEMBER

BY: IN TOWN LIVING, INC.,
A DELAWARE CORPORATION
ITS MANAGING MEMBER

BY: _____

ITS: _____

BY: _____

ITS: _____

JONES IMPERIAL #2, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____
NAME:
TITLE:

YORBA LINDA WATER DISTRICT - CERTIFICATE OF ACCEPTANCE

I, STEVE CONKLIN, DULY APPOINTED AND AUTHORIZED OFFICER OF THE YORBA LINDA WATER DISTRICT BY ORDER OF THE BOARD OF DIRECTORS ON SEPTEMBER 25, 1961, DO HEREBY CERTIFY THAT THE DEDICATION OF THE WATER LINE AND ACCESS EASEMENT, AS SHOWN ON THIS MAP TO YORBA LINDA WATER DISTRICT A PUBLIC CORPORATION, IS HEREBY ACCEPTED AND CONSENTS TO THE RECORDATION THEREOF.

DATED: _____

_____
STEVE CONKLIN, ACTING GENERAL MANAGER
YORBA LINDA WATER DISTRICT

SIGNATURE OMISSIONS

PURSUANT TO SECTION 66436(a)(3) OF THE SUBDIVISION MAP ACT, THE SIGNATURES OF THE FOLLOWING OWNERS OF EASEMENTS AND/OR OTHER INTERESTS HAVE BEEN OMITTED:

7. EASEMENT GRANTED TO YORBA LINDA WATER COMPANY FOR PIPELINES RECORDED NOVEMBER 07, 1911 IN BOOK 203, PAGE 291 OF DEEDS

8. EASEMENT GRANTED TO W. N. NEWMARK AND OTHERS FOR IRRIGATION OR DRAINAGE DITCHES, PIPE LINES OR CONDUITS RECORDED SEPTEMBER 02, 1913 IN BOOK 242, PAGE 98 OF DEEDS

9. EASEMENT GRANTED TO THE COUNTY OF ORANGE FOR ROAD PURPOSES RECORDED OCTOBER 15, 1914 IN BOOK 351, PAGE 354 OF DEEDS

10. EASEMENT GRANTED TO UNION OIL COMPANY OF CALIFORNIA FOR RIGHTS AND RIGHT OF WAY RECORDED OCTOBER 04, 1923 IN BOOK 489, PAGE 266 OF DEEDS

12. EASEMENT GRANTED TO ORANGE COUNTY FOR ROAD PURPOSES RECORDED MAY 27, 1926 IN BOOK 652, PAGE 184 OF DEEDS

13. EASEMENT GRANTED IN A DOCUMENT TO COUNTY OF ORANGE FOR RIGHT TO ERECT, CONSTRUCT, REPAIR AND MAINTAIN CHECK DAMS, ETC., RECORDED AUGUST 29, 1938 IN BOOK 964, PAGE 78 OF OFFICIAL RECORDS

14. EASEMENT GRANTED TO RANDALL LANDON, DOING BUSINESS AS IMPERIAL OIL CO. FOR PIPE LINES RECORDED DECEMBER 19, 1956 IN BOOK 1467, PAGE 81 OF OFFICIAL RECORDS

17. RANDALL LANDON AND LAURA LANDON, HUSBAND AND WIFE, HOLDERS OF AN OIL & GAS LEASE PER DOCUMENT RECORDED DECEMBER 11, 1957, IN BOOK 4132, PAGE 289 OF OFFICIAL RECORDS.

19. EASEMENT GRANTED IN A DOCUMENT TO UNITED STATES OF AMERICA, AND ITS ASSIGNS FOR FLOOD CONTROL AND CHANNEL RECTIFICATION PURPOSES RECORDED DECEMBER 21, 1960 IN BOOK 5558, PAGE 547 OF OFFICIAL RECORDS.

22. EASEMENT GRANTED TO YORBA LINDA COUNTY WATER DISTRICT, A PUBLIC CORPORATION, AND ITS SUCCESSORS FOR PIPELINES RECORDED MARCH 04, 1981 IN BOOK 13968, PAGE 1513 OF OFFICIAL RECORDS

23. EASEMENT GRANTED TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION ORGANIZED AND EXISTING UNDER AND BY VIRTUE OF THE LAWS OF THE STATE OF CALIFORNIA, THEIR SUCCESSORS AND ASSIGNS FOR PIPE LINES RECORDED APRIL 16, 1981 AS INSTRUMENT No. 19577 IN BOOK 14022, PAGE 1239 OF OFFICIAL RECORDS

ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE OLSON COMPANY ON AUGUST 12, 2012. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE, POSITIONS INDICATED, OR THAT THEY WILL BE SET 60 DAYS AFTER COMPLETING REQUIRED IMPROVEMENTS AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

_____
VINCENT W. SCARPATI, R.C.E. 33520
LICENSE EXPIRES 6-30-14

REGISTERED PROFESSIONAL ENGINEER VINCENT W. SCARPATI No. 33520 Exp. 6/30/2014 CIVIL STATE OF CALIFORNIA

COUNTY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND THAT ALL MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH AND I AM SATISFIED SAID MAP IS TECHNICALLY CORRECT.

DATED THIS _____ DAY OF _____, 2013.

KEVIN R. HILLS, COUNTY SURVEYOR
L.S. 6617, EXPIRATION DATE: 12/31/13

_____
BY: CRAIG S. WEHRMAN, CHIEF DEPUTY SURVEYOR
L.S. NO. 6131

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND FOUND IT TO BE SUBSTANTIALLY IN CONFORMANCE WITH THE TENTATIVE MAP AS FILED WITH, AMENDED AND APPROVED BY THE CITY PLANNING COMMISSION; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND CITY SUBDIVISION REGULATIONS HAVE BEEN COMPLIED WITH.

DATED THIS_____DAY OF _____ 2013

_____

JIM SMITH	R.C.E. 42977	DATED
ACTING CITY ENGINEER	EXP. 3/31/2014	

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND FOUND THAT IT CONFORMS WITH MAPPING PROVISIONS OF THE SUBDIVISION MAP ACT AND I AM SATISFIED SAID MAP IS TECHNICALLY CORRECT IN ALL RESPECTS NOT STATED TO BY THE COUNTY SURVEYOR.

_____

DAVID O. KNELL	P.L.S. 5301	DATED
ACTING CITY SURVEYOR	EXP. 3/31/2014	

PLACENTIA CITY CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
CITY OF PLACENTIA)SS
COUNTY OF ORANGE)

I HEREBY CERTIFY THAT THIS MAP WAS PRESENTED FOR APPROVAL TO THE CITY COUNCIL OF THE CITY OF PLACENTIA AT A REGULAR MEETING THEREOF HELD ON THE _____DAY OF _____, 2013 AND THAT THEREUPON SAID COUNCIL DID, BY AN ORDER DULY PASSED AND ENTERED, APPROVE SAID MAP AND DID ACCEPT ON BEHALF OF THE CITY OF PLACENTIA, SUBJECT TO IMPROVEMENTS, THE DEDICATION FOR PUBLIC ROADWAY PURPOSES OF GOLDEN AVENUE.

AND DID ALSO ACCEPT ON BEHALF OF THE CITY OF PLACENTIA:

1. THE INGRESS AND EGRESS EASEMENT WITHIN THAT PORTION OF LOT "1" SHOWN AS FOR EMERGENCY AND PUBLIC SECURITY VEHICLE PURPOSES AS SHOWN ON THIS MAP;
2. THE RELEASE AND RELINQUISHMENT OF ALL VEHICULAR AND PEDESTRIAN ACCESS RIGHTS TO GOLDEN AVENUE EXCEPT AT APPROVED ACCESS LOCATIONS;
3. GOLDEN AVENUE FOR PUBLIC ROADWAY PURPOSES, (DESIGNATED LOT "A" HEREIN), AS SHOWN ON THE MAP.

AND DID ALSO APPROVE SUBJECT MAP PURSUANT TO THE PROVISIONS OF SECTION 66436 (a)(3)(A) OF THE SUBDIVISION MAP ACT.

DATED THIS __ DAY OF _____2013

_____
CITY CLERK OF THE CITY COUNCIL OF
THE CITY OF PLACENTIA

DATED THIS _____ DAY OF _____, 2013

_____
CITY CLERK OF THE CITY OF PLACENTIA

COUNTY TREASURER-TAX COLLECTOR'S CERTIFICATE

STATE OF CALIFORNIA)
)SS
COUNTY OF ORANGE)

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF MY OFFICE, THERE ARE NO LIENS AGAINST THE LAND COVERED BY THIS MAP OR ANY PART THEREOF FOR UNPAID STATE, COUNTY, MUNICIPAL OR LOCAL TAXES OR SPECIAL ASSESSMENT COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOT YET PAYABLE.

AND DO CERTIFY TO THE RECORDER OF ORANGE COUNTY THAT THE PROVISIONS OF THE SUBDIVISION MAP ACT HAVE BEEN COMPLIED WITH REGARDING DEPOSITS TO SECURE PAYMENT OF TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES ON THE LAND COVERED BY THIS MAP.

DATED THIS _____ DAY OF _____, 2013

SHARI L. FREIDENRICH
COUNTY TREASURER-TAX COLLECTOR

BY: _____
DEPUTY TREASURER-TAX COLLECTOR

SHEET 2 OF 4 SHEETS
ALL OF TENTATIVE TRACT MAP NO. 17489
NO. OF LOTS: 2 NUMBERED
1 LETTERED

ACREAGE: 4.54 AC. GROSS
3.65 AC. NET
DATE OF SURVEY: AUGUST 12, 2012

TRACT NO. 17489

IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA
LOT 1 FOR CONDOMINIUM PURPOSES
VINCENT W. SCARPATI, R.C.E. 33520
C & V CONSULTING, INC. AUGUST 12, 2012

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ON _____ BEFORE ME, _____,A NOTARY PUBLIC, PERSONALLY

APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE_____ MY PRINCIPAL PLACE OF BUSINESS IS IN

PRINTED NAME_____ _____COUNTY

MY COMMISSION NO. _____
MY COMMISSION EXPIRES: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ON _____ BEFORE ME, _____,A NOTARY PUBLIC, PERSONALLY

APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE_____ MY PRINCIPAL PLACE OF BUSINESS IS IN

PRINTED NAME_____ _____COUNTY

MY COMMISSION NO. _____
MY COMMISSION EXPIRES: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ON _____ BEFORE ME, _____,A NOTARY PUBLIC, PERSONALLY

APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE_____ MY PRINCIPAL PLACE OF BUSINESS IS IN

PRINTED NAME_____ _____COUNTY

MY COMMISSION NO. _____
MY COMMISSION EXPIRES: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ON _____ BEFORE ME, _____,A NOTARY PUBLIC, PERSONALLY

APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE_____ MY PRINCIPAL PLACE OF BUSINESS IS IN

PRINTED NAME_____ _____COUNTY

MY COMMISSION NO. _____
MY COMMISSION EXPIRES: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

ON _____ BEFORE ME, _____,A NOTARY PUBLIC, PERSONALLY

APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE_____ MY PRINCIPAL PLACE OF BUSINESS IS IN

PRINTED NAME_____ _____COUNTY

MY COMMISSION NO. _____
MY COMMISSION EXPIRES: _____

SHEET 3 OF 4 SHEETS

ALL OF TENTATIVE TRACT MAP NO. 17489

NO. OF LOTS: 2 NUMBERED
1 LETTERED

ACREAGE: 4.54 AC. GROSS
3.65 AC. NET

DATE OF SURVEY: AUGUST 12, 2012

TRACT NO. 17489

IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA
LOT 1 FOR CONDOMINIUM PURPOSES
C & V CONSULTING, INC. AUGUST 12, 2012
VINCENT W. SCARPATI, R.C.E. 33520
PROCEDURE OF SURVEY

LEGEND:

( )	INDICATES RECORD DATA
R1	INDICATES RECORD DATA PER BOOK 5557, PAGE 369 O.R.
R2	INDICATES RECORD DATA PER RS 81-1148.
R3	INDICATES RECORD DATA PER PM 80-803.
R4	INDICATES RECORD DATA PER LLA No. 2013-1, RECORDED JUNE 3, 2013, INSTRUMENT NO. 2013000336102, O.R.
M&R	INDICATES MEASURED AND RECORD DATA

MONUMENT NOTES:

1. GPS POINT NO. 5183; F.D. S. & W. STAMPED "R.C.E. 12795" FLUSH IN A.C., ACCEPTED AS CENTERLINE INTERSECTION OF GOLDEN AVENUE AND NAVAJO AVENUE AS SHOWN ON RSB 149/1-9 AND CR 0495.
2. GPS POINT NO. 0495; FD. 2 1/2" BRASS DISK IN, STAMPED "12-77" DN. 1.7' IN O.C.S. WELL MONUMENT, ACCEPTED AS CENTERLINE INTERSECTION OF ROSE DRIVE AND GOLDEN AVENUE AS SHOWN ON RSB 149/1-9 AND CR. 5183.
3. FD 1" I.P. TAGGED "L.S. 4140" ACCEPTED AS THE NORTHWEST CORNER OF LOT 4 YORBA LINDA TRACT PER PM 80-803 & RS 81-1148.
4. FD S. & W., TAGGED DN. 0.3 TAGGED "R.C.E. 21789" PER PM 80-803 AND AS SHOWN ON RS 81-1148.
5. FD. BOLT NO TAG, FLUSH AS SHOWN ON PM 80-803 AND RS 81-1148.
6. FD 1" I.P. TAGGED "L.S. 4140" ACCEPTED AS THE SOUTH EAST CORNER OF PARCEL 1 OF PM 80-803 AND A POINT ON THE NORTH LINE OF YORBA LINDA TRACT AS SHOWN ON RS 81-1148 AND PM 80-803.
7. SEARCHED, FOUND NOTHING.

ENGINEERS NOTES:

▲ INDICATES OCS MONUMENT CONTROL STATION AS REFERENCED HEREON.

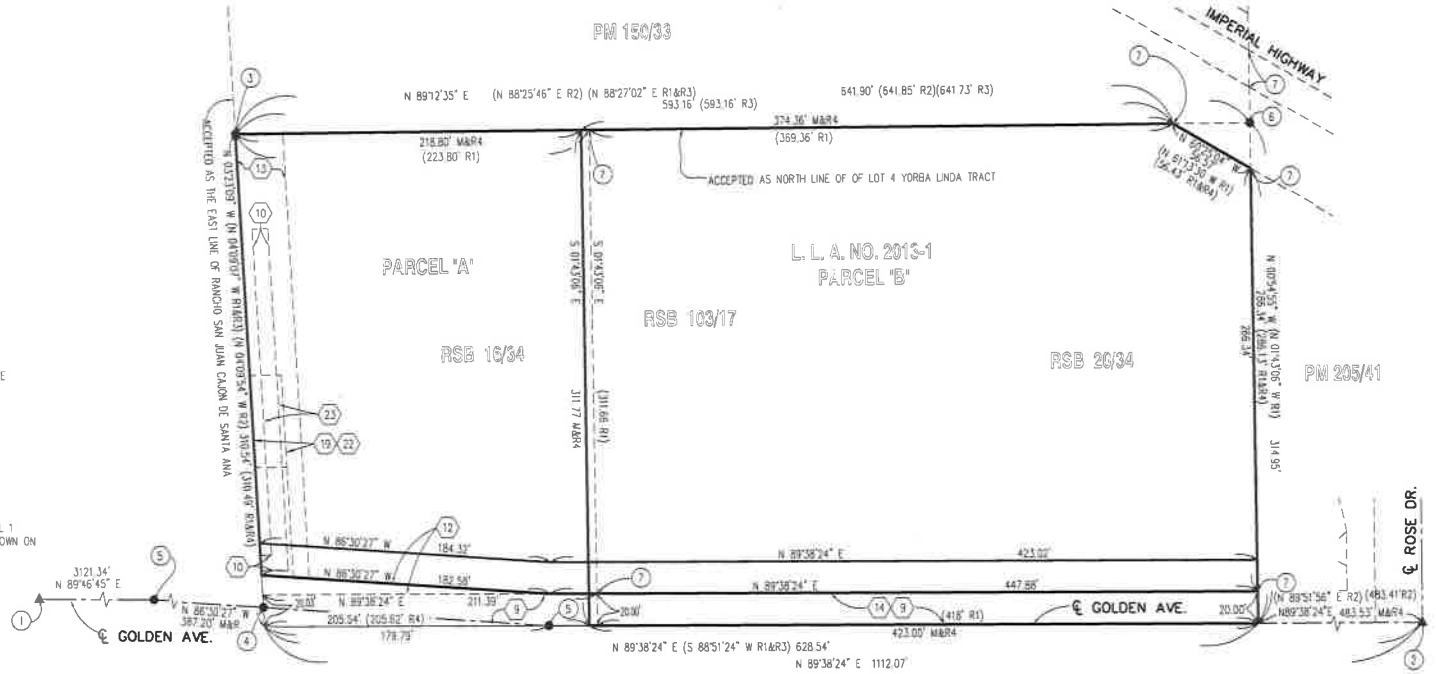
● FD. MONUMENT AS NOTED UNDER "MONUMENT NOTES" LISTED HEREON.

□ INDICATES 2" IP TAGGED REC 33520 TO BE SET, FLUSH; OR 8" S & W STAMPED REC 33520 IN ASPHALT HAVING A THICKNESS OF 2" OR MORE, TO BE SET, FLUSH; OR LEAD AND TAG REC 33520 IN CONCRETE AT ALL TRACT CORNERS, EXCEPT BC'S, EC'S, PRC'S AND PCC'S THAT ABUT A STREET AND ARE NOT TRACT CORNERS MARKING SIDE LOT LINES, TO BE SET FLUSH, UNLESS OTHERWISE INDICATED

BASIS OF BEARINGS:

THE BEARINGS SHOWN HEREON ARE BASED ON THE BEARING BETWEEN O.C.S. HORIZONTAL CONTROL STATION GPS NO. 5183 AND STATION GPS NO. 0495 BEING N89°36'57"W PER RECORDS ON FILE IN THE OFFICE OF THE ORANGE COUNTY SURVEYOR.
DATUM STATEMENT:
COORDINATES SHOWN ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE VI, 1983 NAD, (2007 EPOCH OCS GPS ADJUSTMENT).
ALL DISTANCES SHOWN ARE GROUND, UNLESS OTHERWISE NOTED. TO OBTAIN GRID DISTANCES MULTIPLY GROUND DISTANCE BY 0.99999104.
COORDINATES:

#5183	N. 2276260.29	E. 6074118.79
#0495	N. 2276232.32	E. 6078557.47



EASEMENT NOTES:

7. EASEMENT GRANTED TO YORBA LINDA WATER COMPANY PURPOSE FOR PIPELINES RECORDED NOVEMBER 07, 1911 IN BOOK 203, PAGE 291 OF DEEDS. (BLANKET IN NATURE)
8. EASEMENT GRANTED TO M. N. NEWMARK AND OTHERS FOR IRRIGATION OR DRAINAGE DITCHES, PIPE LINES OR CONDUITS RECORDED SEPTEMBER 02, 1913 IN BOOK 242, PAGE 98 OF DEEDS. (BLANKET IN NATURE)
9. EASEMENT GRANTED TO THE COUNTY OF ORANGE FOR ROAD PURPOSES RECORDED OCTOBER 15, 1914 IN BOOK 351, PAGE 354 OF DEEDS.
10. EASEMENT GRANTED TO UNION OIL COMPANY OF CALIFORNIA FOR RIGHT AND RIGHT OF WAY RECORDED OCTOBER 04, 1923 IN BOOK 489, PAGE 266 OF DEEDS.
12. EASEMENT GRANTED TO ORANGE COUNTY FOR ROAD PURPOSES RECORDED MAY 27, 1926 IN BOOK 652, PAGE 184 OF DEEDS.
13. EASEMENT GRANTED IN A DOCUMENT TO COUNTY OF ORANGE FOR RIGHT TO ERECT, CONSTRUCT, REPAIR AND MAINTAIN CHECK DAMS, ETC., RECORDED AUGUST 29, 1938 IN BOOK 964, PAGE 78 OF OFFICIAL RECORDS.
14. EASEMENT GRANTED TO RANDALL LANDON, DOING BUSINESS AS IMPERIAL OIL CO. FOR PIPE LINES 20 FEET IN WIDTH RECORDED DECEMBER 19, 1956 IN BOOK 1467, PAGE 81 OF OFFICIAL RECORDS.

CONT. EASEMENT NOTES:

19. EASEMENT GRANTED IN A DOCUMENT TO UNITED STATES OF AMERICA, AND ITS ASSIGNS FOR FLOOD CONTROL AND CHANNEL RECTIFICATION PURPOSES RECORDED DECEMBER 21, 1960 IN BOOK 5558, PAGE 547 OF OFFICIAL RECORDS.
22. EASEMENT GRANTED TO YORBA LINDA COUNTY WATER DISTRICT, A PUBLIC CORPORATION, AND ITS SUCCESSORS FOR PIPELINES RECORDED MARCH 04, 1981 IN BOOK 13968, PAGE 1513 OF OFFICIAL RECORDS.
23. EASEMENT GRANTED TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION ORGANIZED AND EXISTING UNDER AND BY VIRTUE OF THE LAWS OF THE STATE OF CALIFORNIA, THEIR SUCCESSORS AND ASSIGNS FOR PIPE LINES RECORDED APRIL 16, 1981 IN BOOK 14022, PAGE 1239, AS INSTRUMENT No. 19577 OF OFFICIAL RECORDS.

50 0 25 50
SCALE: 1" = 50'

SHEET 4 OF 4 SHEETS

ALL OF TENTATIVE TRACT MAP NO. 17489

NO. OF LOTS: 2 NUMBERED
1 LETTERED

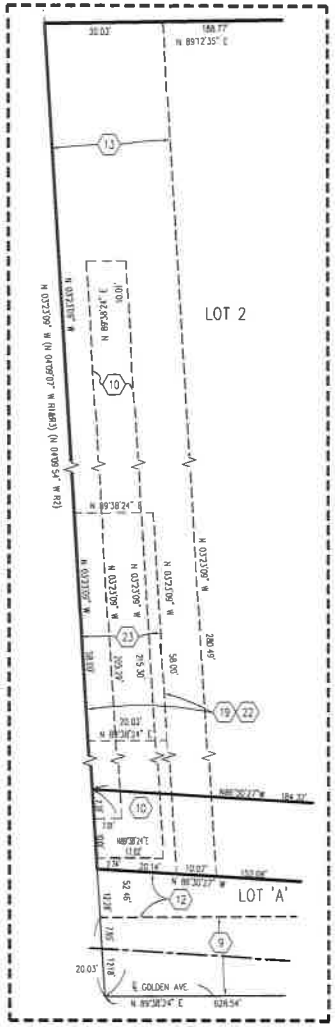
ACREAGE: 4.54 AC. GROSS
3.65 AC. NET

DATE OF SURVEY: AUGUST 12, 2012

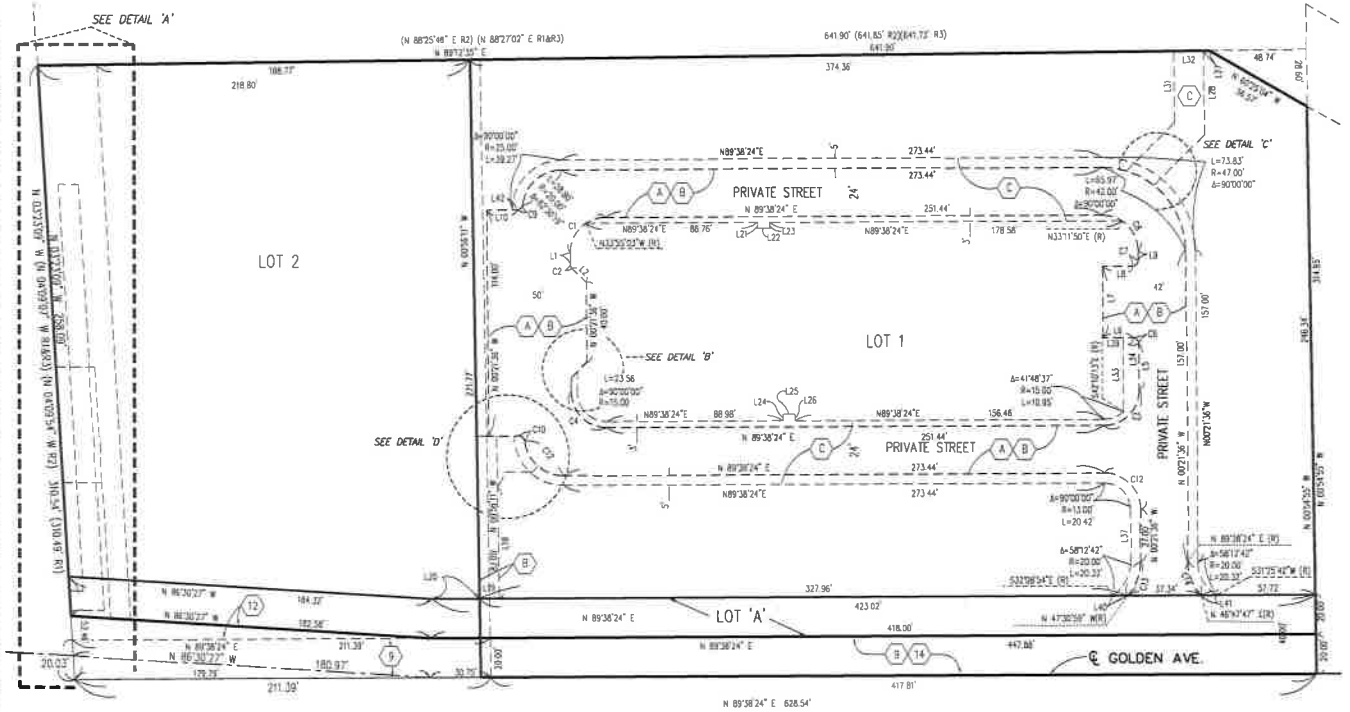
TRACT NO. 17489

IN THE CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA
LOT 1 FOR CONDOMINIUM PURPOSES
C & V CONSULTING, INC. AUGUST 12, 2012
VINCENT W. SCARPATI, R.C.E. 33520

40 0 20 40
SCALE: 1" = 40'



DETAIL 'A'
SCALE: 1"=20'

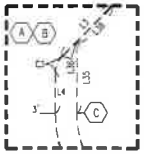


PROPOSED EASEMENT NOTES:

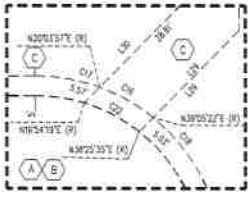
(A) INDICATES AN INGRESS AND EGRESS EASEMENT FOR EMERGENCY AND PUBLIC SECURITY VEHICLE PURPOSES DEDICATED HEREON TO THE CITY OF PLACENTIA

(B) INDICATES A UTILITY EASEMENT DEDICATED HEREON TO THE CITY OF PLACENTIA

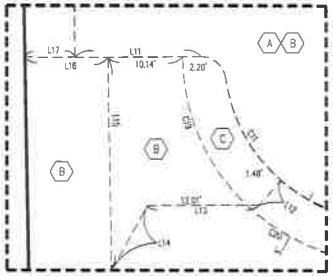
(C) INDICATES AN EASEMENT FOR WATER LINE, AND ACCESS PURPOSES DEDICATED HEREON TO THE YORBA LINDA DISTRICT



DETAIL 'B'
NO SCALE



DETAIL 'C'
NO SCALE



DETAIL 'D'
NO SCALE

CURVE DATA			
NO.	RADIUS	DELTA	LENGTH
C1	18.00'	90°00'00"	28.27'
C2	3.00'	45°00'00"	2.36'
C3	3.00'	45°00'00"	2.36'
C4	18.00'	90°00'00"	28.27'
C5	18.00'	90°00'00"	28.27'
C6	3.00'	90°00'00"	4.71'
C7	3.00'	90°00'00"	4.71'
C8	18.00'	90°00'00"	28.27'
C9	3.00'	82°30'19"	4.32'
C10	3.00'	82°30'19"	4.32'
C11	20.00'	41°55'44"	14.35'
C12	20.00'	82°30'19"	28.80'
C13	25.00'	42°50'37"	18.69'
C14	25.00'	42°50'37"	18.69'
C15	18.00'	90°00'00"	28.27'
C16	47.00'	19°11'25"	15.81'
C17	47.00'	20°25'33"	16.76'
C18	47.00'	50°33'01"	41.47'
C19	25.00'	46°52'16"	20.10'
C20	25.00'	43°56'44"	19.17'
C21	42.00'	21°31'16"	15.78'

LINE TABLE		
NO.	BEARING	LENGTH
L1	N30°21'36"W	5.76'
L2	N42°21'36"W	10.07'
L3	N44°38'24"E	10.07'
L4	N00°21'36"W	5.78'
L5	N00°21'36"W	23.00'
L6	N89°38'24"E	15.00'
L7	N00°21'36"W	36.00'
L8	N89°38'24"E	15.00'
L9	N00°21'36"W	5.00'
L10	N89°38'24"E	15.20'
L11	N89°38'24"E	15.20'
L12	N41°02'58"E	4.00'
L13	N89°38'24"E	13.49'
L14	N29°03'49"E	9.94'
L15	N00°56'11"W	25.79'
L16	N89°38'24"E	10.00'
L17	N89°38'24"E	6.01'
L18	N00°56'11"W	38.21'
L19	N89°38'24"E	10.00'
L20	N89°38'24"E	14.00'
L21	N00°21'36"W	3.00'
L22	N89°38'24"E	6.00'
L23	N00°21'36"W	3.00'
L24	N00°21'36"W	3.31'
L25	N89°38'24"E	6.00'
L26	N00°21'36"W	3.31'

L26	N00°21'36"W	3.31'
L27	N89°23'30"E	3.21'
L28	N00°21'36"W	42.34'
L29	N44°38'24"E	38.91'
L30	N44°38'24"E	34.36'
L31	N00°21'36"W	38.91'
L32	N89°23'30"E	75.00'
L33	N00°21'36"W	37.16'
L34	N89°38'24"E	5.06'
L35	N00°21'36"W	10.00'
L36	N44°38'24"E	3.00'
L37	N00°21'36"W	77.00'
L38	N44°38'24"E	7.07'
L39	N89°38'24"E	10.00'
L40	N89°38'24"E	7.78'
L41	N89°38'24"E	7.78'
L43	N89°38'24"E	2.20'

CITY OF PLACENTIA

SUBDIVISION IMPROVEMENT AGREEMENT

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into as of this 20th day of August, 2013, by and between the CITY OF PLACENTIA, a Charter City and municipal corporation ("CITY"), and, OLSON URBAN – PLACENTIA 1, LLC, a Delaware limited liability company ("DEVELOPER") In consideration of the approval and recordation by CITY of the final map of the subdivision described below and the mutual covenants and agreements contained herein, CITY and DEVELOPER agree as follows:

A. Recitals.

(i). CITY has previously approved a Tentative Tract Map for Tract No. 17489, in the City of Placentia, California.

(ii) DEVELOPER seeks approval and recordation a final tract map concerning that certain real property more particularly described in Exhibit "A," attached hereto, pursuant to provisions for the California Subdivision Map Act (California Government Code § 66410, *et seq.*, and CITY ordinances and regulations relating to the filing, approval and recordation of subdivision maps. The Subdivision Map Act and CITY ordinances and regulations pertaining to the filing, approval and recordation of subdivision maps are collectively referred to in this Agreement as the "Subdivision Laws."

(iii) In consideration of the approval of a final tract map DEVELOPER desires to enter into this Agreement, whereby DEVELOPER covenants to install and complete, at DEVELOPER'S own expense, all public improvement work required by CITY in connection with the proposed subdivision ("Improvements").

(iv) Improvement plans for the construction, installation and completion of the Improvements have been prepared by DEVELOPER and approved by the City Engineer.

(v) All legal prerequisites to the making of this Agreement have occurred.

B. Agreement.

NOW, THEREFORE, in consideration of the approval and recordation of the Final Tract Map identified herein and other good and valuable consideration, receipt of which is hereby acknowledged, DEVELOPER and CITY agree as follows:

1. In consideration of CITY'S approval and filing of Tentative Subdivision Tract Map No. 17489 and Final Tract No. 17489, DEVELOPER undertakes and agrees that it will, at DEVELOPER'S sole cost and expense, make all the Improvements upon and in connection with said Tract in accordance with plans and specifications therefore on file with City ("Approved Plans"), incorporated herein and made a part hereof, and including all conditions of approval required by the Planning Commission and City Council of CITY

("Conditions") in connection with the various steps leading to approval of said Tentative Tract No. 17489. DEVELOPER further undertakes and agrees upon the same consideration to comply with all ordinances and regulations of CITY, and to do all other and further acts required of it pursuant to this Agreement. DEVELOPER agrees in connection therewith to pay or cause to be paid all amounts becoming due to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to the foregoing Final Tract with respect to such Improvements, or to DEVELOPER with respect thereto. DEVELOPER agrees that all such Improvements shall be constructed and completed in accordance with the Approved Plans, City standards as determined by the City Engineer and in accordance with any Conditions as hereinabove referred to, and in accordance with the remaining provisions of this Agreement. In case of any dispute, the good faith judgment of the City Engineer shall be final and binding upon the parties.

2. Subject to the provisions of § 28, below, DEVELOPER shall commence the construction and installation of the Improvements within 90 days from the approval of said map by CITY and shall complete said work within 365 days from the date of execution of this Agreement.

3. DEVELOPER shall acquire and dedicate, or pay the cost of acquisition by CITY, of all rights-of-way, easements and other interests in real property for construction or installation of the Improvements, free and clear of all liens and encumbrances. DEVELOPER'S obligations with regard to acquisition by CITY of off-site rights-of-way, easements and other interests in real property shall be subject to a separate agreement between DEVELOPER and CITY. DEVELOPER shall also be responsible for obtaining any public or private drainage easements or authorizations.

4. If any of the Improvements and/or land development work contemplated by this Agreement are to be constructed or installed on land not owned by DEVELOPER, no construction or installation shall be commenced prior to:

a. Receipt and conditional acceptance of the offer of dedication to CITY of appropriate rights-of-way, easements or other interest in real property, and appropriate authorization from the property owner to allow construction or installation of the Improvements or work, in form approved by CITY'S City Attorney; or

b. The dedication to, and acceptance by, CITY of appropriate rights-of-way, easements or other interests in real property, as determined by the City Engineer; or

c. The issuance by a court of competent jurisdiction pursuant to the Eminent Domain Law of the State of California of an order of possession. DEVELOPER shall comply in all respects with the order of possession. Nothing contained in this § 4 shall be construed as authorizing or granting an extension of time to DEVELOPER.

5. DEVELOPER shall at all times guarantee DEVELOPER'S performance of this Agreement by furnishing to CITY, and maintaining, good and sufficient security as required

by the Subdivision Laws on forms approved by CITY for the purposes and in the amounts as follows:

a. To assure faithful performance of this Agreement in regard to said Improvements in an amount of 100% of the estimated cost of the Improvements;

b. To secure payment to any contractor, subcontractor, persons renting equipment, or furnishing labor and materials for the Improvements required to be constructed or installed pursuant to this Agreement in the additional amount of 100% of the estimated cost of the Improvements;

c. To guarantee or warranty the work done pursuant to this Agreement for a period of one (1) year following acceptance thereof by CITY against any defective work or labor done or defective materials furnished in the additional amount of 25% of the estimated cost of the Improvements; and

d. DEVELOPER shall also furnish to CITY good and sufficient security in the amount of 100% of the estimated cost of setting subdivision monuments.

6. The securities required by this Agreement shall be maintained in the Office of the City Clerk. The terms and provisions of the security documents referenced herein are incorporated into this Agreement by this reference. If any security is replaced by another approved security, the replacement shall be filed with the City Clerk and, upon filing, shall be deemed to have been made a part of and incorporated into this Agreement. Upon filing of a replacement security with the City Clerk, the former security may be released. The City Engineer shall approve replacement of security, in writing.

7. While no action of DEVELOPER shall be required in order for CITY to realize on its security under any security document, DEVELOPER agrees to cooperate with CITY to facilitate CITY'S realization under any security, and to take no action to prevent CITY from such realization under any such security. Notwithstanding the giving of any security or the subsequent expiration of any security or any failure by any surety or financial institution to perform its obligations with respect thereto, DEVELOPER shall be personally liable for performance under this Agreement and for payment of the cost of the labor and materials for the Improvements required to be constructed or installed hereby and shall, within ten (10) days after written demand therefore, deliver to City such substitute security as CITY shall require satisfying the requirements in this § 7.

8. DEVELOPER shall, at all times, maintain proper facilities and safe access for inspection of the Improvements by CITY and to the shops wherein any work is in preparation. Upon completion of the work, DEVELOPER may request a final inspection by the City Engineer. If the City Engineer determines that the work has been completed in accordance with the provisions of this Agreement, then the City Engineer shall certify the completion of the Improvements to the City Council. No Improvements shall be finally accepted unless all aspects of the work have been inspected and determined to have been

completed in conformance with the Approved Plans, Conditions and CITY standards. DEVELOPER shall bear all costs of plan check, inspection and certification.

9. Subject to approval by the City Council of CITY, the securities required by this Agreement shall be released as follows:

a. Security for faithful performance of any act, obligation, work or agreement shall be released upon the final completion and acceptance of the act or work, subject to the provisions of subsection (b) hereof.

b. The City Engineer may authorize release of a portion of the security given for faithful performance of Improvements work as the improvement progresses upon application therefore by the DEVELOPER; provided; however, that no such release shall be for an amount less than 25% of the total improvement security given for faithful performance of the improvement work. In no event shall the City Engineer authorize a release of the improvement security, which would reduce such security to an amount below that required to guarantee the completion of the improvement work and any other obligation imposed by this Agreement.

c. Security to secure payment to the contractor, his or her subcontractors and to persons furnishing labor, materials or equipment shall, six (6) months after the completion and acceptance of the work, be reduced to an amount equal to the total claimed by all claimants for whom liens have been filed and of which notice has been given to the City Council of CITY, plus an amount reasonably determined by the City Engineer to be required to assure the performance of any other obligations secured by the security. The balance of the security shall be released upon the settlement of all claims and obligations for which the security was given.

d. No security given for the guarantee or warranty of work shall be released until the expiration of the warranty period and until any claims filed during the warranty period have been settled. As provided in § 5, the warranty period shall not commence until final acceptance of all the work and Improvements by the City Council.

e. CITY may retain from any security released an amount sufficient to cover costs and reasonable expenses and fees, including reasonable attorneys' fees.

10. DEVELOPER shall promptly replace, or cause to be replaced, or repair or have repaired, as the case may be, any public improvements, public utility facilities and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement. DEVELOPER shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this Agreement, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by CITY or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

11. DEVELOPER shall, at DEVELOPER'S sole cost and expense, obtain any and all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices and pay all fees and taxes required by law.

12. Default of DEVELOPER shall include, but not be limited to, DEVELOPER'S failure to timely commence construction pursuant to the provisions of this Agreement; DEVELOPER'S failure to timely complete construction of the Improvements; DEVELOPER'S failure to timely cure any defect in the Improvements; DEVELOPER'S failure to perform substantial construction work for a period of twenty (20) days after commencement of the work; DEVELOPER'S insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, either voluntary or involuntary, which DEVELOPER fails to discharge within thirty (30) days after the filing thereof; the commencement of a foreclosure action against the SUBDIVISION or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure; or DEVELOPER'S failure to perform any other obligation under this Agreement.

13. CITY reserves to itself all remedies available to it at law or in equity for breach of DEVELOPER'S obligations under this Agreement. CITY shall have the right, subject to this section, to draw upon or utilize the appropriate security to mitigate CITY damages in event of default by DEVELOPER. The right of CITY to draw upon or utilize such security is in addition to and not in lieu of any other remedy available to CITY. It is specifically understood by DEVELOPER that the estimated costs and security amounts may not reflect the actual cost of construction or installation of the Improvements and, therefore, CITY'S damages due to DEVELOPER'S default shall be measured by the actual cost of completing the required Improvements. The sums provided by the improvement security may be used by CITY for the completion of the Improvements in accordance with the improvement plans and specifications contained herein.

14. In the event DEVELOPER defaults under this Agreement, DEVELOPER authorizes CITY to perform such obligation twenty (20) days after mailing written notice of default to DEVELOPER and to DEVELOPER'S Surety, and agrees to pay the entire cost of such performance by CITY.

15. CITY may take over the work and prosecute the same to completion, by contract or by any other method CITY deems advisable, for the account and at the expense of DEVELOPER, and DEVELOPER'S surety shall be liable to CITY for any excess cost or damages occasioned CITY thereby. In such event, CITY, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to DEVELOPER as may be on the site of the Improvements and necessary for performance of the work.

16. Failure of DEVELOPER to comply with the terms of this Agreement shall constitute consent to the filing by CITY of a notice of violation against all the lots in the property contained within the area of the Final Map or to rescind the approval or otherwise revert said property to acreage. The remedy provided by this § 16 is in addition to and not

in lieu of other remedies available to CITY. DEVELOPER agrees that the choice of remedy or remedies for DEVELOPER'S breach shall be within the discretion of CITY.

17. In the event DEVELOPER fails to perform any obligation hereunder, DEVELOPER agrees to pay all costs and expenses incurred by CITY in securing performance of such obligations, including costs of suit and reasonable attorneys' fees.

18. The failure of CITY to take enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach of DEVELOPER.

19. DEVELOPER understands and agrees that by approval of the Final Map, CITY has conferred substantial rights upon DEVELOPER, including the right to sell, lease, or finance lots within the property covered by the Final Map, and has taken the final act necessary to subdivide said property. As a result, CITY will be damaged to the extent of the cost of installation of the Improvements by DEVELOPER'S failure to perform its obligations under this Agreement, including, but not limited to, DEVELOPER'S obligation to complete construction of the Improvements by the time established in this Agreement. CITY shall be entitled to all remedies available to it pursuant to this Agreement and the Subdivision Laws in the event of a default by DEVELOPER. DEVELOPER understands and agrees that the determination of whether a reversion to acreage or rescission of the said property constitutes an adequate remedy for default by the DEVELOPER shall be within the sole discretion of CITY.

20. DEVELOPER hereby warrants and guarantees all work hereunder against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of all landscaping within the Property in a vigorous and thriving condition reasonably acceptable to CITY, for a period of one (1) year following completion of the work and acceptance by CITY ("Warranty Period"). During the Warranty Period, DEVELOPER shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the Improvements, in accordance with the then-current ordinances, resolutions, regulations, codes, standards, or other requirements of CITY, and to the approval of the City Engineer. All repairs, replacements, or reconstruction during the Warranty Period shall be at the sole cost, expense, and liability of DEVELOPER and its surety. As to any Improvements which have been repaired, replaced, or reconstructed during the Warranty Period, DEVELOPER and its surety hereby agree to extend the Warranty Period for an additional one (1) year period following CITY'S acceptance of the repaired, replaced, or reconstructed improvement(s). Nothing herein contained shall relieve DEVELOPER from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any such improvement following expiration of the Warranty Period or any extension thereof. DEVELOPER'S warranty obligation under this section shall survive the expiration or termination of this Agreement.

21. Neither DEVELOPER nor any of DEVELOPER'S agents or contractors are or shall be considered to be agents of CITY in connection with the performance of DEVELOPER'S obligations under this Agreement.

22. Until such time as the Improvements are accepted by CITY, DEVELOPER shall be responsible for and bear the risk of loss to any of the Improvements constructed or installed hereunder. Until such time as all Improvements required by this Agreement are fully completed and accepted by CITY, DEVELOPER will be responsible for the care, maintenance of, and any damage to such Improvements. CITY shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage, regardless of cause, happening or occurring to the work or Improvements specified in this Agreement prior to the completion and acceptance of the work or Improvements. All such risks shall be the responsibility of and are hereby assumed by DEVELOPER.

23. Nothing contained herein shall preclude CITY from expending monies pursuant to agreements concurrently or previously executed between the parties, or from entering into agreements with other persons for the apportionment of costs of water and sewer mains, or other Improvements, pursuant to the provisions of CITY ordinances providing therefore, nor shall anything in this Agreement commit CITY to any such apportionment.

24. Until final acceptance of the Improvements, DEVELOPER shall give good and adequate warning to the public of each and every dangerous condition existing in, about or around said Improvements, and will take all reasonable actions to protect the public from any such dangerous condition.

25. Upon acceptance of the work by CITY and recordation of a Notice of Completion, ownership of the Improvements constructed pursuant to this Agreement shall vest in CITY.

26. DEVELOPER shall defend, indemnify, and hold harmless CITY, and its elected and appointed officials, officers, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury, to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of DEVELOPER, its personnel, employees, agents, or contractors in connection with or arising out of construction or maintenance of the Improvements, or performance of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of CITY, and its elected and appointed officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any claim, demand, cause of action, liability, loss, damage, penalty, fine, or injury, to property or persons, including wrongful death, which is caused solely and exclusively by the gross negligence or willful misconduct of CITY as determined by a court or administrative body of competent jurisdiction. DEVELOPER'S obligation to indemnify hereunder shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by CITY, its elected and appointed officials, officers, employees, or agents.

27. Time is of the essence of this Agreement.

28. DEVELOPER shall commence substantial construction of the Improvements required by this Agreement as specified in § 2, above. In the event good cause exists, as determined by the City Administrator or his or her designee, the time for commencement of construction or completion of the Improvements hereunder may be extended. The request for extension shall be made in writing to the City Administrator. Any approval of the extension shall be in writing, executed by the City Administrator. Any such extension may be granted without notice to DEVELOPER'S surety and shall not affect the validity of this Agreement or release the surety or sureties on any security given for this Agreement. The City Administrator shall be the sole and final judge as to whether or not good cause has been shown to entitle DEVELOPER to an extension. Delay, other than delay in the commencement of work, or by strikes, boycotts, similar actions by employees or labor organizations, which prevent the conducting of work, and which were not caused by or contributed to by DEVELOPER, shall constitute good cause for an extension of the time for completion. As a condition of such extension, the City Administrator may require DEVELOPER to furnish new security guaranteeing performance of this Agreement as extended in an increased amount as necessary to compensate for any increase in construction costs as determined by the City Engineer.

29. Performance by DEVELOPER of this Agreement shall not be construed to vest DEVELOPER'S rights with respect to any change in any zoning or building law or ordinance.

30. If DEVELOPER fails to construct and install all or any part of the Improvements within the time required by this Agreement, or if DEVELOPER fails to comply with any other obligation contained herein, DEVELOPER and its surety shall be jointly and severally liable to CITY for all administrative expenses, fees, and costs, including reasonable attorneys' fees and costs, incurred in obtaining compliance with this Agreement or in prosecuting any legal action or for any other remedies permitted by law.

31. All notices required or permitted under this Agreement shall be in writing and delivered in person or sent by mail, postage prepared, and addressed as follows:

To CITY:	City of Placentia 401 E. Chapman Ave. Placentia, California 92870-6101 Attention: City Administrator
With a copy to:	Andrew V. Arczynski City Attorney City of Placentia 1400 N. Brea Blvd. Fullerton, CA 92835 Email andrew@arczynskilaw.com

To DEVELOPER:

OLSON URBAN – PLACENTIA 1, LLC
3010 Old Ranch Parkway, Suite 100
Seal beach, California 90740
Attention: Todd Olson
Business Phone 562.596.4770
Email tolson@theolsonco.com

With a copy to:

OLSON URBAN – PLACENTIA 1, LLC
3010 Old Ranch Parkway, Suite 100
Seal Beach, California 90740
Attention: Katherine M. Chandler, Esq.
Business 562.370.2217
Email kchandler@theolsonco.com

Any such notice, by mail, shall be deemed to have been received by the addressee forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid and properly addressed as set forth above.

32. In the event that suit or arbitration is brought to enforce the terms of this Agreement , the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees.

33. This Agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above:

Dated: 10.18.13

OLSON URBAN- PLACENTIA 1, LLC
a Delaware limited liability company

By: OLSON URBAN COMMUNITIES, LLC
a Delaware limited liability Company
its Member

By: OLSON URBAN VENTURES, LLC,
a Delaware limited liability company
its Member

By: OLSON URBAN HOUSING, LLC
a Delaware limited liability company
its Managing Member

By: IN TOWN LIVING, INC.,
a Delaware corporation
its Managing Member

By: _____

Its: CEO

By: _____

Its: SVP & CFO

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss.

On October 18, 2013, before me, Sharon Tooman Notary Public, personally appeared Scott Laurie and Mario Urzua who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entities upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sharon Tooman
Notary Public
State of California

(SEAL)

CITY OF PLACENTIA,
A Charter City and municipal corporation

Approved as to form:

Scott W. Nelson, Mayor

Andrew V. Arczynski,
City Attorney

ATTEST:

City Clerk

DEVELOPER'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.

BOND NO. 0635564

INITIAL PREMIUM: Included in cost of Performance bond.

SUBJECT TO RENEWAL

CITY OF PLACENTIA

TRACT MAP 17489 IMPROVEMENTS

FORM OF LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City of Placentia, California, a Charter City and municipal corporation ("City") and OLSON URBAN – PLACENTIA 1, LLC ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for Tract Map No. 17489 ("Improvements");

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Subdivision Improvement Agreement dated August 20, 2013 ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required to furnish a bond in connection with the Improvement Agreement providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for, or about the performance of the Public Improvements, or for any work or labor done thereon of any kind, or for amounts due under the provisions of Title 15 (commencing with § 3082) of Part 4 of Division 3 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, Principal and International Fidelity Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of New Jersey, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the Public Improvements, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to the Public Improvements to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid excepting the Principal, the sum of Five Hundred Fifty Six Thousand Two Hundred Seventeen and no/100 Dollars ($556,217.00), said sum being not less than 100% of the total cost of the Public Improvements under the terms of the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Public Improvements, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code § 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to § 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

This bond is executed and filed to comply with § 66499, *et seq.*, of the California Government Code as security for payment to contractors, subcontractors, and persons furnishing labor, materials, or equipment for construction of the Public Improvements or performance of the Improvement Agreement. It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with § 3082) of Part 4 of Division 3 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at Irvine, CA, this 16th day of October, 2013.

