

**CITY OF REDONDO BEACH
CITY COUNCIL AGENDA
Tuesday, February 16, 2021**

415 DIAMOND STREET, REDONDO BEACH

**THIS VIRTUAL MEETING IS HELD PURSUANT TO EXECUTIVE ORDER N-29-20 ISSUED
BY GOVERNOR NEWSOM ON MARCH 17, 2020.**



**Bill Brand, Mayor
Nils Nehrenheim, Councilmember, District 1
Todd Loewenstein, Councilmember, District 2
Christian Horvath, Councilmember, District 3
John F. Gran, Councilmember, District 4
Laura Emdee, Councilmember, District 5**

**Michael W. Webb, City Attorney
Eleanor Manzano, City Clerk
Steven Diels, City Treasurer**

AGENDA AND SUPPORTING MATERIALS - An agenda packet is available 24 hours a day at the Redondo Beach Police Department and at www.redondo.org on the City Clerk page. Agenda packets are available during Library hours, at the reference desks at the Redondo Beach Main Library and Redondo Beach North Branch Library. During City Hall hours, agenda packets are available for review in the Office of the City Clerk, Door 1.

AGENDA POSTING NOTIFICATION - If you would like to receive notification of the agenda availability, please subscribe to our eNotify list at www.redondo.org/services/subscribe.asp. You will receive notification when the agenda is available for viewing on the website and you may view and/or print a copy of the agenda.

DOCUMENTS DISTRIBUTED FOLLOWING THE POSTING OF THE AGENDA (BLUE FOLDER ITEMS) - Any writing that relates to an agenda item for an open session that is distributed within 72 hours of the meeting is available for public inspection at the City Clerk's Office, 415 Diamond Street, Door 1, Redondo Beach. In addition, such writings and documents will be posted on the City's website at www.redondo.org

PUBLIC COMMENT - The public is encouraged to address the City Council on any matter posted on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council on non-agenda items, you may do so during the **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS** section on the agenda. Each person is allotted three (3) minutes to speak.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

AMERICANS WITH DISABILITIES ACT - It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

**CITY OF REDONDO BEACH
CITY COUNCIL AGENDA
Tuesday, February 16, 2021**

415 DIAMOND STREET, REDONDO BEACH

**THIS VIRTUAL MEETING IS HELD PURSUANT TO EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR NEWSOM ON MARCH 17, 2020.**

4:30 PM - CLOSED SESSION - ADJOURNED REGULAR MEETING

6:00 PM - OPEN SESSION - REGULAR MEETING

**ALL COUNCILMEMBERS ARE PARTICIPATING BY VIRTUAL MEETING.
MEMBERS OF THE PUBLIC MAY ONLY PARTICIPATE BY ZOOM,
eCOMMENT OR EMAIL.**

City Council meetings are broadcast live through Spectrum Cable, Channel 8, and Frontier Communications, Channel 41 and/or rebroadcast on Wednesday at 3PM and Saturday at 3PM following the date of the meeting. Live streams and indexed archives of meetings are available via internet. Visit the City's office website at www.Redondo.org/rbtv.

TO WATCH MEETING LIVE ON CITY'S WEBSITE:

<https://redondo.legistar.com/Calendar.aspx>

*Click "In Progress" hyperlink under Video section of meeting

TO WATCH MEETING LIVE ON YOUTUBE:

<https://www.youtube.com/c/CityofRedondoBeachIT>

TO JOIN ZOOM MEETING (FOR PUBLIC INTERESTED IN SPEAKING. OTHERWISE,
PLEASE SEE ABOVE TO WATCH/LISTEN TO MEETING):

Register in advance for this meeting:

https://us02web.zoom.us/webinar/register/WN_fhewy4zgSMqU2qEcVP3Kbw

After registering, you will receive a confirmation email containing information about joining the meeting.

If you are participating by phone, be sure to provide your phone # when registering. You will be provided a Toll Free number and a Meeting ID to access the meeting. Note; press # to bypass Participant ID. Attendees will be muted until the public participation period is opened. When you are called on to speak, press *6 to unmute your line. Note, comments from the public are limited to 3 minutes per speaker.

eCOMMENT: COMMENTS MAY BE ENTERED DIRECTLY ON WEBSITE AGENDA PAGE:

- 1) Public comments can be entered before and during the meeting.
- 2) Select a SPECIFIC AGENDA ITEM to enter your comment;
- 3) Public will be prompted to Sign-Up to create a free personal account (one-time) and then comments may be added to each Agenda item of interest.
- 4) Public comments entered into eComment (up to 2200 characters; equal to approximately 3 minutes of oral comments) will become part of the official meeting record. Comments may be read out loud during the meeting.

EMAIL: TO PARTICIPATE BY WRITTEN COMMUNICATION BEFORE 3:00PM DAY OF MEETING (EMAILS WILL NOT BE READ OUT LOUD): Written materials pertaining to matters listed on the posted agenda received after the agenda has been published will be added as supplemental materials under the relevant agenda item. Public comments may be submitted by email to cityclerk@redondo.org. Emails must be received before 3:00 p.m. on the date of the meeting to ensure Council and staff have the ability to review materials prior to the meeting.

4:30 PM - CLOSED SESSION - ADJOURNED REGULAR MEETING

- A. CALL MEETING TO ORDER**
- B. ROLL CALL**
- C. SALUTE TO FLAG AND INVOCATION**
- D. BLUE FOLDER ITEMS- ADDITIONAL BACK UP MATERIALS**

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

- E. PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEMS AND NON-AGENDA ITEMS**

This section is intended to provide members of the public with the opportunity to comment on Closed Session Items or any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

- F. RECESS TO CLOSED SESSION**

- F.1. [CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9\(d\)\(4\).](#)**

[Name of case:](#)
[One potential case](#)

- F.2. [CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.](#)**

[AGENCY NEGOTIATOR:](#)

[Joe Hoefgen, City Manager](#)

[Mike Witzansky, Assistant City Manager](#)

[Stephen Proud, Waterfront & Economic Development Director](#)

[PROPERTY:](#)

[160 International Boardwalk, Redondo Beach, CA 90277](#)

[\(a portion of APN: 7505-029-902\)](#)

[NEGOTIATING PARTY:](#)

[Rashel Mereness, - Boardwalk Worldwide, LLC dba The Dinghy Deli](#)

[UNDER NEGOTIATION:](#)

[Both Price and Terms](#)

- F.3. [CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.](#)**
[AGENCY NEGOTIATOR:](#)

[Joe Hoefgen, City Manager](#)
[Mike Witzansky, Assistant City Manager](#)
[Stephen Proud, Waterfront & Economic Development Director](#)

PROPERTY:

[109 W. Torrance Blvd. Suite 101 & 102B, Redondo Beach, CA 90277](#)

[105 W. Torrance Blvd Suite 200, Redondo Beach, CA 90277](#)

[\(a portion of APN: 7505-002-908\)](#)

NEGOTIATING PARTY:

[Gregory S. Harris, - FirstSteps For Kids, Inc.](#)

UNDER NEGOTIATION:

[Both Price and Terms](#)

- G. RECONVENE TO OPEN SESSION**
- H. ROLL CALL**
- I. ANNOUNCEMENT OF CLOSED SESSION ACTIONS**
- J. ADJOURN TO REGULAR MEETING**

6:00 PM - OPEN SESSION - REGULAR MEETING

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. SALUTE TO THE FLAG AND INVOCATION**
- D. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS**
- E. APPROVE ORDER OF AGENDA**
- F. AGENCY RECESS**
- G. BLUE FOLDER ITEMS- ADDITIONAL BACK UP MATERIALS**

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

- G.1. [For Blue Folder Documents Approved at the City Council Meeting](#)**

H. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any City Council Member may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Council for discussion. Each speaker will be permitted to speak only once and comments will be limited to a total of three minutes.