Olson Urban - Placentia 1, LLC a Delaware limited liability company	International Fidelity Insurance Company
Principal	Surety
By: _____	By: _____
Its: Managing Member	Attorney-In-Fact
_____	Janina Monroe
(print name)	(print name)

OLSON URBAN – PLACENTIA 1, LLC
a Delaware limited liability company

By: OLSON URBAN COMMUNITIES, LLC
a Delaware limited liability company
its Member

By: OLSON URBAN VENTURES, LLC,
a Delaware limited liability company,
its Member

By: OLSON URBAN HOUSING, LLC
a Delaware limited liability company
its Managing Member

By: IN TOWN LIVING, INC., a
Delaware corporation
its Managing Member

By: _____
Scott Laurie
Its: CEO

By: _____
Mario Urzua
Its: CFO

NOTE: APPROPRIATE NOTARIAL ACKNOWLEDGMENTS OF EXECUTION BY PRINCIPAL AND SURETY, AND A COPY OF THE POWER OF ATTORNEY TO LOCAL REPRESENTATIVES OF THE BONDING COMPANY MUST BE ATTACHED TO THIS BOND.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On OCT 16 2013 (Date) before me, Melissa A. Lopez, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Janina Monroe (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/~~their~~ authorized capacity(~~ies~~), and that by his/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Melissa Lopez (Signature of Notary Public)

MELISSA A. LOPEZ
Commission # 2011078
Notary Public - California
Orange County
My Comm. Expires Mar 22, 2017

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Janina Monroe
- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☒ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

Top of thumb here

Signer's Name: _____
- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

Top of thumb here

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STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On October 18, 2013, before me, Sharon Tooman Notary Public, personally appeared Scott Laurie and Mario Urzua who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entities upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sharon Tooman
Notary Public
State of California

(SEAL)

Tel (973) 624-7200

POWER OF ATTORNEY
INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY,** a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

TIMOTHY J. NOONAN, JANINA MONROE, PAUL BOUCHER, MICHELLE HAASE, JEREMY YEUNG

Los Angeles, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, stature, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

(1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,

(2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

INTERNATIONAL FIDELITY INSURANCE COMPANY CORPORATE SEAL 1904 NEW JERSEY

IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY;** that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

CATHY VAZQUEZ NOTARY PUBLIC STATE OF NEW JERSEY

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March. 27, 2014

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this day of OCT 16 2013

Assistant Secretary

BOND NO. 0635564

INITIAL PREMIUM: $4,172.00/Annually

SUBJECT TO RENEWAL

CITY OF PLACENTIA

TRACT MAP NO. 17489 IMPROVEMENTS

FORM OF PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS the City of Placentia, California, a Charter City and municipal corporation ("City") and OLSON URBAN – PLACENTIA 1, LLC ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for Final Tract Map No. 17489 ("Improvements");

WHEREAS, the Improvements to be performed by Principal are more particularly set forth in that certain Subdivision Improvement Agreement dated August 20, 2013 ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required by the Improvement Agreement to provide a good and sufficient bond for performance of the Improvement Agreement, and to guarantee and warranty the Public Improvements constructed thereunder.

NOW, THEREFORE, Principal and International Fidelity Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of New Jersey, and duly authorized to transact surety business under the laws of the State of California, are held and firmly bound unto City in the sum of Five Hundred Fifty Six Thousand Two Hundred Seventeen and no/100 Dollars ($556,217.00), said sum being not less than one hundred percent (100%) of the total cost of the Public Improvements as set forth in the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Improvement Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless City, its officers, employees, and agents, as stipulated in the Improvement Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

This bond is executed and filed to comply with § 66499, *et seq.*, of the California Government Code as security for performance of the Improvement Agreement and security for the one-year guarantee and warranty of the Public Improvements.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at Irvine, CA, this 16th day of October , 2013.

Olson Urban - Placentia 1, LLC a Delaware limited liability company	International Fidelity Insurance Company
Principal	Surety
By: _____	By: _____
Its: Managing Member	Attorney-In-Fact
_____	Janina Monroe
(print name)	(print name)

NOTE: APPROPRIATE NOTARIAL ACKNOWLEDGMENTS OF EXECUTION BY PRINCIPAL AND SURETY, AND A COPY OF THE POWER OF ATTORNEY TO LOCAL REPRESENTATIVES OF THE BONDING COMPANY MUST BE ATTACHED TO THIS BOND.

OLSON URBAN – PLACENTIA 1, LLC
a Delaware limited liability company

By: OLSON URBAN COMMUNITIES, LLC
a Delaware limited liability company
its Member

By: OLSON URBAN VENTURES, LLC,
a Delaware limited liability company,
its Member

By: OLSON URBAN HOUSING, LLC
a Delaware limited liability company
its Managing Member

By: IN TOWN LIVING, INC., a
Delaware corporation
its Managing Member

By: _____
Scott Laurie
Its: CEO

By: _____
Mario Urzua
Its: CFO

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On OCT 16 2013 (Date) before me, Melissa A. Lopez, Notary Public (Here Insert Name and Title of the Officer),

personally appeared Janina Monroe (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/~~their~~ authorized capacity(~~ies~~), and that by his/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____ (Signature of Notary Public)

MELISSA A. LOPEZ
Commission # 2011078
Notary Public - California
Orange County
My Comm. Expires Mar 22, 2017

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Janina Monroe
- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☒ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing:

Top of thumb here

Signer's Name: _____
- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing:

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STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On October 18, 2013, before me, Sharon Tooman Notary Public, personally appeared Scott Laurie and Mario Urzua who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entities upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sharon Tooman
Notary Public
State of California

(SEAL)

Tel (973) 624-7200

POWER OF ATTORNEY
INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY,** a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

TIMOTHY J. NOONAN, JANINA MONROE, PAUL BOUCHER, MICHELLE HAASE, JEREMY YEUNG

Los Angeles, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, stature, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

(1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,

(2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

INTERNATIONAL FIDELITY INSURANCE COMPANY CORPORATE SEAL 1904 NEW JERSEY

IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY;** that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

CATHY VAZQUEZ NOTARY PUBLIC STATE OF NEW JERSEY

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March. 27, 2014

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this day of OCT 16 2013

Assistant Secretary

Placentia City Council
AGENDA REPORT

TO: CITY COUNCIL

FROM: CITY ADMINISTRATOR

DATE: NOVEMBER 5, 2013

SUBJECT: **ADOPTION OF RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF THE ACQUISITION AND CAPITAL IMPROVEMENT OF 132 E. CROWTHER AVENUE**

FISCAL IMPACT:

SAVINGS -	$300,000 in avoided lease payments over remaining lease term
EXPENDITURES –	$88,673.52 estimates monthly loan payment for $1,300,000 at 2.44 percent for 15-year term

SUMMARY:

In 2010, the former Redevelopment Agency coordinated the purchase through a third party investor of the former Boys and Girls Club building located at 132 E. Crowther Avenue. The former Redevelopment Agency subsequently entered into a five (5) year lease ("initial lease term") of the property with the option to purchase the property anytime after the third anniversary of the lease or to extend the lease for an additional two, one-year terms at the end of the initial lease term. With the dissolution of redevelopment, the lease has been transferred to the Successor Agency and is considered an Enforceable Obligation through the end of the initial lease term. Unfortunately as a result of dissolution, the Successor Agency cannot extend the lease beyond its initial lease term nor can it purchase the property outright. The City has recently explored the option of purchasing the property before the end of the lease term by securing a loan through the California Infrastructure and Economic Development Bank (I-Bank). In addition to providing acquisition funding, I-Bank is willing to loan the City capital funds to make necessary improvements to the building to facilitate a potential use of the property. The acquisition of 132 E. Crowther Avenue will not only potentially save the taxing entities approximately $300,000 in remaining lease payments, but will also secure a valuable property that the Successor Agency would otherwise have to abandon at the end of the lease. This action will authorize the City Administrator to submit an application to I-Bank for a 15-year loan of $1,300,000 at an interest rate of approximately 2.44 percent for the purchase and related capital improvements of 132 E. Crowther Avenue.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Adopt Resolution R-2013- __ A resolution of the City Council of the City of Placentia, California authorizing the submission of an application to the California Infrastructure and Economic Development Bank for financing of 132 E. Crowther Avenue; and

2. Authorize the City Administrator to submit an application to I-Bank for a 15-year loan of $1,300,000 at an interest rate of approximately 2.44 percent for the purchase and related capital improvements of 132 E. Crowther Avenue.

DISCUSSION:

The Brea-Placentia-Yorba Linda Boys and Girls Club previously owned and operated 132 E. Crowther Avenue as a recreational center for youth. Due to financial challenges, the Boys and Girls Club was forced to sell the property. The former Redevelopment Agency seeing potential value in the property decided to help the Boys and Girls Club by arranging the acquisition of the property through a third party investor. The property, which had an appraised value of $1,750,000 in 2008, was ultimately purchased for $1,150,000 by the third party investor. In turn, the third party investor subsequently entered into a five-year lease of the property with the former Redevelopment Agency for $150,000 a year. The lease included an option to extend the initial lease term for two (2) additional one-year terms at $50,000 a year, as well as the option to purchase the property for a fixed price of $750,000 anytime after the third anniversary of the lease.

With the dissolution of redevelopment in 2012, the lease has been transferred to the Successor Agency and is now considered an Enforceable Obligation by the State of California through the end of the initial lease term. As a result of dissolution the Successor Agency has very few options to revitalize the property and find a productive use before the end of the initial lease term. Currently, the Successor Agency is in the third year of the five-year lease. At the end of the initial lease term (2015) the Successor Agency will no longer be able to make lease payments and will have to turn the property back to the third party investor. The City believes that this property is too important for the Successor Agency to simply let the lease expire and would like to purchase the property outright and transform it into a positive productive community asset.

The City has been exploring various options including looking for another private investor to finance the purchase of the property and lease the property back to the City, as well as exploring opportunities to secure financing through a bank or other entity to directly acquire the property. The most viable option thus far appears to be securing a loan from the California Infrastructure and Economic Development Bank (I-Bank) to purchase the property outright. I-Bank was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. I-Bank has a program called Infrastructure State Revolving Fund Program (ISRF) that offers low-cost financing to public agencies for a wide variety of infrastructure projects. I-Bank has provided Staff with a proposed financing package of $1,300,000 payable over a 15-year term at a 2.44 percent interest rate. The City can use $750,000 of the loan to purchase of property from the third party investor and the remaining $550,000 for capital improvements. The estimated monthly payment is $88,673.52 beginning in August 2014.

In order to be considered for a loan, I-Bank requires the City Council to adopt a resolution authorizing the submission of a loan application. Approval of the resolution does not commit the City to accepting the loan if approved. If the City Council approves the resolution, I-Bank will include the City's application for consideration by their Governing Board on November 19, 2013.

FISCAL IMPACT:

Purchase of the property by the City will relieve the Successor Agency of approximately $300,000 in lease payments which will ultimately generate additional tax increment to the taxing entities. Moreover, acquisition of the property will preserve a valuable land asset which otherwise will have to be abandoned at the end of the initial lease term. This asset not only has a greater appraised value than the purchase price, but has the potential to generate additional revenues and improve the conditions of the surrounding area once a productive use for the property is found. The estimated

monthly payment for the loan is $88,673.52 beginning in August 2014. The loan will be paid with revenues from the proposed indoor skatepark that is being considered as a potential user of the property, as well as a combination of Community Facilities District funds and Park In-Lieu funds. No General Fund dollars will be needed to repay the loan.

Prepared by:

Maggie Le
Management Analyst

Jon Nicks
Deputy Director of Community Services

Reviewed and approved:

Troy L. Butzlaff
City Administrator

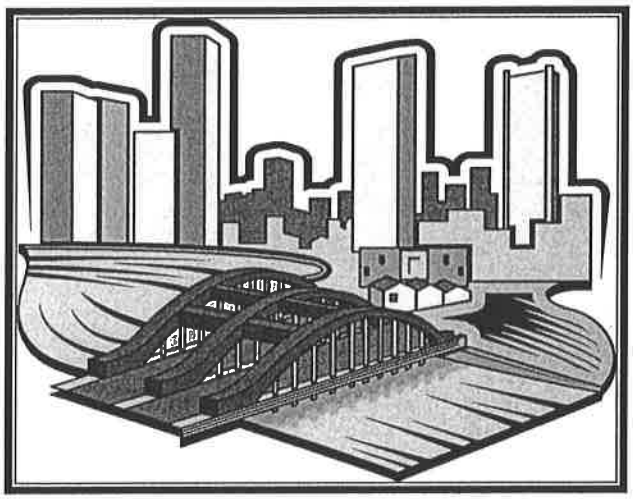
Attachments: Exhibit A_I-Bank application
Exhibit B_Resolution R-2013_
Exhibit C_Amortization Table

EXHIBIT A

I BANK

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

INFRASTRUCTURE STATE REVOLVING FUND PROGRAM



General Fund Lease

Financing Application

California Infrastructure and Economic Development Bank (I-Bank)
Infrastructure State Revolving Fund (ISRF) Program

GENERAL FUND LEASE FINANCING APPLICATION

PART I. APPLICANT INFORMATION

1. Legal Name of Applicant:

   City of Placentia

2. Type of Applicant:

   ☒ City
   ☐ County
   ☐ Other Public Agency, specify:_____
   ☐ Joint Powers Authority
   ☐ Special District

3. Mailing Address of Applicant:

   City of Placentia
   401 E. Chapman Ave.
   Placentia, CA 92870

4. Contact Information:

Primary Contact:

Name of Contact: Troy L. Butzlaff	Title: City Administrator
Address (if different):	Telephone: 714-993-8186
	Fax: 714-961-0283
	E-mail: tbutzlaff@placentia.org

Alternative Contact:

Name of Contact: Maggie Le	Title: Management Analyst
Address (if different):	Telephone: 714-993-8135
	Fax: 714-961-0283
	E-mail: mle@placentia.org

5. Consultants and/or Advisors Affiliated with the Project:
(e.g., financial advisors legal counsel, consulting engineers, appraisers, etc.)

Name: Christopher Thornberg, Ph.D./Beacon Economics	Title: Funding Partner
Address:	Telephone: 310-571-3399
	Fax:
	E-mail: chris@beaconecon.com

Name:	Title:
Address:	Telephone:
	Fax:
	E-mail:

Name:	Title:
Address:	Telephone:
	Fax:
	E-mail:

Name:	Title:
Address:	Telephone:
	Fax:
	E-mail:

PART II. FINANCING INFORMATION

1. Requested Financing Amount: $1,300,000

2. Financing Term Requested: 15 Years

PART III. PROJECT INFORMATION

1. Name of Project:

Placentia Indoor Skatepark AKA DaddyO's of Placentia

2. Location/Address of Project:

132 E. Crowther Ave.
Placentia, CA 92870

3. Project Category (select all applicable categories):

- ☐ City Streets
- ☐ County Highways
- ☐ Defense Conversion
- ☐ Drainage, Water Supply & Flood Control
- ☐ Educational Facilities
- ☐ Environmental Mitigation Measures
- ☐ Military Infrastructure
- ☒ Parks and Recreational Facilities
- ☐ Power and Communications
- ☐ Port Facilities
- ☐ Public Safety Facilities
- ☐ Public Transit
- ☐ Sewage Collection and Treatment
- ☐ Solid Waste Collection and Disposal
- ☐ State Highways
- ☐ Water Treatment and Distribution

4. Detailed description of the Project and why the Project is necessary at this time:
[References can be made to a detailed project description contained in either an environmental report or capital improvement plan or study.]

Over the past few years, the City has received several requests from the community to build a skatepark at one of its parks. The City has evaluated various park sites and determined that none of them are ideally suited for a skatepark.

In 2010, the former Redevelopment Agency entered into a lease agreement for 132 E. Crowther Avenue. Initially the Redevelopment Agency was exploring several different uses for the property including an indoor shooting range, animal shelter and parking lot to support the proposal adjacent to the Metrolink station. As a result of the dissolution of redevelopment by the State of California in February 2012, the former redevelopment agency decided to postpone any projects related to this property until the full effects of dissolution were known.

The current lease for the property is for a five (5) year term expiring in March 2015. The lease also contains two (2), one-year option periods that can be added to the initial term at a cost of $50,000 per year. Finally, the lease allows the property to be purchased for fixed price of $750,000 anytime after the third anniversary of the lease.

Over the past two years the property has been heavily vandalized and stripped of copper wiring. The property is currently unusable in its present condition. With redevelopment no longer available, there are very few options remaining to revitalize the property and put it to productive use. The Successor Agency to the Former Redevelopment Agency can continue to lease the building for the remaining two years on the initial lease, but after that the Successor Agency will have to turn the property back to the underlying property owner. The other option is the Successor Agency could assign its option to purchase the property to the City and the City could move forward with the revitalization of the property and secure a tenant to restore the building to a productive use.

Last year, the City initiated discussions with DaddyO's of California regarding the possible conversion of the building into an indoor skatepark. As the discussions with

DaddyO's progressed the City retained an independent economist, Beacon Economics, to perform a fiscal analysis of the proposed indoor skatepark. A copy of this analysis has been provided. Based on this analysis and the City's desire to see this property revitalized and returned to a productive use, the City Council has directed staff to negotiated and finalize a lease and operating agreement with Daddy0's for the skatepark and to seek funding assistance through the California Infrastructure Bank to purchase the property and make the necessary improvements to the building to accommodate an indoor skatepark.
The City believes that this property is too important for the Successor Agency to simply let the lease expire and would like to purchase it outright and transform it into a positive community asset.

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5. Project Sources And Uses of Funds Chart:
   Attach itemized cost estimates, bids, and/or construction contracts.
   [See sample format for the chart. Label and attach as Exhibit 1. Label cost estimates, bid, and/or construction contracts as Exhibit 1a, 1b, 1c, etc.]

6. Provide evidence of commitment(s) for other Project funding sources, such as resolutions, commitment letters, grant/financing agreements, etc.
   [Label and attach as Exhibit 2—if multiple documents, label 2a, 2b, 2c, etc.].

7. Is land acquisition necessary for the Project?

   ☐ No ☒ Yes—If yes, provide a description of the land acquired or to be acquired (who owns, address, assessor's parcel number, purchase date or expected purchased date, cost or estimate), and list the funding source for the land:

   Land area: 45,260 square feet, built in 1973, current zoning: manufacturing, building area improvements -15,457 square feet total, paved asphalt lot with 18 spaces with additional parking along side driveway and public parking lot across the street with 65 spaces.

8. Will the Applicant use I-Bank funds to pay any of its own employees or employees of other governmental agencies to construct the Project, or to pay for administrative, engineering, environmental or other expenses directly related to the construction of the Project?

   ☒ No ☐ Yes—If yes, describe the staff and staff work to be or already provided, and the anticipated amount of reimbursement.

9. Project Timeline—include specific Project milestones including, but not limited to, the preliminary engineering report, all required permits, design, environmental review, engineering, land/right-of-way acquisition, preparation of bid documents, awarding of construction contracts, construction start dates, construction completion dates, and date each project component will become operational.

[Label and attach as Exhibit 3.]

Anticipates project approval by City Council in December 2013 with construction to start in January. Estimated completion within 120 days of project start.

10. Provide a listing and status of all permits required to complete the Project, including environmental, construction and operating permits:

Permit	Issuer	Status	Anticipated Permit Date
Building permits	City of Placentia	Pending	January 2014
Fire and occupancy permits	OCFA	Pending	January 2014

11. CEQA Compliance Information.

Describe each Project component that will require a separate CEQA review, and complete the following chart.
[Label and attach as Exhibit 4—if multiple documents, label 4a, 4b, 4c, etc.]

Not applicable

Project Component[1]	Level Of Required Environmental Clearance	Status Of CEQA Compliance	Recorded NOD Submitted[2]	Environmental Review Documents Submitted[3]
_____	☐ Notice of Exemption ☐ Negative Declaration ☐ Environmental Impact Report (EIR) ☐ Unknown	☐ Not Started/In Progress Expected date:_____ ☐ Adopted/Approved	☐ Yes ☐ No	☐ Yes ☐ No
_____	☐ Notice of Exemption ☐ Negative Declaration ☐ Environmental Impact Report (EIR) ☐ Unknown	☐ Not Started/In Progress Expected date:_____ ☐ Adopted/Approved	☐ Yes ☐ No	☐ Yes ☐ No
_____	☐ Notice of Exemption ☐ Negative Declaration ☐ Environmental Impact Report (EIR) ☐ Unknown	☐ Not Started/In Progress Expected date:_____ ☐ Adopted/Approved	☐ Yes ☐ No	☐ Yes ☐ No
_____	☐ Notice of Exemption ☐ Negative Declaration ☐ Environmental Impact Report (EIR) ☐ Unknown	☐ Not Started/In Progress Expected date:_____ ☐ Adopted/Approved	☐ Yes ☐ No	☐ Yes ☐ No
_____	☐ Notice of Exemption ☐ Negative Declaration ☐ Environmental Impact Report (EIR) ☐ Unknown	☐ Not Started/In Progress Expected date:_____ ☐ Adopted/Approved	☐ Yes ☐ No	☐ Yes ☐ No

1. Submit a separate chart if more than four Project components.
2. Provide a date stamped copy of the Notice of Determination filed with the local County Clerk's office.
3. Provide a copy of the environmental review documentation, including any mitigation measures.

12. Tax exempt Financing. The Preliminary Application contained the following question:

Will any entity, other than the Applicant or another state or local governmental entity, use or directly benefit from any portion of the Project other than as a member of the general public?

(For this purpose, "use" includes owning, leasing, managing, operating, acquiring the output of, obtaining a priority right or other special arrangement with respect to, or otherwise deriving a direct economic benefit from the Project. Priority rights or special rates and charges anticipated for a particular user or group of users should also be explained.)

Select the answer that applies and provide the updated information (if applicable):

☒ The information submitted in the Preliminary Application and the Supplemental Private Activity Questionnaire (if applicable) remains accurate and has not changed.

☐ The information submitted in the Preliminary Application and the Supplemental Private Activity Questionnaire (if applicable) for this Project has changed as follows:

DaddyO is a private enterprise that will be retained by the City to operate the skatepark. DaddyO's will receive a management fee to operate the skatepark. All profit after expenses will be remitted to City.

13. Business Relocation. The Preliminary Application contained the following question:

Will the proposed Project facilitate the relocation of a private sector business from one area of the State to another? If yes, explain.

No

Select the answer that applies and provide the updated information (if applicable):

☒ The information submitted in the Preliminary Application remains accurate and has not changed.
☐ The information submitted in the Preliminary Application has changed as follows:

PART IV. LEGAL INFORMATION

1. Resolutions. Provide a copy of the resolution adopted by the governing body of the Applicant authorizing the submittal of the application, and, if applicable, the availability and commitment of Applicant funds to the proposed Project. Provide a copy of an adopted reimbursement resolution regarding Project preliminary costs, if applicable..
[See sample application and reimbursement resolutions. Label and attach as Exhibit 5. If multiple resolutions, label as 5a, 5b, 5c, etc.]

   Anticipates a resolution to be adopted at the November 5, 2013 Council meeting.

2. Describe the composition of the Applicant's governing body, including the number of positions, term, and selection/appointment process:

   The City Council consists of five members elected from the City at large, at the times and in the manner provided in the City's Charter. The term of office for members of the City Council is four years, or in the case of an appointment or election to an unexpired term of office, the term of office shall be equal to the unexpired term of office, and until their respective successors qualify.

3. Describe any pending or anticipated litigation and/or contractual disputes that may negatively impact the financing repayment source, or the ability of the Applicant to enter into or repay the I-Bank financing:

   Not applicable

4. Describe any past, present, or potential issues or controversies (including litigation) that are associated with the Project:

   Not applicable

5. Describe any past, present, or potential issues or controversies (including litigation) that are associated with the asset(s) to the lease (if different than the Project):

Not applicable

PART V. PROJECT RANKING INFORMATION

1. Job Creation/Retention.

   A. List and describe the businesses or industries that will create full-time equivalent jobs within three (3) years of Project completion. If the Project will retain existing full-time equivalent jobs, provide the names of businesses that will retain jobs, and describe why these jobs would be lost if the Project is not completed. Provide addresses and a site map showing the Project and the location of the identified businesses.
   [Label and attach as Exhibit 6.]

   DaddyO anticipates creating three (3) full-time and four (4) part-time employees. This project will also create an undetermined number of construction jobs.

   B. Provide written confirmation from the business entity(ies) that will create/retain the above described jobs including the number of jobs, classification of jobs, and whether each job is to be created or retained.
   [Label and attach as 6a, 6b, 6c, etc.]

   1-General Manager, 1- Assistant Manager, 1-general employee

   AND/OR

   Provide a feasibility study indicating the probable full-time equivalent jobs to be created within three (3) years of Project completion as a result of the proposed Project.
   [Label and attach as Exhibit 7.]

2. If any of the businesses or industries listed above are "Economic Base Employers," describe how each business meets the definition of an "Economic Base Employer." Also include the number of full-time equivalent jobs to be created or retained by each "Economic Base Employer."

Not applicable

3. If the Project will create or retain jobs as documented above, provide written documentation that demonstrates that the Applicant has an established relationship with local employment and training resources (e.g., One Stop Career Center, Pilot Regional Collaborative under the Regional Workforce Preparation and Economic Development Act, Workforce Investment Board, the Employment Development Department) to link local job seekers with employment opportunities created/retained as a result of the proposed Project.
[Label and attach as Exhibit 8. If multiple documents, label as 8a, 8b, 8c, etc.]

   The City has partnered up with Orange County Workforce Investment Board (OCWIB). They will be accessing the City facility at 117 N. Main St. to provide business assistance including training and job placement.

4. Explain how the Project will contribute to an improved quality of life, attractiveness and/or long-term economic competitiveness for the community.

   This project will transform a heavily vandalized vacant building into a positive community asset that will provide a safe and supervised place for the youth in the community to be active and creative.

5. Describe how the Project is part of community revitalization, and economic development plan or strategy, or other community planning document.
[Submit a copy of the plan(s)—Label and attach as Exhibit 9. If multiple documents, label as 9a, 9b, 9c, etc.]

   The quality of life in our community is extremely important. The City of Placentia strives to provide residents and visitors alike a clean, safe and aesthetically pleasing environment to live, work and play in by reducing crime and offering a variety of programs and services. By transforming an existing underutilized building into a positive, productive use the City believes it can help promote economic growth in an area that has become stagnant and otherwise economically depressed.
   The property is due south from the City's historic downtown area. Although located across a busy commuter and freight rail corridor from the City's downtown area the property is connected by a pedestrian overpass which provides convenient public access. The property is also adjacent to the proposed Metrolink Station which is scheduled to open in 2015.
   The City has been actively working to revitalize and enhance the City's historic downtown area and adjoining properties including 132 E. Crowther Avenue. The City believes that the purchase of this property and development of an indoor skatepark will not only accomplish the City's overall goal of improving the aesthetics of the area, but the proposed project will help create new jobs and additional economic opportunities that will retain dollars that would otherwise be spent outside the community.

6. The I-Bank will utilize unemployment, poverty, median family income or change in employment information for the City or County in which the Project is located, as

appropriate. If the proposed Project will impact an area smaller than an incorporated City or the County, provide the following:

A. Identify the area impacted by the Project ("Project Benefit Area"). The specified area can be a census designated place, census tract(s), census block group(s), or other defined area.

Census tract 117.22, Block Group 2, population 529, LM pop 359, LM % 67.9, CDBG qualify

B. Provide a map showing the Project Benefit Area.
[Label and attach as Exhibit 10.]

C. Explain how the Project impacts or benefits the Project Benefit Area.

The proposed project will transform a heavily vandalized vacant building into a positive recreational asset that will provide a safe and supervised place for youth to recreate and learn through cultural and artistic activities. In addition, the project will attract parents to the area that will likely dine in restaurants, as well as shop in stores located in the City's adjacent downtown area. Increased vehicle traffic and customer activity will generate new economic opportunity that could potentially attract additional businesses to the City's downtown area. As new businesses open, this is turn will help increase property values and generate additional sales tax revenues to the City.

7. Land Use.

A. Indicate whether the Project is located in:

☒ Urban Area
☐ Rural Area

B. Indicate the land use priority met by the Project:

☐ First	(Renew and maintain existing urban areas, both cities and suburbs (or existing developed rural areas.)
☒ Second	(Develop vacant and under-utilized land within existing urban or suburban areas (or within existing developed rural areas) and presently served by streets, water, sewer and other public services. Open space, historic buildings, recreational opportunities and the distinct identities of neighborhoods should be preserved.)
☐ Third	(When urban development is necessary outside existing urban and suburban areas (or existing developed rural areas), use land that is immediately adjacent. Noncontiguous development would be appropriate when needed to accommodate open space, greenbelts, agricultural preservation or new town community development.)

C. Provide an explanation of how the Project meets the selected land use priority selected above, including a discussion of the area, the amount and type of

development, existing infrastructure (streets, water, sewer and other public services) of the Project site and the land immediately surrounding the Project.

The property was previously owned and operated as a recreational center for youth by the Brea-Placentia-Yorba Linda Boys and Girls Club. Due to financial problems, the Boys and Girls Club was forced to sell the property in 2010. The former redevelopment agency seeing potential value in the property decided to step in to facilitate its acquisition through a third party investor. The property, which had an appraised value of $1,750,000, was ultimately purchased for $1,150,000 and subsequently leased to the former redevelopment by the third party investor for $150,000 a year.

The purchase and conversion of the property to an indoor skate park meets the selected land use priority in that it will restore an underutilized, non-revenue generating property into a productive recreational use that will not only generate revenue to the City, but has the potential of creating new economic opportunities for the surrounding area as well.

The property is located toward the southwesterly portion of the City approximately one-half mile northeasterly of State Route 57. The property is within the "M" zone district (manufacturing) of the City. Land uses within the immediate area are primarily industrial in nature. Commercial retail developments are located north of the property in the City's downtown area. The property is across the street from a proposed Metrolink commuter rail station scheduled to open in 2015. Primary vehicular access to the property is via Crowther Avenue with convenient access to primary arterial streets including Orangethorpe Avenue, Chapman Avenue, Placentia Avenue and Kraemer Boulevard. The property has a relatively good centralized location with above-average freeway accessibility. The property is connected to the City sanitary sewer system and is served by private utilities for water, electrical and natural gas.

8. Provide an explanation of how the proposed Project will support or promote the protection and/or improvement of the environment:

   The building is vacant and heavily vandalized. With the proper financial assistance, the building can be revitalized and put to a productive use. The addition of trees, shrubs, and pedestrian and vehicle surfaces will generally enhance the aesthetics of the surrounding area which in turn will promote economic activities.

9. Leverage.

   I-Bank shall utilize the Project Sources and Uses of Funds Chart submitted as Exhibit 1 to calculate the leverage for the Project.

   If the Project described in the Application is part of, or will contribute to, other public and/or private sector investment not listed in the Sources and Uses of Funds Chart submitted as Exhibit 1, provide an itemized listing of the additional investment sources and the amount of

funding that can reasonably be considered leveraged by the I-Bank financed Project. Attach appropriate documentation for each item listed.
[Label and attach as Exhibit 11—if multiple documents, label as 11a, 11b, 11c, etc.]

PART VI. LEASE INFORMATION

1. Is the Project to be financed the subject of the lease?

   ☒ Yes
   ☐ No—describe the facility to be leased (address, year built, square footage, type of construction, etc.):

   _____

2. Explain what essential services the leased facility provides to the community:

   The facility will be a positive community asset providing a safe and supervised place for the youth in the community to be active and creative. It will also be a Cultural Center with art, design workshops, and music venue. DaddyO will work with the police, fire department and local school districts to provide scholarships and/or entrance coupons for kids at risk or have financial needs.

3. Provide a Preliminary Title Report on the proposed leased facility or facilities.
   [Label and attach as Exhibit 12.]

4. Complete a Comprehensive Environmental Survey for each separate proposed leased facility.
   [See survey form provided with this application. Label and attach as Exhibit 13—if multiple documents, label as 13a, 13b, 13c, etc.]

5. If the leased facility is not the Project to be financed, provide documentation of the current fair market value of the proposed leased facility or facilities (e.g., an appraisal of the leased property performed by an independent appraiser, or insurance information to document the value of the improvements along with land valuation documentation obtained from an independent professional).
   [Label and attach as Exhibit 14.]
   Not appicable

PART VII. FINANCIAL INFORMATION

1. Provide complete copies of the most recent three (3) fiscal year-end audited financial statements for the Applicant, including all notes and disclosures.
   [Label and attach as Exhibit 15a, 15b, and 15c.]

2. Provide the current year's adopted budget.
[Label and attach as Exhibit 16.]

3. Are there any events that have occurred since the date of the last financial statement that could materially affect revenues or overall financial condition of the General Fund?

☒ No
☐ Yes—explain:

_____

4. Provide a list of all financing obligations incurred after the date of the most recent financial statement (debts, notes, or capital leases) with maturities longer than one year and secured by a pledge of payment from the General Fund. Attach **two** copies of the financing document (e.g., official statement along with any underlying loan agreements, lease agreements, or indentures, etc.).
[Label and attach as Exhibit 17—if multiple documents, label as 17a, 17b, 17c, etc.]

Name of Debt	Date of Debt	Outstanding Balance (as of)	Maximum Annual Debt Service/Lease Payment
Not applicable		$	$
		$	$
		$	$
		$	$

5. Provide a description of any off-balance-sheet debt obligations, including capital leases and other unconditional contractual obligations:

All debt included in Financial Statements

6. Has the Applicant defaulted on any debt or other obligation including, but not limited to, bonds, leases of any kind, or loans?

☒ No
☐ Yes—Specify the date(s) and circumstances:

_____

7. Describe the current capital improvement plan and expected plan for future debt issuance:

See CIP Budget

8. Does the Applicant have an Interfund Transfer Policy?

☐ No
☒ Yes—Provide a written copy of the policy.
[Label and attach as Exhibit 18.]

PART VIII. OTHER INFORMATION

1. Describe the Applicant's administrative and management ability to construct and operate the Project, including similar or larger projects:

DaddyO's California LLC is a family oriented indoor action sports company specializing in skating retail locations and development of indoor "skatebowl" locations. DaddyO's CEO John Coulombe will help lead the project and has extensive sales and management experience including opening over 50 locations with Pacific Sunwear and involvement with 26 business units, 1,300 employees, and $110 million in sales for ProBuild/Fidelty. DaddyO's currently operates three skating locations and has five more locations that will open within the next two years in Thousand Oaks, Orlando, Boston, Austin, and New Orleans.

California Skatepark Inc. is a fully licensed, bonded, and insured contractor specializing in skate park development with experience building over 200 projects in 40 states including in the cities of Baldwin Park, Bell Gardens, Burbank, La Verne, Los Angeles, San Dimas, and Laguna Niguel. Founder and President of California Skateparks Inc. Joseph Ciaglia will also help lead the development with over 30 years of experience in public works construction, $150 million worth of completed projects, and expertise in municipal building codes.

PART IX. AUTHORIZATION

I acknowledge that:

- All information submitted to the California Infrastructure and Economic Development Bank is true and correct at the time of submission, and such information does not contain any untrue or misleading statement of a material fact, or omit to state any material fact necessary that would make the statements contained herein misleading.
- The information included with this Application is consistent with the Preliminary Application dated _____ in all substantive areas, except as otherwise noted herein.
- I agree to promptly provide the I-Bank any material change to the information contained herein.

AUTHORIZED SIGNATURE	PRINT NAME AND TITLE	DATE
	Troy L. Butzlaff, City Administrator	10/10/13

Attachments:

Application Checklist
Sources and Uses of Funds Chart
Comprehensive Environmental Survey
Sample Application Resolution

General Fund Lease

APPLICATION CHECKLIST

INCLUDED		APPLICATION CONTENT
YES	*NO*	
☐	☐	Application—Signed and Dated
☐	☐	Exhibit 1—Sources and Uses of Funds Chart [Attach itemized cost estimates, bids, and/or construction contracts as Exhibits 1a, 1b, 1c, etc.]
☐	☐	Exhibit 2—Documentation of Other Project Funding Sources
☐	☐	Exhibit 3—Project Timeline
☐	☐	Exhibit 4—CEQA Documentation
☐	☐	Exhibit 5—Adopted Application Resolution
☐	☐	Exhibit 6—Business Location Maps/Letters from Businesses
☐	☐	Exhibit 7—Feasibility Study(ies) for Job Creation/Retention
☐	☐	Exhibit 8—Evidence of Local Employment/Training Resources Utilization
☐	☐	Exhibit 9—Community Revitalization, Economic Strategy or Other Community Plans
☐	☐	Exhibit 10—Map of Project Benefit Area
☐	☐	Exhibit 11—Documentation of Public/Private Leveraged Investment
☐	☐	Exhibit 12—Preliminary Title Report
☐	☐	Exhibit 13—Comprehensive Environmental Survey(s)
☐	☐	Exhibit 14—Facility Valuation Documentation
☐	☐	Exhibit 15—Three (3) Years Audited Financial Statements
☐	☐	Exhibit 16—Current Year Adopted Budget
☐	☐	Exhibit 17—Other Financing Obligation Documentation
☐	☐	Exhibit 18—Interfund Transfer Policy/Reimbursement Agreement

Exhibit 1
Sources and Uses of Funds Chart

(NOTE: Attach detailed cost estimates, bids, and construction contracts, etc. to support data provided in the chart.)

PROJECT USES		***PROJECT FUNDING SOURCES***					
	Estimated Asset Useful	I-BANK	APPLICANT	____	____	____	**TOTAL**
Land Acquisition		$750,000	$				**$750,000**
Building Construction/Renovation		$550,000	$660,000				**$1,210,000**
Construction Contingency		$	$		$		
Machinery/Equipment		$	$				
Engineering/Architectural/Design		$	$				
Permits/Environmental		$	$				
Capitalized Interest		$	$				
I-Bank Origination Fee:		$	$11,050				**$11,050**
Other: DaddyO's operations			$150,000				**$150,000**
Other:		$	$				
TOTAL		**$1,300,000**	**$821,050**				**$2,121,050**

Leverage City Resources with DaddyO's Professional Expertise and In-Kind Contributions

City Project Contribution	
Estimated Capital Cost	**Amount**
Action Sports Amenities	$200,000
Furniture and Fixtures	$50,000
Food Service Areas	$25,000
General Buildout	
Electrical	$75,000
Flooring	$25,000
Doors, Walls, Windows	$50,000
Painting	$40,000
HVAC	$26,500
Computers & Software	$3,500
Architect Fees	$25,000
Permits	$5,000
Demolition	$25,000
Total Capital Cost	**$550,000**

DaddyO's In-Kind Contribution	
Estimated Professional Services	**Amount**
Construction Management	$50,000
Design Development	$50,000
Accounting & Legal Assistance	$40,000
Marketing & Advertising	$40,000
Operational Development	$40,000
Action Sports Consulting	$40,000
Building & Action Sports Construction	$400,000
Total In-Kind Contributions	**$660,000**

Exhibit 2

City of Placentia Park-in-Lieu Estimated Revenues Projection

Project	Zone Type	Number of Units	Estimated Revenues per Unit	Total Estimated Project Revenues
Golden Avenue Project	R-3	33 units	$ 3,628	$ 119,724
Schaner Ranch	R-1	78 units	$ 4,978	$ 388,284
Sonnenblick	R-3	225 units	$ 3,628	$ 816,300

DaddyO's Placentia= 40% capacity
Projected Income Statement - Year One

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Totals
Income													
Residents fee	15,000	15,000	15,000	15,000	12,500	12,500	17,500	12,500	12,500	12,500	15,000	15,000	170,000
Non-resident fee	14,000	14,000	14,000	14,000	11,900	11,900	15,400	11,900	11,900	11,900	14,000	14,000	158,900
Skate Camps	16,500	16,500	16,500	11,000	8,250	8,250	16,500	8,250	8,250	8,250	11,000	22,000	151,250
Skate lessons	3,375	3,375	3,375	2,700	2,700	2,700	3,375	2,700	2,700	2,700	3,375	6,750	39,825
Total Income	48,875	48,875	48,875	42,700	35,350	35,350	52,775	35,350	35,350	35,350	43,375	57,750	519,975
Cost of Sales													
Residents fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-resident fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Skate Camps													-
Skate lessons													-
Total Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	48,875	48,875	48,875	42,700	35,350	35,350	52,775	35,350	35,350	35,350	43,375	57,750	519,975
Total Salary and Wages	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,455
Fixed Business Expenses													
Advertising	500	500	500	500	500	500	500	500	500	500	500	500	6,000
DaddyO's Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card and Bank Charges	85	85	85	85	85	85	85	85	85	85	85	85	1,020
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Propert	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Internet	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Accounting	450	450	450	450	450	450	450	450	450	450	450	450	5,400
Office Expenses	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Postage and Delivery	50	50	50	50	50	50	50	50	50	50	50	50	600
Repairs and Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Supplies	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Telephone and Communication	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total Fixed Business Expenses	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	81,720
Other Expenses													
Amortized Start-up Expenses	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest													
Commercial Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	3,043	3,043	3,043	2,503	1,860	1,860	3,384	1,860	1,860	1,860	2,562	3,820	30,695
Total Other Expenses	4,210	4,210	4,210	3,669	3,026	3,026	4,551	3,026	3,026	3,026	3,728	4,986	44,695
Net Income	30,567	30,567	30,567	24,933	18,226	18,226	34,126	18,226	18,226	18,226	25,549	38,666	306,105

City of Placentia

Proposed Timeline for Improvements at 132 E. Crowther Avenue, Placentia, CA 92870

Project Component	Anticipated Length of Time	Estimated Start	Estimated Completion
City Council Approval of Project	1	12/3/2013	12/3/2013
Architectural Design of Project	45	12/4/2013	1/18/2013
Design Review and Aproval	5	1/18/2013	1/23/2013
Bid of all trades by Prime Contractor	10	1/23/2013	2/4/2013
Building Permits	5	2/4/2013	2/8/2013
Construction Improvments to Facility			
General Building Improvements Electrical Flooring, Doors, Walls, Windows, Painting HVAC	60	2/11/2013	4/12/2013
Recreational Amenities	60	4/12/2013	6/11/2013
Final Inspections and Acceptance of Improvements	5	6/12/2013	6/17/2013
Building Ready for Occupany and Operations		6/17/2013	

Exhibit 4

NOTICE OF EXEMPTION

To: X County Clerk
County of Orange
Public Services Division of the County Clerk
P.O. Box 838
Santa Ana, CA 92702

California Infrastructure and Economic Development Bank
980 9th Street, Suite 900
Sacramento, CA 95814

From: City of Placentia
Development Services Department
401 E. Chapman Avenue
Placentia, CA 92870

Project Title: City of Placentia DaddyO's Skate Park Project

Project Location - Specific: 132 E. Crowther Avenue

Project Location – City: Placentia, CA 92870 **Project Location – County:** Orange

Description of Project: The facility located at 132 E. Crowther Avenue is a former Boys and Girls Club building that that has been acquired by the City of Placentia and is currently vacant. The proposed renovation project for this facility will include interior repair and improvements to allow for recreational activities including an indoor skatepark.

Name of Public Agency Approving Project: California Infrastructure and Economic Development Bank and the City of Placentia.

Name of Person or Agency Carrying Out Project: City of Placentia

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Other
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: §15301 (Existing Facilities), Class 1
- ☐ Statutory Exemptions. State code number:

Reasons why project is exempt: The City of Placentia, the lead agency has evaluated the potential for adverse environmental impacts; and no evidence has been found that the proposed project will have any potential for adverse effects on the environment. The project involves minor alterations of existing structures to offer recreational activities, which does not expand upon the prior uses of the facility and is Categorically Exempt pursuant to §15301 of the CEQA Guidelines.

Lead Agency
Contact Person: Troy L. Butzlaff Area Code/Telephone/Extension: (714) 993-8117

Signature: _____ Date: 10/21/13 Title: City Administrator

X Signed by Lead Agency Date received for filing at OPR:

___ Signed by Applicant

The People are the City

Mayor
SCOTT W. NELSON

Mayor Pro Tem
JOSEPH V. AGUIRRE

Councilmembers:
CONSTANCE M. UNDERHILL
CHAD P. WANKE
JEREMY B. YAMAGUCHI

City Clerk:
PATRICK J. MELIA

City Treasurer:
CRAIG S. GREEN

City Administrator
TROY L. BUTZLAFF, ICMA-CM

401 East Chapman Avenue - Placentia, California 92870

October 21, 2013

Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

Subject: Notice of Exemption – City of Placentia DaddyO's Skate Park Project

To Whom It May Concern:

Attached please find a Notice of Exemption document from the City of Placentia that requires recordation.

When complete, please return the recorded document to:

City Clerk's Office
City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870
Attn. Deputy City Clerk Tania Moreno

Please contact our office at (714) 993-8217 if you have any questions regarding this request.

Sincerely,

Tania Moreno
Deputy City Clerk

/attachments

Recycled Paper

RESOLUTION NO. R-2013-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF 132 E. CROWTHER AVENUE, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

A. Recitals.

(i). The California Infrastructure and Economic Development ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 *et seq.* of the California Code ("Act").

(ii). The California Infrastructure and Economic Development ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in California Government Code § 63000, *et seq.*

(iii). The I-Bank has instituted an application process for financing under its Infrastructure State Revolving Fund Program ("ISRF Program").

(iv). The City of Placentia ("Applicant") desires to submit an application ("Financing Application") to the I-Bank from the ISRF Program for the financing of 132 E. Crowther Avenue ("Project") in an amount not to exceed $1,300,000.

(v). The Act requires the Applicant to certify by resolution certain findings prior to a Project being selected for financing by the I-Bank.

(vi). The Applicant expects to pay certain expenditures ("Reimbursement Expenditures") in connection with the Project prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis.

(vii). The Applicant reasonably expects that a financing arrangement ("Obligation") in an amount not to exceed $1,300,000 will be entered into and that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures.

(viii). The ISRF Program requires funding sources, other than the I-Bank financing, be identified and approved prior to Project financing approval by the I-Bank Board.

(ix). A full, true and correct copy of application is on file in the office of the City Clerk.

(x) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The City of Placentia hereby approves the filing of an ISRF Program Financing Application with the I-Bank for the Project and in connection therewith certifies:

A. The Project is consistent with the General Plan of the City of Placentia.

B. The proposed financing is appropriate for the Project.

C. The Project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources.

D. The Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

E. The Project is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

3. The Applicant hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of § 1.150-2 of the State Treasury Regulations. This declaration does not bind the Applicant to make any expenditures, incur any indebtedness, or proceed with the Project.

4. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The

Applicant will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

5. This resolution shall become effective immediately upon adoption.

PASSED, ADOPTED AND APPROVED this 5th day of November 2013.

SCOTT W. NELSON, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 5th day of November 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI,
CITY ATTORNEY

City of Placentia

Investment Opportunity

132 E. Crowther Avenue, Placentia, California 92870 APN: 339-091-08

Site Description

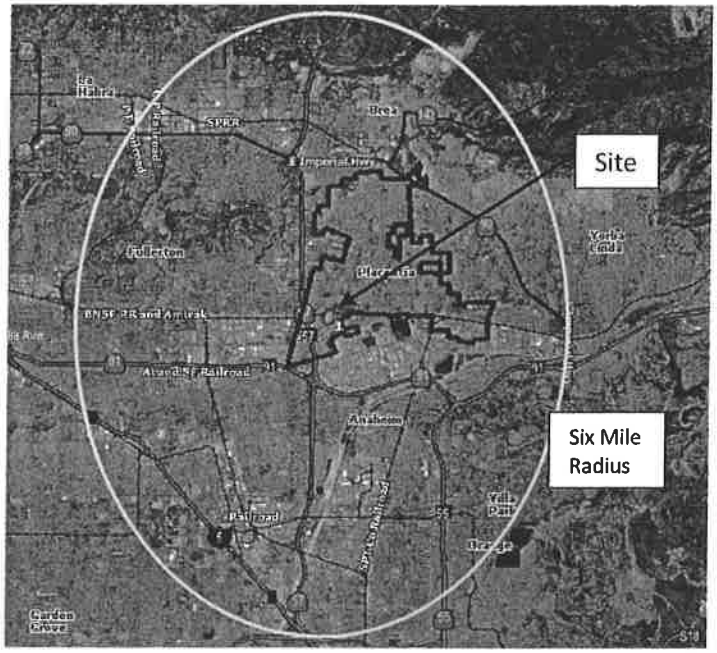
Land Area: 45,260 square feet. Built 1973.

Current Zoning: Manufacturing (M)

Building Area Improvements (15,457 sq. ft total) Classrooms: 3,630 sq. ft.; Administration: 1,655 sq. ft.; Recreation room: 2,754 sq. ft.; Gymnasium: 5,220 sq. ft.; Storage area: 1,668 sq. ft.; Kitchen: 300 sq. ft.; Rest rooms: 230 sq. ft.; and Mezzanine area 1,392 sq. ft.

Parking: Paved asphalt lot with 18 spaces. Potential for additional parking along side driveway. Across from public parking lot with 65 spaces.

Location: South of Downtown Placentia accessible via pedestrian bridge (with elevator) over BNSF railway. Approximately one mile from Cal State Fullerton. Freeway access from 57 Freeway at Orangethorpe or 91 Freeway at Kraemer.

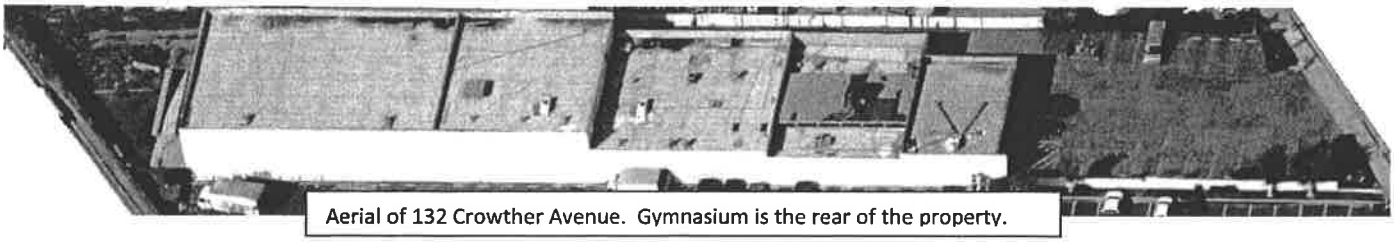


Demographics

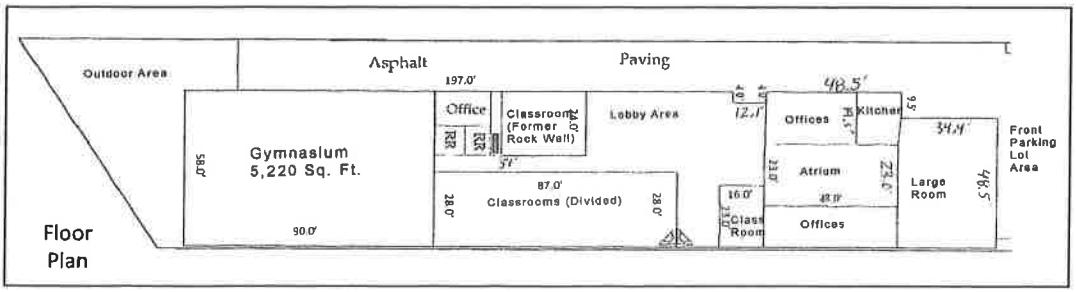
Placentia has a current population of approximately 51,932 and Average Income of $75,713. The City is located in north Orange County and is surrounded by the cities of Anaheim, Yorba Linda, Brea and Fullerton.

Five City Average Income	Five City Population	Age 0-17	Age 18-24	Age 25-44
$ 75,765	646,664	160,769	68,458	177,336

In 2009, the City hired the Buxton Company to perform a retail site assessment for an 24 acre site to include the property at 132 Crowther Avenue. This site is located with the conceptual Placentia Westgate Specific Plan are which is envisioned to be a mixed-use, transit-oriented development located adjacent to the forthcoming Placentia Metrolink Station (open 2015). The Buxton Company performed a seven minute drive time analysis shows there are 189,369 persons residing within seven minutes of the property with an average household income of $76,712.



Aerial of 132 Crowther Avenue. Gymnasium is the rear of the property.



Find out more about Placentia at www.placentia.org

DaddyO's Placentia
Salaries and Wages

###

Salaries and Related Expenses	#	Assumptions	Wage Base	Monthly	Year One	Year Two	Year Three
Percent Change						6.00%	6.00%
Salaries and Wages							
Owner's Compensation	1	GM		$3,500	42,000	44,520	47,191
Salaries	1	Asst. MGR		2,500	30,000	31,800	33,708
Wages							
Full-Time Employees	1			-	-	-	-
Estimated Hours Per Week							
Estimated Rate Per Hour		$12.00					
Part-Time Employees	4			1,560	18,720	19,843	21,034
Estimated Hours Per Week		10.00					
Estimated Rate Per Hour		$9.00					
Independent Contractors				-	-	-	-
Total Salaries and Wages	7			7,560	90,720	96,163	101,933
Payroll Taxes and Benefits							
Social Security		6.20%		469	5,625	5,962	6,320
Medicare		1.45%		110	1,315	1,394	1,478
Federal Unemployment Tax (FUTA)		0.80%		-	-	-	-
State Unemployment Tax (SUTA)		2.70%		-	-	-	-
Employee Pension Programs		0.00%		-	-	-	-
Worker's Compensation		0.00%		-	-	-	-
Employee Health Insurance		0.00%		-	-	-	-
Other Employee Benefit Programs		0.00%		-	-	-	-
Total Payroll Taxes and Benefits				-	-	-	-
				578	6,940	7,356	7,798
Total Salaries and Related Expenses				8,138	97,660	103,520	109,731

ATTACHMENT D
CENSUS TRACTS

Census Tract	Block Group	City(ies)/Area	Pop.	LM Pop	LM%	CDBG Qualify
15.03	3	Brea	1741	1018	58.5	Yes
15.04	1	Brea	1175	750	63.8	Yes
15.04	3	Brea	657	362	55.1	Yes
15.04	4	Brea	1169	525	44.9	Yes
15.06	1	Brea	2087	1000	47.9	Yes
15.07	1	Brea	1579	830	52.6	Yes
1101.02	3	Cypress	1290	707	54.8	Yes
1101.04	3	Cypress	1035	799	77.2	Yes
1101.09	2	Cypress	1065	488	45.8	Yes
1101.10	1	Cypress	840	602	71.7	Yes
1101.10	2	Cypress	1300	749	57.6	Yes
1101.11	3	Cypress	1786	1079	60.4	Yes
1101.17	1	Cypress	1985	947	47.7	Yes
1102.02	1	Cypress	291	165	56.7	Yes
422.01	1	Dana Point	777	572	73.6	Yes
423.13	5	Dana Point	1886	1210	64.2	Yes
423.13	All	Dana Point	7212	3318	46	Yes
423.39	3	Dana Point	1240	597	48.1	Yes
1101.16	3	La Palma	1442	918	63.7	Yes
1103.01	4	La Palma	1553	858	55.2	Yes
626.05	2	Laguna Beach	591	385	65.1	Yes
423.07	4	Laguna Hills	1165	701	60.2	Yes
423.07	5	Laguna Hills	1226	638	52	Yes
423.20	2	Laguna Hills	408	180	44.1	Yes
626.22	5	Laguna Hills	1211	715	59	Yes
626.23	2	Laguna Hills	197	141	71.6	Yes
626.25	4	Laguna Hills	1750	1224	69.9	Yes
626.22	1	Laguna Woods	679	396	58.3	Yes
626.22	2	Laguna Woods	725	479	66.1	Yes
626.22	3	Laguna Woods	872	662	75.9	Yes
626.22	5	Laguna Woods	53	44	83	Yes
626.23	1	Laguna Woods	666	403	60.5	Yes
626.23	3	Laguna Woods	1304	587	45	Yes
626.23	4	Laguna Woods	828	419	50.6	Yes
626.23	5	Laguna Woods	592	263	44.4	Yes
626.25	1	Laguna Woods	754	496	65.8	Yes
626.25	2	Laguna Woods	940	509	54.1	Yes

Census Tract	Block Group	City(ies)/Area	Pop.	LM Pop	LM%	CDBG Qualify
626.41	1	Laguna Woods	639	331	51.8	Yes
626.41	2	Laguna Woods	238	204	85.7	Yes
626.46	1	Laguna Woods	559	427	76.4	Yes
626.46	2	Laguna Woods	670	532	79.4	Yes
626.46	3	Laguna Woods	809	554	68.5	Yes
626.46	4	Laguna Woods	810	568	70.1	Yes
626.46	5	Laguna Woods	764	447	58.5	Yes
626.47	2	Laguna Woods	586	405	69.3	Yes
626.47	3	Laguna Woods	313	214	68.4	Yes
626.47	4	Laguna Woods	956	615	64.3	Yes
1100.14	2	Los Alamitos	1420	736	51.8	Yes
1100.14	4	Los Alamitos	1083	539	49.8	Yes
1100.15	9	Los Alamitos	206	100	48.5	Yes
1101.06	2	Los Alamitos	55	35	63.6	Yes
1101.08	2	Los Alamitos	737	340	46.1	Yes
1101.08	3	Los Alamitos	649	308	47.5	Yes
1101.13	1	Los Alamitos	141	141	100	Yes
1101.17	4	Los Alamitos	69	46	66.7	Yes
117.11	1	Placentia	806	453	56.2	Yes
117.12	1	Placentia	2152	1141	53	Yes
117.12	2	Placentia	1220	644	52.8	Yes
117.20	1	Placentia	2184	1836	84.1	Yes
117.2	2	Placentia	2531	1958	77.4	Yes
117.2	3	Placentia	671	348	51.9	Yes
117.21	1	Placentia	1116	830	74.4	Yes
117.21	3	Placentia	957	507	53	Yes
117.21	4	Placentia	2158	1669	77.3	Yes
117.22	2	Placentia	529	359	67.9	Yes
218.13	9	Placentia	20	20	100	Yes
320.51	3	Rancho SM	564	322	57.1	Yes
320.51	4	Rancho SM	905	579	64	Yes
320.54	2	Rancho SM	620	276	44.5	Yes
320.54	3	Rancho SM	603	354	58.7	Yes
320.55	1	Rancho SM	686	313	45.6	Yes
320.55	2	Rancho SM	1174	863	73.5	Yes
421.03	4	San Clemente	895	1860	48.1	Yes
421.07	1	San Clemente	758	1454	52.1	Yes
421.07	2	San Clemente	1969	3040	64.8	Yes
421.08	1	San Clemente	617	1006	61.3	Yes
421.08	3	San Clemente	1113	2041	54.6	Yes
421.08	4	San Clemente	448	719	62.3	Yes
421.08	5	San Clemente	268	548	48.9	Yes

Census Tract	Block Group	City(ies)/Area	Pop.	LM Pop	LM%	CDBG Qualify
421.08	6	San Clemente	289	646	44.7	Yes
421.14	1	San Clemente	843	1822	46.3	Yes
422.01	3	San Clemente	104	198	52.6	Yes
422.05	4	San Clemente	20	20	100	Yes
995.02	1	Seal Beach	673	483	71.8	Yes
995.09	1	Seal Beach	476	375	78.8	Yes
995.09	2	Seal Beach	722	437	60.5	Yes
995.09	3	Seal Beach	659	412	62.5	Yes
995.09	4	Seal Beach	950	703	74	Yes
995.09	5	Seal Beach	693	461	66.5	Yes
995.10	1	Seal Beach	511	312	61.1	Yes
995.10	2	Seal Beach	1627	1168	71.8	Yes
995.10	3	Seal Beach	821	594	72.4	Yes
995.10	4	Seal Beach	353	203	57.5	Yes
995.10	5	Seal Beach	697	501	71.9	Yes
995.11	2	Seal Beach	506	253	50	Yes
878.01	1	Stanton	785	451	57.5	Yes
878.01	2	Stanton	2100	1238	59	Yes
878.02	1	Stanton	425	251	59.1	Yes
878.02	2	Stanton	1907	1017	53.3	Yes
878.02	3	Stanton	1498	746	49.8	Yes
878.02	4	Stanton	1499	954	63.6	Yes
878.03	1	Stanton	226	152	67.3	Yes
878.03	2	Stanton	1097	793	72.3	Yes
878.03	3	Stanton	3638	3319	91.2	Yes
878.05	1	Stanton	1342	834	62.1	Yes
878.05	3	Stanton	2637	1837	69.7	Yes
878.06	1	Stanton	1846	1653	89.5	Yes
878.06	2	Stanton	245	181	73.9	Yes
879.01	1	Stanton	3266	2024	62	Yes
879.02	2	Stanton	1271	1126	88.6	Yes
879.02	3	Stanton	2366	1583	66.9	Yes
881.04	1	Stanton	2085	1094	52.5	Yes
881.04	2	Stanton	1503	846	56.3	Yes
881.05	1	Stanton	56	43	76.8	Yes
881.06	3	Stanton	3033	2098	69.2	Yes
1102.03	1	Stanton	54	29	53.7	Yes
758.12	2	Villa Park	59	39	66.1	Yes
12.01	3	Uninc.	269	259	96.3	Yes
15.01	3	Uninc.	24	16	66.7	Yes
19.03	2	Uninc.	61	61	100	Yes
219.24	1	Uninc.	33	33	100	Yes

Census Tract	Block Group	City(ies)/Area	Pop.	LM Pop	LM%	CDBG Qualify
626.41	2	Uninc.	1821	892	49	Yes
631.03	2	Uninc.	362	174	48.1	Yes
757.01	4	Uninc.	215	126	58.6	Yes
762.04	1	Uninc.	70	42	60	Yes
867.01	3	Uninc.	417	288	69.1	Yes
877.01	3	Uninc.	198	135	68.2	Yes
878.06	1	Uninc.	61	33	54.1	Yes
879.02	1	Uninc.	1582	950	60.1	Yes
992.27	2	Uninc.	390	283	72.6	Yes
878.06	2	Uninc.[Colonia/Rustic]	1728	833	48.2	Yes
219.13	4	Uninc.[El Modena]	2850	2144	75.2	Yes
219.18	3	Uninc.[El Modena]	750	528	70.4	Yes
997.01	1	Uninc.[Midway City]	2188	1180	53.9	Yes
997.01	2	Uninc.[Midway City]	1025	516	50.3	Yes
997.01	3	Uninc.[Midway City]	1370	818	59.7	Yes
997.02	2	Uninc.[Midway City]	1293	901	69.7	Yes
997.02	3	Uninc.[Midway City]	2112	1342	63.5	Yes
997.03	1	Uninc.[Midway City]	458	232	50.7	Yes
877.03	1	Uninc.[West Anaheim]	1908	1190	62.4	Yes
877.03	2	Uninc.[West Anaheim]	1625	759	46.7	Yes

CENSUS 2000 BLOCK MAP: PLACENTIA City

LEGEND

SYMBOL | NAME STYLE

INTERNATIONAL

STATE (or statistically equivalent entity)

COUNTY (or statistically equivalent entity)

Corporate Other Boundary

FEATURES

Water

Miscellaneous Water

Glacier

Key to Adjacent Blocks

Block Location within County

SHEET 3 OF 4 PARENT SHEETS

TOTAL SHEETS: 3 (Index 1, Parent 4, Inset 0)

N

The plotted map scale is 1:5500

ENTITY TYPE: Incorporated Place
NAME: Placentia city (57528)
ST: California (06)
CO: Orange Co (059)

CENSUS 2000 BLOCK MAP

DaddyO's Placentia= 40% capacity
Projected Income Statement - Year One

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Totals
Income													
Residents fee	15,000	15,000	15,000	15,000	12,500	12,500	17,500	12,500	12,500	12,500	15,000	15,000	170,000
Non-resident fee	14,000	14,000	14,000	14,000	11,900	11,900	15,400	11,900	11,900	11,900	14,000	14,000	158,900
Skate Camps	16,500	16,500	16,500	11,000	8,250	8,250	16,500	8,250	8,250	8,250	11,000	22,000	151,250
Skate lessons	3,375	3,375	3,375	2,700	2,700	2,700	3,375	2,700	2,700	2,700	3,375	6,750	39,825
Total Income	48,875	48,875	48,875	42,700	35,350	35,350	52,775	35,350	35,350	35,350	43,375	57,750	519,975
Cost of Sales													
Residents fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-resident fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Skate Camps													-
Skate lessons													-
Total Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	48,875	48,875	48,875	42,700	35,350	35,350	52,775	35,350	35,350	35,350	43,375	57,750	519,975
Total Salary and Wages	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,455
Fixed Business Expenses													
Advertising	500	500	500	500	500	500	500	500	500	500	500	500	6,000
DaddyO's Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card and Bank Charges	85	85	85	85	85	85	85	85	85	85	85	85	1,020
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Propert	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Internet	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Accounting	450	450	450	450	450	450	450	450	450	450	450	450	5,400
Office Expenses	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Postage and Delivery	50	50	50	50	50	50	50	50	50	50	50	50	600
Repairs and Maintenance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Supplies	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Telephone and Communication	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total Fixed Business Expenses	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	6,810	81,720
Other Expenses													
Amortized Start-up Expenses	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest													
Commercial Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	3,043	3,043	3,043	2,503	1,860	1,860	3,384	1,860	1,860	1,860	2,562	3,820	30,695
Total Other Expenses	4,210	4,210	4,210	3,669	3,026	3,026	4,551	3,026	3,026	3,026	3,728	4,986	44,695
Net Income	30,567	30,567	30,567	24,933	18,226	18,226	34,126	18,226	18,226	18,226	25,549	38,666	306,105

December 11, 2008

City of Placentia
401 East Chapman Avenue
Placentia, California 92870

Attention: Katie Wilson
Redevelopment Coordinator

Subject: Market Value Study
Boys & Girls Club Ownership
Single Tenant Industrial Property
132 East Crowther Avenue
Placentia, California

Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 - 4503

Orange County Office:
2808 E. Katella Avenue
Suite 107
Orange, CA
92867 - 5246

Telephone:
(562) 988 - 2926
(714) 633 - 8441

Facsimile:
(714) 633 - 8449

In accordance with your request and authorization, I have completed an appraisal study of the above-referenced property.

The valuation study consisted of (1) notification of, and an interview with, the property owner's representative regarding the subject property and relevant information pertaining to the appraisal study, (2) a complete on-site inspection of the subject property, (3) a review of public records, (4) the research and collection of comparable market data in the immediate and general subject market area, (5) a valuation employing the Sales Comparison Approach and Income Capitalization Approach, based on an analysis of the comparable market data, and (6) preparation of this formal narrative appraisal report in summation of the activities outlined above.

The subject property is located along the southerly side of Crowther Avenue, beginning 591.78 feet east of Melrose Street, within the corporate limits of the City of Placentia. The site has an interior (versus corner) location, parallelogram land configuration, and effectively level topography. The parcel is zoned M (manufacturing), which permits a variety of light manufacturing, warehouse, and distribution facilities.

Assessor's records indicate a gross land area of 45,260 square feet. Current marketing brochures indicate a land area of 35,000 square feet. Based on dimensions set forth on the Orange County Assessor's map, the land area is estimated by the undersigned at 40,900± square feet, per Assessor's records. A land survey is recommended prior to consummation of any sale transaction.

The property is presently improved with a single tenant industrial building of reinforced concrete block masonry and concrete tilt-up construction. The building contains 15,457 square feet, and was originally constructed in 1973. Other appurtenant on-site improvements include a wood frame patio cover, asphalt paving, concrete paving, business sign, small playground area, marked automobile parking spaces, inground irrigation system, and ornamental landscaping. Overall condition of the building and on-site improvements is rated average, considering the age.

The floor plan layout of the subject building reflects the existing special purpose use, namely the Boys & Girls Club. The building suffers from functional obsolescence in the context of a conventional industrial building primarily with respect to the extent of interior build-out, lack of loading doors, long/narrow drive aisle, minimal truck turning radius at rear portion of property, low ceiling clearance at north portion of building, and the excessive ceiling clearance in the gymnasium area. Future conventional industrial use of the property would require renovation and modernization.

The purpose of this appraisal study is to express an estimate of market value of the unencumbered fee simple interest in the subject property, exclusive of non-realty fixtures/equipment. The intended use of this report is to assist the City of Placentia in potential purchase negotiations with the private property owner. Intended users are City officials and consultants thereof for the explicit purpose and intent indicated above. This report is not intended to be distributed to, or relied upon by, third parties.

After considering the various factors which influence value, the market value of the subject property, as of December 8, 2008, is as follows:

ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
$1,750,000.

This appraisal complies with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(b), for a summary appraisal report. This report incorporates, by reference, certain data and analysis contained in our office file.

The foregoing estimate of value is subject to the contents of the accompanying appraisal report, no portion of which shall be amended or deleted. This appraisal report is submitted in triplicate; we have retained a file copy. Please do not hesitate to contact the undersigned in the event you require additional information from our file.

Very truly yours,

LIDGARD AND ASSOCIATES, INC.

Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2010

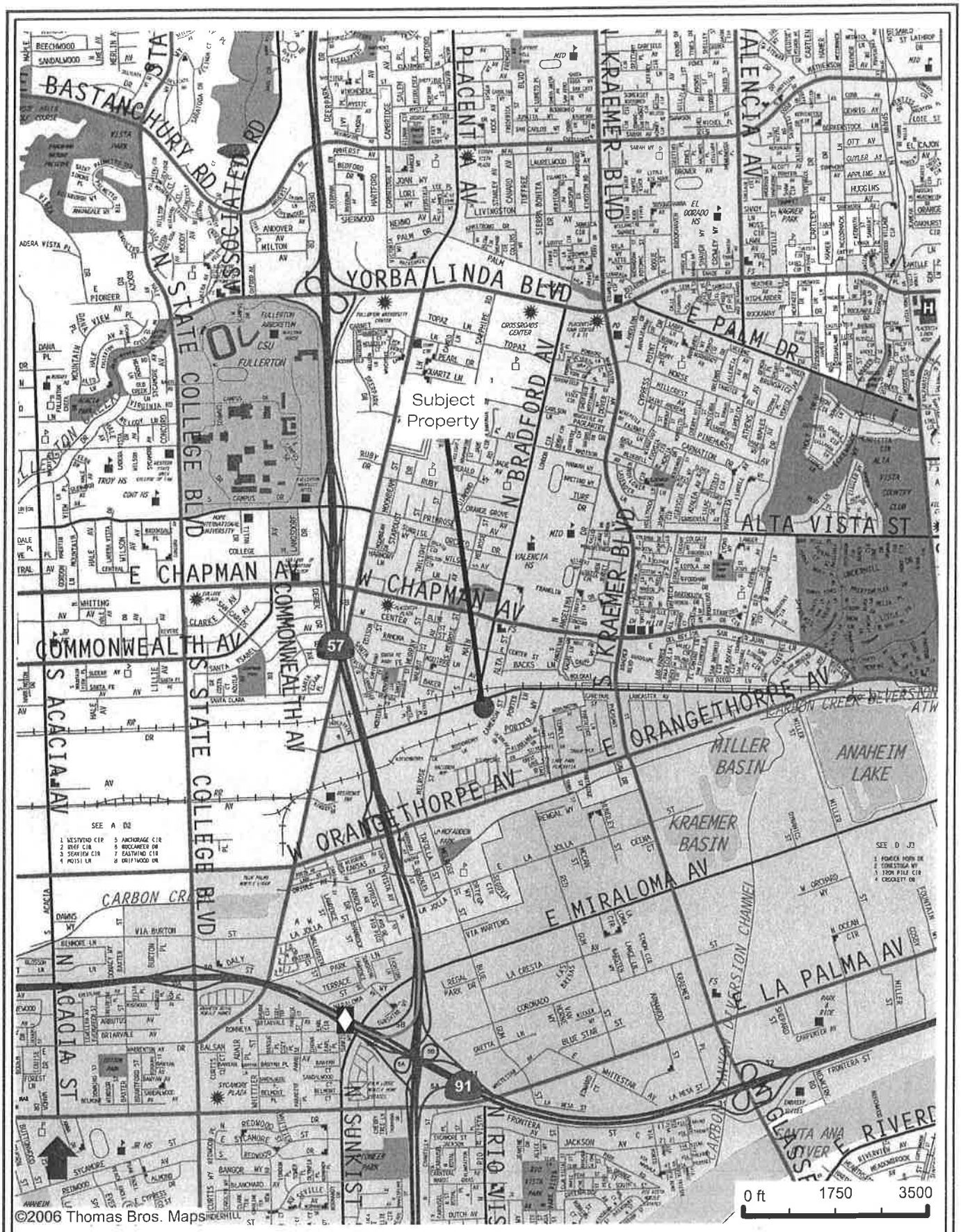
SAL:sp

EXECUTIVE SUMMARY

PURPOSE OF APPRAISAL:	Market value estimate.
PROPERTY ADDRESS:	132 East Crowther Avenue Placentia, California
APPARENT VESTEE:	Boys & Girls Club of Placentia, a Non-Profit Corporation
SITE DESCRIPTION:	
Land area:	40,900± square feet, per Assessor's records.
Land shape:	Parallelogram land configuration.
Zoning:	M (manufacturing).
Soil contamination:	None known or observed by appraiser, however, a comprehensive soil study was not provided for review. The subject property has been appraised herein as though free of soil contaminants, if any.
Present use:	Boys & Girls Club of Placentia.
Assessor's No.:	339-091-08
IMPROVEMENTS:	
Building area:	Classrooms: 3,630 sq.ft. Administrative offices: 1,655 sq.ft. Recreation room: 2,754 sq.ft. Gymnasium: 5,220 sq.ft. Storage area: 1,668 sq.ft. Kitchen: 300 sq.ft. Rest rooms: 230 sq.ft. Total building area: 15,457 sq.ft. Building has a mezzanine storage area containing 1,392 square feet, and an open atrium situated toward the north portion of the building.
Construction quality:	Average quality, Class C construction.
Condition:	Overall condition is rated average, considering the age.
Year built:	Originally constructed in 1973.
HIGHEST AND BEST USE:	
As if vacant:	Industrial development.
As improved:	Existing Boys & Girls Club use.
DATE OF VALUE:	December 8, 2008

EXECUTIVE SUMMARY (Continued)

VALUATION ANALYSIS:	
Sales Comparison Approach:	$1,775,000.
Cost-Summation Approach:	Not applicable.
Income Capitalization Approach:	$1,675,000.
RECONCILIATION:	The Sales Comparison Approach and Income Capitalization Approach have been assigned similar weight in the analysis of the subject property. The Cost-Summation Approach was not applied in the subject case for reasons discussed in the Valuation Analysis Section.
FINAL ESTIMATE OF VALUE:	$1,750,000.



LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

DATE OF VALUE

The date of value employed in this report, and all opinions and computations expressed herein, are based on December 8, 2008, said date being generally concurrent with the valuation analysis process.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to express an estimate of the market value of the subject underlying land parcel (exclusive of existing improvements), absent any liens, leases, or other encumbrances, as of the date of value set forth above. The definition of market value is set forth in the following portion of this section following the heading "Definition of Market Value"

Further, it is the purpose of this appraisal report to describe the subject property, and to render an opinion of the highest and best use based on (1) the character of existing and potential development of the property appraised, (2) the requirements of local governmental authorities affecting the subject property, (3) the reasonable demand in the open market for properties similar to the subject property, and (4) the location of the subject property considered with respect to other existing and competitive districts within the immediate subject market area.

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

INTENT AND USERS OF APPRAISAL

The intended use of this appraisal study is to assist the City of Placentia in potential purchase negotiations with the private property owner. Intended users are City officials and consultants thereof for the explicit purpose and intent indicated above. This report is not intended to be distributed to, or relied upon by, third parties.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein are those of the unencumbered fee simple interest. Fee simple is defined as, "An absolute fee; a fee without limitations to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."

CERTIFICATION

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

I have personally the subject property; I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this assignment.

My engagement in this assignment, and the amount of compensation, are not contingent upon the reporting or development of predetermined values or direction in value that favors (1) the cause of the client, (2) the amount of the value opinion, (3) the attainment of predetermined/stipulated results, or (4) the occurrence of a subsequent event directly related to the intended use of this appraisal. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

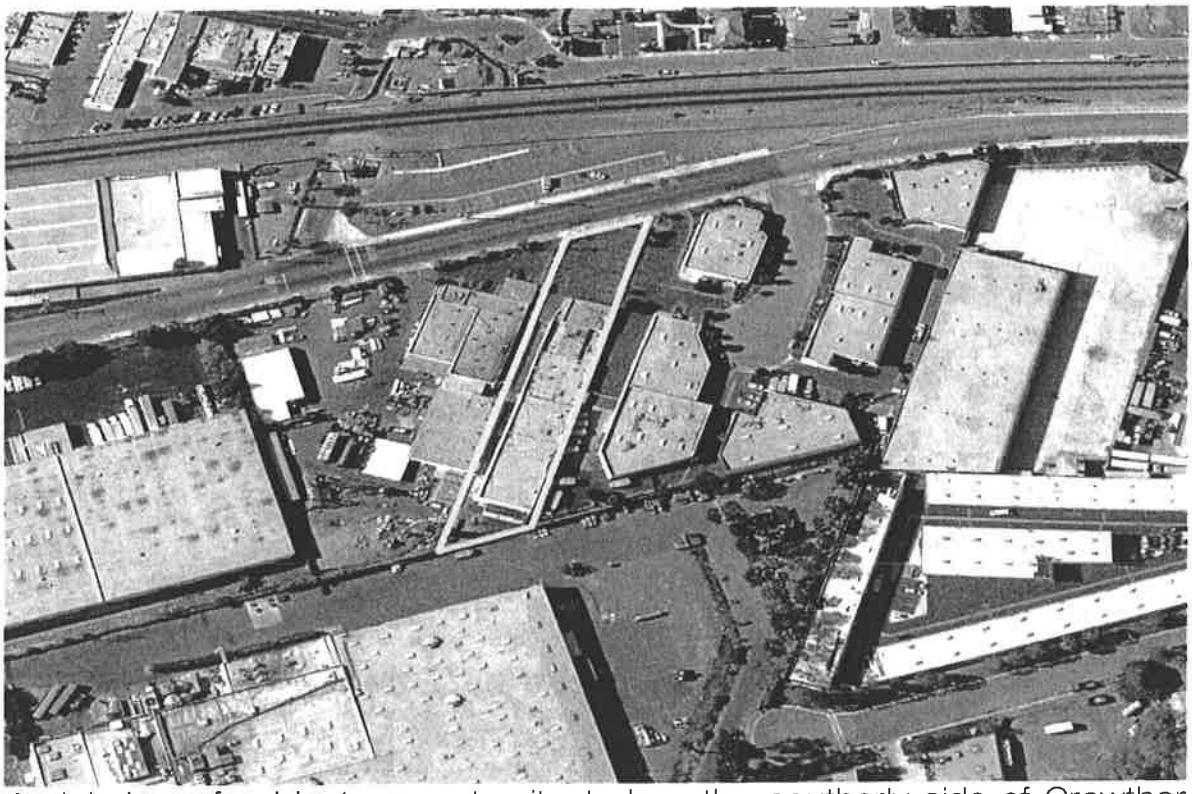
The analyses, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics. As of the date of this report, I have completed the requirements of the continuing education program of the State of California. Further, duly authorized representatives of the State, as well as the Appraisal Institute, have the right to review this report.

Wesley E. Haugen provided real property appraisal assistance to the person signing this report with respect to data collection, inspection of the properties, and report preparation.

Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2010

Date: December 11, 2008

SUBJECT PROPERTY



Aerial view of subject property situated on the southerly side of Crowther Avenue, beginning 591.78 feet easterly of Melrose Street, within the City of Placentia. See additional photographs in the Addenda Section.

APPARENT VESTEE: Boys & Girls Club of Placentia, a Non-Profit Corporation

Mailing Address: P. O. Box 112
Placentia, CA 92871

Telephone: c/o Nathan Chappell
Chief Professional Officer
(714) 528-8140 ext. 111

PROPERTY ADDRESS: 132 East Crowther Avenue
Placentia, California

LEGAL DESCRIPTION: Portion of Block H, Kraemer Tract, per map recorded in Book 1, Pages 111 and 112 of Maps, in the office of the County Recorder, County of Orange, California. Property also identified on Record of Surveys 75-42 and 77-24. A complete metes and bounds legal description of the subject property was not available for review.

SITE DESCRIPTION

LOCATION:	Southerly side of Crowther Avenue, beginning 591.78 feet east of Melrose Street, within the corporate limits of the City of Placentia.
MAP COORDINATES:	Thomas Bros. Map Page 739, Grid E-7.
CENSUS TRACT:	Property located in Government Census Tract No. 117.22.
LAND SHAPE:	Parallelogram land configuration; see highlighted portion of plat map on the opposite page.
DIMENSIONS:	Various dimensions; reference plat map.
LAND AREA:	Assessor's records indicate a gross land area of 45,260 square feet. Current marketing brochures indicate a land area of 35,000 square feet. Based on dimensions set forth on the Orange County Assessor's map, the land area is estimated by the appraiser at 40,900± square feet, per Assessor's records. A land survey is recommended prior to consummation of any sale transaction.
TOPOGRAPHY:	Effectively level topography.
DRAINAGE:	Appears to be adequate; no depressions or low areas were noted within the boundaries of the subject property which would cause a water ponding condition during the raining season.
SOIL STABILITY:	Appears to be adequate, however, a soils report was not provided for review.
SOIL CONTAMINATION:	None known or observed, however, a soils study was not provided for review. The subject property has been appraised herein as though free of soil contaminants.

SITE DESCRIPTION (Continued)

ACCESS:	The subject property has 92.84 feet of frontage along Crowther Avenue.
RIGHT-OF-WAY WIDTH:	Crowther Avenue: 65-74 feet.
STREET SURFACING:	Asphalt paved traffic lanes.
CURB AND GUTTER:	Concrete curb and gutter (each side of each street).
SIDEWALK:	Concrete sidewalk (each side of each street).
STREET LIGHTS:	Mounted on ornamental standards.
PUBLIC UTILITIES:	Water, gas, electric power, and telephone are available at the site.
SANITARY SEWER:	Available at site.
ENCROACHMENTS:	None apparent.
EASEMENTS:	A title report was not provided for review. It is assumed that easements, if existing, do not interfere with the existing development, and would not interfere with the highest and best use development of the subject site. Further, it is assumed there are no "blanket" or "cross-lot" easements.
EARTHQUAKE FAULT:	The subject property is not located within a special earthquake fault study zone. The greater southern California area, however, is generally prone to earthquakes and other seismic disturbances. No studies have been provided for review. No responsibility is assumed for the possible impact on the subject property of seismic activity and/or earthquakes.
FLOOD HAZARD AREA:	The subject property is not located within a flood zone, per data issued by the Federal Emergency Management Agency.

SITE DESCRIPTION (Continued)

ILLEGAL USES: None apparent.

PRESENT USE: Boys & Girls Club of Placentia.

ZONING: The subject property is located within the M (manufacturing) zone district of the City of Placentia. The purpose and intent of the M zone classification is to provide for industrial uses and their related facilities while maintaining an environment free of objectionable noise, odor, dust, or other nuisances.

Legally permitted uses include agricultural crops, motor vehicle and motorcycle repair/service, printing and reproduction services including film processing, recycling facilities, electrical appliances/equipment repair, research or testing laboratories, manufacturing/assembling/fabrication of goods and materials, as well as warehousing and distribution.

Additional permitted uses, subject to the issuance of a conditional use permit include animal hospitals and related boarding facilities, car washes, churches, fast food, establishments without drive-throughs, public utilities, service stations, and trade schools.

Current development standards include a (1) maximum building height of 54 feet, (2) minimum lot size of 20,000 square feet, and (3) minimum lot width of 100 feet. Minimum building setback area requirement are as follows:

Front setback:	15 feet.
Street side setback:	15 feet.
Interior side setback:	0-10 feet.
Rear setback:	0-10 feet.

SITE DESCRIPTION (Continued)

ZONING: (Continued)

Parcels abutting residential uses require side and rear setback areas of 10 feet.

The on-site automobile parking requirement varies depending on the type of land use and size of development. In general, one space per 500 square feet of gross floor area is required for developments containing 20,000 square feet or less. Larger developments require an additional parking spaces based on one space per 1,000 square feet of floor area. A maximum of 35% of the required parking can be satisfied by compact spaces.

Based on a review of current zone standards, as well as a complete on-site field inspection, the existing subject development represents a conforming land uses within the M zone classification.

HIGHEST AND BEST USE:

The reader is referred to the first portion of the Valuation Analysis Section for a detailed discussion regarding the highest and best use of the subject property.

BUILDING IMPROVEMENTS

MAIN BUILDING

TYPE OF STRUCTURE: Industrial building.

NO. OF STORIES: One story plus mezzanine storage area.

BUILDING SIZE:

Classrooms:	3,630 sq.ft.
Administrative offices:	1,655 sq.ft.
Recreation room:	2,754 sq.ft.
Gymnasium:	5,220 sq.ft.
Storage area:	1,668 sq.ft.
Kitchen:	300 sq.ft.
Rest rooms:	230 sq.ft.
Total building area:	15,457 sq.ft.

BUILDING IMPROVEMENTS (Continued)

MAIN BUILDING (Continued)

BUILDING SIZE: (Continued)	Building has a mezzanine storage area containing 1,392 square feet, and an open atrium containing 1,104 square feet situated toward the north portion of the building.
YEAR BUILT:	Originally constructed in 1973.
CONSTRUCTION QUALITY:	Average quality, Class C construction.
FOUNDATION:	Perimeter concrete foundation.
EXTERIOR WALLS:	Reinforced concrete block masonry and concrete tilt-up exterior walls.
ROOF SURFACING:	Rolled asphalt roofing.
FLOORS:	Concrete slab flooring with asphalt tile, sheet vinyl, and vinyl tile floor coverings.
INTERIOR WALLS:	Painted drywall interior walls.
CEILINGS:	Open wood beam ceilings and acoustic tile set in T-bar ceilings.
DOORS:	Wood frame with glass panel doors, metal frame with glass panel doors, double flush solid core doors, double flush metal sheathed pedestrian doors, and sliding glass doors.
WINDOWS:	None.
ELECTRICAL:	Rigid and flexible conduit wiring with incandescent and recessed fluorescent fixtures.
PLUMBING:	Conventional plumbing system; building has four rest room facilities containing a total of 15 fixtures, and a 30-gallon water heater.

BUILDING IMPROVEMENTS (Continued)

MAIN BUILDING (Continued)

HEATING AND COOLING: Gas-fired forced air central heating unit and central air conditioning system. Gymnasium has a ceiling-mounted gas-fired heater.

CONDITION: Overall condition is rated average, considering the age.

FIREPLACE: Building has a double sided stone faced fireplace located between the recreation room and a classroom area.

FUNCTIONAL UTILITY: The existing floor plan layout reflects the existing special purpose use of the building, namely the Boys & Girls Club. The building suffers from functional obsolescence, in the context of a conventional industrial use, primarily with respect to the extent of interior build-out, lack of loading doors, long/narrow drive aisle, minimal truck turning radius at rear portion of property, low ceiling clearance at north portion of building, and the excessive ceiling clearance in the gymnasium area.

Future conventional industrial use of the property would require renovation and modernization. Said costs are estimated between $15.00 and $25.00 per square foot of building area, depending on the extent and quality of construction. This condition has been considered in the analysis of the subject property.

TENANT INFORMATION: Property is owner occupied.

OTHER IMPROVEMENTS

PATIO COVER: Wood frame construction, concrete floor and foundation, average condition, 400 square feet, located along south elevation of building.

OTHER IMPROVEMENTS (Continued)

PAVING:	Asphalt: 16,000± sq.ft. Concrete: 600± sq.ft.
OTHER:	Business sign, small playground area (tot lot), 18 marked automobile parking spaces, inground irrigation system, and ornamental landscaping.

ASSESSMENT DATA

ASSESSOR'S PARCEL NO.:	339-091-08
ASSESSED VALUATIONS:	Land: $1,152,600. Improvements: $ 632,400.
TAX CODE AREA:	9031.
TAX YEAR:	2007-2008
REAL ESTATE TAXES:	$894.66* * In the event the subject property is sold-transferred to a private party, the real estate taxes will be adjusted to approximately 1.15% of the sale-transfer price, per Proposition 13. In the absence of a sale-transfer, the maximum allowable increase in the assessed valuations is 2%.

OWNERSHIP HISTORY

COMMENT:

The subject property was conveyed to the current owner on July 24, 2006 as Document No. 490960. Said transaction involved a charitable gift by a private contributor. Assessor's records indicate an additional title transfer dating back to 1970.

It may be of interest to note that the subject property was in escrow approximately two years ago at a reported price of $2,200,000. The purchaser was the developer of the

OWNERSHIP HISTORY (Continued)

COMMENT: (Continued)

Transportation Oriented Development (TOD) involving numerous properties within the greater Downtown District. The subject site was to be utilized for automobile parking purposes in connection with the larger mixed-use train depot oriented project. Escrow was cancelled wherein an $85,000 nonrefundable deposit was forfeited to the property owner.

The property has been on the market for several months at $2,200,000. An offer was received in approximately October, 2008 at $1,525,000; the owner did not respond to the offer. The listing expired October 31, 2008. In the event marketing efforts resume, the asking price is anticipated to be $1,875,000.

OWNER NOTIFICATION

COMMENT:

The property owner was notified of the appraisal study by letter from Lidgard and Associates, Inc. dated November 6, 2008. Reference a copy of the notification letter set forth in the Addenda Section.

The property owner was advised of the entitlement to accompany the appraiser at the time of the appraisal inspection. The letter also invited the owner to complete an enclosed Property Data Form with information such as recent property upgrades and tenant information.

The owner's representative (Nathan Chappell) respond to the letters of notification by making telephone contact with the appraiser and returning the Property Data Form. An inspection of the subject property was conducted on December 3, 2008, in the presence of the owner's representative.

NEIGHBORHOOD ENVIRONMENT

COMMUNITY:

The City of Placentia was incorporated on December 2, 1926, and functions as a general law city under a council/-administrative form of government. The Placentia City Council consists of five councilpersons elected at large for four-year terms; the mayor is elected among the council members.

The City of Placentia is situated in north Orange County. Neighboring and adjoining municipalities include the cities of Brea, Yorba Linda, Anaheim, and Fullerton. Major freeways servicing the City of Placentia include the Orange (Route 57) Freeway and the Riverside (Route 91) Freeway.

The City of Placentia encompasses 7.2 square miles; the elevation is 125± feet above sea level. The total population within City limits is estimated at 51,597 persons. The average household size is 3.22 persons. The median household income, as of March, 2008, is $70,748.

The median value of a single family detached residence is approximately $535,000; the average monthly rent is approximately $1,150.

The City of Placentia has a relatively diverse employment base. The distribution of workforce is generally divided among the following industries.

Retail trade:	18.9%
Service trade:	17.6%
Wholesale trade:	16.4%

There is a variety of cultural, recreational, educational, and entertainment options in the greater Placentia area. Tourism and enter-

NEIGHBORHOOD ENVIRONMENT (Continued)

COMMUNITY: (Continued)

tainment facilities within the greater Orange County Region include the Anaheim Convention Center, Honda Center Arena, Angel Stadium, Disneyland Resort, Anaheim Resort, Disney Ice Rink, Anaheim Hills Golf Course, Dad Miller Golf Course, and the Grove Theater.

LOCATION:

The subject property is located toward the southwesterly portion of the City of Placentia, approximately one-half mile northeasterly of the Orange Freeway. Specifically, the property is located immediately south of the Downtown Placentia Business District, adjacent to a mainline railroad right-of-way.

Primary vehicular access to the subject vicinity is via Orangethorpe Avenue, Chapman Avenue, Placentia Avenue, and Kraemer Boulevard. The property has a relatively good centralized location with above-average freeway accessibility.

LAND USES:

Land uses within the immediate subject market area are primarily industrial in nature. The buildings, for the most part, consists of relatively modern single story buildings of concrete tilt-up construction. There are two large former orange warehouse/packaging buildings which were constructed in the early 1900s and most recently have been converted multi-tenant warehouse and light manufacturing uses.

Commercial retail developments are located north of the aforementioned railroad right-of-way at the general vicinity of Santa Fe Avenue and Bradford Avenue. Other commercial thoroughfares in the general area include Chapman Avenue and Placentia Avenue. A residential townhouse development is nearing completion of con-

NEIGHBORHOOD ENVIRONMENT (Continued)

LAND USES: (Continued)

struction across from the subject property, immediately north of the railroad right-of-way.

Predominant land uses in the general area include Cal State University at Fullerton, Fullerton College, Anaheim Lake Recreation Facility, Brea Mall, Coyote Hills Golf Course, and Craig Regional Park.

In summary, existing land uses within the area are generally compatible under the current industrial zone. No substantial adverse conditions, with the exception of the adjacent mainline railroad right-of-way, were noted which would have a measurable impact on the value of the subject property. The proximity of the railroad right-of-way contributes to periodic noise disturbance, dust, diesel fuel emissions, etc.

BUILT-UP: Effectively 90% built-up.

OCCUPANCY:

Industrial:	40±% owners.
	60±% tenants.
Residential:	70±% owners.
	30±% tenants.
Commercial:	40±% owners.
	60±% tenants.

PRICE RANGE: Residential land values within the greater subject market area generally range between $30.00 and exceeding $90.00 per square foot of land area. Commercial land values are within a general range of $30.00 to exceeding $65.00 per square foot of land area. Industrial land values generally range from $35.00 to exceeding $45.00 per square foot of land area.

Improved single family detached residential properties generally range in value from $500,000 to exceeding $750,000. Resi-

NEIGHBORHOOD ENVIRONMENT (Continued)

PRICE RANGE: (Continued)

dential condominium units generally range from $400,000 to exceeding $800,000. The lower value range primarily consists of 1-bedroom/1-bathroom dwelling units whereas the upper value range pertains to 3 and 4 bedroom dwellings.

Multiple family residential properties are within a much broader value range; smaller complexes such as duplexes and triplexes, generally range from $800,000 to exceeding $1,000,000. Larger multiple family residential complexes range in value in excess of several million dollars.

Improved commercial and industrial properties range in value from approximately $1,000,000 for single tenant, typically owner-user facilities, to exceeding several million dollars including large multi-tenant commercial facilities anchored by national tenants. There are several improved commercial properties within the greater subject market area ranging in value from $1,000,000 to $1,500,000.

MARKET DEMAND:

Based on market research findings and analysis of the general subject vicinity, it is apparent that there continues to be relatively strong demand for commercial and industrial properties in the greater central Orange County region.

AGE RANGE:

The age range of all types of improved properties is rather broad. Commercial and industrial properties generally range in age from effectively new to exceeding 30 years. Single family residential properties range from effectively new to exceeding 50 years.

NEIGHBORHOOD ENVIRONMENT (Continued)

OTHER:	The availability and adequacy of public facilities, transportation, and retail/office commercial facilities is rated average. The City of Placentia provides police and fire protection to the subject district.
COMMENT:	The reader is referred to a detailed description of the greater Orange County region set forth in the Addenda Section.

See Valuation Analysis in the following section.

Stewart Title of California, Inc
525 N. Brand Boulevard
Glendale, CA 91203
(818) 502-2723 Phone
(818) 241-9173 Fax

PRELIMINARY REPORT

Order Number	:	262352
Title Unit Number	:	3204
Your File Number	:	401 E. CHAPMAN
Buyer/Borrower Name:	:	

In response to the above referenced application for a Policy of Title Insurance, Stewart Title of California, Inc. hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception on Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limits of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report, (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance a binder or commitment should be requested.

Dated as of: October 21, 2009 at 7:30 a.m.

Larry McGuire, Title Officer

When replying, please contact Larry McGuire, Title Officer

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:

☒ California Land Title Association Standard Coverage Policy

☐ American Land Title Association Owners Policy

☐ American Land Title Association Residential Title Insurance Policy

☐ American Land Title Association Loan Policy

☐ California Land Title Association Homeowners Policy

☐ ALTA Short Form Residential Loan Policy (06/16/07)

☒ 2006 ALTA Loan Policy

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee

Title to said estate or interest at the date hereof is vested in:

Boys & Girls Club of Placentia, Inc.

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Orange, City of Placentia, and described as follows:

That portion of Block "H" of the Kraemer Tract, in the City of Placentia, County of Orange, State of California, as shown by map on file in Book 12, Pages 87 and 88 of Miscellaneous Maps of Los Angeles County, described as follows:

Beginning at a point in the Northerly line of the land conveyed to Frank X. Burns and wife, by deed recorded August 17, 1942 in Book 1155 at Page 250, of Official Records in the office of the county recorder of said Orange County, distant thereon, South 73° 14' 10" West 387.88 feet from the Northeasterly corner of said Block "H" and running thence South 17° 39' 52" West 502.05 feet to a point in the Southerly line of said land conveyed to Burns, distant thereon, South 72° 27' West 383.68 feet from the Southeast corner of said land conveyed to Burns; thence South 72° 27' West along said West along said Southerly line of said land conveyed to Burns to the Southwest corner thereof; thence North 17° 17' 40" East along the Westerly line of said land conveyed to Burns, 502.50 feet to the Northwest corner thereof; thence North 73° 14' 10" East along the Northerly line of said land conveyed to Burns, to the point of beginning.

Excepting therefrom the North 40 feet of said land for street purposes, as granted and reserved in deeds of record.

(End of Legal Description)

SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

Taxes:

A. General and Special City and/or County taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2009 - 2010:

1st Installment:	$1,534.33 Open
2nd Installment:	$1,534.33 Open
Parcel No.:	339-091-08
Code Area:	09-031

B. The lien of supplemental taxes, if any, assessed pursuant to the provisions of chapter 3.5 (commencing with section 75) of the revenue and taxation code of the State of California and assessments, for community facility districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts.

Exceptions:

1. An easement for the purpose shown below and rights incidental thereto as set forth in a document:

Purpose:	ditch
Recorded:	in Book 35 Page 259 of Deeds
Affects:	the Southerly 10 feet

2. An easement for the purpose shown below and rights incidental thereto as set forth in a document:

Purpose:	road
Recorded:	in Book 280 Page 159 of Deeds

Said matter affects a portion of said land as more particularly described in said document.

3. The effect of record of survey map, filed on September 29, 1964 in Book 75 Page 41 of Record of Survey and as corrected by record of survey map, filed on December 2, 1964 in Book 77 Page 24 of Record of Survey

4. An easement for the purpose shown below and rights incidental thereto as set forth in a document:

Grantee:	Southern California Edison Company, a corporation
Purpose:	public utilities
Recorded:	April 13, 1973, as Instrument No. 12880 in Book 10643 Page 733, Official Records

Said matter affects a portion of said land as more particularly described in said document.

5. The fact that said land is included within a project area of the Placentia Redevelopment Agency, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document recorded July 20, 1983 as Instrument No. 83-312045, of Official Records.

And recorded June 28, 1990, as Instrument/File No. 90-342042, of Official Records.