- H.1. [APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED REGULAR MEETING AND REGULAR MEETING OF FEBRUARY 16, 2021](#)**

CONTACT: ELEANOR MANZANO, CITY CLERK

H.2. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA.

CONTACT: ELEANOR MANZANO, CITY CLERK

H.3. PAYROLL DEMANDS

CHECKS 27152-27177 IN THE AMOUNT OF \$41,550.40, PD. 02/05/2021
DIRECT DEPOSIT 231587-232039 IN THE AMOUNT OF \$1,840,454.35, PD. 02/05/2021
CHECKS 27178-27181 IN THE AMOUNT OF \$992.30, PD. 02/05/2021
DIRECT DEPOSIT 232040-232040 IN THE AMOUNT OF \$22.94, PD. 02/05/2021
EFT/ACH \$3,878.42, PD. 02/08/21 (PP2103)
EFT/ACH \$6,852.59, PD. 02/05/21 (PP2103)
EFT/ACH \$346,564.30, PD. 02/08/21 (PP2103)

ACCOUNTS PAYABLE DEMANDS

CHECKS 97715-97898 IN THE AMOUNT OF \$1,742,389.59

CONTACT: MARNI RUHLAND, FINANCE DIRECTOR

H.4. APPROVE CONTRACTS UNDER \$35,000:

1. APPROVE AMENDMENT TO THE AGREEMENT WITH SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT FOR ELECTRIC CHARGING INFRASTRUCTURE TO EXTEND TERM TO MARCH 31, 2025.

2. APPROVE GRANT AGREEMENT WITH GABI JAMES, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

3. APPROVE GRANT AGREEMENT WITH NATURAL WORLD GOODS, INC. DBA NATURAL WORLD MARKET & CAFÉ FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,500 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

4. APPROVE GRANT AGREEMENT WITH HENNESSEY'S TAVERN, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

5. APPROVE GRANT AGREEMENT WITH BEACH CITIES ROVER LLC FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

6. APPROVE GRANT AGREEMENT WITH SAVOIR FAIRE LANGUAGE INSTITUTE, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

7. APPROVE GRANT AGREEMENT WITH CRITIC'S CHOICE CATERING AND EVENT PRODUCTION, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$668.95 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

8. APPROVE GRANT AGREEMENT WITH A BASQ KITCHEN LLC DBA A FISH & FRIENDS FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

CONTACT: MARNI RUHLAND, FINANCE DIRECTOR

- H.5.** APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH PACIFIC ARCHITECTURE AND ENGINEERING FOR ARCHITECTURAL CONSTRUCTION SUPPORT SERVICES FOR THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120 FOR AN ADDITIONAL AMOUNT OF \$50,000 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$65,000 FOR THE EXISTING TERM

CONTACT: TED SEMAAN, PUBLIC WORKS DIRECTOR

- H.6.** APPROVE AMENDMENT NO. 5 TO FUNDING AGREEMENT #MOU.MR312.06 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR PACIFIC COAST HIGHWAY ARTERIAL IMPROVEMENTS FROM ANITA STREET TO PALOS VERDES BOULEVARD PROJECT, JOB NO. 40800, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 4 TO FUNDING AGREEMENT # MOU.MR312.07 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR PACIFIC COAST HIGHWAY AT TORRANCE BOULEVARD INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40810, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 5 TO FUNDING AGREEMENT # MOU.MR312.20 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR AVIATION BOULEVARD AT ARTESIA BOULEVARD INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40780, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 2 TO FUNDING AGREEMENT # MOU.MR312.42 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR INGLEWOOD AVENUE SOUTHBOUND RIGHT TURN LANE AT MANHATTAN BEACH BOULEVARD AND INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40960, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021

CONTACT: TED SEMAAN, PUBLIC WORKS DIRECTOR

- H.7.** ADOPT BY TITLE ONLY RESOLUTION NO. CC-2102-014, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO KM INC. DBA TRADEWINDS, A CALIFORNIA CORPORATION

APPROVE A LEASE WITH KM INC. FOR THE PREMISES AT 142 AND 144

INTERNATIONAL BOARDWALK FOR A MONTHLY AMOUNT OF \$3,172.50 FOR THE TERM FEBRUARY 16, 2021 - FEBRUARY 16, 2022

CONTACT: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

- H.8.** ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2102-015, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A 2020-2021 FISCAL YEAR BUDGET MODIFICATION APPROPRIATING \$130,403.00 IN 2019 STATE HOMELAND SECURITY PROGRAM GRANT FUNDS.
APPROVE SUB-RECIPIENT AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR SHSP 2019 GRANT FUNDING.

CONTACT: KEITH KAUFFMAN, CHIEF OF POLICE

- H.9.** ADOPT BY TITLE ONLY RESOLUTION NO. CC-2102-016, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO HOLIDAY CARPET AND FLOOR COVERING, INC., A CALIFORNIA CORPORATION

APPROVE A LEASE WITH HOLIDAY CARPET AND FLOOR COVERING, INC. FOR THE PREMISES AT 115 W. TORRANCE BLVD. FOR A MONTHLY AMOUNT OF \$1,775.25 FOR THE TERM FEBRUARY 16, 2021 - FEBRUARY 16, 2022

CONTACT: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

I. EXCLUDED CONSENT CALENDAR ITEMS

J. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Mayor and Council. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

- J.1.** For eComments and Emails Received from the Public

K. EX PARTE COMMUNICATIONS

This section is intended to allow all elected officials the opportunity to reveal any disclosure or ex parte communication about the following public hearings

L. PUBLIC HEARINGS

- L.1.** PUBLIC HEARING TO CONSIDER AMENDING TITLE 9, CHAPTER 12 OF THE MUNICIPAL CODE PERTAINING TO THE FLOOD DAMAGE PREVENTION REGULATIONS

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3212-21, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING FLOOD DAMAGE PREVENTION REGULATIONS IN TITLE 9, CHAPTER 12, SECTIONS 9-12.201, 9-12.501, AND 9-12.507, FOR INTRODUCTION AND FIRST READING

PROCEDURES:

- a. Open Public Hearing, take testimony; and
- b. Close Public Hearing; and
- c. Introduce Ordinance 3212-21 by title only

CONTACT: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR & TED SEMAAN, PUBLIC WORKS DIRECTOR

M. ITEMS CONTINUED FROM PREVIOUS AGENDAS

N. ITEMS FOR DISCUSSION PRIOR TO ACTION

N.1. DISCUSSION AND CONSIDERATION OF PRESENTATION FROM REPRESENTATIVES OF THE U.S. POSTAL SERVICE RELATED TO MAIL DELIVERY IN REDONDO BEACH

CONTACT: JOE HOEFGEN, CITY MANAGER

N.2. DISCUSSION AND POSSIBLE ACTION REGARDING THE STATUS OF TRANSIENT VESSEL MOORINGS IN KING HARBOR AND APPROVAL OF MODIFICATIONS TO THE MOORING SERVICE SCHEDULE TO REDUCE ANNUAL MAINTENANCE COSTS BY APPROXIMATELY \$30,000

CONTACT: TED SEMAAN, PUBLIC WORKS DIRECTOR

N.3. DISCUSSION AND POSSIBLE ACTION REGARDING FY 2020-21 MIDYEAR BUDGET REPORT

RECEIVE AND FILE THE FY 2020-21 MIDYEAR BUDGET REPORT AND THE PRESENTATION OF THE FY 2020-21 CAPITAL IMPROVEMENT BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2102-017, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, MODIFYING THE BUDGET FOR FISCAL YEAR 2020-21