6. Financing Statement executed by Boys & Girls Club of Placentia-Yorba Linda, Inc. to Family 1 Federal Credit Union recorded July 6, 2007, as Instrument/File No. 07-426193, of Official Records.

7. Please be advised that our search did not disclose any open deeds of trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review.

8. Rights of tenants in possession of said land by reason of unrecorded leases. Kindly forward said lease, or a current certified tenant rent roll.

(End of Exceptions)

NOTES AND REQUIREMENTS

1. Lenders Note:

If an ALTA Loan Policy - 1970, Amended 10-17-70 (Amended 12-6-85) is requested, the following will be added as an exclusion from coverage:

Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:

(1) The transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or

(2) The subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or

(3) The transaction creating the interest of the insured mortgagee being deemed a preferential transfer Except where the preferential transfer results from the failure:

(a) to timely record the instrument of transfer; or

(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

2. If an Owners Policy will be requested, please be aware that unless instructed otherwise, we will issue a CLTA Standard Coverage Owners Policy. If a different form of policy is contemplated for this transaction, please advise and contact your title officer for additional requirements.

3. There are no conveyances affecting said land, recorded with the County Recorder within 24 months of the date of this report.

++++++++++++++++++++++++++++ REQUIREMENTS++++++++++++++++++++++++++++++++

1. The requirement that Stewart Title of California, Inc. be informed of what type of Title Insurance coverage/policies are being requested, so that we may provide you with any additional requirements or exceptions that we may have or that apply.

2. This Company will require that a full copy of any unrecorded leases be submitted to us, together with all supplements, assignments and amendments, before issuing any policy of title insurance.

3. General requirements relating to entity formation and authority documentation:

A. Corporations:

a. Certificate of good standing of recent date issued by the secretary of state of corporation's state of domicile.
b. Certified copy of a resolution of the board of directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
c. Requirements which the company may impose following its review of the above material and other information which the company may require.

B. California Limited Partnerships:

a. a certified copy of the certificate of limited partnership (form lp-1) and any amendments thereto (form lp-2) to be recorded in the public records;
b. a full copy of the partnership agreement and any amendments;
c. satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
d. requirements which the company may impose following its review of the above material and other information which the company may require.

C. Foreign Limited Partnerships:

a. a certified copy of the application for registration, foreign limited partnership (form lp-5) and any amendments thereto (form lp-6) to be recorded in the public records;
b. a full copy of the partnership agreement and any amendment;
c. satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
d. requirements which the company may impose following its review of the above material and other information which the company may require.

D. General Partnerships:

a. a certified copy of a statement of partnership authority pursuant to section 16303 of the California corporation code (form gp-1), executed by at least two partners, and a certified copy of any amendments to such statement (form gp-7), to be recorded in the public records;
b. a full copy of the partnership agreement and any amendments;
c. requirements which the company may impose following its review of the above material required herein and other linformation which the company may require.

E. Limited Liability Companies:

a. a copy of its operating agreement and any amendments thereto;
b. if it is a California limited liability company, a certified copy of its articles of organization (llc-1) and any certificate of correction (llc-11), certificate of amendment (llc-2), or restatement of articles of organization (llc-10) to lbe recorded in the public records;
c. if it is a foreign limited liability company, a certified copy of its application for registration (llc-5) to be recorded in the public records;
d. with respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the company or upon which the company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
   i) if the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
   ii) if the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
e. requirements which the company may impose following its review of the above material and other information which the company may require.

F. Trusts:

a. a certification pursuant to section 18500.5 of the California probate code in a form satisfactory to the company.
b. copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
c. other requirements which the company may impose following its review of the material require herein and other information which the company may require.

4. Provide release/reconveyance instruments for deeds of trust of record as follows:

A. If institutional lender we must be provided a demand for payment. if serviced by other than the beneficiary we must be provided a copy of the loan servicing agreement.

B. If an individual lender we must be provided demand for payment together with the original note. Deed of trust and signed request for full reconveyance, request for full reconveyance must be signed by both spouses if beneficial interest is in one spouse alone.

C. If beneficiary is a trust, we must be provided a full copy of said trust, together with the original note, deed of trust and signed request for full reconveyance.

D. If the loan is for a revolving line of credit, the account must be closed, otherwise we will hold an amount equal to the available credit limit.

5. It is the policy of this Company to make all required payoffs.

The Company will require current, written payoff demands addressed to Stewart Title of California, Inc. or our escrow customer. noncurrent and expired demands will normally not be acceptable but they may be accepted at the discretion of the Company if verbal updating can be obtained.

The Company will hold an amount equal to one monthly mortgage payment until acceptance by the lender of our payoff on any noncurrent or expired beneficiary demand, whether or not verbally updated.

The Company will also hold an amount equal to one monthly mortgage payment until acceptance by the lender of our payoff on any demand which includes a payment made within 14 days of closing unless the Company has been provided with satisfactory proof of payment (i.e. a cancelled check or written confirmation of check clearance.)

Please be advised that the Company will require that the beneficiary or beneficiaries sign an estimated closing cost.

6. It is the policy of Stewart title of California - Los Angeles division to collect all title charges and deduct said charges upon recording when Stewart Title is doing the payoff.

7. This Company will require the following documents, in order to insure a conveyance or encumbrance by the corporation or unincorporated association named below:

Entity: Boys & Girls Club of Placentia, Inc.

(a) A copy of the corporation By-Laws or Articles.

(b) An original or certified copy of the Resolution authorizing the subject transaction.

(c) If the Articles or By-Laws require approval by a "parent" organization, we will also require a copy of those By-Laws or Articles.

(d) If an unincorporated association, a statement pursuant to applicable law (such as California Corporation Code Section 20002).

The right is reserved to add requirements or additional items after completion of such review.

8. This Company will require further information regarding the legal status of the following entity Boys & Girls Club of Placentia, Inc.. Based on the official records it cannot be determined if the entity is a corporation, non-profit corporation, general partnership, limited partnership, limited liability company, joint venture, association, etc., and that it is an entity capable of acquiring title and is in good standing with the applicable authorities.

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds received by Stewart Title of California, Inc. via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title of California, Inc.. Stewart Title of California, Inc. may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title of California, Inc. shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by Stewart Title of California, Inc.. Such benefits shall be deemed additional compensation to Stewart Title of California, Inc. for its services in connection with the escrow or sub-escrow.

If any check submitted is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.

Wire Instructions

If you anticipate having funds wired to Stewart Title of California, Inc., our wiring information is as follows:

Additional Note: Direct wire transfers to:

City National Bank
5601 E. Slauson Avenue
City of Commerce, CA 90040

Routing Number: 122016066
Credit to Stewart Title of California, Inc.
Account Number: 013 218811
Reference Order Number: 262352
Title Unit Number.: 3204
Title Officer Name: Larry McGuire

When instructing the financial institution to wire funds, it is very important that you reference Stewart Title of California, Inc.'s order number.

Should you have any questions in this regard please contact your title officer immediately.

4 4STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. *Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company*	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you • request insurance-related services • provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us	If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

File No.: 262352

EXHIBIT A (Revised 11-17-04)

CLTA PRELIMINARY REPORT FORM (Revised 11-17-06)

SCHEDULE B

CLTA PRELIMINARY REPORT FORM
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

The following matters are expressly excluded from the coverage of this policy and the company will not pay loss or damage, costs, attorneys' fees, or expenses, which arise by reason of:

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on the Land
   e. Land division
   f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. a notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 15:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 16:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 18:	1% of Policy Amount or $2,500.00 (whichever is less)	$5,000.00

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
- land use
- improvements on the land
- land division
- environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
- a notice of exercising the right appears in the public records
- on the Policy Date
- the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:
- to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT - FORM 1 COVERAGE

The following matters are expressly excluded from the coverage of this policy and the company will not pay loss or damage, costs, attorney's fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at date of policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at date of policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at date of policy, but not excluding from coverage any taking which has occurred prior to date of policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b)Not known to the company, not recorded in the public records at date of policy, but known to the insured claimant and not disclosed in writing to the company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to date of policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to the assessments for street improvements under construction or completed at date of policy); or
   (e) resulting in loss or damage, which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at date of policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to date of policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at date of policy the insured has advanced or is obligated to advance.

7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   I. The transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   II. The subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
   III. The transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely recorded the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either standard coverage or extended coverage. In addition to the above exclusions from coverage, the exceptions from coverage in a standard coverage policy will include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
   Proceedings by a public agency which may result in taxes or assessments or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) unpatented mining claims; (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or

(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the company will not pay loss or damage, cost, attorneys' fees or expenses, which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at date of policy. (B) any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at date of policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at date of policy, but not excluding from coverage any taking which has occurred prior to date of policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (A) Created, suffered, assumed or agreed to by the insured claimant;
   (B) Not known to the company, not recorded in the public records at date of policy, but known to the insured claimant and not disclosed in writing to the company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (C) Resulting in no loss or damage to the insured claimant;
   (D) Attaching or created subsequent to date of policy; or
   (E) Resulting in loss or damage, which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that is based on:
   I. The transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
   II. The transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      (A) To timely record the instrument of transfer; or
      (B) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either standard coverage or extended coverage. In addition to the above exclusions from coverage, the exceptions from coverage in a standard coverage policy will include the following general exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) unpatented mining claims; (b) reservations or exceptions in patents or in acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that s notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting In no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
   (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.

7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.

8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:

(a) The time of the advance; or

(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.

9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

EXHIBIT "A"

LEGAL DESCRIPTION

ORDER NO.: 262352
ESCROW NO.: 401 E. CHAPMAN

The land referred to herein is situated in the State of California County of Orange, City of Placentia, and described as follows:

That portion of Block "H" of the Kraemer Tract, in the City of Placentia, County of Orange, State of California, as shown by map on file in Book 12, Pages 87 and 88 of Miscellaneous Maps of Los Angeles County, described as follows:

Beginning at a point in the Northerly line of the land conveyed to Frank X. Burns and wife, by deed recorded August 17, 1942 in Book 1155 at Page 250, of Official Records in the office of the county recorder of said Orange County, distant thereon, South 73° 14' 10" West 387.88 feet from the Northeasterly corner of said Block "H" and running thence South 17° 39' 52" West 502.05 feet to a point in the Southerly line of said land conveyed to Burns, distant thereon, South 72° 27' West 383.68 feet from the Southeast corner of said land conveyed to Burns; thence South 72° 27' West along said West along said Southerly line of said land conveyed to Burns to the Southwest corner thereof; thence North 17° 17' 40" East along the Westerly line of said land conveyed to Burns, 502.50 feet to the Northwest corner thereof; thence North 73° 14' 10" East along the Northerly line of said land conveyed to Burns, to the point of beginning.

Excepting therefrom the North 40 feet of said land for street purposes, as granted and reserved in deeds of record.

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

Date: November 11, 2009

To : _____

Property: 132 East Crowther
Placentia, California

From: Stewart Title of California, Inc.

This is to give you notice that Stewart Title of California, Inc. ("Stewart Title") has a business relationship with Stewart Solutions, LLC, DBA – Stewart Specialty Insurance Services, LLC ("Stewart Insurance"). Stewart Information Services Corporation owns 100% of Stewart Insurance and Stewart Title of California. Because of this relationship, this referral may provide Stewart Title a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for purchase, sale, or refinance of the subject Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Stewart Insurance Settlement Service	***Charge or range of charges***
Hazard Insurance	$400.00 to $6,500.00
Home Warranty	$255.00 to $ 780.00
Natural Hazard Disclosure Report	$ 42.50 to 149.50

ACKNOWLEDGMENT

I/we have read this disclosure form, and understand that Stewart Title is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as the result of this referral.

_____
Signature

_____
Signature

Order No. 262352

AVAILABLE DISCOUNTS DISCLOSURE STATEMENT

This is to give you notice that Stewart Title of California, Inc. ("Stewart Title") is pleased to inform you that upon proper qualification, there are premium discounts available upon the purchase of title insurance covering improved property with a one to four family residential dwelling.

Such discounts apply to and include:

Property located within an area proclaimed a state or federal disaster area;

Property purchased from a foreclosing beneficiary or successful bidder at a foreclosure sale;

Property being refinanced.

Please talk with your escrow or title officer to determine your qualification for any of these discounts.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
INFRASTRUCTURE STATE REVOLVING FUND PROGRAM

COMPREHENSIVE ENVIRONMENTAL SURVEY

Applicant: City of Placentia

Address or location of property: 132 E. Crowther, Placentia, CA 92870

The purpose of this questionnaire is to provide information about the past and present ownership and uses of the real property upon which the California Infrastructure and Economic Development Bank (CIEDB) will rely for security in deciding whether to extend credit. Please respond fully to all questions, including attaching supporting documentary evidence where appropriate. If the questionnaire is not completely filled out, or if questions are left unanswered, a Phase I Environmental Assessment may be required. If space is inadequate to answer, please attach additional pages as needed.

1. History of the property

1a. List the present and previous owner(s)/occupant(s) (if different than owner), the time period of each owner or occupant of the property (start with present and include a twenty year history if possible), and use of property:

	Owner	Dates of Ownership	Occupant (if different)	Use of Property
A.	DMWP LLC	3/16/10	Successor Agency	Vacant
B.	Boys and Girls Club of Placentia	1973		Recreational services
C.				
D.				

1b. Were any of the uses of property a disposal facility, a dumpsite, storage for or involving use of chemicals, hazardous waste, or toxic materials? (Includes but not limited to gasoline station, motor repair facility, commercial printing facility, dry cleaners, junkyard, etc.)
Yes/No (circle one) **NO**

If yes, please identify and explain.

1c. Proposed Use of Property?
Indoor skatepark

2. Date of last transfer of ownership: 3/16/10

Was a pre-acquisition site assessment or environmental survey performed?
Yes/No (circle one) **YES**

If yes, include a copy of the report.

3. Describe present and previous use(s) of the adjacent (bordering) properties.

	Location	Present Use	Prior Use (indicate dates)
A.	North	Residential/railroad	
B.	South	Commercial buildings	
C.	East	Commercial buildings	
D.	West	Manufacturing facility	

3a. Were any of the uses of adjacent property a disposal facility, a dumpsite, storage for or involving use of chemicals, hazardous waste, or toxic materials? (Includes but not limited to gasoline station, motor repair facility, commercial printing facility, dry cleaners, junkyard, etc.)
Yes/No (circle one) **NO**

If yes, please identify and explain.

		To be completed by owner/ occupant
	Chemicals	
4a.	Are there currently any damaged or discarded automotive or industrial batteries, pesticides, paints, or other chemicals in individual containers >5 gal (19 L) in volume or 50 gal (190L) in the aggregate, stored on or used at the property or at the facility θ *If yes, explain:*	Yes (No)
4b.	Did you observe evidence or do have any prior knowledge that previously there have been any damaged or discarded automotive or industrial batteries, pesticides, paints, or other chemicals in individual containers >5 gal (19 L) in volume or 50 gal (190L) in the aggregate, stored on or used at the property or at the facility? θ *If yes, explain:*	Yes (No)
5a.	Are there currently any industrial drums (typically 55 gal (208L)) or sacks of chemicals located on the property or at the facility? θ *If yes, explain:*	Yes (No)
5b.	Did you observe evidence or do you have any prior knowledge that there have been any industrial drums (typically 55 gal (208L)) or sacks of chemicals located on the property or at the facility? θ *If yes, explain:*	Yes (No)
	Dirt, Pits or Ponds	
6.	Did you observe evidence or do you have any prior knowledge that fill dirt has been brought onto the property that originated from: a. a contaminated site? b. an unknown origin? θ *If yes, explain:*	Yes (No) Yes (No)
7a.	Are there currently any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal? θ *If yes, explain:*	Yes (No)
7b.	Did you observe evidence or do you have any prior knowledge that previously there have been any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal? θ *If yes, explain:*	Yes (No)

		To be completed by owner/ occupant
	Dirt, Pits or Ponds, continued	
8a.	Is there currently any stained soil on the property? θ *If yes, explain:*	Yes (No)
8b.	Did you observe evidence or do you have any prior knowledge that previously there has been any stained soil on the property? θ *If yes, explain:*	Yes (No)
	Tanks	
9a.	Are there currently any registered or unregistered storage tanks (above or underground) located on the property? θ *If yes, explain:*	Yes (No)
9b.	Did you observe evidence or do you have any prior knowledge that previously there have been any registered or unregistered storage tanks (above or underground) located on the property? θ *If yes, explain:*	Yes (No)
	Pipes	
10a.	Are there currently any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property? θ *If yes, explain:*	Yes (No)
10b.	Did you observe evidence or do you have any prior knowledge that previously there have been any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property? θ *If yes, explain:*	Yes (No)
	Drains	
11a.	Are there currently any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors? θ *If yes, explain:*	Yes (No)
11b.	Did you observe evidence or do you have any prior knowledge that previously there have been any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors? θ *If yes, explain:*	Yes (No)

		To be completed by owner/ occupant
	Water	
12.	If the property is served by a private well or non-public water system, is there evidence or do you have prior knowledge: a. that contaminants have been identified in the well or system that exceed guidelines applicable to the water system? θ *If yes, explain:* b. that the well has been designated as contaminated by any government environmental/health agency? θ *If yes, explain:*	Yes (No) Yes (No)
	Hazardous Substances	
13.	Does the owner or occupant of the property have any knowledge of complaints, citations, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property? θ *If yes, explain:*	Yes (No)
14.	Has the owner or occupant of the property been informed of the: a. past existence of hazardous substances or petroleum products, including lead-based paints, with respect to the property or any facility located on the property? θ *If yes, explain:* b. current existence of hazardous substances, petroleum products, including lead-based paints with respect to the property or any facility located on the property? θ *If yes, explain:*	Yes (No) Yes (No)
	Environmental Violations	
15.	Has the owner or occupant of the property been informed of the: a. past experience of environmental violations with respect to the property or any facility located on the property? θ *If yes, explain:* b. current existence of environmental violations with respect to the property or any facility located on the property? θ *If yes, explain:*	Yes (No) Yes (No)
16.	Does the owner or occupant of the property have any knowledge of any environmental site assessment of the property or facility that indicated the presence of hazardous substances, including lead-based paints, or petroleum products on, or contamination of, the property or recommended further assessment of the property? θ *If yes, explain:*	Yes (No)

Environmental Violations, continued		To be completed by owner/ occupant
17.	Does the owner or occupant of the property know of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property? θ *If yes, explain:*	Yes (No)
18a.	Does the property discharge waste water on or adjacent to the property, other than storm water, into a storm water system? θ *If yes, explain:*	Yes (No)
18b.	Does the property discharge waste water on or adjacent to the property, other than storm water, into a sanitary sewer system? θ *If yes, explain:*	Yes (No)
19.	Did you observe evidence or do you have any prior knowledge that any hazardous substances, including or petroleum products, unidentified waste materials, tires, automotive or industrial batteries or any other waste materials have been dumped above grade, buried and/or burned on the property? θ *If yes, explain:*	Yes (No)
20.	Is there a transformer, capacitor, or any hydraulic equipment for which there are any records indicating the presence of PCB's? θ *If yes, explain:*	Yes (No)

Signatures: *This document may be signed in counterparts. The information contained herein is intended for the use of the California Infrastructure and Economic Development Bank and should not be relied on by the borrower or any other party to the transaction.*

I have reviewed my responses above and hereby attest that they are true and correct.

Owner/Occupant _____ **Date** 10/21/13

I have reviewed the above responses and I hereby attest that I have no additional knowledge that is contrary to this information.

Borrower _____ **Date** 10/21/13

INTERDEPARTMENTAL PROCEDURES/POLICIES **POLICY NO. 409**

BUDGET FUND TRANSFERS

Budget funds are allocated by department. Expenditures within each department are specified by activity and object description.

The City Budget is a plan established at the beginning of the fiscal year that identifies anticipated expenditures. During the fiscal year, it may be necessary to make minor transfers between accounts that do not affect total expenditures.

This policy identifies the level of authorization required for budget fund transfers.

Transfers Between Departments Within A Fund:
The Finance Director, upon approval of the City Administrator, may authorize transfers of funds between departments within a fund.

Transfers Between Funds:
City Council approval is required for transfers between funds.

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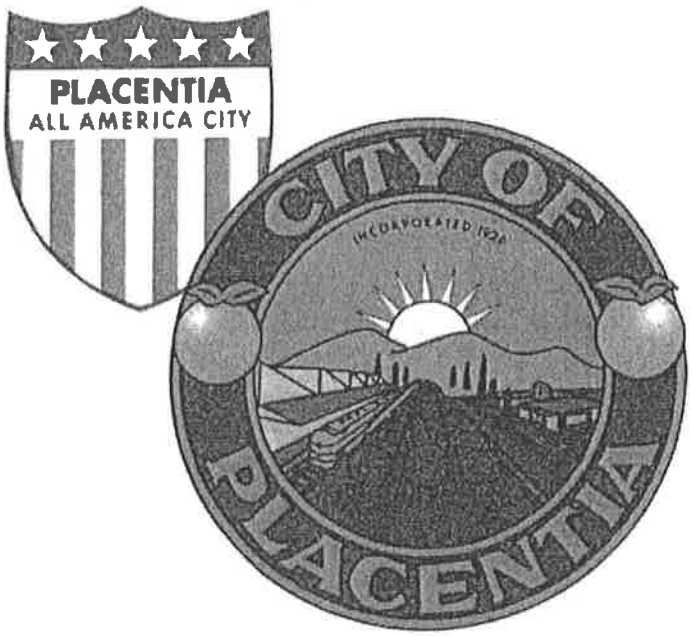

City Charter

City of Placentia

We, the people of the City of Placentia, State of California do ordain and establish this Charter as the organic law of said City under the Constitution of said State.

Filed June 29, 1965
with the Secretary of State

Amendment dates:
April 11, 1972; April 13, 1976; April 11, 1978; April 8, 1980; April 13, 1982; November 5, 1985; November 8, 1988; November 11, 2002

For more information

www.placentia.org

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CHARTER

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Article I—Name of City

Section 100. Name.

The municipal corporation now existing and known as the "CITY OF PLACENTIA" shall remain and continue to exist as a municipal corporation under the name of "City of Placentia."

Article II—Boundaries

Section 200. Boundaries.

The territory of the City shall be that contained within its present boundaries as now established, with the power and authority to change the same in the manner provided by State law.

Article III—Succession

Section 300. Rights and liabilities.

The City of Placentia shall continue to own, possess, control, and in every way succeed to and become the owner of rights and of property of every kind and nature by said existing municipal corporation owned, possessed or controlled and shall be subject to all the debts, obligations, liabilities and duties of said existing corporation.

Section 301. Ordinances continued in effect.

All lawful ordinances, resolutions, rules and regulations, or portions thereof, in force at the time this Charter takes effect, and not in conflict or inconsistent herewith, are hereby continued in force until the same shall have been duly repealed, amended, changed or superseded by proper authority.

Section 302. Rights of officers and employees preserved.

Nothing in this Charter contained, except as specifically provided, shall affect or impair the employment, pension or retirement fights or privileges of officers or employees of the City, or of any office, department or agency thereof, existing at the time this Charter takes effect.

Section 303. Continuance of present officers and employees.

The present officers and employees of the City shall continue without interruption to perform the duties of their respective offices and employments upon the same terms and conditions and for the compensation provided by the existing ordinances, resolutions, rules or laws, but subject to such removal, amendment and control as is provided or permitted in this Charter, and, as to offices which are changed, abolished or superseded by this Charter, until the election or appointment and qualification of their respective successors under this Charter.

Section 304. Continuance of contracts and public improvements.

All contracts entered into by the City, or for its benefit, prior to the taking effect of this Charter, and then in effect shall continue in full force and effect. Public improvements for which proceedings have been instituted under laws or other provisions existing at the time this Charter takes effect, in the discretion of the City Council, may be carried to completion as nearly as practicable in accordance with the provisions of such existing laws and other provisions or may be continued or perfected hereunder.

Section 305. Pending actions and proceedings.

No action or proceeding, civil or criminal, pending at the time when this Charter takes effect, brought by or against the City or any office, department or agency thereof, shall be affected or abated by the adoption of this Charter or by anything herein contained; but all such actions or proceedings may be continued notwithstanding that functions, powers and duties of any officer, office, department or agency party thereto, by or under this Charter, may be assigned or transferred to another officer, office, department or agency, but in that event, the same may be prosecuted or defended by the head of the office, department or agency to which such functions, powers and duties have been assigned or transferred by or under this Charter.

Section 306. Effective date of charter.

This Charter shall take effect upon its approval by the State Legislature. The members of the City Council, the City Clerk, and the City Treasurer, in office at the time of the approval of this Charter by the State Legislature, shall continue to hold office and to discharge the duties thereof until the election and qualification of their successors, respectively, under this Charter.

Article IV—Powers of City

Section 400. Powers of city.

The City shall have power to make and enforce all laws and regulations in respect to municipal affairs, subject only to such restrictions and limitations as may be provided in this Charter or in the Constitution of the State of California. It shall also have the power to exercise any and all rights, powers and privileges heretofore or hereafter established, granted or prescribed by any law of the State, by this Charter, or by other lawful authority, or which a municipal corporation might or could exercise under the Constitution of the State of California.

The enumeration in this Charter of any particular power shall not be held to be exclusive of, or any limitation upon, this general grant of power.

Section 401. Procedures.

The City shall have the power and may act pursuant to procedure established by any law of the State, unless a different procedure is required by this Charter.

Article V—Form of Government

Section 500. Form of government.

The municipal government provided by this Charter shall be known as the "Council-Administrator" form of government.

Article VI—City Council

Section 600. Number and term.

There shall be a City Council consisting of five members elected from the City at large, at the times and in the manner in this Charter provided. The term of office for members of the City Council shall be four years, or in the case of an appointment or election to an unexpired term of office, the term of office shall be equal to the unexpired term of office, and until their respective successors qualify. No person shall serve more than three consecutive terms of office as a member of the City Council, including any portion of an unexpired term of office to which such person has been appointed or elected. The term limit provisions of this section shall apply prospectively only and shall apply only to terms of office commencing on or after the date this amendment to the City Charter was approved by the City's electorate.

The regular election of the City Council members shall be held on the first Tuesday, following the first Monday, in November of each even-numbered year. The candidates receiving the highest number of votes shall be elected. The term of all members shall commence at the first regular Council meeting following the certification of the election results and each member shall serve until a successor is elected and qualified. Any ties in voting shall be settled by the casting of lots. (Amended by the electorate of the city at an election held on November 5, 2002: amended by the electorate of the city at an election held November 5, 1985)

Section 601. Eligibility.

No person shall be eligible to hold office as a member of the City Council unless he shall be a qualified elector at the time of his nomination, and shall have been a resident of the City for at least that minimum period provided for under State law for General law cities next preceding the date of his election or appointment. (Amended by the electorate of the city at the election held April 3, 1976: amended by Assembly Concurrent Resolution No. 96 Paragraph 1, ratified by the qualified electors of the city at a general municipal election held April 11, 1972)

Section 602. Compensation.

The Mayor and Members of the City Council shall receive one hundred fifty dollars ($150.00) per month, as compensation for their services, and shall receive reimbursement for necessary travel and expenses when on official duty on order of the City Council. (Amended by the electorate of the city at an election held April 8, 1980)

Section 603. Vacancies.

A vacancy in the City Council from whatever cause arising shall be filled by appointment by the City Council, such appointee to hold office until the first Tuesday following the next general municipal election and until his successor is elected and qualified. At the next general municipal election following any vacancy, a Councilman shall be elected to serve for the remainder of any unexpired term. As used in this paragraph, the next general municipal election shall mean the next such election at which it is possible under the law to place the matter on the ballot and elect a successor.

If a member of the City Council absents himself from all regular meetings of the City Council for a period of sixty days consecutively from and after the last regular City Council meeting attended by such member unless by permission of the City Council expressed in its official minutes, or is convicted of a crime involving moral turpitude, or ceases to be an elector of the City, his office shall become vacant and shall be so declared by the City Council. In the event the City Council shall fail to fill a vacancy by appointment within thirty days after such office shall have become vacant, it shall forthwith cause an election to be held to fill such vacancy.

In the event that a majority of the City Council offices are vacated, from whatever cause arising, the member or members of the Planning Commission with the longest continuous service on said commission shall automatically succeed to an office on the City Council until three of the said offices have been filled and the procedure hereinabove set forth for filling vacancies by appointment can be followed. Longest continuous service shall be computed, for purposes of this section, from the date and sequence of appointment to the Planning Commission.

Section 604. Presiding officer.

(a) MAYOR. At the meeting at which the City Council approves the certification of election results following any general or special municipal election at which members of the City Council are elected, and at any time when there is a vacancy in the office of Mayor, the City Council shall meet and shall elect one of its members as its presiding officer, who shall have the Title of Mayor. The Mayor shall have a voice and vote in all City Council proceedings. The Mayor shall be the official head of the City for all purposes including ceremonial. The Mayor shall perform such other duties as may be prescribed by this Charter or as may be imposed by the City Council consistent with the office. The Mayor shall serve in such capacity at the pleasure of the City Council.

(b) MAYOR PRO TEMPORE. The City Council shall also designate one of its members as Mayor Pro Tempore who shall serve in such capacity at the pleasure of the City Council. The Mayor Pro Tempore shall perform the duties of the Mayor during any absence or disability of the Mayor. (Amended by the electorate of the city at an election held on November 5, 2002)

Section 605. Powers vested in the city council.

All powers of the City shall be vested in the City Council, subject to the provisions of this Charter and to the Constitution of the State of California.

Section 606. Power to tax.

The City Council shall be empowered to levy a property tax on the assessed value of taxable property in the City for all municipal purposes.

Section 607. Bonded debt limit.

The City shall not incur an indebtedness evidenced by general obligation bonds which shall in the aggregate exceed the sum of fifteen percent of the total assessed valuation, for purposes of City taxation, of all the real and personal property within the City.

No bonded indebtedness which shall constitute a general obligation of the City may be created unless authorized by the affirmative votes of two-thirds of the electors voting on such proposition at any election at which the question is submitted to the electors and unless in full compliance with the provisions of the State Constitution and of this Charter.

Section 608. Contracts on public works.

Every contract involving an expenditure of more than Twenty-Five Thousand ($25,000.00) Dollars for the construction or improvement (excluding maintenance and repair) of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds, and each separate purchase of materials or supplies for the same, where the expenditure required for such purchase shall exceed the sum of Twenty-Five Thousand ($25,000.00) Dollars shall be let either to the lowest responsible bidder after notice by publication in the official newspaper by two or more insertions, the first of which shall be at least ten days before the time of opening bids, or by best value processes, including but not limited to use of design-build and construction manager at risk approaches, adopted by the City Council by ordinance in cases where the City Council finds such processes will reduce project cost, expedite project completion, or provide unique design features.

The City Council may reject any and all bids presented and may re-advertise in its discretion. After rejecting bids, or if no bids are received, the City Council may declare and determine that, in its opinion, the work in question may be performed better or more economically by the City with its own employees, or that the materials or supplies may be purchased at a lower price in the open market, and after the adoption of a resolution to this effect by a majority vote of the entire membership of the City Council, it may proceed to have said work done or such material or supplies purchased in the manner stated, without further observance of the provisions of this section.

When the City Council deems, by four affirmative votes, there is urgent necessity for the preservation of life, health or property, purchase of such materials or supplies and contracts for the construction or improvement of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds may be let without advertising for bids. The City shall not be bound by the California Public Contracts Code except as expressly provided in this Charter or as expressly required by the City Council by ordinance. (Amended by the electorate of the city at an election held on November 5, 2002; Amended by Assembly Concurrent Resolution No. 96 Paragraph 2, ratified by the qualified electors of the city at a general municipal election held April 11, 1972)

Section 609. Publishing of legal notices.

In the event that there is more than one newspaper of general circulation in the City, the City Council annually, prior to the beginning of each fiscal year, shall publish a notice inviting bids and contract for the publication of all legal notices or other matter required to be published in a newspaper of general circulation in said City during the ensuing fiscal year. In the event there is only one newspaper of general circulation in the City, then the City Council shall have the power to contract with such newspaper for the printing and publishing of such legal notices without being required to advertise for bids therefor. The newspaper with which any such contract is made shall be designated the official newspaper for the publication of such notices or other matter for the period of such contract.

In no case shall the contract prices for such publication exceed the customary rates charged by such newspaper for the publication of legal notices of a private character.

In the event there is no newspaper of general circulation in the City or if no such newspaper will accept the rates permitted herein, then all legal notices or other matter may be published by posting copies thereof in at least three public places in the City, one of which places shall be the City Hall.

No defect or irregularity in proceedings taken under this section, or failure to designate an official newspaper, shall invalidate any publication where the same is otherwise in conformity with this Charter or law or ordinance. (Amended by the electorate of the city at the election held April 11, 1978)

Section 610. Legislative-administrative relationship.

The City Council shall be responsible for the policy matters of the City government and the City Administrator for the administration thereof. The City Council shall give orders and instructions to the City Administrator by a majority vote of the City Council at a lawfully held meeting. No individual member of the City Council shall interfere with the execution by the City Administrator of his powers and duties, or order, directly or indirectly, or order or request, directly or indirectly, the appointment of any person to an office or employment, or his removal therefrom, by the City Administrator, or by any of the department heads in the administrative service of the City. Except for the purpose of inquiry, individual members of the City Council shall deal with the administrative service under the City Administrator solely through the City Administrator and shall not give orders, either public or privately, to any subordinates of the City Administrator.

Section 611. Regular meetings.

The City Council shall hold regular meetings at least twice each month, at such times and in such places as it shall fix by ordinance or resolution, and may adjourn or readjourn any regular meeting to a date and time certain, which shall be specified in the order of adjournment; and when so adjourned, each adjourned meeting shall be a regular meeting for all purposes. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day.

Section 612. Special meetings.

A special meeting may be called at any time by the Mayor, or by three members of the City Council, by written notice to each member of the City Council and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice must be delivered personally or by mail at least twenty-four hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting. Such written notice may be dispensed with as to any person entitled thereto who, at or prior to the time the meeting convenes, files with the City Clerk a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any person who is actually present at the meeting at the time it convenes.

Section 613. Place of meetings.

All meetings of the City Council shall be held in the Council Chambers or in such place to which any such meeting may be adjourned; provided, that if by reason of fire, flood, overcrowding, or other emergency it shall be unsafe or impractical to meet at the regular meeting place, the Council may for the duration of the situation or emergency meet at some other place designated in writing by the Mayor or, if he fails to act, by any three Council members.

Section 614. Quorum. Proceedings.

A majority of the members of the City Council shall constitute a quorum to do business but a less number may adjourn from time to time. In the absence of all the members of the City Council from any regular meeting or adjourned regular meeting, the City Clerk may declare the same adjourned to a stated day and hour. The City Clerk shall cause written notice of a meeting adjourned by less than a quorum or by the City Clerk to be delivered personally or by mail to each councilman at least twenty-four hours before the adjourned meeting, or such notice may be dispensed with in the same manner as specified in this Charter for dispensing with notice of special meetings of the City Council. The City Council shall judge the qualifications of its members as set forth by the Charter. It shall judge all election returns. Each member of the City Council shall have the power to administer oaths and affirmations in any investigation or proceeding pending before the City Council.

The City Council may establish rules for the conduct of its proceedings and punish any member or other person for disorderly conduct at any meetings. It shall have the power and authority to compel the attendance of witnesses, to examine them under oath, and to compel the production of evidence before it.

Subpoenas may be issued in the name of the City and be attested by the City Clerk. Disobedience of such subpoenas, or the refusal to testify (upon other than constitutional grounds), shall constitute a misdemeanor.

The City Council shall cause the City Clerk to keep a correct record of all its proceedings and at the demand of any member or upon the adoption of any ordinance. resolution, or order for the payment of money, the City Clerk shall call roll and shall cause the ayes and noes taken on any question, to be entered in the minutes of the meeting. Electro-mechanical displays may be

used to indicate voting in lieu of voice vote. (Amended by the electorate of the city at the election held April 11, 1978)

Section 615. Adoption of ordinances and resolutions.

With the sole exception of ordinances which take effect upon adoption, hereinafter referred to, no ordinance shall be adopted by the City Council on the day of its introduction, nor within five days thereafter, nor at any time other than at a regular or adjourned regular meeting. At the time of introduction or adoption, an ordinance or resolution shall be read in full, unless, after the reading of the title thereof. the further reading thereof is waived by unanimous consent of the Councilmembers present. The reading of titles may be satisfied by printing the full title on the meeting agenda. In the event that any ordinance is altered after its introduction, the same shall not be finally adopted except at a regular or adjourned regular meeting, held not less than five days after the date upon which such ordinance was so altered. The correction of typographical or clerical errors shall not constitute the making of an alteration within the meaning of the foregoing sentence.

No order for the payment of money shall be adopted or made at any other than a regular or adjourned regular meeting.

The affirmative votes of at least three members of the City Council shall be required for the enactment of any ordinance or resolution, or for the making or approving of any order for the payment of money.

EMERGENCY ORDINANCES. Any ordinance declared by the City Council to be necessary as an emergency measure for preserving the public peace, health or safety and containing a statement of the reasons for its urgency, may be introduced and adopted at one and the same meeting if passed by at least four affirmative votes. (Amended by the electorate of the city at an election held April 8, 1980)

Section 616. Ordinance enactments.

In addition to such acts of the City Council as are required by statute or by this Charter to be by ordinance, every act of the City Council establishing a fine or other penalty or granting a franchise shall be by ordinance.

The enacting clause of all ordinances shall be substantially as follows: "The City Council of the City of Placentia does ordain as follows:"

Section 617. Ordinance publication.

The City Clerk shall cause each ordinance to be published at least once in the official newspaper or pursuant to Section 609 of this Charter, within fifteen days after its adoption. The publication of ordinances, as required by this section, may be satisfied by the City Clerk publishing a summary of the ordinance and posting in the office of the City Clerk a certified copy of the full text of such ordinance along with the names of those Councilmembers voting for and against the ordinance, within fifteen (15) days after its adoption. (Amended by the electorate of the city at an election held April 8, 1980)

Section 618. Codification of ordinances.

Any and all ordinances of the City which have been enacted and published in the manner required at the time of their adoption. and which have not been repealed, may be compiled, consolidated, revised, indexed, and arranged as a comprehensive ordinance code, and such code may be adopted by reference by the passage of an ordinance for such purpose. Such code need not be published in the manner required for other ordinances, but not less than three copies thereof shall be filed, for use and examination by the public, in the office of the City Clerk, prior to the adoption thereof. Such code shall be amended only by ordinance and shall be kept up to date annually.

Detailed regulations pertaining to any subject, such as zoning, the construction of buildings, plumbing, wiring or other subjects which require extensive regulations, after having been arranged as a comprehensive code, may likewise be adopted by reference in the manner hereinabove provided. Maps, charts, and diagrams also may be adopted by reference in the same manner.

Section 619. Ordinance when effective.

No ordinance shall become effective until thirty days from and after the date of its adoption, except the following, which shall take effect upon adoption:

(a) An ordinance calling or otherwise relating to an election;

(b) An improvement proceeding ordinance adopted under some special law or procedural ordinance relating thereto;

(c) An ordinance declaring the amount of money necessary to be raised by taxation, or fixing the rate of taxation; or

(d) An emergency ordinance adopted in the manner herein provided.

Section 620. Ordinance. Violation. Penalty.

Except as otherwise designated by an ordinance adopted by the City Council, a violation of any ordinance of the City shall constitute a misdemeanor which may be prosecuted in the name of the people of the State of California or may be redressed by civil action. The maximum fine for any violation of a City ordinance shall be the sum of One Thousand Dollars ($1000.00), or a term of imprisonment for a period not exceeding one year, or both such fine and imprisonment. Any person either convicted of a violation of any ordinance of the City, or, in a civil action determined to have violated any ordinance of the City, shall also be liable, and shall reimburse the City, for all costs incurred by the City in the investigation of the violation and enforcement of the City's ordinances. (Amended by the electorate of the city in an election held November 5, 2002; Amended by the electorate of the city at the election held April 11, 1978)

Article VII—Other Elected Officers

Section 700. Number and term.

In addition to the members of the City Council, the other elected officers of the City shall be the City Clerk and the City Treasurer. They shall be elected from the city at large at the times and in the manner in this Charter provided, and each shall serve for a term of four years and until his successor is elected and qualified.

The regular election of the City Clerk shall be held on the first Tuesday, following the first Monday, in November in even-numbered years at the same time and in conjunction with the regular election of two (2) City Councilmembers. The regular election for the City Treasurer shall be held at the same time and in conjunction with the regular election for three (3) City Councilmembers. The candidates receiving the highest number of votes for each of these offices shall be elected. The terms of the City Clerk, and City Treasurer shall commence at the first regular Council meeting following certification of election results. Any ties in voting shall be settled by the casting of lots.

The City Clerk and City Treasurer shall be elected for a term of four (4) years. (Amended by the electorate of the city at an election held November 5, 1985: amended by the electorate of the city at the election held April 13, 1982)

Section 701. Eligibility.

No person shall be eligible to hold the offices of the City Clerk or City Treasurer unless he be a qualified elector at the time of his nomination and shall have been a resident of the City for at least that minimum period provided for under State law for General law cities next preceding the date of his election or appointment. (Amended by the electorate of the city at the election held April 13, 1976: amended by Assembly Concurrent Resolution No. 96 Paragraph 3, ratified by the qualified electors of the city at a general municipal election held April 11, 1972)

Section 702. Compensation.

The City Clerk shall receive one hundred fifty dollars ($150.00) per month for his services, and the City Treasurer shall receive fifty dollars ($50.00) per month compensation for his services; provided that they shall receive reimbursement for necessary travel and other expenses when on official duty on order of the City Council. (Amended by the electorate of the city at the election held November 8, 1988: amended by the electorate of the city at an election held April 8, 1980)

Section 703. Vacancies.

A vacancy in the office of City Clerk or City Treasurer, from whatever cause arising, shall be filled by appointment by the City Council, such appointee to hold office until the first Tuesday following the next general municipal election and until his successor is elected and qualified. At the general municipal election following any vacancy, an officer shall be elected to serve for the remainder of the unexpired term.

If the City Clerk or the City Treasurer is convicted of a crime involving moral turpitude or ceases to be an elector of the City, his office shall become vacant and shall be so declared by the City Council.

In the event the City Council shall fail to fill a vacancy by appointment within thirty days after such office shall have become vacant, it shall forthwith cause an election to be held to fill such vacancy.

Section 704. City Clerk. Powers and Duties.

The City Clerk shall have power and be required to:

(a) Attend all meetings of the City Council, unless excused, and record and maintain a full and true record of all of the proceedings of the City Council in books which shall bear appropriate titles and be devoted to such purposes. Such books shall have a general index sufficiently comprehensive to enable a person readily to ascertain matters contained therein;

(b) Maintain ordinance and resolution books into which shall be recorded all City ordinances and resolutions with the certificate of the Clerk annexed to each thereof stating the same to be the original or a correct copy, giving the number of said ordinance or resolution and, as to an ordinance or resolution requiring publication, stating that the same has been published or posted in accordance with this Charter or other applicable law;

(c) Be the custodian of the seal of the City; and

(d) Administer oaths or affirmations, take affidavits and depositions pertaining to the affairs and business of the City, and certify copies of official records.

Section 705. City Treasurer. Powers and Duties.

The City Treasurer shall be the custodian of all public funds belonging to or under control of the City, or of any office, department or agency thereof.

Article VIII—Appointive Officers

Section 800. Appointing authorities.

The City Council shall appoint and remove the City Administrator. A resolution adopted by three affirmative votes at a regular meeting of the City Council shall be required to either appoint or remove the City Administrator.

The City Administrator shall appoint and remove all other non-elected City officers; provided that the City Council shall be empowered to employ or contract for the professional services of the City Attorney, the City Auditor, the City Health Officer and other services as needed, and provided, further, that no appointment shall be made by the City Administrator unless the City Council has provided by ordinance for the establishment of the office or department to be directed by the appointee.

An elected official, during his term of office, shall neither hold any other position with the City nor be assigned duties in addition to those set forth for his elected office by this Charter, for which position or duties full or partial compensation is paid by the City.

No official, officer or employee appointed by the City Council shall be removed from his office or position with the City during the ninety (90) day period immediately subsequent to any municipal election of persons to the City Council. (Amended by the electorate of the city at the election held April 11, 1978)

Section 801. City Administrator. Appointment.

The City Administrator shall be chosen on the basis of his executive and administrative qualifications. He shall be paid a salary commensurate with his responsibilities as chief administrative officer of the City. No City Councilman shall receive such appointment during the term for which he shall have been elected, nor within two years after expiration of his term.

Section 802. City Administrator. Powers and Duties.

The City Administrator shall be the chief executive officer and the head of the administrative branch of the City government. He shall be responsible to the City Council for the proper administration of all affairs of the City, except as otherwise provided in this Charter, and he shall have power and be required to:

(a) Appoint and remove, subject to the provisions of this Charter, all department heads of the City except as otherwise provided by this Charter, and pass upon and approve all proposed appointments and removals of subordinate employees by department heads;

(b) Prepare the budget annually and submit it to the City Council and be responsible for its administration after adoption;

(c) Prepare and submit to the City Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year;

(d) Keep the City Council advised of the financial condition and future needs of the City and make such other recommendations as may seem to him desirable;

(e) Exercise control of all administrative offices and departments of the City and of all appointive offices and employees except those directly appointed by the City Council; and

(f) Perform such other duties as may be prescribed by this Charter or required of him by the City Council; not inconsistent with this Charter.

Section 803. City Administrator. Council table.

The City Administrator shall be accorded a seat at the City Council table and shall be entitled to participate in the discussions of the City Council, but shall not have a vote.

Section 804. City Administrator. Pro Tempore.

The City Administrator shall appoint, subject to the approval of the City Council, one of the other officers of the City to serve as City Administrator Pro Tempore during any temporary absence or disability of the City Administrator.

Section 805. Assistant City Administrator.

In the event that the City Council provides for the appointment of an Assistant City Administrator, he shall be appointed by, and be under the supervision and direction of, the City Administrator.

Section 806. City Attorney. Powers and duties.

The City Attorney shall be licensed to practice law in the State of California and shall have the power and be required to:

(a) Represent and advise the City Council and all City officers in all matters of law pertaining to their offices;

(b) Represent and appear for the City and any City officer or employee or former City officer or employee, in any or all actions and proceedings in which the City or any such officer or employee, in or by reason of his official capacity, is concerned or is a party, but the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein;

(c) Attend all meetings of the City Council, unless excused, and give his advice or opinion in writing whenever requested to do so by the City Council, or by any of the boards or officers of the City;

(d) Approve the form of all bonds given to and all contracts made by the City, endorsing his approval thereon in writing;

(e) Prepare any and all proposed ordinances or resolutions for the City, and amendments thereto;

(f) Prosecute on behalf of the people all criminal cases for violation of this Charter and of City ordinances, and misdemeanor offenses arising upon violation of the laws of the State unless otherwise provided by the City Council; and

(g) On vacating the office, surrender to his successor all books, papers, files and documents pertaining to the City's affairs.

Article IX—Appointive Boards and Commissions

Section 900. In general.

In addition to the Commissions specified herein the City Council may create by ordinance such advisory Boards or Commissions as in its judgment are required, and may grant to them such powers and duties as are consistent with the provisions of this Charter. (Amended by the electorate of the city at the election held April 11, 1978)

Section 901. Appropriations.

The City Council shall include in its annual budget sufficient appropriations of funds for the efficient and proper functioning of such boards and commissions.

Section 902. Appointment. Term.

The members of such Boards or Commissions shall be appointed by the City Council. They shall be subject to removal by motion of the City Council adopted by at least three affirmative votes. The members thereof shall serve for a term of four years, unless a lesser term is provided by a resolution adopted by the City Council, and until their respective successors are appointed and qualified. The members first appointed to such Boards and Commissions shall so classify themselves by lot that the term of one of each of their number shall expire each succeeding July 1st. Where the total number of the members of a Board or Commission to be appointed exceeds four, and is less than eight, no more than two terms of office shall expire in any one year, and the classification by lot shall provide for the pairing of terms to such an extent as is necessary in order that the terms of at least one and not more than two shall expire in each succeeding year. Where the total number of members of a Board or Commission to be appointed exceeds eight, no more than three terms of office shall expire in any one year, and the classification by lot shall provide for the matching of terms to such an extent as is necessary in order that the terms of at least two and not more than three shall expire in each succeeding year. Any appointment to fill an unexpired term shall be for such unexpired period. The members of such Boards or Commissions shall be residents of the City. (Amended by the electorate of the city at an election held November 5, 2002; Amended by the electorate of the city at the election held April 11, 1978: amended by Assembly Concurrent Resolution No. 96 Paragraph 4, ratified by the qualified electors of the city at a general municipal election held April 11, 1972)

Section 903. Meetings. Chairman.

As soon as practicable after its creation and following the first day of July of every year, each of such boards and commissions shall elect one of its members to serve as presiding officer, at the pleasure of the board or commission.

Each board or commission shall hold a regular meeting at least once each month, except that a board or commission created by ordinance may be otherwise governed by the ordinance creating same.

The City Administrator shall designate a City employee to act as secretary for each of such boards and commissions, who shall keep a record of its proceedings and transactions. Each

board or commission may prescribe its own rules and regulations which shall be consistent with this Charter or with the ordinance creating it and copies of which shall be kept on file in the office of the City Clerk where they shall be available for public inspection. (Amended by the electorate of the city at the election held April 11, 1978)

Section 904. Oaths. Affirmations.

Each member of any such board or commission, and the secretary thereof, shall have the power to administer oaths and affirmations in any investigation or proceeding pending before such board or commission.

Section 905. Planning Commission.

There shall be a Planning Commission appointed by the City Council, which shall consist of seven members from the qualified electors of the City, none of whom shall hold any paid office or employment in the City government.

Section 906. Planning Commission. Powers and duties.

The Planning Commission shall have the power and be required to:

(a) After a public hearing thereon, recommend to the City Council the adoption, amendment or repeal of the General Plan, or any part thereof for the physical development of the City;

(b) Exercise such control over land subdivisions as is granted to it by the governing body of the City and by the laws of the State of California;

(c) Make recommendations concerning proposed public works and for the clearance and rebuilding of blighted or substandard areas within the City; and

(d) Exercise such functions with respect to zoning as may be prescribed by ordinance not inconsistent with this Charter.

Article X—General Provisions Relating to Officers and Employees

Section 1000. Official bonds.

The City Council shall fix by ordinance the amounts and terms of the official bonds of all officials or employees who are required by this Charter or by ordinance to give such bonds. All bonds shall be approved as to form by the City Attorney and shall be filed with the City Clerk. Premiums of official bonds shall be paid by the City.

In all cases wherein an employee of the City is required to furnish a faithful performance bond, there shall be no personal liability upon, or any right to recover against, his superior officer or other officer or employee, or the bond of the latter, unless such superior officer, or other officer or employee is a party to, or has conspired in, the wrongful act causing directly or indirectly such loss.

Section 1001. Oath of office.

Each member of the City Council, of every board and commission, and each officer provided for in this Charter before entering upon the discharge of the duties of his office, shall take, subscribe to and file with the City Clerk the following oath or affirmation:

"I do solemnly swear (or affirm, as the case may be) that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of the office of (here inserting name of office) according to the best of my ability."

Section 1002. Illegal contract, financial interest.

No member of the City Council shall be financially interested, as that term is defined at Government Code Section 87103 as it is presently worded or may hereafter be amended, in any contract, sale or transaction to which the City is a party and neither shall any Board or Commission member or City official or employee be financially interested in any contract, sale or transaction to which the City is a party and which comes before said Board or Commission or official or employee, or department of the City with which he is connected, for official action. Any such contract or transaction in which there shall be such an interest shall become void at the election of the City, when so declared by resolution of the City Council. No City Councilman or member of any Board or Commission shall vote or participate in any contract or transaction in which he is directly or indirectly financially interested whether as an employee or stockholder of the corporation or otherwise. If an officer of the City, during the term of which he was elected or appointed shall vote or participate, or shall be financially interested as aforesaid upon conviction thereof, he shall forfeit his office. (Amended by the electorate of the city at the election held April 11, 1978: amended by Assembly Concurrent Resolution No. 96 Paragraph 5, ratified by the qualified electors of the city at a general municipal election held April 11, 1972)

Section 1003. Administering oaths.

Each department head and his deputies shall have the power to administer oaths and affirmations in connection with any official business pertaining to his department.

Section 1004. Department heads. Appointment powers.

Each department head shall have the power to appoint, suspend, and remove such deputies, assistants, subordinates and employees as are provided for by the City Council for his department upon the following conditions:

(a) Subject to the provisions of this Charter and the rules and regulations promulgated hereunder; and

(b) Subject to the prior approval of the City Administrator except for deputies, assistants, subordinates and employees of the City Council and the City Attorney.

Article XI—Elections

Section 1100. General municipal elections.

General municipal elections for the filling of elective offices under this Charter shall be held in said City on the first Tuesday, following the first Monday, in November in each even-numbered year commencing with the year 1986. (Amended by the electorate of the city at an election held November 5, 1985)

Section 1101. Special municipal elections.

All other municipal elections that may be held by authority of this Charter, or of any law, shall be known as special municipal elections.

Section 1102. Procedure for holding elections.

Unless otherwise provided by ordinance, hereafter enacted, all elections shall be held in accordance with the provisions of the Elections Code of the State of California, as the same now exist or may hereafter be amended, for the holding of elections in general law cities insofar as the same are not in conflict with this Charter.

Section 1103. Initiative, referendum and recall.

The provisions of the Elections Code of the State of California as the same now exist or may hereafter be amended, governing the initiative, referendum and the recall of municipal officers, shall apply to use thereof in the City insofar as such provisions of the Elections Code are not in conflict with this Charter.

Article XII—Fiscal Administration

Section 1200. Fiscal year.

The fiscal year of the City government shall begin on the first day of July of each year and end on the thirtieth day of June the following year.

Section 1201. Tax system.

Unless otherwise provided by ordinance, the City shall continue to use, for the purpose of ad valorem municipal taxation, the County system of assessment and tax collection, as such system is now in effect or may hereafter be amended and insofar as such provisions are not in conflict with this Charter.

If the City Council fails to fix the rate and levy taxes on or before August 31, in any year, the rate for the next preceding fiscal year shall thereupon be automatically adopted and a tax at such rate shall be deemed to have been levied on all taxable property in the City for the current fiscal year.

Section 1202. Annual budget preparation.

At such date as he shall determine, the City Administrator, or an officer designated by him, shall obtain from each department head estimates of revenue and expenditures for his department, detailed in such manner as may be prescribed by the City Administrator. In preparing the proposed budget, the City Administrator shall review the estimates, shall hold conferences thereon with the department heads, respectively, and may revise the estimates as he may deem advisable.

Section 1203. Budget. Submission to city council.

At least thirty-five days prior to the beginning of each fiscal year, the City Administrator shall submit to the City Council the proposed budget as prepared by him. After reviewing same and making such revisions as it may deem advisable, the City Council shall determine the time for the holding of a public hearing thereon and shall cause to be published a notice thereof not less than ten days prior to said hearing, by at least one insertion in the official newspaper.

Copies of the proposed budget shall be available for inspection by the public in the office of the City Clerk at least ten days prior to said hearing.

Section 1204. Budget. Public hearing.

At the time so advertised, or at any time to which such public hearing shall from time to time be adjourned, the City Council shall hold a public hearing on the proposed budget, at which interested persons desiring to be heard shall be given an opportunity to do so.

Section 1205. Budget. Further consideration and adoption.

After the conclusion of the public hearing, the City Council shall further consider the proposed budget and make any revision thereof that it may deem advisable, and on or before June 30 it shall adopt the budget with revisions, if any, by the affirmative votes of at least three members. Upon final adoption, the budget shall be in effect for the ensuing fiscal year. A copy thereof, certified to by the City Clerk, shall be placed, and shall remain on file, in the office of the City Clerk where it shall be available for inspection. The budget so certified shall be reproduced and copies made available for the use of all officers, departments and agencies of the City.

Section 1206. Budget appropriations.

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several offices, departments or agencies for the respective objects and purposes therein specified. All appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered.

At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least three members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the budget.

Section 1207. Centralized purchasing.

There shall be established under the control and direction of the City Administrator a centralized purchasing system for all city departments and agencies. The City Administrator shall recommend and the City Council shall consider and adopt by ordinance, rules and regulations governing the contracting for, purchasing, storing and distribution of all supplies, materials and equipment required by any office, department or agency of the City government.

Section 1208. Competitive bidding.

Subject to the provisions of Section 608, before making any purchase of, or contract for, supplies, materials or equipment, vendors shall be given ample opportunity for competitive bidding, under such rules and regulations and with such exceptions as the City Council may prescribe by ordinance.

Section 1209. Cash basis fund.

The City Council shall maintain a revolving fund, to be known as the "Cash Basis Fund," for the purpose of placing the paying of the running expenses of the City on a cash basis. A sufficient reserve shall be built up in this fund from any available source with which to meet all lawful demands against the City for the first five months, or other necessary period, of the succeeding fiscal year prior to the receipt of ad valorem tax revenues. Transfers may be made by the City Council from such fund to any other fund or funds of such sum or sums as may be required for the purpose of placing such funds, as nearly as possible, on a cash basis.

All moneys so transferred from the Cash Basis Fund shall be returned thereto before the end of the fiscal year.

Section 1210. Capital outlay fund.

A fund for capital outlays, generally, is hereby created, to be known as the "Capital Outlay Fund." The City Council by ordinance may create a special fund or funds for a special capital outlay purpose. The City Council may transfer to any such fund any unencumbered surplus funds remaining on hand in the City at any time.

Once created, such fund shall remain inviolate for the purposes for which it was created; if, for capital outlays, generally, then for any such purposes and if for a special capital outlay, then for such purpose only, unless the assent of the voters is expressed to the use of such fund for some other purpose by majority vote of the electors voting in favor thereof at a general or special municipal election at which such proposition is submitted; provided that if the purpose for which a special capital outlay fund was created has been accomplished, the City Council may transfer any remaining surplus to the general capital outlay fund.

Section 1211. Claims and demands. Presentation and payment.

All demands against the City shall be in writing and may be in the form of a bill, invoice, payroll, or formal demand. Each such demand shall be presented to the duly appointed finance officer within one hundred days after the last item of the account or claim accrued, and he shall examine the same. If the amount thereof is legally due and there remains on his books an unexhausted balance of an appropriation against which the same may be charged, he shall approve such demand and pay same out of the proper fund. Otherwise, he shall reject it. Objections of the duly appointed finance officer may be overruled by the City Council and the demand ordered paid.

The duly appointed finance officer shall transmit such demand, with his approval or rejection thereof endorsed thereon to the City Administrator. If a demand is one for an item included within an approved budget appropriation, it shall require the approval of the City Administrator before payment; otherwise it shall require the approval of the City Council, following the adoption by it of an amendment to the budget authorizing such payment. Any person dissatisfied with the refusal of the City Administrator to approve a demand, in whole or in part, may present the same to the City Council which, after examining into the matter, may approve or reject the demand in whole or in part.

Checks shall be paid out of the fund designated if there be sufficient money in the fund for that purpose. A check not paid for lack of funds shall be registered, and all registered checks shall be paid in the order of their registration when funds therefor are available.

The duly appointed finance officer of the City shall cause checks to be drawn for payment of municipal or other bonds, payable out of other funds in the treasury upon presentation and surrender of the proper bonds or coupons, upon the approval of the City Treasurer.

Section 1212. Petty cash funds.

The City Council may provide for revolving petty cash funds to be paid to the City Administrator or department heads and used for payment in cash of expenditures provided for in the budgets, which cannot conveniently be paid otherwise. The City Administrator, or such department heads, shall account to the City Council and the duly appointed finance officer for all disbursements made therefrom when making demand for replenishment of the same and at such other times as the Council may require, and the amounts shall thereupon be charged against the proper appropriations.

Section 1213. Actions against City.

No suit shall be brought on any claim for money or damages against the City, or any board, commission or officer thereof, on any cause of action for which this Charter or the general law requires a claim to be presented, until a demand for the same has been presented as in this Charter provided and such claim and demand has been rejected in whole or in part. Any such claim shall fully comply with the requirements for the presentation and consideration of claims as set forth in the applicable sections of the general law of the State.

Every claim for money or damages against the City, or any board or commission thereof, shall be filed with the City Clerk, who shall thereupon present the same to the City Council,

officer, board or commission authorized by this Charter to incur or pay the expenditure. In all cases, such claims shall be processed as required by the general law of the State.

Section 1214. Independent audit.

The City Council shall employ, at the beginning of each fiscal year, a certified public accountant who, from time to time, shall examine the books, records, inventories and reports of all officers and employees who receive, handle or disburse public funds, and of such other officers, employees or departments as the City Council may direct. At the end of the year, a final audit and report shall be submitted by such accountant to the City Council, one copy thereof to be distributed to each member, one to the City Administrator, one to the City Attorney, one to the City Treasurer, one to the duly appointed finance officer, and three additional copies to be placed on file in the office of the City Clerk where they may be available for inspection by the general public.

Section 1215. Revenue bonds.

The City shall have the power to issue revenue bonds for the purpose of financing the acquisition, construction, extension, improvement or repair of any municipal revenue producing facilities, but no such bonds shall be issued unless the same shall first be authorized by the affirmative vote of a majority of those electors voting on the question of incurring such indebtedness at any election at which such question is submitted to the electors of the City. The Council may issue and sell bonds so authorized, may fix the terms and conditions thereof, and may make, fix and establish such covenants, conditions, terms and provisions as it deems necessary or desirable to facilitate the issuance and sale of the bonds or for the protection and security of the holders thereof. Bonds issued pursuant to this section shall not be general obligations of the City but shall be payable, principal and interest, solely from revenues or other special funds specifically pledged to that purpose.

Article XIII—Franchises

Section 1300. Granting of franchises.

The City Council is empowered to grant by ordinance a franchise to any person, firm or corporation, whether operating under an existing franchise or not, to use the public streets, ways, alleys and places as the same now or may hereafter exist, for the construction and operation of plants, works, or equipment, necessary or convenient in connection with its transportation, communication, water, light, heat, power, refuse collection, storage, cable television, or any other public utility or service. The City Council may prescribe the terms and conditions of any such grant. It may also provide, by procedural ordinance, the method of procedure and additional terms and conditions for making such grants, subject to the provisions of this Charter. (Amended by the electorate of the city at an election held November 5, 2002)

Section 1301. Resolution of intention, notice and public hearing.

Before granting any franchise, the City Council shall pass a resolution declaring its intention to grant the same, stating the name of the proposed grantee, the character of the franchise, and the terms and conditions upon which it is proposed to be granted. Such resolution shall fix and set forth the day, hour, and place, when and where any persons having any interest therein or any objection to the granting thereof may appear before the City Council and be heard thereon. It shall direct the City Clerk to publish said resolution at least once within fifteen (15) days of the passage thereof in the official newspaper. The time fixed for such hearing shall not be less than twenty (20) nor more than sixty (60) days after the passage of said resolution.

At the time set for the hearing, the City Council shall proceed to hear and pass upon all protests and its decision thereon shall be final and conclusive. Thereafter, it may grant, or deny, the franchise, subject to the right of referendum of the people.

Section 1302. Term of franchise.

Every franchise shall state the term for which it is granted, which may be indeterminate.

An indeterminate franchise shall endure in full force and effect until the same, with the consent of the Public Utilities Commission of the State of California, shall be voluntarily surrendered or abandoned by its possessor, or until the State of California, or some municipal or public corporation, thereunto duly authorized by law, shall purchase by voluntary agreement or shall condemn and take, under the power of eminent domain, all property actually used and useful in the exercise of such franchise and situate within the territorial limits of the State, municipal or public corporation purchasing or condemning such property, or until the franchise shall be forfeited for noncompliance with the terms by the possessor thereof.

Section 1303. Grant to be in lieu of all other franchises.

Any franchise granted by the City with respect to any given utility facilities shall be in lieu of all other franchises, rights or privileges owned by the grantee, or by any successor of the grantee, to any rights under such franchise, with respect to such utility facilities within the limits of the City as they now or may hereafter exist. The acceptance of any franchise hereunder shall operate as an abandonment of all such other franchises, rights and privileges within the limits of the City as such limits shall at any time exist, in lieu of which such franchise shall be granted.

Any franchise granted hereunder shall not become effective until written acceptance thereof shall have been filed by the grantee thereof with the City Clerk. Such acceptance shall constitute a continuing agreement of such grantee that, if and when the City shall thereafter annex, or consolidate with, additional territory, any and all other such franchises, rights and privileges owned by the grantee therein shall likewise be deemed to be abandoned within the limits of such territory.

Section 1304. Eminent domain.

No franchise grant shall in any way or to any extent impair or affect the right of the City to acquire the property of the grantee thereof either by purchase or through the exercise of the right of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge, either for a term or in perpetuity, the City's right of eminent domain with

respect to any public utility. Every franchise grant shall reserve to the City the right to purchase the property of such utility either at an agreed price or at a price determined in a manner prescribed by law.

Section 1305. Duties of grantee.

By its acceptance of any franchise hereunder, the grantee shall covenant and agree to perform and be bound by each and all of the terms and conditions imposed in the grant or by procedural ordinance and shall further agree to:

(a) Comply with all lawful ordinances, rules and regulations theretofore or thereafter adopted by the City Council in the exercise of its police power;

(b) Pay to the City on demand the cost of all repairs to public property made necessary by any of the operations of the grantee under such franchise;

(c) Indemnify and hold harmless the City and its officers from any and all liability for damages proximately resulting from any operation under such franchise;

(d) Remove and relocate without expense to the City any facilities installed, used and maintained under the franchise if and when made necessary by any lawful change of grade, alignment or width of any public street, way, alley or place, including the construction of any subway or viaduct, or if the public peace, health, safety or welfare so demands; and

(e) Pay to the City, during the life of the franchise, such compensation as the City Council may prescribe in the grant.

Article XIV—Miscellaneous

Section 1400. Definitions.

Unless the provision or the context otherwise requires, as used in this Charter;

(a) "Shall" is mandatory and "may" is permissive.

(b) "City" is the City of Placentia and "department," "board," "commission," "agency," "officer," or "employee," is a department, board, commission, agency, officer, or employee, as the case may be, of the City of Placentia.

(c) "County" is the County of Orange.

(d) "State" is the State of California.

Section 1401. Violations.

The violation of any provision of this Charter shall be deemed a misdemeanor and be punishable upon conviction by a fine not exceeding One Thousand Dollars ($1000.00), or by imprisonment for a term not exceeding one year, or by both such fine and imprisonment. Any person convicted of a violation of any provision of this Charter, or, in a civil action determined to have violated any provision of this Charter, shall also be liable, and shall reimburse the City, for all costs incurred by the City in the investigation of the violation and enforcement of the City Charter. (Amended by the electorate of the city at an election held November 5, 2002)

Section 1402. Validity.

If any provision of this Charter, or the application thereof to any person or circumstance is held invalid, the remainder of the Charter, and the application of such provision to other persons or circumstances, shall not be affected thereby.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-Bank)
INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM

I BANK

CHARTER CITY QUESTIONNAIRE
(Preliminary Application)

LEGAL NAME OF APPLICANT	*For I-Bank Use:*	
	APPLICATION NUMBER	DATE RECEIVED
City of Placentia		

NAME OF PROJECT

Placentia Indoor Skatepark AKA DaddyO's of Placentia

Instructions: The following questions are required to comply with California Public Contract Code, Part 1 of Division 2, Chapter 2.8 Project Labor Agreements commencing with Section 2500 et. al. Answer the questions by selecting checking a "Yes" or "No" response.

1. Does the City have a charter provision, initiative, or ordinance that:

   i. Prohibits the City's governing board from considering a project labor agreement that includes the taxpayer protections provided by Section 2500 of the California Public Contract Code?

   ii. Prohibits the City's governing board from considering whether to allocate funds to a City-funded project covered by a project labor agreement with taxpayer protections provided by Section 2500 of the California Public Contract Code? or

   iii. Prohibits, limits, or constrains in any way the City's governing board's authority or discretion to adopt, require or utilize a project labor agreement that includes all of the taxpayer protection provisions of Section 2500 of the California Public Contract Code for some or all of the construction projects to be awarded by the City?

   Yes ☐, to any of the questions go to question 2.

   No ☒, no to all the questions, the City is eligible for consideration to receive ISRF Program financing.

   Sign and Date and submit the form

2. Was such charter provision, initiative, or ordinance adopted prior to November 1, 2011?[1]

   Yes ☐, the City is eligible for consideration to receive ISRF Program financing.

   Sign and Date and submit the form.

   No ☐, the City is ineligible to receive ISRF Program financing.

APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Applicant, and that I have been authorized by the Applicant to execute this Charter City Questionnaire for the I-Bank financing.

AUTHORIZED SIGNATURE	PRINT NAME AND TITLE	DATE
	TROY L. BUTZLAFF, CITY ADMINISTRATOR	10/21/13

[1] This question is no longer applicable after December 31, 2014 (California Public Contract Code §2502 and §2503)

AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE -- NET

(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS) draft 6

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties:** This Lease ("Lease"), dated for reference purposes only March 16, 2010, is made by and between DMWP, LLC, a California limited liability company ("Lessor") and Redevelopment Agency of the City of Placentia, a public body corporate and politic ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 132 East Crowther, Placentia, located in the County of Orange, State of California, ~~and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project)~~ ("Premises"). (See also Paragraph 2)

1.3 **Term:** 5 years and ~~months~~ ("Original Term") commencing on the Club PSA "Closing" ("Commencement Date") and ending 5 years thereafter ("Expiration Date"). (See also Paragraph 3), subject to extension per Paragraph 3.5.

~~1.4 Early Possession: ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)~~

1.5 **Base Rent:** $12,500.00 per month ("Base Rent"), payable on the 1st day of each month commencing and on the Commencement date, prorated for the remainder of the month. (See also Paragraph 4) Lessee has the right to pay Base Rent quarterly, semi-annually or annually in advance, without discount.

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

~~1.6 Base Rent and Other Monies Paid Upon Execution:~~

~~(a) Base Rent: $0 for the period.~~

~~(b) Security Deposit: $ ("Security Deposit"). (See also Paragraph 5)~~

~~(c) Association Fees: $ for the period.~~

~~(d) Other: $ for~~

~~(e) Total Due Upon Execution of this Lease: $~~

1.7 **Agreed Use:** any legal use, including public purposes. (See also Paragraph 6)

1.8 **Insuring Party:** Lessee ~~Lessor~~ is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.9 **Real Estate Brokers:** (See also Paragraph 15)

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

☑ KW Commercial (Mark S. Hughes, Jr.) represents Lessor exclusively ("Lessor's Broker");

☐ ~~represents Lessee exclusively ("Lessee's Broker"); or~~

☐ ~~represents both Lessor and Lessee ("Dual Agency").~~

(b) **Payment to Brokers:** Upon the Possession Date ~~execution and delivery of this Lease by both Parties~~, Lessor shall pay to the Broker the fee concurrently with, and contingent upon, Lessee's payment of Base Rent, as follows: monthly installments of $2,500 per month during the first 24 months, and monthly installments of $1,250 during the period ("Second Period") ending on the earlier of 36 months or the Option PSA Closing. Lessee shall pay such fee on Lessor's behalf, by splitting the $12,500 Base Rent payment due hereunder into two parts: (i) Lessee shall pay the $2,500 monthly Broker fee directly to Broker for the first 24 months and the $1,250 monthly Broker fee during the Second Period, and (ii) Lessee shall pay to Lessor the $10,000 remainder of such Base Rent for the first 24 months and the $11,500 remainder of such Base Rent during the Second Period. ~~agreed to in their 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.~~

~~1.10 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by ("Guarantor"). (See also Paragraph 37)~~

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

☑ ~~an Addendum consisting of Paragraphs through~~

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☐ a plot plan depicting the Premises;
☐ a current set of the Rules and Regulations;
☐ a Work Letter;
☑ other (specify):
Exh. A Option PSA; Exh. B Club PSA; Exh. C Memo of Lease; Exh. D Deed of Trust

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. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating Rent, is an approximation which the Parties agree is reasonable and any payments based thereon are not subject to revision whether or not the actual size is more or less. **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 the condition required under the Club PSA ~~broom clean and free of debris~~ on the Commencement Date ~~or the Early Possession Date, whichever first occurs~~ **("Start Date")**. Except as provided in the prior sentence, Lessor shall deliver the Premises in its absolutely current "AS IS" condition, with all defects, latent and patent. ~~and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Premises, 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 any buildings on the Premises (the "Building") 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. If a non compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense~~.

2.3 **Compliance.** The term "Applicable Requirements" means all ~~Lessor warrants that to the best of its knowledge the improvements on the Premises 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 50), 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 Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** Lessee shall comply with all Applicable Requirements at its sole expense. ~~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 at Lessor's expense. If Lessee does not give Lessor written notice of a non compliance with this warranty within 6 months following the Start Date, correction of that non compliance shall be the obligation of Lessee at Lessee's sole cost and expense. 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 and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:~~

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

~~(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date that on which the Base Rent is due, an amount equal to 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~~

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fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

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

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the 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 the Americans with Disabilities Act), and their suitability for Lessee's intended use, (b) 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, and (c) 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.

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.** 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 Real Property Taxes and insurance premiums and to maintain the Premises) 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 April 1, 2010 the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered by May 30, 2010 within 60 days after the Commencement Date, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

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

3.5 Extension Options. Lessee shall have two (2) successive options to extend the Term for one (1) year each, with the Base Rent remaining unchanged. Each option may only be exercised by delivery of irrevocable written notice to Lessor on or before one month prior to the then effective Expiration Date along with an option extension fee of $50,000, which shall be deemed earned and non-refundable upon receipt.

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 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. 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

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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.

~~4.3 Association Fees. In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.~~

5. **Security Deposit.** As security for Lessee's obligations under this Lease, upon the Possession Date, Lessee shall execute and record a deed of trust in the form of Exhibit D against the property known as 101 E. Crowther Avenue and 251 E. Crowther Avenue, Placentia, CA [APNs: 339-063-01, 02 and 03] and Lessee shall pay for a lender's title insurance policy in the amount of $1,000,000 insuring that such property is not subject to any liens other than taxes not yet due and payable. ~~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 due already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. 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.~~

6. **Use.**

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. ~~Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles.~~ Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. 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, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. **"Reportable Use"** shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, 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,

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

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, ~~lenders and ground lessor~~, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party before or after the Possession Date ~~(provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties 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.** 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 deposited ~~which existed~~ on the Premises ~~prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of~~ by 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.** Lessee ~~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 or during Lessee's occupancy, ~~unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.~~

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

(g) Lessee is notified that: (i) the Premises are located within the boundaries of the Richfield Oil Field; (ii) the improvements may contain asbestos containing materials (ACMs) and lead-based paint (LBP); (iii) railroad ties around the planters in the front of the building Boys and Girls Club may have been chemically treated, and are considered treated wood waste (TWW). Lessee's obligations under Paragraphs 6.2(c), (d) and (f) shall include these items. Prior to any Alterations: (i) Lessee shall conduct a methane survey in accordance with Orange County Fire Authority (OCFA) guidelines, if required by law, and both the workplan and final report

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shall be submitted to OCFA for review and approval, with a copy to Lessor; (ii) an Asbestos and LBP survey shall be conducted, and any identified ACMs and LBP shall be abated appropriately. The wood railroad ties around the planters shall be disposed of properly by the earlier of the first Alterations or December 31, 2010 in accordance with Environmental Laws and Appendix J, Treated Wood Waste (TWW) Generators Fact Sheet December 2009.

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 such Requirements, without regard to whether such Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor ~~and Lessor's "Lender" (as defined in Paragraph 30)~~ and consultants 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 the condition of the Premises and 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 9.1) 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 a written request therefor.

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

7.1 **Lessee's Obligations.**

(a) **In General.** ~~Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation),~~ Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance ~~for, and~~ with qualified City of Placentia personnel or contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (I) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. ~~However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.~~

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

~~(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the~~

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~~numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.~~

7.2 **Lessor's Obligations.** ~~Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it~~ It is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive 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 and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing 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 which are structural or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural 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 or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. 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.

(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 current improvements and personal property located on the Premises at the Possession Date, and 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 which are structural 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 broom 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 this Lease is 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

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shall completely remove from the Premises any and all Hazardous Substances ~~brought~~ onto the Premises ~~by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises, or if applicable, the Premises)~~ even if such removal would require Lessee to perform or pay for work that exceeds statutory 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.**

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 ~~except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of $2,000,000 per occurrence~~. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

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 $5,000,000 ~~1,000,000~~ per occurrence with an annual aggregate of not less than $5,000,000 ~~2,000,000~~. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. 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.

In lieu of the CGL insurance above, Lessee may self-insure for such claims under the self-insured authority, the Public Agency Risk Sharing Authority of California (the PARSAC program), with coverage of at least $10,000,000 and with Lessee deductible not exceeding $100,000, under which PARSAC self-funds coverage up to $1 million, and CSAC Excess Insurance Authority (CSAC-EIA) covers the excess up to $10,000,000.

(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. Lessee, as the ~~The~~ Insuring Party, shall obtain and keep in force a policy or policies in the name of Lessee, with Lessor shown as an additional insured, with loss payable to Lessor, ~~any ground lessor, and to any Lender insuring loss or damage to the Premises~~. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, 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. ~~If Lessor is the Insuring Party, however, Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4 rather than by Lessor.~~ If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake ~~unless required by a Lender~~), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $1,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

In lieu of the casualty insurance required above, Lessee may self-insure under the Property Program, which is a group purchased commercial insurance policy through the Public Entity Property Insurance Program (PEPIP)

~~**(b) Rental Value.** The Insuring Party shall 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. Lessee shall be liable for any deductible amount in the event of such loss.~~

~~**(c) Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property~~

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~~insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.~~

8.4 **Lessee's Property; Business Interruption 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. Lessee shall provide Lessor with written evidence that such insurance is in force.~~

~~(b) 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.~~

(c) **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 duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least A-, VI, as set forth in the most current issue of "Best's Insurance Guide", or per the self insurance program permitted under Paragraph 8.2(a) ~~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 evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

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

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

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

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

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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 6 months or less from the date of the damage or destruction. 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. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Lessee has the responsibility to repair or replace pursuant to the provisions of Paragraph 7.1.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. 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 8.3(a), irrespective of any deductible amounts or coverage limits involved.

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

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises which requires repair, remediation, or restoration.

9.2 **Partial Damage ~~- Insured Loss~~.** If a Premises Partial Damage or Premises Total Destruction ~~that is an Insured Loss~~ occurs, then Lessee ~~Lessor~~ shall, at Lessee's ~~Lessor's~~ expense, either demo and remove such damaged improvements leaving the Premises in a clean, safe condition or 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 $10,000 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 (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.~~

~~9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, 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~~

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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 No **Abatement of Rent; Lessee's Remedies.**

(a) No **Abatement.** Under no circumstances shall Rent be abated, including 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 **Definition.** As used herein, the term **"Real Property Taxes"** shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. 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 Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** In addition to Base Rent, Lessee shall pay directly to the taxing authority, with a copy thereof to Lessor, an amount equal to the Real Property Tax installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as is necessary. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability 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 conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes

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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.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. 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. Subletting shall be permitted without Lessor's consent, provided that Lessee shall have delivered to Lessor a copy of any sublease not terminable on one month's notice.

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

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

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

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

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

~~(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.~~

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment ~~or subletting~~ shall: (i) be effective without the express written assumption by such assignee ~~or sublessee~~ of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment ~~or subletting~~ shall not constitute a consent to any subsequent assignment ~~or subletting~~.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

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

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have

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

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

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

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

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

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

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

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

13. **Default; Breach; Remedies.**

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

(a) The abandonment ~~of the Premises,~~ or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee (1) to make any payment of Rent ~~or any Security Deposit~~ required to be made by Lessee hereunder within 30 days after the date due (but without any requirement of notice of Default from Lessor), whether to Lessor or to a third party, ~~when due,~~ or (2) 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 (where required under this Lease) 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.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment ~~or subletting~~, ~~(iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42~~, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 30 ~~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 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), 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 90 ~~60~~ days); (iii) the

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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 90 ~~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 90 ~~30~~ days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

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

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

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

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. 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, 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

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include, but are not limited to, processing and accounting charges, ~~and late charges which may be imposed upon Lessor by any Lender~~. Accordingly, if any Rent shall not be received by Lessor within 10 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 5% ~~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 as to scheduled payments (such as Base Rent) or within 30 days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. 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.**

(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~~ does not 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 Building, or more than~~ 25% ~~of that portion of~~ the Premises land area ~~not occupied by any building,~~ is taken by Condemnation not caused by the City of Placentia or its agencies, 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~~ and the Base Rent shall not 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 Lessee for the loss in rental value from the Condemnation through the end of the second year of the Term, and the remainder 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 1.9 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (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 schedule of the Brokers in effect at the time of the execution of this Lease.~~

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 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker

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when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

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

~~16. Estoppel Certificates.~~

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

~~(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.~~

~~(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 Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

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

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

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, 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

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different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

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

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

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

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

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

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

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

~~(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) KRC has ~~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 KRC ~~Broker~~ more than one year after the Start Date and that the liability (including

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court costs and attorneys' fees), of KRC ~~any Broker~~ with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by KRC ~~such Broker~~ pursuant to this Lease; provided, however, that the foregoing limitation on KRC's ~~each Broker's~~ liability shall not be applicable to any gross negligence or willful misconduct of KRC ~~such Broker~~.

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

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

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

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

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

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

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

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

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

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

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, **"Prevailing Party"** shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees,

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costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, ~~and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to 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. ~~Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent~~. All signs must comply with all Applicable Requirements.

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

36. **Consents.** 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, and each such Guarantor shall have the same obligations as Lessee under this Lease.~~

~~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 grants the covenant of ~~shall have~~ quiet possession ~~and quiet enjoyment~~ of the Premises from third parties claiming an interest therein by or through Lessor during the term hereof.

39. **Options.** ~~If Lessee is granted an 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; and (b) ~~the right of first refusal or first offer to lease either the Premises or other property of Lessor;~~ (c) the Option PSA ~~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 an assignee of Lessee's entire interest in the Lease ~~said original Lessee~~ and only while the original Lessee is in full possession of the Premises and, if requested by

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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), or (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

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

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

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. **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.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **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" with 6 months shall be deemed to have waived its right to protest such payment.

44. **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.

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

46. **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.

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

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

~~49. Mediation and Arbitration of Disputes. An Addendum requiring the Mediation and/or the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☐ is not attached to this Lease.~~

50. **Americans with Disabilities Act.** 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.

51. Club PSA. Lessor does not own the Premises. Lessor covenants to use good faith efforts to enter into the Club PSA, generally in the form attached. Lessee approves the Club PSA form, and reserves the right to approve any changes therein to the extent they modify the Club PSA form and affect Lessee.

52. Condition Precedent. This Lease is conditioned upon the occurrence of the "Closing" under the Club PSA on or before May 30, 2010. If such condition fails for any reason whatsoever, then this Lease shall be void ab initio, except for the obligations in Paragraphs 1.9(b), 15.3 and 54.

53. Additional Agency Provisions. To the extent the following provisions conflict with any of Lease paragraphs 1 through 50, the following provisions shall govern.

53.1 No Partnership. Lessor shall not become or be deemed a partner, joint venturer, principal, or agent with Lessee by reason of the provisions of this Lease or the modification of any portion or portions of this Lease.

53.2 Title. Lessor covenants not to assign the Club PSA. After the Club PSA Closing and until the Option PSA expires, Lessor covenants not to convey the Premises. Lessor represents that it has the capacity and authority to make this Lease and to agree to the Option PSA.

53.3 CA Relocation Law. Lessor, for purposes of this Lease, has been informed, and thus agrees and acknowledges, that any person (as that term is defined in California Government Code § 7260(b)) utilizing the Premises is a post-acquisition tenant for purposes of the application of the California Relocation Law, as amended (California Government Code § 7260, et seq.) and the guidelines promulgated thereunder (Title 25, California Code of Regulations, § 6000, et seq.). Lessor agrees that Lessor is not eligible for, not due and may not claim eligibility for, any relocation assistance or benefits due a non post-acquisition tenant. Lessor further agrees that any person utilizing the Premises, upon the execution of this Lease by the Lessor and Lessee, shall be required by Lessor to execute a statement, notarized and under penalty of perjury of the laws of the State of California, that any such person acknowledges that they are a post-acquisition tenant.

53.4 Memo. Lessee shall be entitled to record Memo of Lease in the form of Exhibit C on or after the Possession Date.

53.5 Lessor Representations. Lessor represents, warrants and covenants as follows:

(a) That all agreements, instruments and documents herein provided to be executed, or herein provided to be caused to be executed, by Lessor, are duly executed by and are binding upon Lessor;

(b) That Lessor has received no written notice of any litigation or other proceedings or governmental investigations pending or threatened against Lessor which relate to or could affect the use, enjoyment or operation of the Premises by Lessee. Lessor has not entered into any contractual obligations of Lessor to improve the Premises.

(c) That Lessor shall not hereafter voluntarily, by Lessor's own act, place any liens, encumbrances or restrictions on the Premises, and if any such lien, encumbrance or restriction or other exception to title ("defect in title") is then placed by or on behalf of Lessor on the Premises, voluntarily or involuntarily, which is objected to by Lessee, Lessee shall have the right, but not the obligation, to remove same and to recover the costs actually incurred in connection therewith including attorneys' fees from Lessor; provided that Lessee shall have first given written notice to Lessor of said defect in title and further provided that Lessor shall not, within thirty (30) days after receipt of said written notice, have commenced to remove said defect in title and thereafter Lessor shall pursue and obtain such removal with due diligence.

(d) Each individual executing and delivering this Lease in the name of Lessor represents: (i) That he

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or she is duly authorized to do so on behalf of Lessor; (2) that this Lease is, to the best of his or her knowledge and belief, a binding obligation upon Lessor and enforceable strictly and legally in accordance with its provisions. Lessor further represents to Lessee that: (3) This Lease constitutes a valid and binding obligation of Lessor which is enforceable strictly and legally in accordance with its provisions; (4) Lessor has the full right, power and legal capacity and authority to make, execute and deliver this Lease and to perform its respective obligations under this Lease; (5) no consent, approval, authorization or other permission of any person (public or private), is required for Lessor to execute and deliver this Lease; and (6) no further act is required to be taken, in connection with the authorization, execution and delivery of this Lease by Lessor.

53.6 Lessee's Representations.
Each individual executing and delivering this Lease in the name of Lessee represents (i) that he or she is duly authorized to do so on behalf of Lessee and (ii) that this Lease is, to the best of his or her knowledge and belief, a binding obligation upon Lessee and enforceable strictly and legally in accordance with its provisions. Moreover, Lessee represents to Lessor (iii) that this Lease constitutes a valid and binding obligation of Lessee which is enforceable strictly and legally in accordance with its provisions, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights or any limitations on the availability of equitable remedies, (iv) that Lessee has the full right, power, legal capacity and authority to make, execute and deliver this Lease and to perform its respective obligations under this Lease, and (v) that no consent, approval, authorization or other permission of any person (public or private) is required to be solicited, obtained, maintained or renewed subsequently, or further act is required to be taken, in connection with the authorization, execution and delivery of this Lease by Lessee.

53.7 Physical Condition of Premises

(a) Lessee has heretofore conducted a visual, non-intrusive inspection, including, but not limited to, an Initial Site Assessment ("Phase I Assessment"), at Lessee's expense. In the event the Phase I Assessment indicates further investigation of the Premises is warranted, including but not limited to, advancing subsurface borings at strategic locations, collecting representative soil samples for laboratory analysis, identification of subsurface structures or tanks ("Phase II Assessment"), such Phase II Assessment shall be completed by Lessee in a timely fashion. Lessee shall select and contract with a qualified consultant to conduct the Phase II Assessment, with a copy of the findings reported to Lessor. Lessee shall, in writing, disclose to Lessee all defects in the Premises, if any, within fifteen (15) calendar days of the date after discovery thereof by Lessee.

(b) Lessee represents and warrants that Lessee has not received written notice of the existence or prior existence of any Hazardous Materials (as defined herein) on the Premises or above or below ground storage tanks, except to the extent previously disclosed to Lessee. Lessor shall not cause or expressly permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Premises. Lessee shall not cause, permit or suffer the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Premises.

53.8 Hazmat Matters. Lessee agrees to defend, indemnify and hold harmless LESSOR from and against any and all claims, losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs and expenses (including without limitation, the reasonable fees and disbursements of legal counsel, expert witnesses and accountants) and all foreseeable and unforeseeable consequential damages which might arise or be asserted against Lessor as a result of a claimed violation of any and all Environmental Laws, all as the same may be amended from time to time, relating to the environment or to any hazardous substance, activity or material connected with the condition of the Premises arising out of (a) Club's activities or ownership of the Premises prior to the date hereof; and (b) any act or omission after the date hereof.

Lessor shall, upon request, provide to Lessee copies of all reports, studies, surveys and other data and information regarding the Premises pertaining to Environmental Laws which are in Lessor's possession. Lessee shall, upon request, provide to Lessor copies of all reports, studies, surveys and other data and information regarding the Premises pertaining to Environmental Laws which are available to Lessee from time to time.

Lessor represents that Lessor has no actual knowledge of any information disclosable pursuant to California Health and Safety Code § 25359.7(a), which has not been previously disclosed to Lessee.

53.9 Removal of Improvements. Lessor understands and agrees that Lessee intends to utilize the Premises for public purposes. Lessor agrees that, upon the Possession Date, Lessee shall have full right and power to remove or relocate any and all trade fixtures, movables, personal property, equipment and/or temporary

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facilities or to renovate the Premises. Lessee shall, upon taking possession of the Premises, be entitled to the salvage value, if any, of trade fixtures, movables, personal property, equipment and/or temporary facilities or other improvements remaining on the Premises; provided, however, that any such removal and/or relocation shall be conducted at Lessee's sole cost and expense. Upon the Possession Date, Lessor understands and agrees that any salvage value or reuse value in and to the Improvements then existing on the Premises shall inure to the benefit of Lessee if removed prior to the expiration or earlier termination of this Lease ("End Date"), and Lessor shall have no claim thereto. Lessee further agrees that any modifications to the structures located on the Premises which will or could impair the integrity of the Premises shall be presented to Lessor for approval, which approval shall not unreasonably be withheld.

53.10 Use. Lessor and Lessee understand and agree that Lessee intends to use the Property, for public purposes. Lessor further agrees that Lessor shall have no call on any proceeds resulting from any use for which the Property may be utilized by Lessee.

53.11 Priority of Lease. This Lease is and shall be prior to all other liens or encumbrances hereafter recorded or imposed during the Term hereof for all or any portion of the Premises, except for those executed or established during the term hereof by Lessor and/or by Lessee which are permitted under the terms of this Lease and which have priority over this Lease as a matter of law, or those established or executed by agreement of the Parties.

53.12 Nondiscrimination. Lessee and Lessor herein covenant by and for themselves, their assigns, and all persons claiming under or through either of them, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy or enjoyment of the Premises herein leased nor shall itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of users, occupants or vendees in the Premises.

53.13 Nonliability of Lessee Officials, Employees and Contractors; Conflicts of Interest. No member, official, consultant, employee or contractor of Lessee shall be personally liable to Lessor in the event of any default or breach by Lessee or for any amount which may become due to Lessor or on any obligations under the terms of this Lease. No member, official, employee or agent of Lessee shall have any direct or indirect interest in this Lease nor participate in any decision relating to this Lease which is prohibited by law.

53.14 Notice. Any notice to Lessee shall be sent to:

Redevelopment Agency of the City of Placentia
Attention: Executive Director
401 E. Chapman Avenue
Placentia, California 92870

cc: Andrew V. Arczynski, General Counsel
Redevelopment Agency of the City of Placentia
1400 N. Brea Blvd.
Fullerton, CA 92835

53.15 Amendment Authority. The Executive Director of Lessee is authorized to approve and execute amendments to this Agreement which are not of a material nature, including, but not limited to, the granting of extensions of time to Lessor. The Executive Director's determination as to whether or not such amendment is of a material nature shall be final and conclusive.

54. Lessor discloses that Mark McEwen and Douglas Dickerson, members of Lessor, are California licensed real estate agents.

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

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TERMS OF THIS LEASE ARE COMMERCIALLY 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 OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES IS 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 IS LOCATED.

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

Executed at: San Diego, CA	Executed at: Placentia, California
On: 3/24/10	On:
By LESSOR:	**By LESSEE:**
DMWP, LLC, a California limited liability company	Redevelopment Agency of the City of Placentia, a public body corporate and politic
By:	By:
Name Printed: Mark McEwen	Name Printed: Joseph V. Aguirre
Title: Managing Member	Title: Chairman
By:	By:
Name Printed:	Name Printed:
Title:	Title:
Address: 4660 La Jolla Village Drive, Suite 100	Address: 401 East Chapman
San Diego CA 92122	Placentia CA 92780
Telephone:(858) 877 5330	Telephone:(___)
Facsimile:(858) 795 4130	Facsimile:(___)
Federal ID No.	Federal ID No.
~~BROKER:~~	~~BROKER:~~
~~Attn:~~	~~Attn:~~
~~Title:~~	~~Title:~~
~~Address:~~	~~Address:~~
~~Telephone:(___)~~	~~Telephone:(___)~~
~~Facsimile:(___)~~	~~Facsimile:(___)~~
~~Federal ID No.~~	~~Federal ID No.~~

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, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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APPROVED AS TO FORM:

AGENCY COUNSEL
REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA

OPTION PSA AGREEMENT

This Option PSA Agreement ("**Agreement**") made and entered into as of March 16, 2010 ("**Effective Date**"), by and among DMWP, LLC, a California limited liability company ("**DMW**") and Redevelopment Agency of the City of Placentia, a public body corporate and politic ("**Agency**").

Recitals

This Agreement is given pursuant to the Lease. DMW does not currently own the Property, but is negotiating for the purchase thereof. If DMW fails to acquire the Property (such acquisition being the "**Club PSA Closing**") on or before May 31, 2010 for any reason whatsoever (Including the failure to enter into a purchase contract ("**Club PSA**") with the current Property owner ("**Club**") on terms acceptable to DMW in its sole and absolute discretion, the failure of a subsequent Club PSA closing condition, or a breach of the Club PSA by DMW or Club), then this Agreement shall terminate, whereupon the Option Fee shall be returned to Agency.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby the parties hereto agree as follows:

1. **Grant of Option**

1.1 **Definitions**. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

Acquisition Costs – All reasonable costs (including attorney's fees) incurred by DMW up to a maximum of $20,000 (and of that $20,000, DMW's attorney's fees will be capped at $10,000) to: (1) negotiate the Lease and this Agreement; (2) negotiate the Club PSA; (3) investigate and perform due diligence in connection with the acquisition of the Property; (4) consummate the Club PSA (including all closing costs and prorations payable by DMW under the Club PSA); (5) form DMW and negotiate the DMW's LLC agreement; (6) obtain an ALTA owner's title policy insuring the Property at the Club PSA Closing for the Club PSA purchase price and a $1,000,000 ALTA title insurance policy for the benefit of DMW insuring the deed of trust described in and securing the Lease; and (7) the expenses of DMW-Placentia, LLC.

Closing - the consummation of the purchase of the Property in accordance with the terms of this Agreement.

Closing Date – 15 days after Exercise, or such earlier date as Agency and DMW may agree upon.

County – Orange County, California.

Escrow Holder – Fidelity National Title.

Hazardous Materials - any substance, chemical, waste or material that is or becomes regulated by any federal, state or local governmental authority because of its toxicity,

infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, Including asbestos or asbestos containing material, toxic mold and fungus, the group of compounds known as polychlorinated biphenyls, flammable explosives, oil, petroleum or any refined petroleum product.

Including (or variations thereof) - including, but without limitation.

Indemnify - indemnify, defend (with counsel reasonably acceptable to indemnitee), protect and hold harmless.

Lease – the Lease dated March 16, 2010 herewith between Agency (as "**Tenant**") and DMW (as "**Landlord**"), as amended from time to time, including the deed of trust in favor of DMW securing Tenant's obligations under the Lease.

Option Fee - $400,000

Permitted Exceptions - (1) current taxes and assessments not yet due and payable; (2) all matters affecting the Property as of the Club PSA Closing; (3) any exception to title caused by Agency or expressly approved in writing by Agency; and (4) the Lease.

Property - the "Premises" as defined in the Lease, and Lessor's rights under the Lease.

Purchase Price – $1,150,000.

1.2 **Option**. Subject to the terms and conditions set forth in this Agreement, DMW hereby grants to Agency the exclusive right ("**Option**") to purchase all of DMW's right, title and interest in and to the Property. As consideration for the Option, within three (3) business days after receipt of the Club PSA executed by Club and DMW, Agency covenants to deliver to Escrow Holder the $400.000 Option Fee. Concurrently with the Club PSA Closing, Escrow Holder shall deliver the Option Fee for DMW's benefit to Hallmark Escrow, the escrow holder under the Club PSA. If the Club PSA Closing fails to occur by May 31, 2010, then DMW shall cause the Option Fee to be returned to Agency.

1.3 **Term of Option**. The term of the Option ("**Term**") shall commence April 1, 2012 and expire on the earlier of the expiration or earlier termination of the Lease. The parties acknowledge and agree that DMW has received good and valuable consideration for this Agreement, including the execution and delivery of the Lease.

1.4 **Exercise of Option**. The Option may be exercised, if at all, only by Agency delivering to Escrow Holder (with a copy to DMW) during the Term irrevocable written notice of exercise of the Option ("**Exercise**").

1.5 **Termination of Option**. Time is of the essence in the exercise of the Option and if Agency fails to exercise the Option precisely in the manner required herein for any reason whatsoever, including without limitation, matters outside the control of Agency, then this Option and the rights of Agency hereunder shall automatically and immediately terminate without notice. If the Option is terminated, Agency shall, upon request of DMW, prepare, execute, acknowledge and deliver a quitclaim deed releasing Agency's interest in the Property pursuant to this Agreement.

1.6 **Acquisition Costs**. Agency covenants to reimburse and/or fund DMW for all Acquisition Costs up to a maximum of $20,000 (and of that $20,000, DMW's attorney's fees will be capped at $10,000), which covenant shall survive the Closing or earlier termination of this Agreement. Within three (3) business days after the Effective Date, Agency shall deposit with Escrow Holder $20,000, which shall be available for payment of Acquisition Costs. DMW shall submit periodically invoices from time to time to Escrow Holder (with a copy to Agency) for Acquisition Costs, whereupon Escrow Holder shall reimburse DMW therefor unless Agency delivers written notice objecting thereto (specifying the reasons for such objection) within (3) business days after receipt of such invoices by Escrow Holder. Ten (10) business days after the Club PSA Closing or earlier termination of the Club PSA, Escrow Holder shall release to Agency any portion of the $20,000 remaining and for which outstanding Acquisition Cost invoices have not been then received by Escrow Holder.

2. **Purchase and Sale of the Property**. Subject to the terms, provisions and conditions set forth herein, upon proper and timely Exercise DMW hereby agrees to sell the Property to Agency and Agency hereby agrees to purchase the Property from DMW.