CONTACT: MARNI RUHLAND, FINANCE DIRECTOR

N.4. DISCUSSION AND POSSIBLE ACTION REGARDING REFINANCING OPTIONS AVAILABLE TO THE CITY TO REDUCE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) UNFUNDED ACCRUED LIABILITY (UAL) PENSION COSTS

DISCUSSION AND POSSIBLE ACTION ON THE PRESENTATION PROVIDED BY KOSMONT TRANSACTIONS SERVICES, INC. (KTS) ON CALPERS UAL REFINANCING

DISCUSSION AND POSSIBLE ACTION REGARDING THE PROCESS TO OBTAIN ALL PROFESSIONAL SERVICES NEEDED TO ASSIST THE CITY WITH EXECUTION OF CALPERS UAL REFINANCING, IF PURSUED

DISCUSSION AND POSSIBLE ACTION RELATED TO THE CONTRACT WITH KTS FOR MUNICIPAL ADVISORY ACTIVITIES ASSOCIATED WITH ANALYZING AND SECURING CALPERS UAL REFINANCING

CONTACT: MARNI RUHLAND, FINANCE DIRECTOR

O. CITY MANAGER ITEMS

O.1. DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY'S LOCAL EMERGENCY PERTAINING TO COVID-19

CONTACT: JOE HOEFGEN, CITY MANAGER

P. MAYOR AND COUNCIL ITEMS

Q. MAYOR AND COUNCIL REFERRALS TO STAFF

R. CLOSED SESSION

R.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(4).

Name of case:

One potential case

R.2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

160 International Boardwalk, Redondo Beach, CA 90277

(a portion of APN: 7505-029-902)

NEGOTIATING PARTY:

Rashel Mereness, - Boardwalk Worldwide, LLC dba The Dinghy Deli

UNDER NEGOTIATION:

Both Price and Terms

R.3. CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

109 W. Torrance Blvd. Suite 101 & 102B, Redondo Beach, CA 90277

105 W. Torrance Blvd Suite 200, Redondo Beach, CA 90277

(a portion of APN: 7505-002-908)

NEGOTIATING PARTY:

Gregory S. Harris, - FirstSteps For Kids, Inc.

UNDER NEGOTIATION:

Both Price and Terms

S. RECONVENE TO OPEN CLOSED SESSION

T. ADJOURNMENT

The next meeting of the City Council of the City of Redondo Beach will be an Adjourned Regular meeting to be held at 4:30 p.m. (Closed Session) and a Regular meeting to be held at 6:00 p.m. (Open Session) on Tuesday, March 9, 2021, in the Redondo Beach City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California, via teleconference.



Administrative Report

F.1., File # 21-2077

Meeting Date: 2/16/2021

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(4).

Name of case:
One potential case



Administrative Report

F.2., File # 21-2088

Meeting Date: 2/16/2021

TITLE

CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

160 International Boardwalk, Redondo Beach, CA 90277

(a portion of APN: 7505-029-902)

NEGOTIATING PARTY:

Rashel Mereness, - Boardwalk Worldwide, LLC dba The Dinghy Deli

UNDER NEGOTIATION:

Both Price and Terms



Administrative Report

F.3., File # 21-2089

Meeting Date: 2/16/2021

TITLE

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

109 W. Torrance Blvd. Suite 101 & 102B, Redondo Beach, CA 90277

105 W. Torrance Blvd Suite 200, Redondo Beach, CA 90277

(a portion of APN: 7505-002-908)

NEGOTIATING PARTY:

Gregory S. Harris, - FirstSteps For Kids, Inc.

UNDER NEGOTIATION:

Both Price and Terms



Administrative Report

G.1., File # 21-2075

Meeting Date: 2/16/2021

TITLE

For Blue Folder Documents Approved at the City Council Meeting



Administrative Report

H.1., File # 21-2073

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: ELEANOR MANZANO, CITY CLERK

TITLE

APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED REGULAR MEETING AND REGULAR MEETING OF FEBRUARY 16, 2021

EXECUTIVE SUMMARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations indicated below.

Legislative Body	City Council
Posting Type	Adjourned Regular and Regular Agenda
Posting Locations	415 Diamond Street, Redondo Beach, CA 90277 ✓ City Hall Kiosk
Meeting Date & Time	FEBRUARY 16, 2021 4:30 p.m. Closed Session 6:00 p.m. Closed Session

As City Clerk of the City of Redondo Beach, I declare, under penalty of perjury, the document noted above was posted at the date displayed below.

Eleanor Manzano, City Clerk

Date: February 11, 2021



Administrative Report

H.2., File # 21-2074

Meeting Date: 2/16/2021

TITLE

APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA.



Administrative Report

H.3., File # 21-2061

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

PAYROLL DEMANDS

CHECKS 27152-27177 IN THE AMOUNT OF \$41,550.40, PD. 02/05/2021
DIRECT DEPOSIT 231587-232039 IN THE AMOUNT OF \$1,840,454.35, PD. 02/05/2021
CHECKS 27178-27181 IN THE AMOUNT OF \$992.30, PD. 02/05/2021
DIRECT DEPOSIT 232040-232040 IN THE AMOUNT OF \$22.94, PD. 02/05/2021
EFT/ACH \$3,878.42, PD. 02/08/21 (PP2103)
EFT/ACH \$6,852.59, PD. 02/05/21 (PP2103)
EFT/ACH \$346,564.30, PD. 02/08/21 (PP2103)

ACCOUNTS PAYABLE DEMANDS

CHECKS 97715-97898 IN THE AMOUNT OF \$1,742,389.59

EXECUTIVE SUMMARY

Approval of Payroll and Accounts Payable

ATTACHMENTS

02162021_RECOMMENDATION_TO_APPROVE
02162021_VENDOR_INVOICE_LIST

**RECOMMENDATION TO APPROVE
PAYROLL AND ACCOUNTS PAYABLE
COUNCIL MEETING FEBRUARY 16, 2021**

a. Payroll Demands

- Checks 27152-27177, \$41,550.40, Pd.02/05/2021
- Direct Deposit 231587-232039, \$1,840,454.35, Pd.02/05/2021
- Checks 27178-27181, \$992.30, Pd.02/05/2021
- Direct Deposit 232040-232040, \$22.94, Pd.02/05/2021
- EFT/ACH \$3,878.42 02/08/2021 (PP2103)
- EFT/ACH \$6,852.59 02/05/2021 (PP2103)
- EFT/ACH \$346,564.30 02/08/2021 (PP2103)

b. Accounts Payable Demands

- Checks 97715-97898, \$1,742,389.59

I hereby approve and authorize for payment the above demands.