3. **Purchase Price for Property**. The Option Fee is absolutely earned as of the Club PSA Closing and is non-refundable thereafter for any reason whatsoever. If the Option is exercised and the Closing occurs, then the Option Fee shall be applied against the Purchase Price. The balance of the Purchase Price, increased or decreased by any Closing costs and prorations allocable to Agency as provided below, shall be paid in full by a wire transfer by Agency to Escrow Holder in immediately available federal funds, no later than one day prior to the Closing Date.

4. **Title Review**. Agency shall review and approve the state of title as of the date of Club PSA Closing. DMW covenants to cause any liens and other exceptions caused by DMW (without Agency's consent, and excluding any Permitted Exceptions) to be removed by Closing.

5. **Inspection**

5.1 **Natural Hazards Disclosure**. Prior to Exercise, Agency covenants to obtain if required by law and review an updated Natural Hazards Disclosure for the Property from Property I.D., Inc. (800 626 0106; or other reputable real estate compliance reporting company) as may be required by law in connection with the following California Code Sections: Government Code Sections 8589.4 (Dam Failure Inundation Areas); 8589.3 (Special Flood Hazard Area); Government Code Sections 51183.4, 51183.5 (Fire Hazard Severity Zone); Public Resources Code Section 2621.9 (Earthquake Fault Zone); Public Resources Code Section 2694 (Seismic Hazard Zone); and Public Resources Code Section 4136 (Wildland Area); and California Civil Code Section 1102.3.

5.2 **Condemnation**. If on or before Closing, the property is subject to pending or threatened action, suit or proceeding to condemn or take all or any part of the Property under the power of eminent domain ("**Condemnation**"), this Agreement will not terminate; rather upon the Closing, DMW shall deliver all Condemnation awards received (excluding the portion allocable to Tenant under the Lease) and assign the right to any future Condemnation awards. Notwithstanding any Condemnation, there shall be no reduction in the Purchase Price.

5.3 **Casualty**. If on or before the Closing any fire, storm, accident or other casualty shall have occurred ("**Casualty**"), this Agreement will not terminate; rather upon the Closing, DMW shall deliver all insurance proceeds received (excluding any portion payable to Tenant under the Lease and less the costs of Casualty repairs incurred by DMW prior to Closing) and assign the right to any future insurance proceeds. Notwithstanding the above, DMW shall retain any rent loss insurance proceeds relating to the pre-Closing period.

6. CLOSING

6.1 **Opening of Escrow**. Escrow shall be opened per Section 1.4 upon Exercise. Any other funds delivered to Escrow Holder shall be deposited by Escrow Holder into an insured interest bearing account as designated by Agency. Agency is entitled all interest earned on the Deposit. Escrow Holder is hereby directed to disburse funds held by it in accordance with the terms and provisions of this Agreement, or as otherwise directed in a writing signed by both Agency and DMW, or their legal counsel described in the Section 11 notice provisions. These instructions shall be irrevocable and shall supersede any conflicting provision in Escrow Holder's general conditions or in any escrow instructions executed upon Escrow Holder's request. This Agreement shall constitute escrow instructions to Escrow Holder.

6.2 **Closing Date**. Provided the Section 6.3 deliveries have been made, the Closing shall occur on the Closing Date; provided, however, that if the Closing Date falls on a Friday, Saturday, Sunday or holiday the Closing shall occur on the next business day thereafter. The Closing shall take place through escrow at the Escrow Holder's office or at such other place and time as the parties shall mutually agree.

6.3 **Closing Deliveries**.

6.3.1 **By DMW**. On or before one (1) day prior to the Closing, DMW shall deliver or cause to be delivered to Escrow Holder the following, fully executed and acknowledged by DMW as applicable:

(1) A grant deed in the form of Exhibit A, attached hereto ("**Deed**").

(2) A FIRPTA affidavit and California Form 590 RE, in a form prepared by Escrow Holder ("**Affidavit**").

(3) Escrow Holder's settlement statement.

(4) Any other monies, documents, instruments, records, correspondence or agreements called for hereunder that have not previously been delivered to Agency.

6.3.2 **By Agency**. On or before one (1) day prior to the Closing, Agency shall deliver, or cause to be delivered, to Escrow Holder the following, fully executed and acknowledged by Agency as applicable:

(1) The Purchase Price (less the Option Fee previously paid).

(2) The amounts described in Sections 6.5 and 6.6.

(3) Escrow Holder's settlement statement.

(4) Any other monies, documents, instruments, records, correspondence or agreements called for hereunder that have not previously been delivered to DMW.

6.4 **Closing Procedures.**

6.4.1 **Recordings.** Upon receipt of the funds and instruments described in this Section 6 and written notice to proceed from Agency and DMW, Escrow Holder shall record the Deed.

6.4.2 **Deliveries.** Escrow Holder shall immediately (i) deliver to Agency: a conformed copy of the Deed; the original Assignment; the original Affidavit; and any other documents delivered into escrow by DMW; and (ii) deliver to DMW: the Purchase Price less the Deposit, DMW's share of prorations set forth in Section 6.5, and DMW's Closing Costs set forth in Section 6.6; and any other documents delivered into escrow by Agency.

6.5 **Lease Prorations.** Upon Closing, the Lease shall terminate. Any prepaid or past due rents or other payments due from Tenant to Landlord under the Lease shall be prorated.

6.6 **Closing Costs.** Agency shall pay: (1) all documentary transfer taxes; (2) the cost of any title insurance policy which Agency may elect to purchase; (3) Escrow Holder's fees and costs; and (4) such other costs and expenses related to the acquisition of the Property or the escrow.

7. **DMW Representations and Warranties.** DMW makes the following representations and warranties as of the Effective Date and again as of Closing:

7.1 DMW has obtained all necessary authorizations and consents to enable it to execute and deliver this Agreement and to consummate the transaction contemplated hereby. This Agreement and the other documents to be executed by DMW hereunder will have been duly entered into by DMW and will constitute legal, valid and binding obligations of DMW enforceable in accordance with their respective terms.

7.2 DMW is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

7.3 The execution, delivery and performance of this Agreement and the Closing hereunder will not conflict with any agreement, contract or law applicable to DMW nor constitute a default under any agreement or instrument to which DMW is a party or by which DMW or the Land are bound.

7.4 DMW has not: (1) made a general assignment for the benefit of creditors; (2) filed any voluntary petition in bankruptcy; (3) received notice of the appointment of a receiver to take possession of all or substantially all of its assets; (4) received notice of the attachment or other judicial seizure of all or substantially all of its assets; (5) admitted in writing its inability to pay its

debts as they come due; or (6) made an offer of settlement, extension or composition to its creditors generally.

8. **Agency Representations**. Agency represents and warrants as of the Effective Date and again as of the Closing as follows:

8.1 Agency has obtained all necessary authorizations and consents to enable it to execute and deliver this Agreement and to consummate the transaction contemplated hereby. This Agreement and the other documents to be executed by Agency hereunder will have been duly entered into by Agency and will constitute legal, valid and binding obligations of Agency enforceable in accordance with their respective terms.

8.2 The execution, delivery and performance of this Agreement and the Closing hereunder will not conflict with any agreement, contract or law applicable to Agency nor constitute a default under any agreement or instrument to which Agency is a party or by which Agency is bound.

8.3 Agency has not (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy against it; (iii) received notice of the appointment of a receiver to take possession of all or substantially all of its assets; (iv) received notice of the attachment or other judicial seizure of all or substantially all of its assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or composition to its creditors generally.

8.4 Agency or its consultants/advisors have the expertise, knowledge and experience to analyze the Property. Agency acknowledges that, except for the Section 8 representations and warranties, Agency will in no way rely on any records of DMW.

8.5 DMW has not made (and specifically negates and disclaims) any representations or warranties, promises, covenants, agreements or guarantees of any kind, character or nature whatsoever, whether express, implied or otherwise, oral, written, of, as to, concerning or relating to any Property Conditions. Before Exercise, Agency will have examined, reviewed and inspected all Property Conditions and other matters which, in Agency's judgment, bear upon the Property and its value and suitability for Agency's purposes. Upon Closing, Agency will acquire the Property solely on the basis of its own physical and financial examinations, review and inspections and the title insurance protection afforded by the owner's title policy. Upon Closing, Agency shall assume the risk that Property Conditions, may not have been revealed by Agency's investigations. **Upon the Closing: (a) Agency represents, warrants, acknowledges and agrees that upon the Closing, Agency will be purchasing the Property on an "AS IS, WHERE IS, WITH ALL FAULTS" basis, without representation or warranty of any kind, character or nature, express, implied or otherwise; and (b) Agency releases DMW and all of DMW's members, agents and affiliates from, and waives any and all liability, claims, demands, damages and costs (Including attorneys' fees and expenses) of any and every kind or character, known or unknown, for, arising out of, or attributable to, any and all Property Conditions**, Including: claims, liabilities and contribution, reimbursement and indemnity rights relating to the presence, discovery or removal of any Hazardous Materials in, at, about or under any Property, or for, connected with or arising out of any and all claims or causes of action based thereon Including any claims made under CERCLA or other similar environmental laws, whether state or Federal, providing for contribution. Except

for Reserved Matters, the parties intend that the foregoing release shall be effective with respect to all matters, past and present, known and unknown, suspected and unsuspected. Agency realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to losses, damages, liabilities, costs and expenses which are presently unknown, unanticipated and unsuspected, and Agency further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Agency nevertheless hereby intends to release, discharge and acquit DMW from any such unknown losses, damages, liabilities, costs and expenses. In furtherance of this intention, the Agency hereby expressly waives any and all rights and benefits conferred upon it by the provisions of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The Agency acknowledges that the foregoing acknowledgments, releases and waivers Including the waiver of the provisions of California Civil Code Section 1542 were expressly bargained for.

Agency's Initials: _____

"**Property Conditions**" means any matter whatsoever relating to the Property or this Agreement or of concern to Agency, Including: title; the environmental condition of the Property (Including the presence or absence of Hazardous Materials in, on or about the Property and Including: claims, liabilities and contribution, reimbursement and indemnity rights relating to the presence, discovery or removal of any Hazardous Materials in, at, about or under any Property, or for, connected with or arising out of any and all claims or causes of action based thereon Including any claims made under CERCLA or other similar environmental laws, whether state or Federal, providing for contribution); water, soil, pest and geological conditions of the Property; the financial condition of the Property; the suitability of the Property or any and all activities and/or uses which may be conducted thereon; the compliance of or by the Property with any and all laws, rules, ordinances or regulations of any applicable governmental authority or body (Including environmental, zoning, building codes, and the status of any development or use rights respecting the Property); the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; or the physical condition of the Building, Including construction defects, deferred maintenance or other adverse physical conditions or defects.

Notwithstanding the foregoing, DMW agrees to cause the provisions of paragraph 8.7 of the Club PSA to be assigned to Agency and to provide reasonable assistance (but without having to incur any cost or liability) to Agency in the event Agency is required to exercise the provisions of said paragraph 8.7 of the Club PSA.

9. **Brokerage Commissions.** DMW and Agency each represent and warrant that no real estate commission, broker's fee or finder's fee is payable in connection with the transaction contemplated by this Agreement. DMW Indemnifies Agency from and against any and all liabilities, claims, demands, damages, or costs of any kind arising from or connected with any broker's or finder's fee or commission or charge ("**Broker Claims**") claimed to be due by any person arising from or by reason of the conduct of DMW with respect to this transaction.

Agency Indemnifies DMW from and against any and all Broker Claims claimed to be due by any person arising from or by reason of the conduct of Agency with respect to this transaction. The provisions of this Section shall survive the Closing hereunder. DMW discloses that Mark McEwen and Douglas Dickerson, members of DMW, are California licensed real estate agents.

10. **Defaults.**

10.1 **Agency Default. The Option Fee is earned as of the Effective Date and is absolutely non-refundable.** IF AFTER EXERCISE, ESCROW FAILS TO CLOSE DUE TO AGENCY'S DEFAULT UNDER THIS AGREEMENT, DMW WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES. SUCH DAMAGES WILL, HOWEVER, BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN FOR THE FOLLOWING REASONS: (1) THE DAMAGES DMW WOULD BE ENTITLED TO IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE PROPERTY AT THE TIME SET FOR THE CLOSING AND A PURCHASE PRICE FOR THE PROPERTY AS SET FORTH IN THIS AGREEMENT; (2) PROOF OF THE AMOUNT OF SUCH DAMAGES WILL BE BASED ON OPINIONS OF VALUE OF THE PROPERTY, WHICH CAN VARY IN SIGNIFICANT AMOUNTS; AND (3) IT IS IMPOSSIBLE TO PREDICT AS OF THE DATE ON WHICH THIS AGREEMENT IS MADE THE EXTENT TO WHICH THE VALUE OF THE PROPERTY WILL INCREASE AS OF THE DATE SET FOR THE CLOSING. AGENCY DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH AGENCY MIGHT BE LIABLE SHOULD AGENCY BREACH THIS AGREEMENT AS AFORESAID. AGENCY AND DMW WISH TO AVOID THE COST AND LENGTHY DELAYS WHICH WOULD RESULT IF DMW FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, IF ESCROW FAILS TO CLOSE DUE TO A AGENCY DEFAULT AS DESCRIBED ABOVE, $10,000 SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF DMW'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE, AND DMW'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE TO CLOSE ESCROW RESULTING FROM A AGENCYS DEFAULT SHALL BE LIMITED TO SUCH AMOUNTS AND DMW SHALL HAVE NO RIGHT TO AN ACTION FOR SPECIFIC PERFORMANCE OF ANY PROVISIONS OF THIS AGREEMENT. IN CONSIDERATION OF THE PAYMENT OF SUCH LIQUIDATED DAMAGES, DMW WILL BE DEEMED TO HAVE WAIVED ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY INCLUDING ANY RIGHTS DMW MAY HAVE PURSUANT TO SECTION 1680 OR SECTION 3389 OF THE CALIFORNIA CIVIL CODE. BY INITIALING THIS PROVISION IN THE SPACES BELOW, DMW AND AGENCY EACH SPECIFICALLY AFFIRM THEIR RESPECTIVE AGREEMENTS CONTAINED HEREIN AND AGREE THAT SUCH SUM IS A REASONABLE SUM CONSIDERING THE CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE PAYMENT OF LIQUIDATED DAMAGES TO DMW PURSUANT TO THE FOREGOING SHALL NOT RELEASE AGENCY OF ITS INDEMNITY OBLIGATION SET FORTH IN SECTION 9, AGENCY'S OBLIGATION TO PAY ITS SHARE OF ESCROW CANCELLATION FEES IN ACCORDANCE WITH THE PROVISIONS HEREIN OR, IF NECESSARY FOR ATTORNEYS' FEES TO ENFORCE THIS PROVISION.

DMW'S INITIALS:_____ AGENCY'S INITIALS:_____

In the event of a default by Agency resulting in the failure of the Closing, the liquidated damages as provided above shall be DMW's sole remedy and DMW shall have no further rights against

Agency for such Agency's default or for any other Agency default, excepting the covenants contained in Section 9.

10.2 **DMW Default.** If DMW defaults under any of the terms of this Agreement prior to Closing and if such default is not cured within ten (10) days after receipt by DMW of written notice from Agency, Agency shall be entitled as the sole and exclusive remedy of Agency to either: (1) terminate this Agreement; or (2) commence an action for specific performance, provided however that as a condition to specific performance Agency shall have performed all of its obligations hereunder and waived all conditions for Agency's benefit. In no event shall Agency be entitled to actual, punitive or consequential damages. Upon Closing, Agency waives all DMW defaults known to Agency. Agency acknowledges and agrees that its recourse against DMW under this Agreement for a default by DMW hereunder is limited to the remedies set forth in this Section, and in no event shall Agency seek or attempt to obtain any recovery or judgment against any other assets (if any) of DMW, or against any of DMW's direct or indirect members, partners, directors, officers, employees or shareholders.

11. **Notices.** All notices, elections, requests and other communication hereunder shall be in writing and shall be deemed given (a) when personally delivered or delivered by reputable overnight courier service; or (b) two (2) business days after being deposited in the United States mail, postage prepaid, certified or registered, or (c) when sent by facsimile before 5:00 p.m. Pacific time on a business day (as evidenced by a confirmation slip from sender's fax machine showing the transmission date and time and recipient's fax number) and otherwise on the next business day. Phone and email addresses are provided for convenience only and shall not constitute effective notice. Notices shall be addressed as follows (or to such other person or at such other address, of which any party hereto shall have given written notice as provided herein):

If to DMW:

Mark McEwen
c/o Colliers International
4660 La Jolla Village Drive, Suite 200
San Diego CA 92122
Phone 858 677 5330
Fax 858 546 9146
Email mark.mcewen@colliers.com

cc:

Milburn A. Matthews, Esq.
Coontz & Matthews LLP
30448 Rancho Viejo Road, Suite 120
San Juan Capistrano CA 92675
Phone 949 240 3040
Fax 949 240 7540
Email mibs@coontzmatthews.com

If to Agency:

Redevelopment Agency of the City of Placentia
Attention: Executive Director
401 E. Chapman Avenue
Placentia, California 92870
E-Mail: tbutzlaff@placentia.org

With a copy to: Andrew V. Arczynski
General Counsel
Redevelopment Agency of the City of Placentia
1400 N. Brea Blvd.
Fullerton, CA 92835
E-Mail: andrew@arczynskilaw.com

If to Escrow Holder: Fidelity National Title Company - Major Accounts Division
1300 Dove Street, Suite 310
Newport Beach, CA 92660
Escrow Officer: Natalie Priestley
Phone: 949 622 4911
Fax: 949 477 6835
Email: natalie.priestley@fnf.com

12. **General Provisions**. This Agreement: (1) shall be binding upon and shall inure to the benefit of DMW and Agency and their respective successors and assigns; (2) is assignable by Agency to any entity , provided that: (i) such assignment shall be subject to a written assignment executed by assignor and assignee as in form and substance reasonably acceptable to DMW, Including provisions whereby assignee assumes all of assignor's liability and assignor acknowledges that assignor is not released from liability as a result of the assignment; and (ii) the Lease is being assigned concurrently to such assignee; (3) constitutes the entire agreement of Agency and DMW with respect to the purchase and sale of the Property, and supersedes any prior or contemporaneous agreement with respect thereto. No amendment or modification of this Agreement shall be binding upon the parties unless made in writing and signed by both DMW and Agency; (4) shall not be recorded by any party and, if recorded by any party, the other party hereto may immediately terminate all of its obligations under this Agreement, and the party who recorded the Agreement shall pay all reasonable costs and attorneys' fees in removing this Agreement of record; (5) is governed by and construed in accordance with the laws and customs of the State of California; (6) may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument; (7) may be executed and then delivered by fax or scanned email which shall constitute effective execution and delivery. If any action is instituted between DMW and Agency in connection with the enforcement of this Agreement or any provision hereof, the party prevailing in such action shall be entitled to recover from the other party all of its reasonable costs in bringing such action, Including reasonable attorney fees.

13 **Tax-Deferred Exchange**. Agency and/or DMW ("**Exchangor**"), at its option, may close the transfer of the Property as an exchange of real property qualifying under Section 1031 of the Internal Revenue Code of 1986, as amended. If the Exchangor so elects, then (i) the Exchangor may delegate its obligations and assign its rights under this Agreement to a deferred exchange intermediary (an "**Intermediary**"); (ii) such delegation and assignment shall in no way reduce, modify or otherwise affect the obligations of Exchangor pursuant to this Agreement; (iii) Exchangor shall remain fully liable for its obligations under this Agreement as if such delegation and assignment shall not have taken place; (iv) Intermediary shall have no liability to the other party, notwithstanding such delegation and assignment; and (v) the Closing

of the transfer of the Property shall be undertaken by direct deed from DMW to Agency.

In witness whereof, the parties hereto have executed this Agreement as of the Effective Date.

Agency: Redevelopment Agency of the City of Placentia, a public body corporate and politic

By: _____
Joseph N. Aguirre
Title: Chairman

DMW: DMWP, LLC, a California limited liability company

By: _____ 3-24-10
Mark McEwen, Managing Member

Acceptance: The undersigned hereby accepts its appointment as Escrow Holder under the terms of the foregoing Agreement and agrees to follow the terms and provisions thereof as its escrow instructions in connection with the contemplated transactions.

Fidelity National Title Company

By: _____

Title" _____

Date: March ____, 2010

Approved as to Form:

_____
Andrew V. Arczynski,
General Counsel
Redevelopment Agency
of the City of Placentia

Exhibit A - GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO AND
MAIL TAX STATEMENTS TO:

___
___
___

(Above Space For Recorder's Use Only)

GRANT DEED

In accordance with Section 11932 of the California Revenue and Taxation Code, Grantor has declared the amount of transfer tax which is due by a separate statement which is not being recorded with this Grant Deed.

For a valuable consideration, receipt of which is hereby acknowledged, ___, a ___, hereby grants to ___, a ___, the real property described as follows:

___

This conveyance is subject to: non-delinquent taxes and assessments; all matters whether or not of record; and any matters which could be ascertained by a proper inspection or survey of such real property.

DATED: _____, 200___ ___

STATE OF _____) SS
COUNTY OF_____)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

This area for official notarial seal.

EXHIBIT B

RESOLUTION NO. R-2013-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF 132 E. CROWTHER AVENUE, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

A. Recitals.

(i). The California Infrastructure and Economic Development ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 *et seq.* of the California Code ("Act").

(ii). The California Infrastructure and Economic Development ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in California Government Code § 63000, *et seq.*

(iii). The I-Bank has instituted an application process for financing under its Infrastructure State Revolving Fund Program ("ISRF Program").

(iv). The City of Placentia ("Applicant") desires to submit an application ("Financing Application") to the I-Bank from the ISRF Program for the financing of 132 E. Crowther Avenue ("Project") in an amount not to exceed $1,300,000.

(v). The Act requires the Applicant to certify by resolution certain findings prior to a Project being selected for financing by the I-Bank.

(vi). The Applicant expects to pay certain expenditures ("Reimbursement Expenditures") in connection with the Project prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis.

(vii). The Applicant reasonably expects that a financing arrangement ("Obligation") in an amount not to exceed $1,300,000 will be entered into and that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures.

(viii). The ISRF Program requires funding sources, other than the I-Bank financing, be identified and approved prior to Project financing approval by the I-Bank Board.

(ix). A full, true and correct copy of application is on file in the office of the City Clerk.

(x) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The City of Placentia hereby approves the filing of an ISRF Program Financing Application with the I-Bank for the Project and in connection therewith certifies:

A. The Project is consistent with the General Plan of the City of Placentia.

B. The proposed financing is appropriate for the Project.

C. The Project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources.

D. The Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

E. The Project is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

3. The Applicant hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of § 1.150-2 of the State Treasury Regulations. This declaration does not bind the Applicant to make any expenditures, incur any indebtedness, or proceed with the Project.

4. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The

Applicant will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

5. This resolution shall become effective immediately upon adoption.

PASSED, ADOPTED AND APPROVED this 5th day of November 2013.

_____
SCOTT W. NELSON, MAYOR

ATTEST:

_____
PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 5th day of November 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

_____
ANDREW V. ARCZYNSKI,
CITY ATTORNEY

EXHIBIT C

Payment Date	Ending Principal Balance	Principal Payment	Interest Payment	Total Principal & Interest	Annual Fee	Total Payment	Total Payment Fiscal Year Ending 30-Jun
1-Jan-2014	$1,300,000.00						
1-Aug-2014			$18,503.33	$18,503.33	$3,900.00	$22,403.33	$22,403.33
1-Aug-2014	$1,227,186.48	$72,813.52	$15,860.00	$88,673.52	$3,900.00	$92,573.52	
1-Feb-2015			$14,971.68	$14,971.68		$14,971.68	$107,545.20
1-Aug-2015	$1,152,596.31	$74,590.17	$14,971.68	$89,561.85	$3,681.56	$93,243.41	
1-Feb-2016			$14,061.67	$14,061.67		$14,061.67	$107,305.08
1-Aug-2016	$1,076,186.14	$76,410.17	$14,061.67	$90,471.85	$3,457.79	$93,929.63	
1-Feb-2017			$13,129.47	$13,129.47		$13,129.47	$107,059.11
1-Aug-2017	$997,911.56	$78,274.58	$13,129.47	$91,404.05	$3,228.56	$94,632.61	
1-Feb-2018			$12,174.52	$12,174.52		$12,174.52	$106,807.13
1-Aug-2018	$917,727.08	$80,184.48	$12,174.52	$92,359.00	$2,993.73	$95,352.73	
1-Feb-2019			$11,196.27	$11,196.27		$11,196.27	$106,549.00
1-Aug-2019	$835,586.10	$82,140.98	$11,196.27	$93,337.25	$2,753.18	$96,090.43	
1-Feb-2020			$10,194.15	$10,194.15		$10,194.15	$106,284.58
1-Aug-2020	$751,440.88	$84,145.22	$10,194.15	$94,339.37	$2,506.76	$96,846.13	
1-Feb-2021			$9,167.58	$9,167.58		$9,167.58	$106,013.71
1-Aug-2021	$665,242.52	$86,198.36	$9,167.58	$95,365.94	$2,254.32	$97,620.26	
1-Feb-2022			$8,115.96	$8,115.96		$8,115.96	$105,736.22
1-Aug-2022	$576,940.91	$88,301.60	$8,115.96	$96,417.56	$1,995.73	$98,413.29	
1-Feb-2023			$7,038.68	$7,038.68		$7,038.68	$105,451.97
1-Aug-2023	$486,484.75	$90,456.16	$7,038.68	$97,494.84	$1,730.82	$99,225.66	
1-Feb-2024			$5,935.11	$5,935.11		$5,935.11	$105,160.78
1-Aug-2024	$393,821.46	$92,663.29	$5,935.11	$98,598.41	$1,459.45	$100,057.86	
1-Feb-2025			$4,804.62	$4,804.62		$4,804.62	$104,862.48
1-Aug-2025	$298,897.18	$94,924.28	$4,804.62	$99,728.90	$1,181.46	$100,910.36	
1-Feb-2026			$3,646.55	$3,646.55		$3,646.55	$104,556.91
1-Aug-2026	$201,656.75	$97,240.43	$3,646.55	$100,886.98	$896.69	$101,783.67	
1-Feb-2027			$2,460.21	$2,460.21		$2,460.21	$104,243.88
1-Aug-2027	$102,043.66	$99,613.10	$2,460.21	$102,073.31	$604.97	$102,678.28	
1-Feb-2028			$1,244.93	$1,244.93		$1,244.93	$103,923.21
1-Aug-2028		$102,043.66	$1,244.93	$103,288.59	$306.13	$103,594.72	$103,594.72
Total Payments:		$1,300,000.00	$270,646.14	$1,570,646.14	$36,851.17	$1,607,497.31	$1,607,497.31

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CITY ATTORNEY

DATE: NOVEMBER 5, 2013

SUBJECT: **PUBLIC HEARING, INTRODUCTION AND FIRST READING FOR AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, REPEALING CHAPTER 18.04 OF TITLE 18 AND CHAPTERS 20.04, 20.08, 20.12, 20.16, 20.20 AND 20.56 OF TITLE 20 OF THE PLACENTIA MUNICIPAL CODE AND ADOPTING BY REFERENCE, THE CALIFORNIA FIRE CODE, 2013 EDITION, THE CALIFORNIA BUILDING CODE, 2013 EDITION, THE CALIFORNIA RESIDENTIAL CODE, 2013 EDITION, THE CALIFORNIA GREEN BUILDING STANDARDS CODE, 2013 EDITION, THE CALIFORNIA PLUMBING CODE, 2013 EDITION, THE CALIFORNIA MECHANICAL CODE, 2013 EDITION, AND THE CALIFORNIA ELECTRICAL CODE, 2013 EDITION, INCLUDING ALL APPENDICES, WITH CERTAIN AMENDMENTS, ADDITIONS AND DELETIONS THERETO, INCLUDING FEES AND PENALTIES; AND APPROVAL OF RESOLUTION MAKING REQUIRED FINDINGS PURSUANT TO THE CALIFORNIA HEALTH & SAFETY CODE**

FISCAL IMPACT: N/A

INTRODUCTION:

Every three (3) years the California Building Standards Commission adopts a new set of model codes to regulate development and construction projects within the State of California. These model codes are effective for all cities unless a city adopts local amendments to the model codes. If a city amends the model codes then it is the responsibility of the city to adopt the code by reference and the applicable local amendments prior to January 1st of the year the model codes become effective. With this action, the City Council will conduct a Public Hearing to consider the 2013 Fire and Building related Codes and obtain public input regarding the proposed amendments recommended by staff.

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct public hearing and consider staff and public input pertaining to the ordinance and amendments recommended by staff. Close public hearing upon completion of testimony, and

2. Introduce for first reading Ordinance O-2013-08, "An Ordinance of the City Council of the City of Placentia, California, repealing Chapter 18.04 of Title 18 and Chapters 20.04, 20.08, 20.12, 20.16, 20.20 20.44, 20.48 and 20.56 of Title 20 of the Placentia Municipal Code and adopting by reference, the California Fire Code, 2013 Edition, the California Building Code, 2013 Edition, the California Residential Code, 2013 Edition,

the California Green Building Standards Code, 2013 Edition, the California Plumbing Code, 2013 Edition, the California Mechanical Code, 2013 Edition, and the California Electrical Code, 2013 Edition, including all appendices, with certain amendments, additions and deletions thereto, including fees and penalties", and

3. Adopt Resolution No. R-2013- Making required finding pursuant to California Health and Safety Code § 17958.5(a) pertaining to modifications to the standardized codes promulgated by the State of California.

DISCUSSION:

The California Building Standards Commission reviews and revises the model codes that regulate development and construction projects within the State of California every three (3) years. The new model codes are then adopted by the State. California adopted the model codes in July 2013, with an effective date of January 1, 2014. Although the models are effective without local adoption, local adoption permits a city to amend the codes to reflect local conditions. The State Fire Marshal is responsible for adopting the Fire Code updates and the City, as a member of the Orange County Fire Authority (OCFA), defers the development of local amendments to OCFA.

Accordingly, through its Building Official, the City participated with all member cities of the Orange County Fire Authority to review the updated codes as adopted by the California Building Standards Commission and the Fire Code as adopted by the State Fire Marshal. The total of seven (7) codes, which have been revised for the 2013 cycle and adopted by the State, are:

- 2013 California Building Code
- 2013 California Mechanical Code
- 2013 California Green Building Standards Code
- 2013 California Fire Code (State Fire Marshal)
- 2013 California Plumbing Code
- 2013 California Electrical Code
- 2013 California Residential Code

Per California Government Code § 50022.2, the model codes may be adopted reference, without the necessity of publishing the entirety of the model codes.

Local adoption of such codes is mandated on January 1, 2014, and requires a four-fifths ($4/5^{th}$) approval of the City Council. Prior to such adoption, jurisdictional bodies may amend said codes if such amendments are justified on the basis of a local climatic, local geological or local topographical condition which makes such amendment(s) necessary.

The City Attorney's Office in conjunction with the City's Building Division and OCFA have completed a thorough analysis of the State Codes and developed a locally amended version for adoption. A detailed listing of the local amendments proposed for adoption is set forth in the attached resolution.

Prepared by:

Andrew V. Arczynski
City Attorney

Reviewed and approved by:

Troy L. Butzlaff, ICMA-CM
City Administrator

RESOLUTION NO. R-2013-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA MAKING REQUIRED FINDINGS PERTAINING TO MODIFICATIONS TO THE UNIFORM FIRE AND CONSTRUCTION CODES ADOPTED BY ORDINANCE NO. O-2013- BASED UPON LOCAL CLIMATIC, TOPOGRAPHIC AND GEOLOGIC CONDITIONS IN ACCORDANCE WITH THE REQUIREMENTS OF § 17958 OF THE CALIFORNIA HEALTH AND SAFETY CODE

A. Recitals.

(i). The State of California mandates all cities in the state impose the same requirements as are contained in the most recent edition(s) of the California Building Code, the California Fire Code, the California Green Building Standards Code, the California Residential Code, the California Plumbing Code, the California Mechanical Code, and the California Electrical Code ("Codes").

(ii). California Health and Safety Code § 17958.5(a) authorizes cities to make modifications or changes to the Codes which are reasonably necessary as a result of local climatic, geologic, or topographic conditions.

(iii). Prior to effecting any modifications or changes to the Codes, this City Council is required by the provisions of California Health and Safety Code § 17958.7 to make express findings that such changes or modifications are reasonably necessary due to local climatic, geologic, or topographic conditions.

(iv). The Development Services Department and the Orange County Fire Authority, through the City Administrator, have recommended changes and modifications be made to the Codes and has presented satisfactory evidence to this City Council that said changes and modifications to the Codes are reasonably necessary due to local conditions in the City and have further advised that the remainder of said changes and modifications are of an administrative or procedural nature, or are concerned with subjects not covered by the Codes or are reasonably necessary to safeguard life and property within the City.

(v). The City Council desires to ensure that the changes and modifications to the Codes required for proper implementation of Ordinance No. O-2013- are in effect concurrently with effective date of Ordinance No. O-2013-.

(vi). All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. Pursuant to the provisions of California Health and Safety Code §§ 17958.5(a) and 17958.7, this City Council hereby finds and determines that the changes and modifications to the Codes as set forth in Ordinance No. O-2010- are reasonably necessary due to local climatic, geologic, or topographic conditions within the City as follows:

A. Climatic Conditions

(1). Placentia is located in a semi-arid Mediterranean type climate. It annually experiences extended periods of high temperatures with little or no precipitation. Hot, dry (Santa Ana) winds, which may reach speeds of 70 M.P.H. or greater, are also common to the area. These climatic conditions cause extreme drying of vegetation and common building materials. Frequent periods of drought and low humidity add to the fire danger. This predisposes the area to large destructive fires (conflagration). In addition to directly damaging or destroying buildings, such fires are also prone to disrupt utility services throughout the County of Orange. Obstacles generated by a strong wind, such as fallen trees, street lights and utility poles, and the requirement to climb 75 feet vertically up flights of stairs will greatly impact the response time to reach an incident scene. Additionally, there is a significant increase in the amount of wind force at 60 feet above the ground. Use of aerial type firefighting apparatus above this height would place rescue personnel at increased risk of injury.

(2). The climate alternates between extended periods of drought and brief flooding conditions. Flood conditions may affect the Orange County fire Authority's ability to respond to a fire or emergency condition. Floods also disrupt utility services to buildings and facilities within the County.

(3). Water demand in this densely populated area far exceeds the quantity supplied by natural precipitation; and although the population continues to grow, the already-taxed water supply does not. California is projected to increase in population by nearly 10 million over the next quarter of a century with 50 percent of that growth centered in Southern California. Due to storage capacities and consumption, and a limited amount of rainfall future water allocation is not fully dependable. This necessitates the need for additional and on-site fire protection features. It would also leave tall buildings vulnerable to uncontrolled fires due to a lack of available water and an inability to pump sufficient quantities of available water to floors in a fire.

(4). These dry climatic conditions and winds contribute to the rapid spread of even small fires originating in high-density housing or vegetation. These fires spread very quickly and create a need for increased levels of fire protection. The added protection of fire sprinkler systems and other fire protection features will supplement normal fire department response by providing immediate protection for the building occupants and by containing and controlling the fire spread to the area of origin. Fire sprinkler systems will also reduce the use of water for firefighting by as much as 50 to 75 percent.

(5). Untreated wood roofs cause or contribute to serious fire hazard and to the rapid spread of fires when such fires are accompanied by high winds. Pieces of burning wooden roofs become flying brands and are carried by the wind to other locations and thereby spread fire quickly

B. Geological Conditions

(1). Placentia is located in a highly active seismic area. There are earthquake faults that run along both the northeastern and southwestern boundaries of Orange County. The Newport-Inglewood Fault Zone which runs through Orange

County was the source of the destructive 1933 Long Beach earthquake (6.3 magnitude, epicenter off Newport Beach coast), which took 120 lives, with areas damaged from Laguna Beach to Marina del Rey and inland to Whittier, and poses one of the greatest hazards to lives and property in the nation. Regional planning for reoccurrence is recommended by the State of California, Department of Conservation. There was also an earthquake in December 1989, with the epicenter located near the City of Irvine. The fault on which this quake occurred was unknown prior to this activity. The October 17, 1989, Santa Cruz earthquake resulted in only one major San Francisco fire in the Marina district, but when combined with the 34 other fires and over 500 responses, the department was taxed to its full capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. If more fires had been ignited by the earthquake, it would have been difficult for the fire department to contain them. Experts predict a major earthquake in our area within the next 50 years. This situation creates the need for both additional fire protection measures and automatic on-site fire protection for building occupants since a multitude of fires may result from breakage of gas and electric lines as a result of an earthquake. As noted by *Planning Scenario on a Major Earthquake on the Newport-Inglewood Fault Zone, 1988, State Department of Conservation*, page 59: "Unfortunately, barely meeting the minimum earthquake standards of building codes places a building on the verge of being legally unsafe."

(2). Traffic and circulation congestion presently existing in Placentia, including railroad traffic, often places firefighting response time to fire occurrences at risk. This condition will be exacerbated by any major disaster, including any earthquake wherein damage to the highway system will occur. This condition makes the need for additional on-site protection for property occupants necessary.

(3). Soils within the City possess corrosive properties that reduce the expected usable life of water services when metallic pipes in contact with soils are utilized.

(4). Portions of Placentia contain active or former oil production fields. These areas contain a variety of

naturally occurring gasses, liquids and vapors. These compounds present toxicity or flammability hazards to building occupants.

3. Amendments to the 2013 Edition of the Codes hereby are found reasonably necessary based on the climatic and/or geologic conditions described in Section 2 of this resolution and are listed as follows:

Code Section	Findings in § 2
Placentia Fire Code ("PFC") §§ 305.5, 305.6-6.3 307.6-307.6.2	A(1), A(4), B(1)
PFC § 319	B(4)
PFC § 326	A(1), A(4)
PFC § 608.10	B(1)
PFC §§ 903.2, 903.2.8,903.3.5.3	A(1), A(3)A(4)
PFC §§ 903.4, 905.4, 907.3	B(1)
PFC §§ 907.5.2.2, 2008.1-2008.1.11	A, B(1)
PFC § 5003.1.1(1)	A, B
PFC §§ 5003.1.1.1	B
PFC Chapter 50, Reference Standards 2010 NFPA 13 (Sprinkler Systems), 2010 NFPA 13-R (Multi-Family Sprinkler Systems), 2010 NFPA 13-D (Single Family Sprinkler Systems) 2007 NFPA 14 (Standpipe Systems), 2010 NFPA 24 (Underground Water Supply Systems), 2010 NFPA 72 (Fire Alarm Systems)	A, B
Placentia Building Code ("PBC") §§ 403.1, 4.12.7.6-13	A
§ 710A.3.2	A, B
§ 710A.4	A

§§ 903.2, 903.2.8,903.3.5.3	A, B(2)
§§ 903.4, 905.4, 907.3.1	B(1)
§ 907.3.1	B(1)
§ 907.4.2.2	A, B(1)
§ 1505.1 1505.1.3, 1505.5, 1505.7	A(1), A(3), A(5), B(1)
PBC Chapter 35, Reference Standards 2010 NFPA 13 (Sprinkler Systems), 2010 NFPA 13-R (Multi-Family Sprinkler Systems), 2010 NFPA 13-D (Single Family Sprinkler Systems) 2007 NFPA 14 (Standpipe Systems), 2010 NFPA 24 (Underground Water Supply Systems), 2010 NFPA 72 (Fire Alarm Systems)	A, B
Placentia Residential Code ("PRC") § R301.9.	B(3)
§ R301.10	A, B
§§ R309.6, R313.1, R313.2, R313.3.6.2.2, R327.1.6,	A, B
§§ R902.1, R902.1.3, R902.2	A(1), A(3), A(5), B(1)
§ 1001.13	A, B
PRC Chapter 35, Reference Standards 2010 NFPA 13 (Sprinkler Systems), 2010 NFPA 13-R (Multi-Family Sprinkler Systems), 2010 NFPA 13-D (Single Family Sprinkler Systems)	A, B

4. This City Council hereby finds that the facts supporting the findings reference herein are contained in the staff report and the oral and documentary evidence submitted to this City Council during the public hearing conduced regarding the adoption of Ordinance No. O-2013-.

5. In accordance with the provisions of California Health and Safety Code § 17958.7, the City Clerk hereby is directed to forthwith file a certified copy of this

Resolution and Ordinance O-2013- with the California Building Standards Commission.

6. A full, true and correct copy of this Resolution shall be maintained in the office of the building official for public inspection.

7. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 19th day of October, 2010.

SCOTT W. NELSON, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 5th day of November, 2013, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA,
CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI,
CITY ATTORNEY

ORDINANCE NO. O-2013-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTA, CALIFORNIA, REPEALING CHAPTER 18.04 OF TITLE 18 AND CHAPTERS 20.04, 20.08, 20.12, 20.16, 20.20 AND 20.56 OF TITLE 20 OF THE PLACENTIA MUNICIPAL CODE AND ADOPTING BY, REFERENCE, THE CALIFORNIA FIRE CODE, 2013 EDITION, THE CALIFORNIA BUILDING CODE, 2013 EDITION, THE CALIFORNIA RESIDENTIAL CODE, 2013 EDITION, THE CALIFORNIA PLUMBING CODE, 2013 EDITION, THE CALIFORNIA ELECTRICAL CODE, 2013 EDITION, CALIFORNIA MECHANICAL CODE, 2013 EDITION, AND THE CALIFORNIA GREEN BUILDING STANDARDS CODE, 2013 EDITION, INCLUDING ALL APPENDICES, WITH CERTAIN AMENDMENTS, ADDITIONS AND DELETIONS THERETO, INCLUDING FEES AND PENALTIES.

City Attorney's Summary

This Ordinance repeals existing provisions of Titles 18 and 20 of the Placentia Municipal Code and adopts new standards and codes regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the City as well as prescribing regulations for erecting, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures. This Ordinance adopts, by reference, the California Fire Code, 2013 Edition, and codes adopted by the California Building Standards Commission, including the California Building Code, 2013 Edition, the California Residential Code, 2013 Edition, the California Green Building Standards Code, 2013 Edition; the California Plumbing Code, 2013 Edition, the California Mechanical Code, 2013 Edition, the California Electrical Code, 2013 Edition and provides for the issuance of permits and collection of fees therefor and establishing penalties for violation(s) thereof.

A. Recitals.

(i). California Health and Safety Code § 17922 requires cities within the state to adopt standardized building and construction codes, subject to permitted local amendments thereto, within specified timelines.

ORDINANCE NO. O-2013-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTA, CALIFORNIA, REPEALING CHAPTER 18.04 OF TITLE 18 AND CHAPTERS 20.04, 20.08, 20.12, 20.16, 20.20 AND 20.56 OF TITLE 20 OF THE PLACENTIA MUNICIPAL CODE AND ADOPTING BY, REFERENCE, THE CALIFORNIA FIRE CODE, 2013 EDITION, THE CALIFORNIA BUILDING CODE, 2013 EDITION, THE CALIFORNIA RESIDENTIAL CODE, 2013 EDITION, THE CALIFORNIA PLUMBING CODE, 2013 EDITION, THE CALIFORNIA ELECTRICAL CODE, 2013 EDITION, CALIFORNIA MECHANICAL CODE, 2013 EDITION, AND THE CALIFORNIA GREEN BUILDING STANDARDS CODE, 2013 EDITION, INCLUDING ALL APPENDICES, WITH CERTAIN AMENDMENTS, ADDITIONS AND DELETIONS THERETO, INCLUDING FEES AND PENALTIES.

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This Ordinance repeals existing provisions of Titles 18 and 20 of the Placentia Municipal Code and adopts new standards and codes regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises in the City as well as prescribing regulations for erecting, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures. This Ordinance adopts, by reference, the California Fire Code, 2013 Edition, and codes adopted by the California Building Standards Commission, including the California Building Code, 2013 Edition, the California Residential Code, 2013 Edition, the California Green Building Standards Code, 2013 Edition; the California Plumbing Code, 2013 Edition, the California Mechanical Code, 2013 Edition, the California Electrical Code, 2013 Edition and provides for the issuance of permits and collection of fees therefor and establishing penalties for violation(s) thereof.

A. Recitals.

(i). California Health and Safety Code § 17922 requires cities within the state to adopt standardized building and construction codes, subject to permitted local amendments thereto, within specified timelines.

(ii). Article 2 of Chapter 1 of Part 1 of Division 1 of Title 5 of the California Government Code (§§ 50022.2, *et seq.*) authorizes the adoption, by reference, of standardized codes, including the above-entitled Codes.

(iii). A duly noticed public hearing, as required by California Government Code § 50022.3, has been conducted and was concluded prior to the adoption of this ordinance.

(iv). All legal prerequisites to the adoption of this ordinance have occurred.

B. Ordinance.

The City Council of the City of Placentia does ordain as follows:

Section 1. In all respects as set forth in the Recitals, Part A., of this Ordinance.

Section 2. Chapter 18.04 of Title 18 and Chapters 20.03, 20.04, 20.08, 20.12, 20.16, and 20.20 of Title 20 of the Placentia Municipal Code hereby are repealed, in their entirety; provided, however, that said repeal shall not vitiate any permit or entitlement issued thereunder and, further, said repeal shall not apply to or excuse any violation(s) thereof occurring prior to the effective date of this ordinance and provided further that the codes thereby adopted, as previously adopted by reference and amended by ordinances of this City, shall continue to be applicable to construction wherein plans have been submitted for plan check as of the effective date of this ordinance so long as the initial permit therefor is issued no later than thirty (30) days after the effective date of this Ordinance.

Section 3. A new Chapter 18.04 hereby is added to Title 18 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 18.04

"California Fire Code, 2013 Edition

"Sections:

"18.04.010 Title
"18.04.020 Purpose
"18.04.030 Adoption of Fire Code
"18.04.040 Definition of Terms
"18.04.050 Amendments to Fire Code
"18.04.060 Enforcement and Inspections
"18.04.070 Fees
"18.04.080 Copy filed

"Section 18.04.010 - Title.

"This Chapter shall be known as the 'Placentia Fire Code.'

"Section 18.04.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations and govern the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Section 18.04.030 - Adoption of Fire Code.

"There hereby is adopted as the 'Placentia Fire Code,' except as otherwise provided in this Chapter, that certain code known and designated as the California Fire Code, 2013 Edition, based on the 2012 International Fire Code published by the International Code Council, as set forth in Title 24, Part 9 of the California Code of Regulations, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Fire Code of the City of Placentia, to regulate and govern the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Fire Code, said State regulations shall prevail over the provisions of the Placentia Fire Code except as specifically modified herein.

"Section 18.04.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Fire Code, each such name or term shall be deemed

and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Building department' means the 'building and safety division' of the City.

"(B) 'Building official' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(C) 'City' means the City of Placentia.

"(D) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(E) 'Jurisdiction' means the City of Placentia.

"(F) 'Local Enforcing Agency' means the Orange County Fire Authority or the Building Official of City.

"(G) 'OCFA' means the Orange County Fire Authority.

"Section 18.04.050 - Amendments to Fire Code.

"The following provisions of the California Fire Code hereby are amended to read, in words and figures, as follows:

"Section 105.3. Right of Entry.

"A. The fire code official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the fire code official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"B. Except in emergency situations, the fire code official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the fire code official while in the performance of the duties herein described as emergency situations or while in possession of a search

warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 109.3. Violation - Penalties hereby is deleted, in its entirety.

"Section 202. General Definitions hereby is amended by the addition of the following terms, to read, in words and figures, as follows:

"'Approach-Departure Path.' The flight path of the helicopter as it approaches or departs from the landing pad.

"'Emergency Helicopter Landing Facility ("EHLF").' A landing area on the roof of a high-rise building that is not intended to function as a heliport or helistop but is capable of accommodating fire, police, or medical helicopters engaged in emergency operations.

"'Flow-Line.' The lowest continuous elevation on a curb defined by the path traced by a particle in a moving body of water at the bottom of the rolled curb.

"'Hazardous Fire Area." Includes all areas identified within § 4906.2 and other areas as determined by the fire code official as presenting a fire hazard due to the presence of combustible vegetation, or the proximity of the property to an area that contains combustible vegetation.

"'High-Rise Building.' In other than Group I-2 occupancies, 'high-rise buildings' as used in this Code mean:

"'Existing high-rise structure.' A high-rise structure, the construction of which is commenced or completed prior to July 1, 1974.

"'High-rise structure.' Every building of any type of construction or occupancy having floors used for human occupancy located more than 55 feet above the lowest floor level having building access, except buildings used as hospitals as defined in California Health and Safety Code § 1250.

"'New high-rise building.' A high-rise structure, the construction of which is commenced on or after July 1, 1974.

For the purpose of this section, construction shall be deemed to have commenced when plans and specifications are more than 50 percent complete and have been presented to the local jurisdiction prior to July 1, 1974. Unless all provisions of this section have been met, the construction of such buildings shall commence on or before January 1, 1976.

"'New high-rise structure' means a high-rise structure, the construction of which commenced on or after July 1, 1974.

"'Safety area.' A defined area surrounding the landing pad that is free of obstructions.

"'Sky lantern.' An airborne lantern typically made of paper, Mylar, or other lightweight material with a wood, plastic, or metal frame containing a candle, fuel cell, or other heat source that provides buoyancy.

"'Takeoff and landing area.' The combination of the landing pad centered within the surrounding safety area.

"Section 304.1.2(7) hereby is amended by the addition of subsection '(E)' to read, in words and figures, as follows:

"'(E). Weeds, grass, vines or other growth that is capable of being ignited and endangering property, shall be cut down and removed by the owner or occupant of the premises. Vegetation clearance requirements in urban-wildland interface areas shall be in accordance with Chapter 49 and OCFA Vegetation Management Guidelines.

"Section 305.5, Chimney spark arrestors, hereby is amended to read, in words and figures, as follows:

"All chimneys attached to any appliance or fireplace that burns solid fuel shall be equipped with an approved spark arrester. Chimneys serving outdoor appliances or fireplaces shall be equipped with a spark arrester. The spark arrester shall meet the requirements of § 2113.9.2 of the Placentia Building Code.

A new § 305.6 hereby is added to read, in words and figures, as follows:

"305.6. Outdoor fires. Outdoor fires shall be in accordance with §§ 305, 307 and 308 and with other applicable provisions of this code.

"305.6.1. Where prohibited. Outdoor fires shall not be built, ignited or maintained in fuel modification areas, Wildfire Risk Areas ('WRA') and adopted Fire Hazard Severity Zones ('FHSZ') or Special Fire Protection Areas ('SFPA') or other locations where conditions could cause the spread of fire to the WRA, SFPA or FHSZ, except by permit from the fire code official.

"Exception: A permit is not required for the following:

"1. Fires in approved outdoor or portable fireplaces, fire pits, fire rings and similar devices at Group R occupancies that are installed and used in accordance with this code.

"2. Outdoor fires at inhabited premises or official organized campsites or parks when located in a permanent or portable barbeque or grill, incinerator, or outdoor fireplace located at least 30 feet from combustible vegetation.

"3. Installations or uses approved by the fire code official.

"305.6.1.1. Fuel modification areas. Outdoor fires using wood or other solid fuel shall not be built, ignited or maintained in a fuel modification area.

"305.6.1.2. Supervision. Where a permit is issued or when allowed under the exceptions to § 305.6.1, such fires shall be supervised by a person 18 years of age or older.

"305.6.2. Hazardous conditions. Outdoor fires are not allowed when predicted sustained winds exceed 8 MPH during periods when relative humidity is less than 25%, or a red flag condition has been declared or public announcement is made, when an official sign was caused to be posted by the fire code official, or when such fires present a hazard as determined by the fire code official.

"305.6.3. Disposal of rubbish. Rubbish, trash or combustible waste material shall be burned only within an approved incinerator and in accordance with § 307.2.1.

"Section 307.6, Open burning, recreational fires and portable outdoor fireplaces hereby is amended to read, in words and figures, as follows:

"307.6. Outdoor fireplaces, fire pits, fire rings, or similar devices used at Group R Occupancies. Outdoor

fireplaces, fire pits, fire rings, or similar exterior devices used at Group R shall comply with this section.

"Exception: Barbeques, grills, and other portable devices intended for cooking.

"307.6.1. Gas-fueled devices. Outdoor fireplaces, fire pits and similar devices fueled by natural gas or liquefied-petroleum gas are allowed when approved by the Building Department and the device is designed to only burn a gas flame and not wood or other solid fuel. At R-3 occupancies, combustible construction shall not be located within three (3) feet of an atmospheric column that extends vertically from the perimeter of the device. At other R occupancies, the minimum distance shall be ten (10) feet. Where a permanent building department approved hood and vent is installed, combustible construction may encroach upon this column between the bottom of the hood and the vent opening. Where chimneys or vents are installed, they shall have a spark arrester in accordance with § 305.5.

"307.6.2. Devices using wood or fuels other than natural gas or liquefied-petroleum gas. Fireplaces burning wood or other solid fuel shall be constructed in accordance with the Placentia Building Code and § 305.5. Fires in a fireplace shall be contained within a firebox with an attached chimney. The opening in the face of the firebox shall have an installed and maintained method of arresting sparks. The burning of wood or other solid fuel in a device is not allowed within 15 feet of combustible structures, unless within a permanent or portable fireplace. Conditions which could cause a fire to spread within 25 feet of a structure or to vegetation shall be eliminated prior to ignition. Fires in devices burning wood or solid fuel shall be managed per § 307.5.

"307.6.2.1. Where prohibited. The burning of wood and other solid fuels shall not be conducted within a fuel modification zone. Wood and other solid fuel burning fires in devices other than permanent fireplaces are not allowed within Wildfire Risk Areas ('WRA') and adopted Fire Hazard Severity Zones ('FHSZ') and Special Fire Protection Areas ('SFPA') or in locations where conditions could cause the spread of fire to the WRA or FHSZ, unless determined by the fire code official that the location or design of the device should reasonably prevent the start of a wildfire.

"A new § 319 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 319. Development on or near land containing or emitting toxic, combustible or flammable liquids, gases or vapors. The fire code official may require the submittal for approval of geological studies, evaluations, reports, remedial recommendations and/or similar documentation from a state-licensed and department-approved individual or firm, on any parcel of land to be developed which has, or is adjacent to, or within 1,000 feet (304.8 m) of a parcel of land that has an active, inactive, or abandoned oil or gas well operation, petroleum or chemical refining facility, petroleum or chemical storage, or may contain or give off toxic, combustible or flammable liquids, gases or vapors.

"A new § 320 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 320. Fuel modification requirements for new construction. All new buildings to be built or installed in areas with or adjacent to land having hazardous combustible vegetation shall comply with the requirements in the edition of OCFA Vegetation Management Guidelines currently in use at the time of plan submittal.

"A new § 321 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 321. Clearance of brush or vegetation growth from roadways. The fire code official is authorized to cause areas within 10 feet (3048 mm) on each side of portions of highways and private streets which are improved, designed or ordinarily used for vehicular traffic, to be cleared of flammable vegetation and other combustible growth. Measurement shall be from the flow-line or the end of the improved edge of the roadway surfaces.

"Exception: Single specimens of trees, ornamental shrubbery or cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, provided that they do not form a means of readily transmitting fire.

"A new § 322 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 322. Suspension of enforcement. The fire code official may suspend enforcement of the vegetation management requirements and require reasonable alternative measures designed to advance the purpose of this code if determined that in any specific case that any of the following conditions exist:

"1. Difficult terrain.

"2. Danger of erosion.

"3. Presence of plants included in any state and federal resources agencies, California Native Plant Society and county-approved list of wildlife, plants, rare, endangered and/or threatened species.

"4. Stands or groves of trees or heritage trees.

"5. Other unusual circumstances that make strict compliance with the clearance of vegetation provisions undesirable or impractical.

"A new § 323 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 323. Use of equipment. Except as otherwise provided in this section, no person shall use, operate, or cause to be operated in, upon or adjoining any hazardous fire area any internal combustion engine which uses hydrocarbon fuels, unless the engine is equipped with a spark arrester as defined in § 323.1 maintained in effective working order, or the engine is constructed, equipped and maintained for the prevention of fire.

"Exception:

"1. Engines used to provide motor power for trucks, truck tractors, buses, and passenger vehicles, except motorcycles, are not subject to this section if the exhaust system is equipped with a muffler as defined in the Vehicle Code of the State of California.

"2. Turbocharged engines are not subject to this section if all exhausted gases pass through the rotating turbine wheel, there is no exhaust bypass to the atmosphere, and the turbocharger is in good mechanical condition.

"A new § 323.1 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 323.1. Spark arrestors. Spark arrestors shall comply with the following:

"(A) A spark arrester is a device constructed of nonflammable material specifically for the purpose of removing and retaining carbon and other flammable particles over 0.0232 of

an inch (0.58 mm) in size from the exhaust flow of an internal combustion engine that uses hydrocarbon fuels or which is qualified and rated by the United States Forest Service.

"(B) Spark arresters affixed to the exhaust system of engines or vehicles subject to § 323 shall not be placed or mounted in such a manner as to allow flames or heat from the exhaust system to ignite any flammable material.

"A new § 324 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 324. Restricted entry. The fire code official shall determine and publicly announce when hazardous fire areas shall be closed to entry and when such areas shall again be opened to entry. Entry on and occupation of hazardous fire areas, except public roadways, inhabited areas or established trails and camp sites which have not been closed during such time when the hazardous fire area is closed to entry, is prohibited.

"Exception:

"(A) Residents and owners of private property within hazardous fire areas and their invitees and guests going to or being upon their lands.

"(B) Entry, in the course of duty, by peace or police officers, and other duly authorized public officers, members of a fire department and members of the United States Forest Service.

"A new § 325 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 325. Trespassing on posted property. When the fire code official determines that a specific area within a hazardous fire area presents an exceptional and continuing fire danger because of the density of natural growth, difficulty of terrain, proximity to structures or accessibility to the public, such areas shall be closed until changed conditions warrant termination of closure. Such areas shall be posted as hereinafter provided.

"Signs. Approved signs prohibiting entry by unauthorized persons and referring to applicable fire code chapters shall be placed on every closed area.

"Trespassing. Entering and remaining within areas closed and posted is prohibited.

"Exception: Owners and occupiers of private or public property within closed and posted areas, their guests or invitees, and local, state and federal public officers and their authorized agents acting in the course of duty.

"A new § 326 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 326. Sky Lanterns or similar devices. Possession or use of a sky lantern or similar device employing a candle, flame or other potential ignition source hereby is prohibited.

"Partial adoption of Chapter 4.

"Chapter 4 of the California Fire Code relating to Emergency Planning and Preparedness shall include only §§ 401, 401.3.4, 401.9, 402, 403, 404.6 - 404.7.6, 407, 408.3.1 - 408.3.2 and 408.12 - 408.12.3thereof. All remaining provisions of said Chapter 4 hereby are deleted in their entirety.

"Section 503.2.1, Dimensions, hereby is amended to read, in words and figures, as follows:

"Fire apparatus access roads shall have an unobstructed width of not less than 20 feet (6096 mm), exclusive of shoulders, except for approved gates in accordance with § 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches (4115 mm). Street widths are to be measured from top face of curb to top face of curb, on streets with curb and gutter, and from flow-line to flow-line on streets with rolled curbs.

"A new § 503.2.1.1 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 503.2.1.1. Hazardous areas. In Hazardous Fire Areas the minimum fire apparatus road width shall be 28 feet (8530 mm). The width shall be maintained to an approved point outside of the Hazardous Fire Area.

"Exception: When the road serves no more than three (3) dwelling units and the road does not exceed 150 feet in length, the road width may be 24 feet (7300 mm). This length may be increased to 400 feet where serving no more than three (3) dwelling units and all structures accessed from the roadway are protected by automatic fire sprinklers.

"Section 505.1, Address identification hereby is amended to read, in words and figures, as follows:

"Address identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. Said numbers shall contrast with the background. Address numbers shall be Arabic numerals or alphabetical letters. Numerals shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inch (12.7 mm) for R-3 occupancies, for all other occupancies the numbers shall be a minimum of 6 inches high with a minimum stroke width of 1 inch. Where access is by a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure.

"Section 510.1, Emergency responder radio coverage in new buildings, hereby is amended to read, in words and figures, as follows:

"All new buildings shall have approved radio coverage for emergency responders within the building based upon the existing coverage levels of the public safety communication systems of the jurisdiction at the exterior of the building. This section shall not require improvement of the existing public safety communication systems. The emergency responder radio coverage system shall comply with one of the following:

"1. An emergency radio system installed in accordance with the City of Placentia requirements.

"2. An emergency radio coverage system installed in accordance with OCFA Emergency Responder Digital Radio Guideline

"Exceptions:

"1. Where it is determined by the fire code official that the radio coverage system is not needed.

"2. In facilities where emergency responder radio coverage is required and such systems, components or equipment could have a negative impact on normal operations of the facility, the fire code official shall have the authority to accept an automatically activated emergency responder radio coverage system.

"Sections 510.2, 510.3, 510.4, 510.5 and 510.6, radio signal

strength, design, testing and maintenance hereby are deleted, in their entirety.

"Section 608.1, Scope, hereby is amended to read, in words and figures, as follows:

"Stationary storage battery systems having an electrolyte capacity of more than 50 gallons (189 L) for flooded lead acid, nickel cadmium (Ni-Cd) and valve-regulated lead acid (VRLA), or 1,000 pounds (454 kg) for lithium-ion and lithium metal polymer, used for facility standby power, emergency power or uninterruptible power supplies shall comply with this section and Table 608.1. Indoor charging systems for electric carts/cars with more than 50 gallons (189 L) aggregate quantity shall comply with § 608.10.

"A new § 608.10 hereby is added to the California Fire Code to read, in words and figures, as follows:

"608.10. Indoor charging of electric carts/cars. Indoor charging of electric carts/cars where the combined volume of all electric/cars battery electrolyte exceeds 50 gallons shall comply with following:

"1. Spill control and neutralization shall be provided and comply with § 608.5.

"2. Room ventilation shall be provided and comply with § 608.6.1.

"3. Signage shall be provided and comply with § 608.7.

"4. Smoke detection shall be provided and comply with § 907.2.

"Section 903.2, Fire protections systems, hereby is amended to read, in words and figures, as follows:

"Approved automatic sprinkler systems in buildings and structures shall be provided when one of the following conditions exists

"(A) New buildings: Notwithstanding any applicable provisions of §§ 903.2.1 through 903.2.12, an automatic fire-extinguishing system shall also be installed in all occupancies when the total building area exceeds 5,000 square feet (465 m^2) as defined in § 202, regardless of fire areas or allowable area.

"Exception: Group R-3 occupancies. Group R-3 occupancies shall comply with § 903.2.8.

"(B) Existing Buildings: Notwithstanding any applicable provisions of this code, an automatic sprinkler system shall be provided in an existing building when an addition occurs and when one of the following conditions exists:

"(1) When an addition is 33% or more of the existing building area, and the resulting building area exceeds 5000 square feet (465 m^2) as defined in Section 202; or

"(2) When an addition exceeds 2000 square feet (186 m^2) and the resulting building area exceeds 5000 square feet (465 m^2) as defined in § 202.

"Section 903.2.8 Group R, hereby is amended to read, in words and figures, as follows:

"An automatic sprinkler system installed in accordance with § 902.1 shall be provided throughout all buildings with a Group R fire area as follows:

"(A) New buildings: An automatic sprinkler system shall be installed throughout all new buildings.

"(B) Existing buildings: An automatic sprinkler system shall be installed throughout when one of the following conditions exists:

"(1) When an addition is 33% or more of the existing building area as defined in § 202, and greater than 1000 square feet (93 m^2) within a two (2) year period; or

"(2) An addition when the existing building is already provided with automatic sprinklers; or.

"(3) When an existing Group R Occupancy is being substantially renovated, and where the scope of the renovation is such that the building official determines that the complexity of installing a sprinkler system would be similar as in a new building.

"Section 903.4. Sprinkler system supervision and alarms hereby is amended by modifying item 1, deleting item 3 and 5,and renumbering the 'Exceptions' to read, in words and figures, as follows:

"1 Automatic sprinkler systems protecting one- and two-family dwellings.

"2 Limited area systems serving fewer than 20 sprinklers.

"3 Jockey pump control valves that are sealed or locked in the open position.

"4 Valves controlling the fuel supply to fire pump engines that are sealed or locked in the open position.

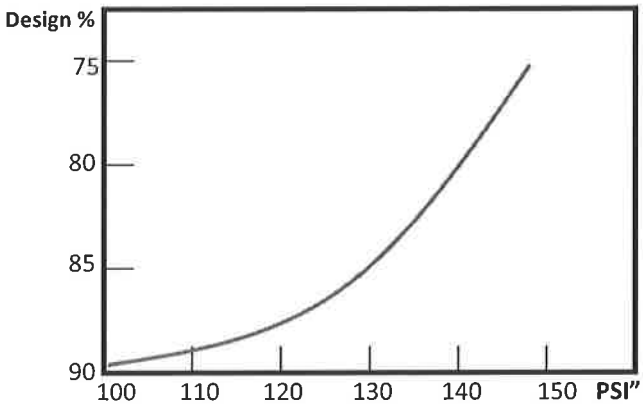
"5 Trim valves to pressure switches in dry, preaction and deluge sprinkler systems that are sealed or locked in the open position.

"A new § 903.3.5.3 hereby is added to read, in words and figures, as follows:

"903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity

"Exception: When static pressure exceeds 100 psi, and required by the Fire Code Official, the fire sprinkler system shall not exceed water supply capacity specified by Table 903.3.5.3:

"TABLE 903.3.5.3
"Hydraulically Calculated Systems



"Section 905.4, Location of Class I Standpipe Hose Connections, hereby is amended by the addition of Item 7 to read, in words and figures, as follows:

"7 The centerline of the 2.5 inches (63.5 mm) outlet shall be no less than 18 inches (457.2 mm) above and no more than 24 inches above the finished floor.

"Section 907.2.13, High-rise buildings, hereby is amended to read, in words and figures, as follows:

"High-rise buildings having occupied floors located more than 55 feet (16769 mm) above the lowest level of fire department vehicle access and Group I-2 occupancies having floors located more than 75 feet (22860 mm) above the lowest level fire department vehicle access. High-rise buildings having occupied floors located more than 55 feet (16769 mm) above the lowest level of fire department vehicle access and Group I-2 occupancies having floors located more than 75 feet (22860 mm) above the lowest level fire department vehicle access shall be provided with an automatic smoke detection in accordance with § 907.2.13.1, a fire department communication system in accordance with § 907.2.13.2 and an emergency voice/alarm communication system in accordance with § 907.6.2.2.

"Exceptions:

"1. Airport traffic control towers in accordance with §§ 907.2.22 and 412 of the Placentia Building Code.

"2. Open parking garages in accordance with § 406.3 of the Placentia Building Code.

"3. Buildings with an occupancy in Group A-5 in accordance with § 303.1 of the Placentia Building Code.

"4. Low-hazard special occupancies in accordance with § 503.1.1 of the Placentia Building Code.

"5. In Group I-2 and R-2.1 occupancies, the alarm shall sound at a constantly attended location and general occupant notification shall be broadcast by the emergency voice/alarm communication system

"Section 907.3.1, Duct smoke detectors, hereby is amended to read, in words and figures, as follows:

"Smoke detectors installed in ducts shall be listed for the air velocity, temperature and humidity present in the duct. Duct smoke detectors shall be connected to the building's fire alarm control unit when a fire alarm system is installed. Activation of a duct smoke detector shall initiate a visible and audible supervisory signal at a constantly attended location and shall perform the intended fire safety function in accordance with this code and the Placentia Mechanical Code. Duct smoke detectors shall not be used as a substitute for required open area detection.

"Exception:

"1. In occupancies not required to be equipped with a fire alarm system, actuation of a smoke detector shall activate a visible and an audible signal in an approved location. Smoke detector trouble conditions shall activate a visible or audible signal in an approved location and shall be identified as air duct detector trouble.

"Section 907.5.2.2, Emergency voice/alarm communication system hereby is amended to read, in words and figures, as follows:

"Emergency voice/alarm communication systems required by this code shall be designed and installed in accordance with NFPA 72. The operation of any automatic fire detector, sprinkler water-flow device or manual fire alarm box shall automatically sound an alert tone followed by voice instructions giving approved information and directions for a general or staged evacuation in accordance with the building's plans required by § 404. In high-rise buildings having occupied floors located more than 55 feet, and Group I-2 occupancies having floors located more than 75 feet (22 860 mm) above the lowest level fire department vehicle access, the system shall operate on a minimum of the alarming floor, the floor above and the floor below. Speakers shall be provided throughout the building by paging zones. At a minimum, paging zones shall be provided as follows:

"1. Elevator groups.

"2. Exit stairways.

"3. Each floor.

"4. Areas of refuge as defined in § 1002.1.

"5. Dwelling Units in apartment houses.

"6. Hotel guest rooms or suites.

"Exception: In Group I-1 and R-2.1occupancies, the alarm shall sound in a constantly attended area and a general occupant notification shall be broadcast over the overhead page.

"Section 907.6.3.2, High-rise buildings, hereby is amended to read, in words and figures, as follows:

"High-rise buildings having occupied floors located more than 55 feet (16 764 mm) above the lowest level of fire department vehicle access and Group I-2 occupancies having occupied floors located more than 75 feet (22 860 mm) above the lowest level fire department vehicle access, a separate zone by floor shall be provided for all of the following types of alarm-initiating devices where provided:

"1. Smoke detectors.

"2. Sprinkler water-flow devices.

"3. Manual fire alarm boxes

"4. Other approved types of automatic detection devices or suppression systems.

"Section 907.6.5, Monitoring, hereby is amended to read, in words and figures, as follows

"907.6.5. Monitoring. Fire alarm systems required by this chapter or by the Placentia Building Code shall be monitored by an approved supervising station in accordance with NFPA 72, this section, and per Orange County Fire Authority Guideline 'New and Existing Fire Alarm & Signaling Systems.'

"A new § 2008 hereby is added to the California Fire Code to read, in words and figures, as follows:

"Section 2008. Emergency Helicopter Landing Facility.

"Section 2008.1. General. Every building of any type of construction or occupancy having floors used for human occupancy located more than 75 ft. above the lowest level of the fire department vehicle access shall have a rooftop EHLF in a location approved by the fire code official for use by fire, police, and emergency medical helicopters only.

"Section 2008.1.1. Rooftop Landing Pad. The landing pad shall be 50 ft. x 50 ft. or a 50 ft. diameter circle that is pitched or sloped to provide drainage away from access points and passenger holding areas at a slope of 0.5 percent to 2 percent. The landing pad surface shall be constructed of approved non-combustible, nonporous materials. It shall be capable of supporting a helicopter with a maximum gross weight

of 15,000 lbs. For structural design requirements, see: Placentia Building Code.

"Section 2008.1.2. Approach-Departure Path. The emergency helicopter landing facility shall have two approach-departure paths separated from each other by at least 90 degrees. No objects shall penetrate above the approach-departure paths. The approach-departure path begins at the edge of the landing pad, with the same width or diameter as the landing pad and is a rising slope extending outward and upward at a ratio of eight (8) feet horizontal distance for every one (1) foot of vertical height.

"Section 2008.1.3. Safety Area. The safety area is a horizontal plane level with the landing pad surface and shall extend 25 ft. in all directions from the edge of the landing pad. No objects shall penetrate above the plane of the safety area.

"Section 2008.1.4. Safety Net. If the rooftop landing pad is elevated more than 30 in. (2'-6") above the adjoining surfaces, a 6 ft. in wide horizontal safety net capable of supporting 25 lbs/psf shall be provided around the perimeter of the landing pad. The inner edge of the safety net attached to the landing pad shall be slightly dropped (greater than 5 in. but less than 18 in.) below the pad elevation. The safety net shall slope upward but the outer safety net edge shall not be above the elevation of the landing pad.

"Section 2008.1.5. Takeoff and Landing Area. The takeoff and landing area shall be free of obstructions and 100 ft. x 100 ft. or 100 ft. diameter.

"Section 2008.1.6. Wind Indicating Device. An approved wind indicating device shall be provided but shall not extend into the safety area or the approach-departure paths.

"Section 2008.1.7. Special Markings. The emergency helicopter landing facility shall be marked as indicated in Figure 1108.1.7

"Section 2008.1.8. EHLF Exits. Two stairway exits shall be provided from the landing platform area to the roof surface. For landing areas less than 2,501 square feet in area, the second exit may be a fire escape or ladder leading to the roof surface below. The stairway from the landing facility platform to the floor below shall comply with CFC § 1009.4.2 for riser height and tread depth. Handrails shall be provided, but shall not extend

above the platform surface.

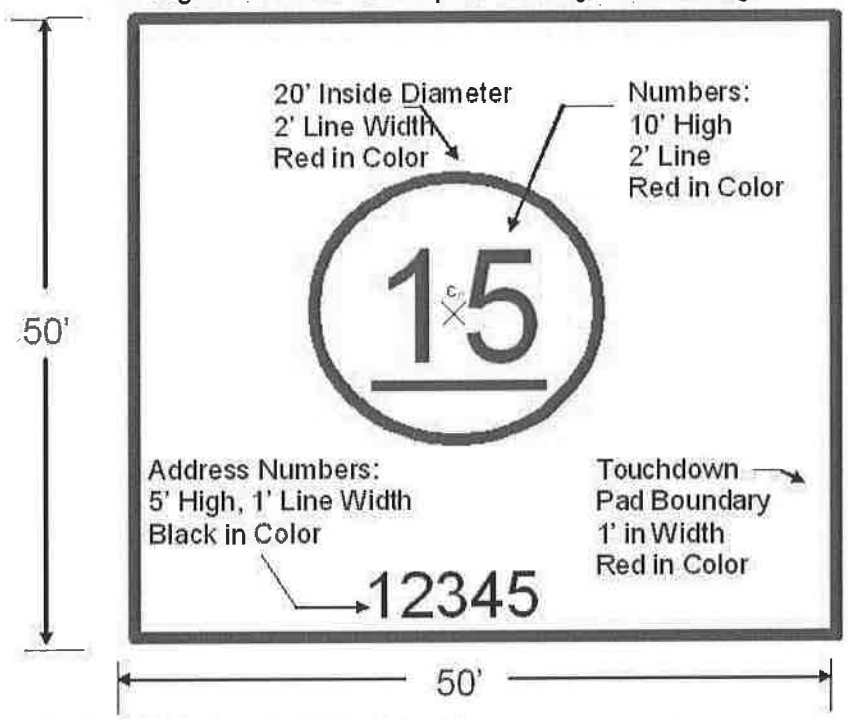
"Section 2008.1.9. Standpipe systems. The standpipe system shall be extended to the roof level on which the EHLF is located. All portions of the EHLF area shall be within 150 feet of a 2.5-inch outlet on a Class I or III standpipe.

"Section 2008.1.10. Fire extinguishers. A minimum of one portable fire extinguisher having a minimum 80-B:C rating shall be provided and located near the stairway or ramp to the landing pad. The fire extinguisher cabinets shall not penetrate the approach-departure paths, or the safety area. Installation, inspection, and maintenance of extinguishers shall be in accordance with the CFC, § 906.

"Section 2008.1.11. EHLF. Fueling, maintenance, repairs, or storage of helicopters is prohibited.

"Figure 2008.1.7. Figure 2008.1.7 hereby is added to the California Fire Code to read, in words and figures, as follows:

Figure 1108.1.7 Helicopter Landing Pad Markings



1. The preferred background is white or tan.
2. The circled, red numbers indicate the allowable weight that the facility is capable of supporting in thousands of pounds.
3. The numbers shall be oriented towards the preferred flight (typically facing the prevailing wind).

"Section 2801.1, Permit, hereby is amended by the addition of the following statement to the last sentence thereof to read, in words and figures, as follows:

"Permits shall be required as set forth in § 105.6. For Miscellaneous Combustible Storage Permit, see: § 105.6.29.

"Section 2808.1, General, hereby is amended to read, in words and figures, as follows:

"The storage and processing of more than 400 cubic feet of wood chips, hogged materials, fines, compost, green waste, and raw product produced from yard waste, debris and recycling facilities shall comply with §§ 1908.2 through 1908.10.

"Section 2808.2, Storage site, hereby is amended to read, in words and figures, as follows:

"Storage sites shall be level and on solid ground or other

all-weather surface. Sites shall be thoroughly cleaned and approval from fire code official is obtained before transferring products to the site.

"Section 2808.3, Size of piles, hereby is amended to read, in words and figures, as follows:

"Piles shall not exceed 15 feet (4572 mm) in height, 50 feet (15 240 mm) in width and 100 feet (30 480 mm) in length.

"Section 2808.7, Pile fire protection, hereby is amended by the addition of the following statement after the last sentence thereof to read, in words and figures, as follows:

"Automatic sprinkler protection shall be provided in conveyor tunnels and combustible enclosures that pass under a pile. Combustible conveyor systems and enclosed conveyor systems shall be equipped with an approved automatic sprinkler system. Oscillating sprinklers with a sufficient projectile reach are required to maintain a 40% to 60% moisture content and wet down burning/smoldering areas.

"Section 2808.9, Material-handling equipment, hereby is amended by the addition of the following statement at the commencement thereof to read, in words and figures, as follows:

"All material handling equipment operated by an internal combustion engine shall be provided and maintained with an approved spark arrester. Approved material-handling equipment shall be available for moving wood chips, hogged material, wood fines and raw product during fire-fighting operations.

"Section 2808.11, Temperature control, hereby is amended to read, in words and figures, as follows:

"2808.11. Temperature control. The temperature shall be monitored and maintained as specified in §§ 2808.11.1 and 2808.11.2.

"2808.11.1. Pile temperature control.

"Piles shall be rotated when the internal temperature readings are in excess of 165 degrees Fahrenheit.

"2808.11.2. New material temperature control. New loads delivered to the facility shall be inspected and tested at the facility entry prior to taking delivery. Material with temperature exceeding 165 degrees Fahrenheit shall not be

accepted on the site. New loads shall be monitored to verify that the temperature remains stable.

"Section 4906.3, Vegetation, hereby is amended by the addition of a new subsection (5) to read, in words and figures, as follows:

"(5) OCFA Vegetation Management Guidelines.

"Section 4908. Fuel modification requirements for new construction hereby is amended to read, in words and figures, as follows:

"4908. Fuel modification requirements for new construction. All new buildings to be built or installed in hazardous fire areas shall comply with the following:

"1. Preliminary fuel modification plan shall be submitted to and approved by the fire code official concurrent with the submittal for approval of any tentative map.

"2. Final fuel modification plan shall be submitted to and approved by the fire code official prior to the issuance of a grading permit.

"2.1. The fuel modification plan shall include provisions for the maintenance of the fuel modification for perpetuity.

"3. The fuel modification plan shall meet the criteria set forth in the Fuel Modification Section of the Orange County Fire Authority Vegetation Management Guidelines.

"4. The fuel modification plan may be altered if conditions change. Any alterations to the fuel modification areas shall have prior approval from the fire code official.

"5. All elements of the fuel modification plan shall be maintained in accordance with the approved plan and are subject to the enforcement process outlined in the Placentia Fire Code.

"A new § 4909, Explosives and blasting, hereby is added to the California Fire Code to read, in words and figures, as follows:

"Explosives shall not be possessed, kept, stored, sold, offered for sale, given away, used, discharged, transported or disposed of within wildland-urban interface areas, or hazardous fire areas except by permit from the fire code official.

"Section 5001.5.2, Hazardous materials inventory statement, hereby is amended to read, in words and figures, as follows:

"When required by the fire code official, an application for a permit shall include the OCFA Chemical Classification Packet which shall be completed and approved prior to approval of plans, and/or the storage, use or handling of chemicals on the premises. The Hazardous Materials Inventory Statement ('HMIS') shall include the following information:

"1. Product Name.

"2. Component.

"3. Chemical Abstract Service ('CAS') number.

"4. Location where stored or used.

"5. Container size.

"6. Hazard classification.

"7. Amount in storage.

"8. Amount in use-closed systems.

"9. Amount in use-open systems.

"Table 5003.1.1(1), Maximum allowable quantity per control area, hereby is amended by the deletion, in its entirety, of Footnote 'K' thereto.

"A new § 5003.1.1.1, Extremely hazardous substances, hereby is added to the California Fire Code to read, in words and figures, as follows:

"No person shall use or store any amount of extremely hazardous substances ('EHS') in excess of the disclosable amounts (see California Health and Safety Code § 25500, *et seq.*) in a residential zoned or any residentially developed property.

"Section 5003.5, Hazard identification signs, hereby is amended to read, in words and figures, as follows:

"Unless otherwise exempted by the fire code official, visible hazard identification signs as specified in the OCFA Signage Guidelines for the specific material contained shall be placed on stationary containers and above-ground tanks and at

entrances to locations where hazardous materials are stored, dispensed, used or handled in quantities requiring a permit and at specific entrances and locations designated by the fire code official.

"Section 5503.4.1, Identification signs, hereby is amended to read, in words and figures, as follows:

"Visible hazard identification signs in accordance with the OCFA Signage Guidelines shall be provided at entrances to buildings or areas in which cryogenic fluids are stored, handled or used.

"Section 5601.2, Retail fireworks, hereby is amended to read, in words and figures, as follows:

"The storage, use, sale, possession, and handling of fireworks 1.4G (commonly referred to as 'Safe & Sane') and fireworks 1.3G is prohibited.

"Exception - Fireworks 1.3G and fireworks 1.4G may be part of an electrically fired public display when permitted and conducted by a licensed pyrotechnic operator.

"A new § 5601.3, Seizure of fireworks, hereby is added to read, in words and figures, as follows:

"5601.3. Seizure of fireworks. The fire code official shall have the authority to seize, take or remove all fireworks stored, sold, offered for sale, used or handled in violation of the provisions of Chapter 6 of Title 19, California Code of Regulations. Any seizure or removal pursuant to this section shall be in compliance with all applicable statutory, constitutional, and decisional law.

"Section 5608.1, General, hereby is amended to read, in words and figures, as follows:

"Outdoor fireworks displays, use of pyrotechnics before proximity audience and pyrotechnic special effects in theatrical, and group entertainment productions, shall comply with California Code of Regulations, Title 19 , Division 1, Chapter 6 - Fireworks, OCFA Guidelines for Public Fireworks Displays, and with the conditions of the permit as approved by the fire code official.

"A new § 5608.2 hereby is added to the California Fire Code

to read, in words and figures, as follows:

"Section 5608.2. Firing. All fireworks displays shall be electrically fired.

"Section 5704.2.3.2, Label or placard, hereby is amended to read, in words and figures, as follows:

"Tanks more than 100 gallons (379 L) in capacity, which are permanently installed or mounted and used for the storage of Class I, II or III liquids, shall bear a label and placard identifying the material therein. Placards shall be in accordance with the OCFA Signage Guidelines.

"Section 6004.2.2.7, Treatment system - exception, hereby is amended to read, in words and figures, as follows:

"Exception:

"1. Toxic gases - storage/use. Treatment systems are not required for toxic gases supplied by cylinders or portable tanks not exceeding 1,700 pounds (772 Kg) water capacity when the following are provided:

"1.1. A listed or approved gas detection system with a sensing interval not exceeding 5 minutes.

"1.2. For storage, valve outlets are equipped with gas-tight outlet plugs or caps.

"1.3. For use, an approved listed or approved automatic-closing fail-safe valve located immediately adjacent to cylinder valves. The fail-safe valve shall close when gas is detected at the permissible exposure limit ('PEL') by a gas detection system monitoring the exhaust system at the point of discharge from the gas cabinet, exhausted enclosure, ventilated enclosure or gas room. The gas detection system shall comply with § 3704.2.2.10.

"Section 6.8.3 of Chapter 80 of the California Fire Code relating to Referenced Standards hereby is amended to read, in words and figures, as follows:

"Fire department connection ('FDC') shall be of an approved type. The FDC shall contain a minimum of two 2 ½" inlets. The location shall be approved and be no more than 150 feet from a public hydrant. The size of piping and the number of inlets shall be approved by the fire code official. If acceptable to

the water authority, it may be installed on the backflow assembly. Fire department inlet connections shall be painted OSHA safety red. When the fire sprinkler density design requires 500 gpm (including inside hose stream demand) or greater, or a standpipe system is included, four 2 ½" inlets shall be provided. FDC may be located within 150 feet of a private fire hydrant when approved by the fire code official.

"Section 8.3.3.1 of Chapter 80 of the California Fire Code relating to Referenced Standards hereby is amended to read, in words and figures, as follows:

"Section 8.3.3.1. Fire sprinkler systems. When fire sprinkler systems are installed in shell buildings of undetermined use (Spec Buildings) other than warehouses (S occupancies), fire sprinklers of the quick-response type shall be used. Use is considered undetermined if a specific tenant/occupant is not identified at the time the permit is issued. Sprinklers in light hazard occupancies shall be one of the following:

"(A) Quick-response type as defined in § 3.6.4.7.

"(B) Residential sprinklers in accordance with the requirements of § 8.4.5.

"(C) Standard-response sprinklers used for modifications or additions to existing light hazard systems equipped with standard-response sprinklers.

"(D) Standard-response sprinklers used where individual standard-response sprinklers are replaced in existing light hazard systems.

"A new § 8.17.1.1.1 hereby is added to Chapter 80 of the California Fire Code to read, in words and figures, as follows:

"Section 8.17.1.1.1. Residential Water flow Alarms. A local water-flow alarms shall be provided on all sprinkler systems and shall be connected to the building fire alarm or water-flow monitoring system where provided. Group R occupancies not requiring a fire alarm system by the California Fire Code shall be provided with a minimum of one approved interior alarm device in each unit. Sound levels in all sleeping areas shall be a minimum of 15 DBA above the average ambient sound or a minimum of 75 DBA with all intervening doors closed. Alarms shall be audible within all other living areas within each dwelling unit. When not connected to a fire alarm

or water-flow monitoring system, audible devices shall be powered from an uninterruptible circuit (except for over-current protection) serving normally operated appliances in the residence.

"A new § 11.1.1.2 hereby is added to Chapter 80 of the California Fire Code to read, in words and figures, as follows:

"Section 11.1.1.2. When fire sprinkler systems are required in buildings of undetermined use other than warehouses, they shall be designed and installed to have a fire sprinkler density of not less than that required for an Ordinary Hazard Group 2 use, with no reduction/s in density or design area. Warehouse fire sprinkler systems shall be designed to Figure 16.2.1.3.2 (d) curve 'G'. Use is considered undetermined if a specific tenant/occupant is not identified at the time the permit is issued. Where a subsequent occupancy requires a system with greater capability, it shall be the responsibility of the occupant to upgrade the system to the required density for the new occupancy.

"A new § 11.2.3.1.1.1 hereby is added to Chapter 80 of the California Fire Code to read, in words and figures, as follows:

"Section 11.2.3.1.1.1. The available water supply for fire sprinkler system design shall be determined by one of the following methods, as approved by the fire code official:

"(A) Subtract the project site elevation from the low water level for the appropriate pressure zone and multiplying the result by 0.433;

"(B) Use a maximum of 40 psi, if available;

"(C) Utilize the OCFA water-flow test form/directions to document a flow test conducted by the local water agency or a professional engineer licensed in the State of California. The result shall be adjusted in accordance with the graduated scaled found in the guideline.

"Section 23.2.1.1 Chapter 80 of the California Fire Code hereby is amended to read, in words and figures, as follows:

"Section 23.2.1.1. Where a waterflow test is used for the purposes of system design, the test shall be conducted no more than 6 months prior to working plan submittal unless otherwise approved by the authority having jurisdiction.

"Section 6.16.1 of NFPA 13R, Installation of Sprinkler

System in Residential Occupancies up to and Including Four Stories in Height, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"Local water-flow alarms shall be provided on all sprinkler systems and shall be connected to the building fire alarm or water-flow monitoring system where provided. Group R occupancies containing less than the number of stories, dwelling units or occupant load specified in § 907.2.8 of this code as requiring a fire alarm system shall be provided with a minimum of one approved interior alarm device in each unit. Sound levels in all sleeping areas shall be a minimum of 15 dba above the average ambient sound or a minimum of 75 dba with all intervening doors closed. Alarms shall be audible within all other living areas within each dwelling unit. When not connected to a fire alarm or water-flow monitoring system, audible devices shall be powered from an uninterruptible circuit (except for over-current protection) serving normally operated appliances in the residence.

"There shall also be a minimum of one (1) exterior alarm indicating device, listed for outside service and audible from the access roadway that serves that building.

"A new § 4.1.3 hereby is added to NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Fire Code to read, in words and figures, as follows:

"Section 4.1.3. Stock of Spare Sprinklers.

"Section 4.1.3.1. A supply of at least two (2) sprinklers for each type shall be maintained on the premises so that any sprinklers that have operated or been damaged in any way can be promptly replaced.

"Section 4.1.3.2. The sprinklers shall correspond to the types and temperature ratings of the sprinklers in the property.

"Section 4.1.3.3. The sprinklers shall be kept in a cabinet located where the temperature to which they are subjected will at no time exceed 100° F (38°C).

"Section 4.1.3.4. A special sprinkler wrench shall be provided and kept in the cabinet to be used in the removal and installation of sprinklers. One (1) sprinkler wrench shall be provided for each type of sprinkler installed.

"Section 7.1.2 of NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"7.1.2. The system piping shall not have a separate control valve unless supervised by a central station, proprietary or remote station alarm service.

"Section 7.6, Alarms, of NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"Exterior alarm indicating device shall be listed for outside service and audible from the street from which the house is addressed. Exterior audible devices shall be placed on the front or side of the structure and the location subject to final approval by the fire code official. Additional interior alarm devices shall be required to provide audibility throughout the structure. Sound levels in all sleeping areas with all intervening doors closed shall be a minimum of 15 dba above the average ambient sound level but not less than 75 dba. Audible devices shall be powered from an uninterruptible circuit (except for over-current protection) serving normally operated appliances in the residence.

"Exception:

"(A) When an approved water flow monitoring system is installed, interior audible devices may be powered through the fire alarm control panel.

"(B) When smoke detectors specified under Placentia Building Code § 310.9 are used to sound an alarm upon water flow switch activation.

"Section 7.3.1.1, Hose Connection Height, of NFPA 14, 2007 Edition, Installation of Standpipe and Hose Systems, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"Class I and III Standpipe hose connections shall be unobstructed and shall be located not less than 18 inches, or more than 24 inches above the finished floor. Class II Standpipe hose connections shall be unobstructed and shall be located not less than three (3) feet or more than five (5) feet above the finished floor.

"Section 6.2.11 (5) of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Fire Code hereby is deleted, in its entirety.

"A new § 6.3.3 hereby is added to NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, to the California Fire Code to read, in words and figures, as follows:

"Section 6.3.3. All post indicator valves controlling fire suppression water supplies shall be painted OSHA red.

"A new § 10.1.6.3 hereby is added to NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, to the California Fire Code to read, in words and figures, as follows:

"All ferrous pipe shall be coated and wrapped. Joints shall be coated and wrapped after assembly. All fittings shall be protected with a loose 8-mil polyethylene tube. The ends of the tube shall extend past the joint by a minimum of 12 inches and be sealed with two (2) inch wide tape approved for underground use. Galvanizing does not meet the requirements of this section.

"Exception: 316 Stainless Steel pipe and fittings.

"Section 10.3.5.2 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"All bolted joint accessories shall be cleaned and thoroughly coated with asphalt or other corrosion-retarding material, prior to poly-tube, and after installation.

Exception: Bolted joint accessories made from 304 or 316 stainless steel.

"A new § 10.3.5.3 hereby is added to NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Fire Code to read, in words and figures, as follows:

"All bolts used in pipe-joint assembly shall be 316 stainless steel.

"Section 10.6.3.1 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Fire Code hereby is amended to read, in words and

figures, as follows:

"Where fire service mains enter the building adjacent to the foundation, the pipe may run under a building to a maximum of 24 inches, as measured from the interior face of the exterior wall to the center of the vertical pipe. The pipe under the building or building foundation shall be 304 or 316 stainless steel and shall not contain mechanical joints or it shall comply with 10.6.2.

"Section 10.6.4 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Fire Code hereby is amended to read, in words and figures, as follows:

"Pipe joints shall not be located under foundation footings. The pipe under the building or building foundation shall be 304 or 316 stainless steel and shall not contain mechanical joints.

"Section 18.04.060 - Enforcement and Inspections.

"The Placentia Fire Code, as set forth in this Chapter 18.04 shall be enforced by the Director of Fire Services of the Orange County Fire Authority, or his or her designee. The Director of Fire Services, or his or her designee, may detail such members of the Fire Authority as shall be deemed necessary from time to time.

"Section 18.04.070 - Fees.

"Notwithstanding any provision of the Placentia Fire Code as hereby adopted, all fees for services provided pursuant to the Placentia Fire Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia or the Orange County Fire Authority Board of Directors, as the case may be, pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 18.04.080 - Copy filed.

"One (1) copy of the California Fire Code, 2013 Edition, based on the 2012 International Fire Code as published by the International Code Council, including all appendices thereto and including all amendments made herein is on file in the office of

the Building Official and the Orange County Fire Authority pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 4. A new Chapter 20.04 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.04

"California Building Code, 2013 Edition

"Sections:

"20.04.010	**Title**
"20.04.020	**Purpose**
"20.04.030	**Adoption of Building Code**
"20.04.040	**Definition of Terms**
"20.04.050	**Amendments to Building Code**
"20.04.060	**Enforcement and Inspections**
"20.04.070	**Fees**
"18.04.080	**Copy filed**

"Section 20.04.010 - Title.

"This Chapter shall be known as the 'Placentia Building Code.'

"Section 20.04.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for erecting, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Section 20.04.030 - Adoption of Building Code.

"There hereby is adopted as the 'Placentia Building Code,' except as otherwise provided in this Chapter, that certain Code known and designated as the California Building Code, 2013 Edition, as set forth in Title 24, Part 2 of the California Code of Regulations, based on the 2012 International Building Code as published by the International Code Council, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Building Code of the City of Placentia, governing the erection, construction, enlargement,

alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Building Code, said State regulations shall prevail over the provisions of the Placentia Building Code except as specifically modified herein.

"Section 20.04.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Building Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Building department' means the 'building and safety division' of the City.

"(B) 'Building official' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(C) 'City' means the City of Placentia.

"(D) 'Fire Code' means the Placentia Fire Code. 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(E) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(F) 'Local enforcing agency' means the City.

"Section 20.04.050 - Amendments to Building Code.

"The following provisions of the California Building Code hereby are amended to read, in words and figures, as follows:

"Section 110.A. Right of Entry.

"1. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises

any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"2. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 202. Emergency Helicopter Landing Facility hereby is added to the California Building Code to read, in words and figures, as follows:

"Emergency Helicopter Landing Facilities shall be defined as set forth in § 202 of the Placentia Fire Code.

"High-Rise building shall be defined as set forth in § 202 of the Placentia Fire Code.

"Section 412.2. Definitions hereby is amended to read, in words and figures, as follows:

"Additional definitions relative to helicopter flight paths, landing facilities, safety and takeoff and landing areas shall be as set forth in § 1102.1 of the Placentia Fire Code.

"A new § 412.7. Emergency Helicopter Landing Facility hereby is added to the California Building Code to read, in words and figures, as follows:

"Emergency Helicopter Landing Facilities shall be governed by the provisions of §§ 2008 - 2008.1.11 of the Placentia Fire Code.

"Section 701A.3 of the California Building Code hereby is amended to read, in words and figures, as follows:

"701A.3. Application. New buildings located in any Fire Hazard Severity Zone, Special Fire Protection Area, or any Wildland-Urban Interface Fire Area designated by the enforcing agency constructed after the application date, and additions to and remodel of buildings constructed before 2012 located in areas currently designated as such, shall comply with the provisions of this chapter. The provisions shall also apply to additions, remodels, and accessory structures located within 100 feet of a fuel modification zone, vegetation management area, or similar area containing hazardous combustible vegetation, regardless of whether the property is currently located in a designated Fire Hazard Severity Zone, Special Fire Protection Area or Wildland-Urban Interface Fire Area, when materials and/or construction methods for exterior wildfire exposure were previously required at the property by the Building or Fire Code Official.

"A new § 701A.3.2 hereby is added to the California Building Code to read, in words and figures, as follows:

"Section 710A.3.2. Detached accessory structures within 50 feet of an applicable building shall comply with the requirements of this section.

"A new § 710A.4 hereby is added to the California Building Code to read, in words and figures, as follows:

"710A.4 Requirements. Accessory structures shall be constructed of non-combustible or ignition-resistant materials.

"Section 903.2 of the California Building Code hereby is amended to read, in words and figures, as follows:

"903.2 Sprinkler systems. Approved automatic sprinkler systems in buildings and structures shall be provided in accordance with the provisions of § 903.2 of the Placentia Fire Code.

"Section 903.2.8 Group R of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 903.2.8. Approved automatic sprinkler systems in buildings and structures shall be provided in accordance with the provisions of § 903.2.8 of the Placentia Fire Code.

"Section 903.4 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 903.4. Sprinkler System Supervision and Alarms shall be governed by the provisions of § 903.4 of the Placentia Fire Code.

"A new § 903.5.3 hereby is added to the California Building Code to read, in words and figures, as follows:

"Section 903.5.3. Hydraulically calculated systems shall be governed by the provisions of § 903.5.3 of the Placentia Fire Code.

"Section 905.4 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Location of Class I Standpipe Hose Connections shall be governed by the provisions of § 905.4 of the Placentia Fire Code.

"Section 907.2.13 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 907.2.13. High-rise Buildings shall be governed by the provisions of § 907.2.13 of the Placentia Fire Code.

"Section 907.3.1 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 907.3.1. Duct Smoke Detectors shall be governed by the provisions of § 907.3.1 of the Placentia Fire Code.

"Section 907.5.2.2 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 907.5.2.2. Emergency Voice/Alarm Communication System shall be governed by the provisions of § 907.5.2.2 of the Placentia Fire Code.

"Section 907.6.3.2 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 907.6.3.2. High-rise Buildings shall be governed by the provisions of § 907.6.3.2 of the Placentia Fire Code.

"Section 907.6.5 Monitoring of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 907.6.5. Monitoring. High-rise Buildings shall be governed by the provisions of § 907.6.5 of the Placentia Fire

Code.

""Table 1505.1 of the California Building Code hereby is amended to read, in words and figures, as follows:

"TABLE 1505.1[a]
"MINIMUM ROOF COVERING CLASSIFICATIONS
"TYPES OF CONSTRUCTION

I A	I B	I IA	I IB	I IIA	I IIB	I V	V A	V B
B	B	B	B	B	B	B	B	B

"For SI: 1 foot = 304.8 mm, 1 square foot = 0.0929 m^2.
"a. Unless otherwise required in accordance with Chapter 7A.

"Section 1505.1.3 of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 1505.1.3. Roof coverings within all other areas. The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, shall be a fire-retardant roof covering that is at least Class B.

"Section 1505.5 of the California Building Code hereby is deleted in its entirety.

"Section 1505.7 of the California Building Code hereby is deleted in its entirety.

"Section 6.8.3 of Chapter 35 of the California Building Code relating to Referenced Standards hereby is amended to read, in words and figures, as follows:

"Section 6.8.3 shall be governed by the provisions of § 6.8.3 of the Placentia Fire Code.

"Section 8.3.3.1 of Chapter 35 of the California Building Code relating to Referenced Standards hereby is amended to read, in words and figures, as follows:

"Section 8.3.3.1 shall be governed by the provisions of

§ 8.3.3.1 of the Placentia Fire Code.