*Joe Hoefgen
City Manager*

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
11502 800 NORTH CATALINA LLC										
PERMIT # E-5207-A		08/27/2020	10255458	02162021	97715	1,528.00	02/16/2021	INV	PD	Refund Permit #E-5207-A,R
CHECK DATE: 02/16/2021										
22 A THRONE CO., INC.										
0000681462		02/08/2021	10255488	02162021	97716	1,159.91	02/08/2021	INV	PD	PORTABLE BATHROOM RENTAL
CHECK DATE: 02/16/2021										
10119 AARDVARK										
PIN11749	5111	02/05/2021	10255389	02162021	97717	10,751.25	02/05/2021	INV	PD	Loki MK2 Multi-Drone Set
CHECK DATE: 02/16/2021										
11219 ACE FENCE COMPANY										
19271	5128	02/04/2021	10255268	02162021	97718	15,544.78	02/04/2021	INV	PD	FENCING FOR TEMORARY PALL
CHECK DATE: 02/16/2021										
12314 AGARWAL, BANARSI										
PERMIT # E-2020-214		08/27/2020	10255455	02162021	97719	1,000.00	02/16/2021	INV	PD	Refund Permit #E-2020-214
CHECK DATE: 02/16/2021										
144 AMERICAN CITY PEST CONTROL INC.										
537923		02/04/2021	10255226	02162021	97720	93.50	02/04/2021	INV	PD	VET SC BAIT STATIONS 1/28
CHECK DATE: 02/16/2021										
537916		02/04/2021	10255227	02162021	97720	102.00	02/04/2021	INV	PD	100 TORR BLVD BAIT STATIO
CHECK DATE: 02/16/2021										
535674		02/04/2021	10255243	02162021	97720	58.50	02/04/2021	INV	PD	SCOUT HOUSES PEST CONTROL
CHECK DATE: 02/16/2021										
535677		02/04/2021	10255245	02162021	97720	34.00	02/04/2021	INV	PD	ANDERSON SC BAIT STATIONS
CHECK DATE: 02/16/2021										
535678		02/04/2021	10255246	02162021	97720	53.00	02/04/2021	INV	PD	ANDERSON SC PEST CONTROL
CHECK DATE: 02/16/2021										
535676		02/04/2021	10255247	02162021	97720	42.50	02/04/2021	INV	PD	SCOUT HOUESES BAIT STATIO
CHECK DATE: 02/16/2021						383.50				
176 AMERICAN TEXTILE MAINTENANCE COMPANY										
20346804		01/22/2021	10255274	02162021	97721	403.37	02/04/2021	INV	PD	Inmate linen service
CHECK DATE: 02/16/2021										
20348582		01/26/2021	10255276	02162021	97721	398.50	02/04/2021	INV	PD	inmate linen service
CHECK DATE: 02/16/2021										
20350515		01/29/2021	10255277	02162021	97721	406.91	02/04/2021	INV	PD	inmate linen service
CHECK DATE: 02/16/2021										
20352400		02/02/2021	10255278	02162021	97721	404.42	02/04/2021	INV	PD	inmate linen service
CHECK DATE: 02/16/2021						1,613.20				
12220 AMERICAN TRUST ESCROW										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
765610515 CHECK DATE: 02/16/2021 11925 ARDURRA GROUP, INC.		02/05/2021	10255400	02162021	97722	133.00	02/16/2021	INV	PD	REFUND ERROR PAYMENT BUIL
8854 CHECK DATE: 02/16/2021 6183 ARTIANO & ASSOCIATES	4841	01/12/2021	10255119	02162021	97723	52,633.25	02/16/2021	INV	PD	TransitCenter.ConstrMgmts
46187 CHECK DATE: 02/16/2021 8029 ATHENS SERVICES		02/05/2021	10255481	02162021	97724	12.50	02/08/2021	INV	PD	12/20 Audit Response Lett
ATH 2-1-2021 CHECK DATE: 02/16/2021 291 BAKER & TAYLOR	5008	02/01/2021	10255083	02162021	97725	296,860.64	02/01/2021	INV	PD	RESIDENTIAL CART - MONTH
H53731930 CHECK DATE: 02/16/2021		01/25/2021	10255092	02162021	97726	45.12	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
H53679380 CHECK DATE: 02/16/2021		01/22/2021	10255093	02162021	97726	20.50	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
H53583630 CHECK DATE: 02/16/2021		01/21/2021	10255094	02162021	97726	159.97	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
2035725318 CHECK DATE: 02/16/2021		01/21/2021	10255095	02162021	97726	1,714.68	02/02/2021	INV	PD	BOOKS
5016700316 CHECK DATE: 02/16/2021		01/20/2021	10255096	02162021	97726	149.90	02/02/2021	INV	PD	BOOKS
2035726270 CHECK DATE: 02/16/2021		01/19/2021	10255097	02162021	97726	127.95	02/02/2021	INV	PD	BOOKS
2035730132 CHECK DATE: 02/16/2021		01/19/2021	10255098	02162021	97726	287.45	02/02/2021	INV	PD	BOOKS
H53441160 CHECK DATE: 02/16/2021		01/15/2021	10255099	02162021	97726	28.70	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
H53786140 CHECK DATE: 02/16/2021		01/27/2021	10255366	02162021	97726	113.21	02/05/2021	INV	PD	AUDIOVISUAL MATERIAL
2035749113 CHECK DATE: 02/16/2021		01/27/2021	10255368	02162021	97726	84.80	02/05/2021	INV	PD	BOOKS
2035743649 CHECK DATE: 02/16/2021		01/27/2021	10255369	02162021	97726	80.46	02/05/2021	INV	PD	BOOKS
						2,812.74				
10448 BEARCOM										
5148210 CHECK DATE: 02/16/2021		02/01/2021	10255122	02162021	97727	1,164.02	02/16/2021	INV	PD	02/21 RADIO MAINT
5148209 CHECK DATE: 02/16/2021		02/03/2021	10255167	02162021	97727	1,059.97	02/03/2021	INV	PD	service contract for febr
5148222 CHECK DATE: 02/16/2021		02/01/2021	10255296	02162021	97727	219.74	02/08/2021	INV	PD	MO RADIO MAINTENANCE

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
354 BENNET-BOWEN LIGHTHOUSE						2,443.73				
3010021		02/04/2021	10255251	02162021	97728	173.05	02/04/2021	INV	PD	WO204 LIGHT
CHECK DATE: 02/16/2021										
8295 BEST, BEST & KRIEGER, LLP.										
896899		02/05/2021	10255444	02162021	97729	147.50	02/08/2021	INV	PD	1/21 Catalina Fund Legal
CHECK DATE: 02/16/2021										
384 BILL'S SOUND SYSTEMS, INC.										
38399		02/02/2021	10255091	02162021	97730	65.00	02/02/2021	INV	PD	ALTA VISTA & PW ADMIN - S
CHECK DATE: 02/16/2021										
11059 BLACKSTONE PUBLISHING										
1202443		01/25/2021	10255100	02162021	97731	32.99	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
CHECK DATE: 02/16/2021										
1201542		01/21/2021	10255101	02162021	97731	270.48	02/02/2021	INV	PD	AUDIOVISUAL MATERIAL
CHECK DATE: 02/16/2021										
1203453		01/28/2021	10255370	02162021	97731	242.99	02/05/2021	INV	PD	AUDIOVISUAL MATERIALS
CHECK DATE: 02/16/2021										
1203558		01/28/2021	10255371	02162021	97731	35.00	02/05/2021	INV	PD	AUDIOVISUAL MATERIAL
CHECK DATE: 02/16/2021						581.46				
3121 BLUE DIAMOND										
2111867		02/04/2021	10255225	02162021	97732	678.93	02/04/2021	INV	PD	STREETS SHEET ASPHALT
CHECK DATE: 02/16/2021										
10417 BPR, INC.										
20189148	5018	02/01/2021	10255235	02162021	97733	139,808.34	02/01/2021	INV	PD	SIDEWALK GRINDING SERVICE
CHECK DATE: 02/16/2021										
6379 BRIGHTON ESCROW, INC.										
754107519		02/05/2021	10255399	02162021	97734	125.00	02/16/2021	INV	PD	REFUND DOUBLE PAYMENT BUI
CHECK DATE: 02/16/2021										
12270 BROXTERMANN, THOMAS J.										
Y126609		02/05/2021	10255385	02162021	97735	99.00	02/05/2021	INV	PD	STC Training Course
CHECK DATE: 02/16/2021										
12313 BRUNO EVALUATION & CONSULTING										
11232020		02/05/2021	10255447	02162021	97736	12,600.00	02/08/2021	INV	PD	11/20 Cassidy Legal Fees
CHECK DATE: 02/16/2021										
12315 BURSIDE, SOPHINA										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
PERMIT E-2020-283 CHECK DATE: 02/16/2021		11/02/2020	10255452	02162021	97737	1,000.00	02/16/2021	INV	PD	Refund Permit #E-2020-283
7067 CALIFORNIA BUILDING STANDARDS COMMISSION										
207951 CHECK DATE: 02/16/2021		02/05/2021	10255405	02162021	97738	490.00	02/16/2021	INV	PD	GREEN FEE 4TH QUARTER 202
577 CALIFORNIA WATER SERVICE										
9968051525-1-19 CHECK DATE: 02/16/2021		02/05/2021	10255365	02162021	97739	2,777.95	02/05/2021	INV	PD	PORTOFINO WAY 12-8 THRU 1
6682231418-1-25 CHECK DATE: 02/16/2021		02/05/2021	10255367	02162021	97740	71.38	02/05/2021	INV	PD	FLAGLER 12-17 THRU 1-15-2
2754759120-1-25 CHECK DATE: 02/16/2021		02/05/2021	10255354	02162021	97740	3,812.88	02/05/2021	INV	PD	MBB 12-8 THRU 1-6-21
660 CHARLES ABBOTT ASSOCIATES INC						6,662.21				
62065 CHECK DATE: 02/16/2021	5147	12/31/2020	10255112	02162021	97741	6,669.00	02/16/2021	INV	PD	FOG.NPDES Service for Dec
7727 CHEMDRY										
1-16-2021 CHECK DATE: 02/16/2021		02/02/2021	10255089	02162021	97742	2,146.00	02/02/2021	INV	PD	CARPET CLEANING AT RB POL
12310 CHUNG, MOON JA										
766005942 CHECK DATE: 02/16/2021		02/05/2021	10255387	02162021	97743	133.00	02/16/2021	INV	PD	REFUND BUILDING REPORT FE
705 CITY OF REDONDO BEACH										
01/29/2021 CHECK DATE: 02/16/2021		01/29/2021	10255303	02162021	97744	61,673.87	02/08/2021	INV	PD	WC 1/15/2021 - 1/29/2021
5448 CITY OF REDONDO BEACH										
02/16/2021 CHECK DATE: 02/16/2021		02/03/2021	10255283	02162021	97745	41.00	02/08/2021	INV	PD	PETTY CASH RECONCILIATION
725 CLEAN ENERGY										
CE12366318 CHECK DATE: 02/16/2021		02/05/2021	10255382	02162021	97746	3,560.40	02/05/2021	INV	PD	CNG O&M DEC. 2020
9413 COLANTUONO, HIGHSMITH & WHATLEY, PC										
45930 CHECK DATE: 02/16/2021		02/05/2021	10255479	02162021	97747	178.84	02/08/2021	INV	PD	1/21 SCE Coalition Legal
5136 COLLISION AND INJURY DYNAMICS, INC.										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
83735 CHECK DATE: 02/16/2021 4079 COMCATE, INC.		02/05/2021	10255381	02162021	97748	8,039.50	02/08/2021	INV	PD	8/20 Smith Legal Fees
7470 CHECK DATE: 02/16/2021 8889 COMMLINE, INC.		02/04/2021	10255215	02162021	97749	1,615.75	02/04/2021	INV	PD	COMCATE MONTHLY RENEWAL
0278049 CHECK DATE: 02/16/2021 10780 COMPANY NURSE, LLC		02/02/2021	10255142	02162021	97750	375.00	02/16/2021	INV	PD	T61 RADIO REPAIRS
30117 CHECK DATE: 02/16/2021 8474 COMPLETE DOCUMENT SOLUTIONS, INC.		01/31/2021	10255304	02162021	97751	315.00	02/08/2021	INV	PD	TRIAGE SVCS DOS SANTOS 12
115902 CHECK DATE: 02/16/2021 784 COMPLETES PLUS		02/01/2021	10255275	02162021	97752	164.25	02/01/2021	INV	PD	TRAFFIC COPIER MONTHLY MA
01AS1393 CHECK DATE: 02/16/2021		02/04/2021	10255228	02162021	97753	329.53	02/04/2021	INV	PD	WO324 BRAKE PADS AND ROTO
01AS1602 CHECK DATE: 02/16/2021		02/04/2021	10255229	02162021	97753	111.45	02/04/2021	INV	PD	WO400 BRAKE PADS
01AS0535 CHECK DATE: 02/16/2021		02/04/2021	10255325	02162021	97753	51.41	02/04/2021	INV	PD	WO612-08
01AS0902 CHECK DATE: 02/16/2021		02/04/2021	10255345	02162021	97753	305.87	02/04/2021	INV	PD	WO324 BRAKE PADS AND ROTO
01AS1268 CHECK DATE: 02/16/2021		02/04/2021	10255346	02162021	97753	67.86	02/04/2021	INV	PD	WO324-09 BRAKE PADS
						866.12				
3648 COUNTY OF L.A. DEPT. OF PUBLIC WORKS										
RE-PW-20081700392 CHECK DATE: 02/16/2021 8372 CULLIGAN OF SANTA ANA		08/17/2020	10255110	02162021	97754	17,216.91	02/16/2021	INV	PD	Redondo Bch 190th St corr
1203317 CHECK DATE: 02/16/2021		01/31/2021	10255297	02162021	97755	28.58	02/08/2021	INV	PD	ST3 WATER COOLER
1203313 CHECK DATE: 02/16/2021		02/05/2021	10255331	02162021	97755	37.10	02/05/2021	INV	PD	ACCT 1254507 PD. PIER SUB
1203315 CHECK DATE: 02/16/2021		02/05/2021	10255339	02162021	97755	55.64	02/05/2021	INV	PD	ACCT 1254580- PD STATION
1203344 CHECK DATE: 02/16/2021		02/05/2021	10255340	02162021	97755	76.48	02/05/2021	INV	PD	ACCT. 1530476 DRINKING WA
1203622 CHECK DATE: 02/16/2021		02/05/2021	10255383	02162021	97755	64.94	02/05/2021	INV	PD	Water Equipment Investiga

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1203364		02/05/2021	10255384	02162021	97755	57.79	02/05/2021	INV	PD	Water Equipment - Investi
CHECK DATE: 02/16/2021					320.53					
5324 DANG, CUONG										
Mileage Cuong Dang		02/03/2021	10255446	02162021	97756	39.76	02/16/2021	INV	PD	Mileage Report Cuong Dang
CHECK DATE: 02/16/2021										
954 DELL MARKETING L.P.										
10457862952		02/04/2021	10255250	02162021	97757	4,921.01	02/04/2021	INV	PD	TONERS
CHECK DATE: 02/16/2021										
966 DEPARTMENT OF CONSERVATION										
207949		02/05/2021	10255403	02162021	97758	2,019.00	02/16/2021	INV	PD	SMIP FEES 4TH QUARTER 202
CHECK DATE: 02/16/2021										
971 DEPARTMENT OF JUSTICE										
481585		02/03/2021	10255146	02162021	97759	257.00	02/08/2021	INV	PD	APPLICANTS: PD AND RECORD
CHECK DATE: 02/16/2021										
465608		02/03/2021	10255150	02162021	97759	132.00	02/08/2021	INV	PD	APPLICANTS: PD
CHECK DATE: 02/16/2021										
476342		02/03/2021	10255151	02162021	97759	164.00	02/08/2021	INV	PD	APPLICANTS: PD
CHECK DATE: 02/16/2021										
486746		02/03/2021	10255154	02162021	97759	362.00	02/08/2021	INV	PD	PD APPLICANTS
CHECK DATE: 02/16/2021					915.00					
11884 DIAMOND ENVIRONMENTAL SERVICES LP										
0002971665		02/01/2021	10255077	02162021	97760	38.10	02/01/2021	INV	PD	SANI UNI HARBOR PATROL 10
CHECK DATE: 02/16/2021										
0003041090	5129	02/04/2021	10255269	02162021	97760	1,007.03	02/04/2021	INV	PD	TEMPORARY POWER POLES FOR
CHECK DATE: 02/16/2021										
0003041082	5129	02/04/2021	10255270	02162021	97760	7,103.60	02/04/2021	INV	PD	TEMPORARY POWER POLES FOR
CHECK DATE: 02/16/2021										
0002970110	5129	02/04/2021	10255271	02162021	97760	212.14	02/04/2021	INV	PD	TEMPORARY POWER POLES FOR
CHECK DATE: 02/16/2021										
0003028605	5129	02/04/2021	10255272	02162021	97760	45.00	02/04/2021	INV	PD	TEMPORARY POWER POLES FOR
CHECK DATE: 02/16/2021					8,405.87					
4123 DIVINITY, ULYDUN										
02052021		02/10/2021	10255537	02162021	97761	558.33	02/10/2021	INV	PD	CALPERS AUDIT FINDINGS -
CHECK DATE: 02/16/2021										
11965 DOGGIE WALK BAGS, INC.										
0090395		02/04/2021	10255254	02162021	97762	487.27	02/04/2021	INV	PD	DOGGIE BAGS
CHECK DATE: 02/16/2021										
0090931		02/04/2021	10255257	02162021	97762	487.27	02/04/2021	INV	PD	DOGGIE BAGS