"Section 8.17.1.1.1 of Chapter 35 of the California Building Code relating to Referenced Standards hereby is amended to read, in words and figures, as follows:

"Section 8.17.1.1.1 shall be governed by the provisions of § 8.17.1.1.1 of the Placentia Fire Code.

"A new § 11.1.1.2 hereby is added to Chapter 35 of the California Building Code relating to Sprinkler Systems to read, in words and figures, as follows:

"Section 11.1.1.2 shall be governed by the provisions of § 11.1.1.2 of the Placentia Fire Code.

"A new § 23.2.1.1 of the California Building Code relating to Sprinkler Systems hereby is amended to read, in words and figures, as follows:

"Section 23.2.1.1 shall be governed by the provisions of § 23.2.1.1 of the Placentia Fire Code.

"Section 6.16.1 of NFPA 13R, Installation of Sprinkler System in Residential Occupancies up to and Including Four Stories in Height, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 6.16.1 shall be governed by the provisions of § 6.16.1 of the Placentia Fire Code.

"A new § 4.1.3 hereby is added to NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Building Code to read, in words and figures, as follows:

"Section 4.1.3 shall be governed by the provisions of § 4.1.5 of the Placentia Fire Code.

"Section 7.1.2 of NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 7.1.2 shall be governed by the provisions of § 7.1.2 of the Placentia Fire Code.

"Section 7.6, Alarms, of NFPA 13D, Installation of Sprinkler Systems in One and Two-Family Dwellings and Manufactured Homes, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 7.6 shall be governed by the provisions of § 7.6 of the Placentia Fire Code.

"Section 6.4.5.4.1 of NFPA 14, 2007 Edition, Installation of Standpipe and Hose Systems, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 7.3.1.1, Hose Connection Height, of NFPA 14, 2007 Edition, Installation of Standpipe and Hose Systems, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 7.3.1.1 shall be governed by the provisions of § 7.3.1.1 of the Placentia Fire Code.

"Section 6.2.11 (5) of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code hereby is deleted, in its entirety.

"A new § 6.3.3 hereby is added to NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code to read, in words and figures, as follows:

"Section 6.3.3 shall be governed by the provisions of § 6.3.3 of the Placentia Fire Code.

"A new § 10.1.6.3 hereby is added to NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code to read, in words and figures, as follows:

"Section 10.1.6.3 shall be governed by the provisions of § 10.1.6.3 of the Placentia Fire Code.

"Section 10.3.5.2 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 10.3.5.2 shall be governed by the provisions of § 10.3.5.2 of the Placentia Fire Code.

"Section 10.3.5.3 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 10.3.5.3 shall be governed by the provisions of § 10.3.5.2 of the Placentia Fire Code.

"Section 10.6.3.1 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 10.6.3.1 shall be governed by the provisions of § 10.6.3.1 of the Placentia Fire Code.

"Section 10.6.5 of NFPA 24, 2010 Edition, Installation of Private Fire Service Mains and Their Appurtenances, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 10.6.5 shall be governed by the provisions of § 10.6.5 of the Placentia Fire Code.

"Section 26.2.3.1, Fire Alarm Control Units, of NFPA 72, 2010 Edition National Fire Alarm Code, of the California Building Code hereby is amended to read, in words and figures, as follows:

"Section 20.04.060 - Enforcement and Inspections.

"The Placentia Building Code, as set forth in this Chapter 20.04 shall be enforced by the building official or his or her designee.

"Section 20.04.070 - Fees.

"Notwithstanding any provision of the Placentia Building Code as hereby adopted, all fees for services provided pursuant to the Placentia Building Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay, a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by

such person, firm, partnership or corporation.

"Section 20.04.080 - Copy filed.

"One (1) copy of the California Building Code, 2013 Edition, based on the 2012 International Building Code as published by the International Code Council, including all appendices thereto and including all amendments made herein is on file in the office of the Building Official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 5. A new Chapter 20.08 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.08

"California Residential Code, 2013 Edition

"Sections:

"20.08.010	**Title**
"20.08.020	**Purpose**
"20.08.030	**Adoption of Residential Code**
"20.08.040	**Definition of Terms**
"20.08.050	**Amendments to Residential Code**
"20.08.060	**Enforcement and Inspections**
"20.08.070	**Fees**
"20.08.080	**Copy filed**

"Section 20.08.010 - Title.

"This Chapter shall be known as the 'Placentia Residential Code.'

"Section 20.08.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for erecting, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures and conditions

hazardous to life or property in the occupancy of residential buildings and premises as herein provided.

"Section 20.08.030 - Adoption of Residential Code.

"There hereby is adopted as the 'Placentia Residential Code,' except as otherwise provided in this Chapter, that certain Code known and designated as the California Residential Code, 2013 Edition, as set forth in Title 24, Part 2.5 of the California Code of Regulations, based on the 2012 International Residential Code as published by the International Code Council, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Building Code of the City of Placentia, governing the erection, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures and conditions hazardous to life or property in the occupancy of residential buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Residential Code, said State regulations shall prevail over the provisions of the Placentia Residential Code except as specifically modified herein.

"Section 20.08.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Residential Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Building department' means the 'building and safety division' of the City.

"(B) 'Building official' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(C) 'City' means the City of Placentia.

"(D) 'Fire Code' means the Placentia Fire Code. '

"(E) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(F) 'Jurisdiction' means the City.

"(G) 'Local enforcing agency' means the City.

"Section 20.08.050 - Amendments to Residential Code.

"The following provisions of the California Residential Code hereby are amended to read, in words and figures, as follows:

"Section 110.A. Right of Entry.

"1. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"2. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 202 of the California Residential Code hereby is amended by the addition of the following definition:

"Hazardous Fire Area. Includes all areas identified within Placentia Fire Code § 4906.2 and other areas as determined by the fire code official as presenting a fire hazard due to the presence of combustible vegetation, or the proximity of the property to an area that contains combustible vegetation.

"Section R301.9 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R301.9. Development on or near land containing or emitting toxic, combustible or flammable liquids, gases or vapors shall be governed by the provisions of § 319 of the Placentia Fire Code.

"Section R301.10 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R301.10. Fuel Modification Requirements for New Construction shall be governed by the provisions of § 320 of the Placentia Fire Code.

"Section R309.6 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"Section R309.6 Fire sprinkler attached garages, and carports with habitable space above is hereby amended by modifying the exception as follows:

"Exception: An automatic residential fire sprinkler system shall not be required when additions or alterations are made to existing carports and/or garages that do not have an automatic fire sprinkler system installed unless a sprinkler system is required in accordance with Placentia Fire Code § 903.2.8.

"Section R 313.1 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R313.1. Townhouse automatic fire sprinklers systems. An automatic residential fire sprinkler system shall be installed in townhouses as follows:

"New buildings: An automatic sprinkler system shall be installed throughout all new buildings.

"Existing buildings: An automatic sprinkler system shall be installed throughout when one of the following conditions exists:

"1. When an addition is 33% or more of the existing building area, as defined in Section 502.1, and greater than 1000 square feet (92.903 m^2) within a two year period; or

"2. An addition when the existing building is already provided with automatic sprinklers; or.

"3. When an existing Group R Occupancy is being substantially renovated, and where the scope of the renovation is such that the Building Code Official determines that the complexity of installing a sprinkler system would be similar as in a new building.

"Section R 313.2 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R313.2. One- and two-family dwellings automatic fire sprinklers systems. An automatic residential fire sprinkler system installed in one- and two-family dwellings as follows:

"New buildings: An automatic sprinkler system shall be installed throughout all new buildings.

"Existing buildings: An automatic sprinkler system shall be installed throughout when one of the following conditions exists:

"1. When an addition is 33% or more of the existing building area, as defined in § 502.1, and greater than 1000 square feet (92.903 m^2) within a two (2) year period; or

"2. An addition when the existing building is already provided with automatic sprinklers; or

"3. When an existing Group R Occupancy is being substantially renovated, and where the scope of the renovation is such that the Building Code Official determines that the complexity of installing a sprinkler system would be similar as in a new building.

"Section R313.3.6.2.2 of the California Residential Code hereby amended to read, in words and figures, as follows:

"Section R313.3.6.2.2. Calculation procedure. Determination of the required size for water distribution piping shall be in accordance with the following procedure and Placentia Fire Code § 903.3.5.3.

"A new § R318 hereby is added to the California Residential Code to read, in words and figures, as follows:

"Section R319. Site address. Site address requirements shall be governed by the provisions of Placentia Fire Code § 505.1

"Section R327.1.6 of the California Residential Code hereby amended to read, in words and figures, as follows:

"Section R327.1.6. Application. Fuel modification requirements shall be in accordance with the provisions of Placentia Fire Code § 701A.3.

""Section R902.1 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R902.1 Roofing covering materials. Roofs shall be covered with materials as set forth in Sections R904 and R905. A minimum Class A or B roofing shall be installed in areas designated by this section. Classes A or B roofing required by this section to be listed shall be tested in accordance with UL 790 or ASTM E 108.

"Exceptions:

"1. Class A roof assemblies include those with coverings of brick, masonry and exposed concrete roof deck.

"2. Class A roof assemblies also include ferrous or copper shingles or sheets, metal sheets and shingles, clay or concrete roof tile, or slate installed on noncombustible decks.

"3. Class A roof assemblies include minimum 16oz/ft^2 copper sheets installed over combustible deck.

"Section R902.1.3 of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R902.1.3 Roof coverings within all other areas. The entire roof covering of every existing structure where more than 50 percent of the total roof area is replaced within any one-year period, the entire roof covering of every new structure, and any roof covering applied in the alteration, repair or replacement of the roof of every existing structure, shall be a fire-retardant roof covering that is at least Class B.

"Paragraph 1 of Section R902.2, of the California Residential Code hereby is amended to read, in words and figures, as follows:

"R902.2 Fire-retardant-treated shingles and shakes. Fire-retardant-treated wood shakes and shingles are wood shakes and shingles complying with UBC Standard 15-3 or 15-4 which are impregnated by the full-cell vacuum-pressure process with fire-

retardant chemicals, and which have been qualified by UBC Standard 15-2 for use on Class A or B roofs.

"A new § R1001.13 hereby is added to the California Residential Code to read, in words and figures, as follows:

"Section R1001.13. Chimney spark arrestors shall be shall be installed and maintained in accordance with the provisions of § 2113.9.2 of the Placentia Building Code.

"A new § R1001.14 hereby is added to the California Residential Code to read, in words and figures, as follows:

"Section R1001.14 Outdoor fireplaces, fire pits, fire rings, or similar devices shall be governed by the provisions of § 307.6 of the Placentia Fire Code.

"A new § AO103.3 hereby is added to Appendix O of the California Residential Code to read, in words and figures, as follows:

"Section AO103.3. Vehicular gates or other barriers across required fire apparatus access roads. The installation of gates or other barriers across a required fire apparatus access road shall be approved by the fire code official. Gates or barriers shall be in accordance with Orange County Fire Authority Guideline 'Fire Master Plan for Commercial and Residential Development.'

"Section 20.08.060 - Enforcement and Inspections.

"The Placentia Residential Code, as set forth in this Chapter 20.08 shall be enforced by the building official or his or her designee.

"Section 20.08.070 - Fees.

"Notwithstanding any provision of the Placentia Residential Code as hereby adopted, all fees for services provided pursuant to the Placentia Residential Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay, a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 20.08.080 - Copy filed.

"One (1) copy of the California Residential Code, 2010 Edition, based on the 2009 International Fire Code as published by the International Code Council, including all appendices thereto and including all amendments made herein is on file in the office of the Building Official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 6. A new Chapter 20.12 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.12

"California Plumbing Code, 2013 Edition

"Sections:

"20.12.010	**Title**
"20.12.020	**Purpose**
"20.12.030	**Adoption of Plumbing Code**
"20.12.040	**Definition of Terms**
"20.12.050	**Amendments to Plumbing Code**
"20.12.060	**Enforcement and Inspections**
"20.12.070	**Fees**
"18.12.080	**Copy filed**

"Section 20.12.010 - Title.

"This Chapter shall be known as the 'Placentia Plumbing Code.'

"Section 20.12.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, plumbing systems, materials and appurtenances and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Section 18.12.030 - Adoption of Plumbing Code.

"There hereby is adopted as the 'Placentia Plumbing Code,'

except as otherwise provided in this Chapter, that certain Code known and designated as the California Plumbing Code, 2013 Edition, as set forth in Title 24, Part 5 of the California Code of Regulations, based on the 2012 Uniform Plumbing Code, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Plumbing Code of the City of Placentia, governing the construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, plumbing systems, materials and appurtenances and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Plumbing Code, said State regulations shall prevail over the provisions of the Placentia Plumbing Code except as specifically modified herein.

"Section 20.12.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Plumbing Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Authority having jurisdiction' means the City of Placentia.

"(B) 'Building department' means the 'building and safety division' of the City.

"(C) 'Building official' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(D) 'City' means the City of Placentia.

"(E) 'Fire Code' means the Placentia Fire Code.

"(F) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(G) "Jurisdiction' means the City.

"(H) 'Local enforcing agency' means the City.

"Section 20.12.050 - Amendments to Plumbing Code.

"The following provisions of the California Plumbing Code

hereby are amended to read, in words and figures, as follows:

"Section 110.A. Right of Entry.

"1. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"2. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 20.12.060 - Enforcement and Inspections.

"The Placentia Plumbing Code, as set forth in this Chapter 20.12 shall be enforced by the building official or his or her designee.

"Section 20.12.070 - Fees.

"Notwithstanding any provision of the Placentia Residential Code as hereby adopted, all fees for services provided pursuant to the Placentia Residential Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay, a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 20.12.080 - Copy filed.

"One (1) copy of the California Plumbing Code, 2013 Edition, based on the 2012 Uniform Plumbing Code, including all appendices thereto and including all amendments made herein is on file in the office of the Building Official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 7. A new Chapter 20.16 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.16

"California Electrical Code, 2013 Edition

"Sections:

"20.16.010	**Title**
"20.16.020	**Purpose**
"20.16.030	**Adoption of Electrical Code**
"20.16.040	**Definition of Terms**
"20.16.050	**Amendments to Electrical Code**
"20.16.060	**Enforcement and Inspections**
"20.16.070	**Fees**
"20.16.080	**Copy filed**

"Section 20.16.010 - Title.

"This Chapter shall be known as the 'Placentia Electrical Code.'

"Section 20.16.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, electrical systems, materials and appurtenances and conditions hazardous to life or

property in the occupancy of buildings and premises as herein provided.

"Section 20.16.030 - Adoption of Electrical Code.

"There hereby is adopted as the 'Placentia Electrical Code,' except as otherwise provided in this Chapter, that certain Code known and designated as the California Electrical Code, 2013 Edition, as set forth in Title 24, Part 3 of the California Code of Regulations, based on the 2011 National Electrical Code, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Electrical Code of the City of Placentia, governing the construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, electrical systems, materials and appurtenances and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Electrical Code, said State regulations shall prevail over the provisions of the Placentia Electrical Code except as specifically modified herein.

"Section 20.16.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Electrical Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Authority having jurisdiction' means the City of Placentia.

"(B) 'Building department' means the 'building and safety division' of the City.

"(C) 'Chief Electrical Inspector' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(D) 'City' means the City of Placentia.

"(E) 'Fire Code' means the Placentia Fire Code.

"(F) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(G) 'Jurisdiction' means the City.

"(H) 'Local enforcing agency' means the City.

"Section 20.16.050 - Amendments to Electrical Code.

"The following provisions of the California Electrical Code hereby are amended to read, in words and figures, as follows:

"Section 80.10. Right of Entry.

"A. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"B. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 20.12.060 - Enforcement and Inspections.

"The Placentia Electrical Code, as set forth in this Chapter 20.12 shall be enforced by the building official or his or her designee.

"Section 20.12.070 - Fees.

"Notwithstanding any provision of the Placentia Electrical Code as hereby adopted, all fees for services provided pursuant to the Placentia Electrical Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia

pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 20.12.080 - Copy filed.

"One (1) copy of the California Electrical Code, 2013 Edition, as set forth in Title 24, Part 3 of the California Code of Regulations, based on the 2011 National Electrical, including all appendices thereto and including all amendments made herein is on file in the office of the Building Official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 8. A new Chapter 20.20 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.20

"California Mechanical Code, 2013 Edition

"Sections:

"20.20.010	**Title**
"20.20.020	**Purpose**
"20.20.030	**Adoption of Mechanical Code**
"20.20.040	**Definition of Terms**
"20.20.050	**Amendments to Mechanical Code**
"20.20.060	**Enforcement and Inspections**
"20.20.070	**Fees**
"20.20.080	**Copy filed**

"Section 20.20.010 - Title.

"This Chapter shall be known as the 'Placentia Mechanical Code.'

"Section 20.20.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, mechanical systems, materials and appurtenances and conditions hazardous to life or

property in the occupancy of buildings and premises as herein provided.

"Section 20.20.030 - Adoption of Mechanical Code.

"There hereby is adopted as the 'Placentia Mechanical Code,' except as otherwise provided in this Chapter, that certain Code known and designated as the California Mechanical Code, 2013 Edition, as set forth in Title 24, Part 4 of the California Code of Regulations, based on the 2012 Uniform Mechanical Code, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Mechanical Code of the City of Placentia, governing the construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, electrical systems, materials and appurtenances and conditions hazardous to life or property in the occupancy of buildings and premises as herein provided.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Mechanical Code, said State regulations shall prevail over the provisions of the Placentia Mechanical Code except as specifically modified herein.

"Section 20.20.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Mechanical Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Authority having jurisdiction' means the City of Placentia.

"(B) 'Building department' means the 'building and safety division' of the City.

"(C) 'Mechanical inspector' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(D) 'City' means the City of Placentia.

"(E) 'Fire Code' means the Placentia Fire Code.

"(F) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(G) "Jurisdiction' means the City.

"(H) 'Local enforcing agency' means the City.

"Section 20.20.050 - Amendments to Mechanical Code.

"The following provisions of the California Mechanical Code hereby are amended to read, in words and figures, as follows:

"A new Section 1.8.3A. Right of Entry hereby is added to the California Mechanical Code to read, in words and figures, as follows:

"1. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"2. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 20.20.060 - Enforcement and Inspections.

"The Placentia Mechanical Code, as set forth in this Chapter 20.20 shall be enforced by the building official or his or her designee.

"Section 20.20.070 - Fees.

"Notwithstanding any provision of the Placentia Mechanical

Code as hereby adopted, all fees for services provided pursuant to the Placentia Mechanical Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 20.20.080 - Copy filed.

"One (1) copy of the California Mechanical Code, 2013 Edition, based on the 2012 Uniform Mechanical Code, including all appendices thereto and including all amendments made herein is on file in the office of the building official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 9. A new Chapter 20.56 hereby is added to Title 20 of the Placentia Municipal Code to read, in words and figures, as follows:

"Chapter 20.56

"California Green Building Standards Code, 2013 Edition

"Sections:

"20.56.010	**Title**
"20.56.020	**Purpose**
"20.56.030	**Adoption of Green Building Standards Code**
"20.56.040	**Definition of Terms**
"20.56.050	**Amendments to Green Building Standards Code**
"20.56.060	**Enforcement and Inspections**
"20.56.070	**Fees**
"20.56.080	**Copy filed**

"Section 20.56.010 - Title.

"This Chapter shall be known as the 'Placentia Green Building Standards Code.'

"Section 20.56.020 - Purpose.

"The purpose of this Chapter is to prescribe regulations for construction, enlargement, alteration, repair, improving, removal,

conversion, demolition, equipment use, building systems, materials and appurtenances in order to optimize use of renewable resources and minimize effects on the environment.

"Section 20.56.030 - Adoption of Green Building Standards Code.

"There hereby is adopted as the 'Placentia Green Building Standards Code,' except as otherwise provided in this Chapter, that certain Code known and designated as the California Green Building Standards Code, 2013 Edition, as set forth in Title 24, Part 11 of the California Code of Regulations, including all appendices thereto and including all amendments made herein, and such Code shall be and become the Green Building Standards Code of the City of Placentia, governing the construction, enlargement, alteration, repair, improving, removal, conversion, demolition, equipment use, electrical systems, materials and appurtenances in order to optimize use of renewable resources and minimize effects on the environment.

"Whenever the California Code of Regulations and State Building Standards Code of Regulations differ from any provision of the Placentia Green Building Standards Code, said State regulations shall prevail over the provisions of the Placentia Green Building Standards Code except as specifically modified herein.

"Section 20.56.040 - Definition of Terms.

"Whenever any of the following names or terms are used in the California Green Building Standards Code, each such name or term shall be deemed and construed to have the meaning ascribed to it in this section as follows:

"(A) 'Authority having jurisdiction' means the City of Placentia.

"(B) 'Building department' means the 'building and safety division' of the City.

"(C) 'Building Official' means the chief building official of the City as appointed by the City Administrator of the City, or his or her designee.

"(D) 'City' means the City of Placentia.

"(E) 'Fire Code' means the Placentia Fire Code.

"(F) 'Fire code official' means the Director of Fire Services of the Orange County Fire Authority, or his or her designee.

"(G) "Jurisdiction' means the City.

"(H) 'Local enforcing agency' means the City.

"Section 20.56.050 - Amendments to Green Building Standards Code.

"The following provisions of the California Green Building Standards Code hereby are amended to read, in words and figures, as follows:

"A new § 101A. Right of Entry hereby is added to the California Green Building Standards Code to read, in words and figures, as follows:

"1. The building official shall have the authority to enter any building or premises for the purpose making an inspection to enforce the provisions of this code, or to investigate the existence in any building or upon any premises any conditions or violations(s) of this code, which make the building or premises unsafe, dangerous or hazardous in order to protect the public health, safety and welfare of the City. In addition, the building official is authorized to enter any building or premises in order to inspect the same for purposes of issuing any permit issued or required hereunder.

"2. Except in emergency situations, the building official shall not enter any building or premises without the consent of the owner or occupant thereof, unless he or she possesses a search warrant authorizing entry and search of said building or premises. No person shall hinder or prevent the building official while in the performance of the duties herein described as emergency situations or while in possession of a search warrant, from entering upon and into any and all premises under his or her jurisdiction, at all reasonable hours, for the purpose of inspecting the same to determine whether or not the provisions of this code and all other applicable laws or ordinances pertaining to the protection of persons or property are observed therein.

"Section 202 of the California Green Building Standards Code hereby is amended to read, in words and figures, as follows:

"Sustainability. Consideration of present development and construction impacts on the community, the economy, and the environment without compromising the needs of the future.

"Section 4.304.1 of the California Green Building Standards Code hereby is amended to read, in words and figures, as follows:

"Irrigation controllers. Automatic irrigation system controllers for landscaping provided and installed at the time of final inspection and shall comply with the following:

"1. Controllers shall be weather- or soil moisture-based irrigation controllers that automatically adjust irrigation in response to changes in plants' needs as weather conditions change.

"2. Weather-based controllers without integral rain sensors or communication systems that account for local rainfall shall have a separate wired or wireless rain sensor which connects of communicates with the controller(s). Soil moisture-based controllers are not required to have rain sensor input.

"Section 20.56.060 - Enforcement and Inspections.

"The Placentia Green Building Standards Code, as set forth in this Chapter 20.56 shall be enforced by the building official or his or her designee.

"Section 20.56.070 - Fees.

"Notwithstanding any provision of the Placentia Green Building Standards Code as hereby adopted, all fees for services provided pursuant to the Placentia Green Building Standards Code shall approved by resolution therefor as adopted by the City Council of the City of Placentia pursuant to the provisions of California Government Code § 66016, *et seq.* In addition to any other fee(s) to be charged hereunder, any person, firm, partnership or corporation initiating or engaging in any work without the permit therefor as required hereunder shall pay a penalty equal to 100% of the fee for the requisite permit if issued after such work commences, is initiated or engaged in by such person, firm, partnership or corporation.

"Section 20.56.080 - Copy filed.

"One (1) copy of the California Green Building Standards Code, 2013 Edition, as set forth in Title 24, Part 11 of the California Code of Regulations, including all appendices thereto and including all amendments made herein is on file in the office of the building official pursuant to the requirements of California Health and Safety Code § 18942(e)(1) and is available for public inspection."

Section 10. Penalty for Violation.

It shall be unlawful for any person, firm, partnership or corporation to violate any provision or to fail to comply with any of the requirements of this Ordinance hereby adopted. Any person, firm, partnership or corporation violating any provision of this Ordinance or failing to comply with any of its requirements shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding One Thousand Dollars ($1,000.00), or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Each and every person, firm, partnership, or corporation shall be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Ordinance is committed, continued or permitted by such person, firm, partnership or corporation, and shall be deemed punishable therefor as provided in this Ordinance.

Section 11. Severability.

The City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance shall remain in full force and effect.

Section 12. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect January 1, 2014.

PASSED, ADOPTED and APPROVED this __ day of _____, 2013.

_____
SCOTT W. NELSON, MAYOR

ATTEST:

_____
PATRICK J. MELIA,
CITY CLERK

I, PATRICK J. MELIA, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council held on the _____ day of _____, 2013 and was finally adopted at a regular meeting held on the _____ day of _____, 2013, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

_____
PATRICK J. MELIA,
CITY CLERK

APPROVED AS TO FORM

_____
ANDREW V. ARCZYNSKI,
CITY ATTORNEY

Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CITY ATTORNEY

DATE: NOVEMBER 5, 2013

SUBJECT: **ADOPTION OF GOALS AND POLICIES FOR THE IMPLEMENTATION OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED, CALIFORNIA GOVERNMENT CODE § 53311, *ET SEQ.*, REGARDING THE FORMATION OF COMMUNITY FACILITIES DISTRICTS**

FISCAL IMPACT: N/A

INTRODUCTION:

Recent modifications to the Mello-Roos Community Facilities Act of 1982, as amended, now require local agencies forming Community Facility Districts (CFDs) to first establish goals and policies. In order to establish a new CFD, Staff recommends adoption of the Goals and Policies presented for consideration. Adoption of the Goals and Policies will establish the groundwork for the financing of authorized public facilities and/or public services that benefit or serve the existing, new, or planned development for the City of Placentia.

RECOMMENDATION:

It is recommended that the City Council:

1. Consider the evidence supplied by Staff and the City's consultant, Willdan Engineering, and

2. Adopt Resolution No. R-2013-__, establishing Goals and Policies for implementation of the Mello-Roos Community Facilities Act of 1982, as amended.

DISCUSSION:

In recent months, the City has considered and approved a Development Agreement and subdivision map with Olson Urban Housing LLC for the construction of new housing opportunities in the City. As a significant part of the consideration of the Olson project, Staff carefully analyzed the costs of providing services to new development, including the Olson project, and has recommended the City Council consider the formation of a CFD. Based upon City Council direction, Staff included a provision within the Olson Development Agreement requiring the formation of a new CFD which will set forth the additional costs to the project and subsequent owners in order to defray the costs of public safety services such as police protection services, fire protection and suppression services, and ambulance and paramedic services.

The establishment of goals and policies are necessary before the City Council can initiate proceedings to establish a new CFD. The policies provide guidance and conditions for the conduct by the City of proceedings for forming CFDs. These policies are general in nature and apply to all CFDs that may be formed by the City. Once adopted, these policies will govern the establishment of all future CFDs, and will not need to re-adopted.

Prepared by:

Andrew V. Arczynski
City Attorney

Reviewed and approved by:

Troy L. Butzlaff, ICMA-CM
City Administrator

GOALS AND POLICIES
City of Placentia, California
Goals and Polices
for the use of the
Mello-Roos Community Facilities Act of 1982, as amended,
to finance Public Facilities and Public Services

Statement of Purpose

This document sets forth the goals and policies of the City Council of the City of Placentia (the "City Council") concerning the use of the Mello-Roos Community Facilities Act of 1982 (California Government Code § 53311, *et seq.*) ("Act") to finance authorized public facilities and/or public services that benefit or serve the existing, new, or planned development for the City of Placentia ("City"). These goals and policies have been prepared pursuant to the requirements of § 53312.7 of the Act and shall apply to all Community Facilities Districts ("CFD") formed by the City Council. The City Council may, at its sole discretion, supplement or amend any goal or policy stated herein.

Definitions

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended (California Government Code § 53311, *et seq.*).

"Bonds" means bonds authorized and issued under the Act.

"Bulk Sale Value" means the most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or purchasers, over a reasonable absorption period, discounted to a present value, as of a specified date, in cash or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgably, and for self-interest, and assuming that neither is under undue stress.

"CFD" or **"District"** means a community facilities district formed under the Act.

"City" means the City of Placentia, California.

"Discounted Cash Flow" means the measurement of the cash flows associated with the development and sale of real estate parcels, based on an independent judgment of the prices and times at which individual parcels or properties would be sold, after applying a discount rate to such cash flows to reflect the risk-adjusted rate or return necessary to attract the debt and equity investment necessary to undertake and complete the acquisition, entitlement, development and sale of the parcels or properties.

"Lien" means, in the case of public debt imposed on a parcel or parcels, the amount of debt attributable to a parcel or parcels, based on an apportionment of the debt to such

parcel or parcels in relation to the probable debt service to be borne by such parcel to parcels.

"Public Facilities" means improvements authorized to be constructed or acquired under the Act, including, but not limited to, fees for capital facilities.

"Public Services" means any service authorized by the Act.

"Value" or **"Fair Market Value"** means the amount of cash or its equivalent which property would bring if exposed for sale in the open market under conditions in which neither buyer or seller could take advantage of the exigencies of the other, and both have knowledge of all the uses and purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon uses and purposes.

"Value-to-Lien Ratio" means a calculation to measure the number of times the value of a property exceeds the sum of the Liens, including any proposed liens.

Fundamental Community Facilities District Policy Objective

It is the policy of the City that the City Council may exercise all rights, powers, and authorities granted to it by the Act to finance, or assist in financing, authorized Public Facilities and/or Public Services.

The silence of these goals and policies with respect to any matter shall not be interpreted as creating any policy with regard to that matter. Any inconsistency between these goals and policies and the Act, as amended, shall be resolved in favor of the Act.

Initiation of CFDs

The City will consider applications requesting the formation of CFDs to finance authorized Public Facilities and/or authorized Public Services. The City reserves the right to request additional information, reports, or studies reasonably necessary to evaluate these applications. Applications may be initiated by owners or developers of vacant property proposed to be developed, owners of property within existing developed areas, registered voters residing in existing developed areas, or the City itself.

The City shall not incur any non-reimbursable expense for processing applications and/or petitions for CFDs except for those where the City is the applicant. City and consultant costs incurred in the establishment of a CFD may be recovered by the City through the levy of the Special Tax. The applicant, if not the City, will pay for the costs associated with the application review as well as any non-reimbursable expenses related to the formation for the CFD via advanced deposit.

Each application for formation of a District shall be accompanied by an initial deposit in an amount determined by the City as necessary to fund initial staff time and consultant

costs associated with District review and formation. Deposit terms and conditions will be defined by a deposit and reimbursement agreement to be executed by the applicant and the City, as soon as practical after receipt of an application. If additional funds are needed to off-set costs and expenses incurred by the City during the review, evaluation and/or formation of the District, the City shall submit a written request to the applicant for such funds, and the applicant shall comply with each demand within ten (10) business days of receipt of such notice. If the applicant fails to make deposit of additional funds for the proceedings, the City may suspend all proceedings until receipt of such additional deposit.

The deposits shall be used by the City to pay for actual costs and expenses incurred by the City relative to the proceedings, including but not limited to the following: legal, engineering, appraisal, market absorption and/or pricing, special tax consulting and financial advisory; documented City staff time, administrative costs and expenses; required notifications; and printing and publication of legal matters.

The City shall refund any ***unexpended*** portion of the deposits upon the following conditions:

A. The District is not formed;
B. Bonds are not issued and sold by the District;
C. The proceedings for formation of the District or issuance of bonds is disapproved by the City; or
D. The proceedings for formation of the District or issuance of bonds are abandoned in writing by the applicant;
E. Except as otherwise provided herein, the applicant shall be entitled to reimbursement for all reasonable costs and expenses incident to the proceedings and construction of the Public Facilities as provided under the Act, provided that all such costs and expenses shall be verified by the City as a condition of reimbursement.

The applicant or property owner shall not be entitled to reimbursement from bond proceeds for any of the following:

A. In-house administrative and overhead expenses incurred by the applicant, or expenses of applicant's counsel or consultants; and
B. Interest expense incurred by the applicant on moneys advanced or expended during the proceedings and construction of Public Facilities.

The City shall not accrue or pay any interest on any portion of the deposit refunded to the applicant or the costs and expenses reimbursed to the applicant. Neither the City nor the District shall be required to reimburse the applicant or property owner from any funds other than the proceeds of bonds issued by the District and moneys remaining in the deposit account as provided above. Excess funds on deposit after the formation of the proposed District will be refunded to the depositor.

Eligible Facilities

In accordance with the Act, facilities must be owned by a public agency or utility and must have a useful life of at least five (5) years in order to be eligible to be financed through a CFD. In selecting facilities to be financed, the City may finance any Public Facility authorized to be financed under the Act as it now exists or as it may be amended in the future. These authorized Public Facilities may include, but are not limited to, the purchase, construction, expansion, improvement, or rehabilitation of:

- Fire stations;
- Flood control facilities;
- Governmental facilities;
- Libraries;
- Local park, recreation, parkway, and open-space facilities;
- Police stations;
- Public utilities;
- Sanitary sewer facilities;
- Storm drain facilities;
- Water transmission and distribution facilities.
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Eligible Services

In accordance with the Act, CFDs may only finance services that are determined to be in addition to those provided within the territory prior to the formation of the CFD. Additional services may not supplant services already available within that territory when the CFD was created. In selecting services to be financed, the City may finance any Public Service authorized to be financed under the Act as it now exists or as it may be amended in the future. These public services may include, but are not limited to, the following types of services within the area:

- Fire protection and suppression services, and ambulance and paramedic services;
- Flood and storm protection services, including but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems;
- Maintenance and lighting of parks, pathways, streets, roads, and open-space;
- Police protection services;
- Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.
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Financing Priorities

Ultimately, the eligibility of any proposed Public Facility and/or Public Service will be determined by the City. In general, none of these uses of the Act will have priority over the others; however, the City reserves the right to make exceptions when circumstances

warrant. All applications and their proposed facilities and services will be considered on a case-by-case basis and prioritized at the discretion of the City.

Credit Quality Requirements

It is the policy of the City to comply with all provisions of the Act including, but not limited to, § 53345.8, as the same may be amended from time to time. It is the goal of the City to conform, as nearly as practicable, to the California Debt and Investment Advisory Commission's Appraisal Standards for Land-Secured Financings, as such standards may be amended from time to time, provided, however, that this City Council may additionally amend such standards as it deems necessary and reasonable, in its own discretion, to provide needed public improvements within the City, while still accomplishing the goals set forth herein.

Unless otherwise specifically approved by the City Council as provided in § 53345.8(b) or (c) of the Act, the District property Value-to-Lien Ratio shall be at least 3:1 after calculating the value of the Public Facilities to be financed, and considering any prior or pending special taxes or assessment liens. The City may require a higher District property Value-to-Lien Ratio in its discretion, in consideration of current market and related conditions. In addition, the City, at its discretion, may require a higher Value-to-Lien Ratio for individual parcels or properties with concentrated ownership within the District, if considered necessary to enhance the overall credit-worthiness of the district.
Property value may be based on either an appraisal or on assessed values as indicated on the county assessors tax roll. The City shall select the appraiser, and the appraisal shall be based on standards promulgated by the State of California and otherwise determined applicable by the city staff and consultants. The appraisal must be dated within three (3) months of the date that the bonds are issued. The public lien amount shall include the bond issue currently being sold plus any public indebtedness secured by a lien on real property currently existing against the properties to be taxed.
Less than a three to one property value to public lien ratio, excessive tax delinquencies, or projects of poor economic viability may cause the City to disallow the sale of bonds or require credit enhancement prior to bond sale. The City may consider exceptions to the above policies for bond issues that do not represent an unusual credit risk, either due to credit enhancement or other reasons specified by the City, and which otherwise provide extraordinary public benefits.

The City shall have discretion to retain a consultant to prepare a report to verify market absorption assumptions and projected sales prices of the properties which may be subject to the maximum special tax in the District. Such a report may be used by appraisers in determining the value to property to be assessed or taxed.

Credit Enhancement

If the City requires letters of credit or other security, the credit enhancement shall be issued by an institution, in a form and upon terms and conditions satisfactory to the City. All fees payable on the letter of credit or other security shall be the sole responsibility of

the applicant or developer, not the City or District. Any security required to be provided by the applicant may be discharged by the City upon the opinion of a qualified appraiser, retained by the City, that a Value-to-Lien Ratio of at least three to one has been attained per land use category, including any overlapping special assessments or special tax liens. The City shall impose specific requirements (including but not limited to an absorption study) with respect to such credit enhancements on a case-by-case basis.

The City retains the right to withhold public financing at its sole discretion.

Appraisals

The definitions, standards and assumptions to be used for appraisals shall be determined by the City on a case-by-case basis, with input from City consultants and CFD applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission. In any event, the Value-to-Lien Ratio shall be determined based upon an appraisal of the proposed CFD by an independent Member Appraisal Institute appraiser of the proposed CFD. The appraisal shall be coordinated by and under the direction of the City. All costs associated with the preparation of the appraisal report shall be paid by the entity requesting the establishment of the CFD through the advance deposit mechanism.

Market Absorption and/or Pricing Study

A market absorption study and/or a market pricing study for any proposed development project may be required for land secured financing. These studies shall be based on the specified economic and demographic data, projected sales prices, projected rates at which the finished products will be sold, and, generally, shall include an analysis of competitive prices for the product types proposed to be developed within the CFD. These studies will be used as a basis for verification that timely sufficient revenues can be produced, and to determine if the public financing of the Public Facilities is appropriate given the timing of the development. Additionally, the projected absorption rates will be provided to the appraiser for use in the appraisal required in the above "Appraisal" section.

The City may at its discretion require either of these studies to be updated after the formation of the District but prior to the issuance of bonds. In the event of significant market changes and if it is determined that the original special tax rates do not support the current pricing or property values, the City retains the right to administratively reduce the special tax rates as appropriate.

Terms and Conditions of Bonds

The City shall establish all terms and conditions of the bonds. The City will control, manage and invest all CFD issued bond proceeds. Each bond issue shall be structured

to adequately protect bond owners and to not negatively impact the bonding capacity or rating of the City. These security measures could include a combination of credit enhancement, foreclosure covenant, special reserve fund or deposits, and/or a contractual commitment by the proponents and successors to pay the special taxes during the initial stages of the development project. The City has the sole discretion to determine the types of credit enhancement, foreclosure covenant, and reserve fund that may be required.

Unless otherwise authorized by the City, the following shall serve as bond requirements:

A. A reserve fund shall be set at the lesser of the three tests:
    a. 10% of par amount,
    b. Maximum annual debt service, or
    c. 125% of average annual debt service.
B. Interest may be capitalized for up to 24 months.
C. The maximum term of the bonds issued shall not exceed 35 years.
D. The assigned special tax for any parcel within a District may escalate annually, but not by more than five (5) percent per year for services. Debt Service on the bonds may also escalate by not more than two (2) percent per year.
E. The maximum special tax shall be established to assure that the annual revenue produced by the levy of the maximum special tax shall be equal to at least 110% of the average annual debt service.
F. All statements and documents related to the sale of bonds shall emphasize and state that (i) the Bonds are limited obligations of the City and neither the faith, credit, nor the taxing power of the City is pledged to security or repayment of the bonds, (ii) the sole source of revenues are special taxes, the debt service reserve fund, or proceeds raised by foreclosure proceedings, and (iii) the City shall not be obligated to make payments of principal, interest, or redemption premiums (if any) from any other source of funds.
G. Bond indentures may include provisions allowing for immediate collection of delinquent taxes, including provisions for the subject District to cause judicial foreclosure proceedings to be filed in the Superior Court, within 90 days of determination of delinquency, against any such property for which special taxes remain delinquent.

Equity of Special Tax

Special tax formulas for CFDs shall provide for minimum special tax levels which satisfy the following: (a) 110 percent debt service coverage for all CFD bonded indebtedness, (b) the reasonable and necessary annual administrative expenses of the CFD, and (c) amounts equal to the differences between expected earnings on any escrow fund and the interest payments due on bonds of the CFD. Additionally, the special tax formula may provide for the following: (a) any amounts required to establish or replenish any reserve fund established in association with the indebtedness of the CFD, (b) the accumulation of funds reasonably required for future debt service, (c) amounts equal to projected delinquencies of special tax payments, (d) the furnishing or equipping of

facilities, (f) lease payments for existing or future facilities, (g) costs associated with the release of funds from an escrow account, and (h) any other costs or payments permitted by law. In structuring the special tax, projected annual interest earnings on bond reserve funds may not be included as revenue for purposes of the calculation.
The special tax formula shall be reasonable and equitable in allocating Public Facilities' and Public Services' costs to parcels within the CFD. Exemptions from the special tax may be given to parcels which are publicly owned, are held by a property owners' association, are used for a public purpose such as open space or wetlands, are affected by public utility easements making impractical their utilization for other than the purpose set forth in the easements, or have insufficient value to support bonded indebtedness.
The City will engage a qualified special tax consultant to assist in the development of the rate and method of apportionment for any special tax proposed in connection with a proposed CFD. Special taxes may, but are not legally required to, be allocated in proportion to the estimated benefits that each parcel will derive from the facilities and services to be financed through a CFD. Parcels should, at a minimum, be classified according to whether they are undeveloped, developed for residential uses, or developed for non-residential uses. The City recognizes that the determination of estimated benefit will rely, to a large extent, on assumptions based on average characteristics of parcels, and that the exact benefit to be derived by any parcel or class of parcel cannot be perfectly estimated. The City may, at its sole discretion, permit the allocation of special taxes on any reasonable basis. The special tax shall be allocated equitably and shall not be discriminatory or arbitrary and shall permit a purchaser of property subject to the special tax a fair means of determining his or her obligation.

Maximum Special Taxes

The maximum annual special tax, together with ad valorem property taxes, special assessments or special taxes for an overlapping financing district, including such potential taxes and assessments relating to authorized but unissued debt of public entities other than the City (collectively, the "Overlapping Debt Burden"), in relation to the expected assessed value of each parcel upon completion of the private improvements to the parcel is of great importance to the City in evaluating any proposed financing.

For residential parcels, the Overlapping Debt Burden, or overall Effective Tax Rate, shall not exceed two percent (2.0%) of the projected assessed value of each improved parcel within the District. As it pertains to commercial, industrial, or other parcels within the District, the City reserves the right to exceed the two percent (2.0%) limit if, in the City's sole discretion, it is fiscally prudent. The City, in its discretion, may allow an annual escalation factor on parcels within a District.

Special taxes will only be levied on an entire County Assessor's parcel, and any allocation of special tax liability of a County Assessor's parcel to leasehold or possessory interest in the fee ownership of such County Assessor's parcel shall be the responsibility of the fee owner of such parcel (except where the City is the fee owner of the parcel and has leased the parcel pursuant to a lease with a term of at least 5 years,

in which case the lessee shall have the responsibility for the special tax liability) and the City shall have no responsibility therefore and has no interest therein. Failure to pay, or cause to be paid, any special tax in full when due shall subject the entire parcel to foreclosure in accordance with the Act.

The City shall retain a special tax consultant to prepare a report which: (a) recommends a special tax for the proposed CFD, and (b) evaluates the special tax proposed to determine its ability to adequately fund identified Public Facilities, City Administrative costs, Public Services (if applicable) and other related expenditures. Such analysis shall also address the resulting aggregate tax burden of all proposed special taxes plus existing special taxes, ad valorem taxes, and assessments on the properties within the CFD.

Transparency and Notification

The City will take the following steps to ensure that prospective property purchasers are fully informed about their taxpaying obligations imposed under the Act:

A. It will conduct all proceedings required by the Act in the manner required by the Ralph M. Brown Act (California Government Code § 54950, *et seq.*);
B. It will cause a map of the boundaries of any proposed CFD to be recorded, pursuant to § 3111 of the California Streets and Highways Code, in the Office of the Recorder of Orange County within 15 days following the adoption of a resolution of intention to form such CFD, pursuant to § 53321 of the Act;
C. It will give notice, as required pursuant to the Act, prior to holding any public hearing on the establishment of a CFD, modification of an existing CFD or annexation to an existing CFD;
D. It will record a notice of special tax lien, in the form specified by § 3114.5 of the California Streets and Highways Code, within 15 days of the City Council's determination that the requisite number of voters are in favor of the levy of a special tax in connection with a CFD. Such notice will include, among other information:
    a. A description of the rate, method of apportionment, and manner of collection of the authorized special tax;
    b. The name(s) of the owner(s) and the assessor's tax parcel number(s) of the real property included within the CFD and not exempt from the special tax; and
    c. The name, address, and telephone number of the Finance Department, so that a property owner may contact the Finance Department to obtain further information concerning the current and estimated future special tax liability of owners or purchasers of real property subject to the special tax lien.
E. It will, through the Finance Department, furnish a notice of special tax, in the form set forth in § 53340.2(c) of the Act to any individual requesting the notice or any owner of property subject to a special tax levied by a CFD formed by the City

within five (5) working days of a request for such notice. The City Council may establish a reasonable fee for this service.

F.

In addition, the City will take the following steps in order to comply with various requirements relative to CFDs, per the California Government Code and SEC regulations, and to further demonstrate and provide for full transparency to bond holders, financial markets, and the public:

A. It will ensure the annual reporting requirements relative to special taxes as detailed in §§ 53410 through 53412 and 50075 through 50077.5 of the California Government Code are met and will comply with the requirements detailed within Senate Bill 165, "Local Agency Special Tax and Bond Accountability Act".
B. It will ensure compliance with the annual reporting requirements of the Securities and Exchange Commission's rule 15c2-12(b)(5) to provide certain annual financial information, operating data, and notices of material events, and, generally, to require the due diligence of underwriters.
C. It will ensure compliance with § 53359.5 of the California Government Code which requires all agencies issuing Mello-Roos Community Facilities District bonds, including refunding bonds, after January 1, 1993, to report specific information to the Commission by October 30th of each year. Compliance with § 53359.5 shall be achieved by completion of the "Yearly Fiscal Status Report" and the "Draw on Reserve of Default Report" as detailed by the California Debt and Investment Advisory Commission.

D.

Disclosure Requirements to Prospective Property Purchasers

A. **Disclosure Requirements for Developers** – Developers who are selling lots or parcels that are within a CFD shall provide disclosure notice to prospective purchasers that comply with all of the requirements set forth in § 53341.5 of the California Government Code. The disclosure notice must be provided to prospective purchasers of property at or prior to the time the contract or deposit receipt for the purchase of the property is executed. Developers shall keep an executed copy of each disclosure document as evidence that disclosure has been provided to all purchasers of property within a CFD. The City may at its discretion institute a requirement for developers of property within the CFD to provide the City with an acknowledgement from purchasers of property, indicating that the purchaser has received notification that their property lies within the boundaries of the CFD.

B. **Disclosure Requirements for the Resale of Lots** – Pursuant to § 53340.2 of the Act, the City Finance Department shall provide a notice of special taxes to sellers of property (other than developers), which will enable them to comply with their notice requirements under § 1102.6 of the California Civil Code. The City shall provide this notice within five (5) working days of receiving a written request for the notice. A reasonable fee may be charged for providing the notice, not to

exceed any maximum fee specified in the Act. The City may at its discretion institute a requirement for sellers of property within the CFD to provide the City with an acknowledgement from purchasers, indicating that the purchaser has received the required notice of special tax. If such requirement is instituted, the signed acknowledgement shall be kept on file at the City.

Use of Consultants

The City shall select all consultants necessary for the formation of the CFD and the issuance of bonds, including the underwriter(s), bond counsel, financial advisor, appraiser, absorption consultant, and the special tax consultant. Prior consent of the applicant shall not be required in the determination by the City of the consulting and financing team.

Exceptions and Interpretation

The City is empowered to interpret these Goals and Policies. A finding by the City Council that a CFD conforms to the provisions of these Goals and Policies shall be conclusive evidence of such conformity. The City reserves the right to modify or amend these policies at any time as well as to make exceptions or changes for specific financing project by resolution of the City Council.

RESOLUTION NO. R-2013-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA ADOPTING GOALS AND POLICIES FOR THE IMPLEMENTATION OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED, CALIFORNIA GOVERNMENT CODE § 53311, *ET SEQ.*, REGARDING THE FORMATION OF COMMUNITY FACILITIES DISTRICTS

A. Recitals.

(i). The Mello-Roos Community Facilities Act of 1982 (California Government Code 53311, *et seq.*) ("Act") establishes mechanisms to finance authorized public facilities and/or public services that benefit or serve existing, new, or planned development for the City of Placentia ("City").

(ii). California Government Code § 53312.7 provides that a local agency may initiate proceedings to establish a district pursuant to the Act only if it has first considered and adopted local goals and policies concerning the use of.

(iii). City staff has caused to be prepared and presented to this City Council a statement of local goals and policies relating to the formation and implementation of community facilities districts within the City of Placentia as required by the Act..

(iv). The City Council desires to ensure that the provisions of the Act are implemented in a timely manner and in accordance with the requirements of the Act.

(vi). All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. Pursuant to the provisions of California Government Code § 53312.7, this City Council hereby adopts those Goals and Policies set forth in Exhibit "A," attached hereto and by this reference included as though fully set forth herein.

3. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 5th day of November, 2013.

_____
SCOTT W. NELSON, MAYOR

ATTEST:

_____
PATRICK J. MELIA, CITY CLERK

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 5th day of November, 2013, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

_____
PATRICK J. MELIA,
CITY CLERK

APPROVED AS TO FORM:

_____
ANDREW V. ARCZYNSKI,
CITY ATTORNEY