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 02/16/2021						974.54				
1055 EASY READER										
ER21011417		02/05/2021	10255316	02162021	97763	475.00	02/05/2021	INV	PD	Used Oil Recycling Advert
CHECK DATE: 02/16/2021										
ER21011419		02/05/2021	10255317	02162021	97763	1,100.00	02/05/2021	INV	PD	Document Shredding Event
CHECK DATE: 02/16/2021						1,575.00				
1088 EMBROIDME - REDONDO										
e 80767		02/03/2021	10255190	02162021	97764	134.93	02/03/2021	INV	PD	Sunali Kapila
CHECK DATE: 02/16/2021										
3655 EQUIFAX INFORMATION SERVICES, LLC										
6176953		02/05/2021	10255395	02162021	97765	128.96	02/05/2021	INV	PD	Background Services
CHECK DATE: 02/16/2021										
1145 EXCEL PAVING COMPANY										
13-26356	4769	02/01/2021	10255120	02162021	97766	33,600.31	02/16/2021	INV	PD	ResidentialStRehabCycle2P
CHECK DATE: 02/16/2021										
9987 EXCELSIOR ELEVATOR										
25699		02/04/2021	10255252	02162021	97767	1,249.86	02/04/2021	INV	PD	PIER ELEVATOR TROUBLE CAL
CHECK DATE: 02/16/2021										
1176 FEDERAL EXPRESS CORPORATION										
7-261-32575		02/05/2021	10255398	02162021	97768	11.78	02/05/2021	INV	PD	FedEx Delivery Charges
CHECK DATE: 02/16/2021										
7-261-53485		02/05/2021	10255491	02162021	97768	7.07	02/08/2021	INV	PD	1/21 Monthly Shipping Cha
CHECK DATE: 02/16/2021						18.85				
5752 FEHR AND PEERS										
142844	4955	01/08/2021	10255310	02162021	97769	4,290.00	02/16/2021	INV	PD	12/2020 SB743 VMT ANALYSI
CHECK DATE: 02/16/2021										
9396 FIREFIGHTERS SAFETY CENTER										
28257		01/18/2021	10255123	02162021	97770	282.53	02/16/2021	INV	PD	UNIFORM BOOTS
CHECK DATE: 02/16/2021										
10479 FLYING LION, INC.										
1183		02/05/2021	10255391	02162021	97771	249.99	02/05/2021	INV	PD	COVID Pilot Drone Program
CHECK DATE: 02/16/2021										
1182		02/05/2021	10255392	02162021	97771	4,890.00	02/05/2021	INV	PD	UAV Monthly Maintenance
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
10191 FRONTIER						5,139.99				
02222021-7167		02/04/2021	10255255	02162021	97772	154.80	02/04/2021	INV	PD	2 DDS SPECIAL ACCESS LINE
CHECK DATE: 02/16/2021										
02222021-4212		02/04/2021	10255256	02162021	97772	88.17	02/04/2021	INV	PD	2 SAL 4 WIRE
CHECK DATE: 02/16/2021										
02222021-3990		02/04/2021	10255258	02162021	97772	44.43	02/04/2021	INV	PD	REMOTE CALL FRWD
CHECK DATE: 02/16/2021										
02222021-2361		02/04/2021	10255259	02162021	97772	232.13	02/04/2021	INV	PD	4 BUSINESS LINE
CHECK DATE: 02/16/2021										
3202 GALE						519.53				
73172942		01/21/2021	10255102	02162021	97773	90.32	02/02/2021	INV	PD	BOOKS
CHECK DATE: 02/16/2021										
73135366		01/20/2021	10255103	02162021	97773	55.82	02/02/2021	INV	PD	BOOKS
CHECK DATE: 02/16/2021										
73135560		01/20/2021	10255104	02162021	97773	80.45	02/02/2021	INV	PD	BOOKS
CHECK DATE: 02/16/2021										
73089905		01/19/2021	10255105	02162021	97773	31.20	02/02/2021	INV	PD	BOOKS
CHECK DATE: 02/16/2021										
73089535		01/19/2021	10255106	02162021	97773	31.20	02/02/2021	INV	PD	BOOKS
CHECK DATE: 02/16/2021										
1289 GALLS INCORPORATED						288.99				
BC1271773		01/13/2021	10255124	02162021	97774	172.55	02/16/2021	INV	PD	UNIFORM BOOTS
CHECK DATE: 02/16/2021										
BC1272767		01/14/2021	10255125	02162021	97774	455.44	02/16/2021	INV	PD	UNIFORMS
CHECK DATE: 02/16/2021										
017392768		02/03/2021	10255170	02162021	97774	1,848.03	02/03/2021	INV	PD	6 surefire weapon lights
CHECK DATE: 02/16/2021										
017489159		02/03/2021	10255171	02162021	97774	524.58	02/03/2021	INV	PD	cat tourniquets
CHECK DATE: 02/16/2021										
017490361		02/03/2021	10255172	02162021	97774	1,367.13	02/03/2021	INV	PD	surefire tactical lights
CHECK DATE: 02/16/2021										
017446195		02/03/2021	10255173	02162021	97774	263.60	02/03/2021	INV	PD	tourniquets and glove kit
CHECK DATE: 02/16/2021										
11093 GANAHL LUMBER						4,631.33				
150461411		02/04/2021	10255293	02162021	97775	51.52	02/04/2021	INV	PD	BUILDING MAINTENANCE SUPP
CHECK DATE: 02/16/2021										
9598 GENERAL INDUSTRIAL TOOL AND SUPPLY										
1183948-01		02/04/2021	10255361	02162021	97776	175.20	02/04/2021	INV	PD	MASKS SHOP
CHECK DATE: 02/16/2021										
11301 GILLIS & PANICHAPAN ARCHITECTS, INCORPORATED										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
107865J CHECK DATE: 02/16/2021	4258	02/01/2021	10255435	02162021	97777	4,955.00	02/16/2021	INV	PD	Engr&DesignSvc.CC Chambe
12248 GULDEN, BRITTAN										
PERMIT # E-2020-273 CHECK DATE: 02/16/2021		10/21/2020	10252017	02162021	97778	1,000.00	11/17/2020	INV	PD	Refund Permit #E-2020-273
1428 HARBOR & PIER ASSN										
3189 CHECK DATE: 02/16/2021		02/01/2021	10255433	02162021	97779	239.38	02/08/2021	INV	PD	KHA DUES JCS FEB 2021
3185 CHECK DATE: 02/16/2021		02/01/2021	10255432	02162021	97780	3,016.46	02/08/2021	INV	PD	KHA DUES GEN FEB 2021
1453 HDL, COREN & CONE						3,255.84				
SIN004493 CHECK DATE: 02/16/2021		02/05/2021	10255335	02162021	97781	4,774.20	02/05/2021	INV	PD	CONTRACT SVCS PROP TAX: 0
SIN006448 CHECK DATE: 02/16/2021		02/05/2021	10255342	02162021	97781	4,774.20	02/05/2021	INV	PD	CONTRACT SVCS PROP TAX:
12312 HEWITT, MELISSA						9,548.40				
20192768 CHECK DATE: 02/16/2021		02/05/2021	10255394	02162021	97782	1,356.16	02/16/2021	INV	PD	REFUND PARTIAL PLANCHECK
1494 HITECH SYSTEMS INC										
7498 CHECK DATE: 02/16/2021	5175	02/04/2021	10255207	02162021	97783	10,369.12	02/04/2021	INV	PD	SAFETY NET REPORTING SERV
7472 CHECK DATE: 02/16/2021	5160	12/14/2020	10254575	02162021	97784	44,747.79	01/20/2021	INV	PD	SafetyNet Software Mainte
7473 CHECK DATE: 02/16/2021	5160	12/14/2020	10254584	02162021	97784	37,016.46	01/20/2021	INV	PD	SafetyNet Software Mainte
7474 CHECK DATE: 02/16/2021	5160	12/14/2020	10254587	02162021	97784	37,016.46	01/20/2021	INV	PD	SafetyNet Software Mainte
3519 HUNTINGTON BEACH HONDA						129,149.83				
1044402021 CHECK DATE: 02/16/2021		02/05/2021	10255404	02162021	97785	2,500.00	02/05/2021	INV	PD	Traffic Training Motor In
12157 ILAND INTERNET SOLUTIONS CORPORATION										
INV-032185 CHECK DATE: 02/16/2021		02/04/2021	10255212	02162021	97786	1,172.40	02/04/2021	INV	PD	INSIDER PROTECTION
INV-032187 CHECK DATE: 02/16/2021		02/04/2021	10255213	02162021	97786	4,380.75	02/04/2021	INV	PD	ILAND SECURE CLOUD BACKUP

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1566 INDUSTRIAL LOCK & SECURITY, INC.						5,553.15				
58512		02/03/2021	10255174	02162021	97787	115.00	02/03/2021	INV	PD	labor for lock
CHECK DATE: 02/16/2021										
8090 INTEGRATED MEDIA SYSTEMS										
46276	4490	02/04/2021	10255208	02162021	97788	6,529.55	02/04/2021	INV	PD	BID#1819-002 AUDIO-VISUAL
CHECK DATE: 02/16/2021										
46277	4502	02/04/2021	10255218	02162021	97788	37,217.65	02/04/2021	INV	PD	CITY COUNCIL CHAMBER AND
CHECK DATE: 02/16/2021						43,747.20				
1619 INTERSTATE BATTERIES OF CALIF COAST, INC										
130097372		02/04/2021	10255355	02162021	97789	873.36	02/04/2021	INV	PD	STOCK CAR BATTERIES
CHECK DATE: 02/16/2021										
7956 IPS GROUP, INC.										
INV56654		01/25/2021	10255087	02162021	97790	319.10	02/24/2021	INV	PD	WARRANTY REPAIR SERVICES
CHECK DATE: 02/16/2021										
INV56872	5029	01/31/2021	10255203	02162021	97790	4,886.06	03/02/2021	INV	PD	IPS Smart Meter Transacti
CHECK DATE: 02/16/2021										
INV57223		01/28/2021	10255204	02162021	97790	825.57	02/27/2021	INV	PD	REPAIR SERVICES FOR IPS M
CHECK DATE: 02/16/2021						6,030.73				
11651 IRIBE, DAMARIZ										
02052021		02/10/2021	10255539	02162021	97791	225.36	02/10/2021	INV	PD	CALPERS AUDIT FINDINGS -
CHECK DATE: 02/16/2021										
11296 JOE MAR POLYGRAPH & INVESTIGATION										
2021-01-020		02/03/2021	10255143	02162021	97792	400.00	02/08/2021	INV	PD	APPLICANTS: HAFKENSCHIED
CHECK DATE: 02/16/2021										
2020-12-010		02/03/2021	10255144	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANTS: HERNANDEZ, MI
CHECK DATE: 02/16/2021										
2020-12-016		02/03/2021	10255145	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: LITCHMAN, TYLE
CHECK DATE: 02/16/2021										
2020-12-023		02/03/2021	10255147	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: FANTHORPE, BLA
CHECK DATE: 02/16/2021										
2020-11-016		02/03/2021	10255148	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: AMEZQUITA, LUI
CHECK DATE: 02/16/2021										
2020-11-011		02/03/2021	10255149	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: MELANSON MARC
CHECK DATE: 02/16/2021										
2021-01-006		02/03/2021	10255152	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: FIGUEROA, BRYA
CHECK DATE: 02/16/2021										
2021-01-008		02/03/2021	10255153	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: MUNOZ, DANIEL
CHECK DATE: 02/16/2021										
2021-01-005		02/03/2021	10255159	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: POLIAK, ASHLEY
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
2020-11-012		02/03/2021	10255161	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT- JAMES WALKER
CHECK DATE: 02/16/2021										
2020-02-111		02/03/2021	10255165	02162021	97792	200.00	02/08/2021	INV	PD	APPLICANT: WARD, ERIKA
CHECK DATE: 02/16/2021										
1674 JOHN S. MEEK COMPANY, INC.						2,400.00				
21A-0105	4001	01/26/2021	10255113	02162021	97793	40,940.00	02/16/2021	INV	PD	ImmedMunicipalPierRepairs
CHECK DATE: 02/16/2021										
21A-0106	4001	01/29/2021	10255114	02162021	97793	33,820.00	02/16/2021	INV	PD	ImmedMunicipalPierRepairs
CHECK DATE: 02/16/2021										
3585 JONES, NANCY						74,760.00				
JANUARY2021		02/08/2021	10255490	02162021	97794	1,717.00	02/08/2021	INV	PD	FARMERMARKETMANAGER JANUA
CHECK DATE: 02/16/2021										
1742 KEYSER MARSTON ASSOCIATES INC										
0035234		02/05/2021	10255338	02162021	97795	2,196.75	02/05/2021	INV	PD	CALL HOUSING SERVICES THR
CHECK DATE: 02/16/2021										
10317 KMTS AUDIO TO TEXT SOLUTIONS										
131km		02/05/2021	10255486	02162021	97796	22.54	02/08/2021	INV	PD	2/21 Prosecution Transcri
CHECK DATE: 02/16/2021										
8444 KRONOS										
11712232		01/14/2021	10255126	02162021	97797	30.93	02/16/2021	INV	PD	WF TELESTAFF IVR SERVICE
CHECK DATE: 02/16/2021										
11714580	5016	02/05/2021	10255396	02162021	97797	1,534.38	02/05/2021	INV	PD	Kronos Monthly Cloud Host
CHECK DATE: 02/16/2021										
10899 LA UNIFORMS						1,565.31				
7515		02/03/2021	10255175	02162021	97798	175.19	02/03/2021	INV	PD	platoon uniforms rubio
CHECK DATE: 02/16/2021										
7557		02/03/2021	10255176	02162021	97798	137.76	02/03/2021	INV	PD	jacket for caserma
CHECK DATE: 02/16/2021										
7560		02/03/2021	10255177	02162021	97798	11.03	02/03/2021	INV	PD	add patches sry
CHECK DATE: 02/16/2021										
7573		02/03/2021	10255178	02162021	97798	1,503.45	02/03/2021	INV	PD	uniforms and equipment fo
CHECK DATE: 02/16/2021										
7575		02/03/2021	10255179	02162021	97798	1,443.45	02/03/2021	INV	PD	uniforms and equipment di
CHECK DATE: 02/16/2021										
7603		02/03/2021	10255180	02162021	97798	347.55	02/03/2021	INV	PD	uniforms calderon
CHECK DATE: 02/16/2021										
7745		02/03/2021	10255187	02162021	97798	7.72	02/03/2021	INV	PD	corey king alteration
CHECK DATE: 02/16/2021										
7766		02/03/2021	10255189	02162021	97798	13.72	02/03/2021	INV	PD	alteration on pants
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
7611		02/03/2021	10255181	02162021	97798	270.00	02/03/2021	INV	PD	uniform shirt michael del
CHECK DATE:	02/16/2021									
7622		02/03/2021	10255182	02162021	97798	15.41	02/03/2021	INV	PD	alterations wolfinger
CHECK DATE:	02/16/2021									
7671		02/03/2021	10255183	02162021	97798	138.92	02/03/2021	INV	PD	name tapes for platoon
CHECK DATE:	02/16/2021									
7674		02/03/2021	10255184	02162021	97798	176.29	02/03/2021	INV	PD	uniform shirt sal garcia
CHECK DATE:	02/16/2021									
7675		02/03/2021	10255185	02162021	97798	11.03	02/03/2021	INV	PD	add patches to jacket
CHECK DATE:	02/16/2021									
7728		02/03/2021	10255186	02162021	97798	154.24	02/03/2021	INV	PD	uniforms kapila
CHECK DATE:	02/16/2021									
1858 LEAGUE OF CALIFORNIA CITIES						4,405.76				
640856		02/03/2021	10255202	02162021	97799	20,252.00	02/03/2021	INV	PD	MEMBERSHIP 2021
CHECK DATE:	02/16/2021									
11194 LEECH TISHMAN FUSCALDO & LAMPL INC.										
243072		02/05/2021	10255478	02162021	97800	3,125.00	02/08/2021	INV	PD	12/20 Bandy IA Investigat
CHECK DATE:	02/16/2021									
5953 LEXISNEXIS										
3093098930		02/05/2021	10255493	02162021	97801	767.00	02/08/2021	INV	PD	1/21 Monthly Charges
CHECK DATE:	02/16/2021									
8803 LEXISNEXIS RISK DATA MANAGEMENT										
1359145-20210131		02/05/2021	10255388	02162021	97802	52.00	02/05/2021	INV	PD	Background Services
CHECK DATE:	02/16/2021									
1884 LIEBERT CASSIDY WHITMORE										
1512720		12/31/2020	10255301	02162021	97803	962.00	02/08/2021	INV	PD	PROF SVC THRU 12/31/2020
CHECK DATE:	02/16/2021									
1512721		12/31/2020	10255302	02162021	97804	4,107.00	02/08/2021	INV	PD	PROF SVC THRU 12/31/2020
CHECK DATE:	02/16/2021									
						5,069.00				
1887 LIFE ASSIST, INC.										
1069322		01/22/2021	10255127	02162021	97805	301.84	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE:	02/16/2021									
1067115		01/14/2021	10255128	02162021	97805	183.00	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE:	02/16/2021									
1065600		01/11/2021	10255129	02162021	97805	2,162.16	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE:	02/16/2021									
1067699		01/18/2021	10255130	02162021	97805	658.59	02/16/2021	INV	PD	PM SUPPLIES-REPLACE AIRBA
CHECK DATE:	02/16/2021									
1067891		01/18/2021	10255131	02162021	97805	13.63	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE:	02/16/2021									

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1951 LOS ANGELES COUNTY SHERIFF'S DEPT						3,319.22				
211176BL	5074	01/15/2021	10255279	02162021	97806	669.30	02/04/2021	INV	PD	LA County Food Service In
CHECK DATE: 02/16/2021										
1956 LOS ANGELES COUNTY-DEPT ANIMAL CONTROL										
01/25/2021		01/25/2021	10255085	02162021	97807	952.11	02/25/2021	INV	PD	SHELTER FEES & ANIMAL CAR
CHECK DATE: 02/16/2021										
12150 M.S. CONSTRUCTION MANAGEMENT GROUP										
INVOICE #5	4973	02/02/2021	10255121	02162021	97808	155,087.53	02/16/2021	INV	PD	RB TRANIST CENTER CONSTRU
CHECK DATE: 02/16/2021										
8764 MALDONADO, BRIAN										
02052021		02/10/2021	10255538	02162021	97809	333.75	02/10/2021	INV	PD	CALPERS AUDIT FINDINGS -
CHECK DATE: 02/16/2021										
7847 MANNING & KASS, ELLROD, RAMIREZ, TRESTER LLP										
695678		02/05/2021	10255457	02162021	97810	1,420.30	02/08/2021	INV	PD	12/20 Pyle Legal Fees
CHECK DATE: 02/16/2021										
695675		02/05/2021	10255459	02162021	97810	8,814.80	02/08/2021	INV	PD	12/20 Piar Legal Fees
CHECK DATE: 02/16/2021										
695679		02/05/2021	10255460	02162021	97810	3,654.50	02/08/2021	INV	PD	12/20 D. Smith Legal Fees
CHECK DATE: 02/16/2021										
695674		02/05/2021	10255462	02162021	97810	500.90	02/08/2021	INV	PD	12/20 Padilla Legal Fees
CHECK DATE: 02/16/2021										
692121		02/05/2021	10255464	02162021	97810	1,354.80	02/08/2021	INV	PD	11/20 Acosta Legal Fees
CHECK DATE: 02/16/2021						15,745.30				
9943 MARIN, CARLOS										
FEBRUARY2021		02/08/2021	10255484	02162021	97811	475.00	02/08/2021	INV	PD	SAILING BOAT REPAIR FEBRU
CHECK DATE: 02/16/2021										
2084 MCCUNE & HARBER, LLP.										
104385		02/05/2021	10255449	02162021	97812	406.50	02/08/2021	INV	PD	12/20 Cassidy Legal Fees
CHECK DATE: 02/16/2021										
104388		02/05/2021	10255450	02162021	97812	834.70	02/08/2021	INV	PD	12/20 Losie Legal Fees
CHECK DATE: 02/16/2021										
104386		02/05/2021	10255451	02162021	97812	607.50	02/08/2021	INV	PD	12/20 Perry Legal Fees
CHECK DATE: 02/16/2021										
104389		02/05/2021	10255453	02162021	97812	405.00	02/08/2021	INV	PD	12/20 Navarro Legal Fees
CHECK DATE: 02/16/2021										
104387		02/05/2021	10255454	02162021	97812	225.00	02/08/2021	INV	PD	12/20 Gray Legal Fees
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
2106 MELROY CO., INC.						2,478.70				
77066		02/04/2021	10255307	02162021	97813	940.00	02/04/2021	INV	PD	FS2 CONCRETE WORK
CHECK DATE: 02/16/2021										
2127 MICHAEL J ARNOLD & ASSOCIATES INC										
13939	5139	02/03/2021	10255200	02162021	97814	84.00	02/03/2021	INV	PD	STATE ADVOCACY SERVICES
CHECK DATE: 02/16/2021										
13930	5139	02/03/2021	10255201	02162021	97814	3,500.00	02/03/2021	INV	PD	STATE ADVOCACY SERVICES F
CHECK DATE: 02/16/2021						3,584.00				
7177 MICHEL & ASSOCIATES, P.C.										
6588QB/9466TS		02/05/2021	10255465	02162021	97815	735.64	02/08/2021	INV	PD	12/20 Haroldson Legal Fee
CHECK DATE: 02/16/2021										
9468TS		02/05/2021	10255466	02162021	97815	3,400.00	02/08/2021	INV	PD	12/20 Nunez Legal Fees
CHECK DATE: 02/16/2021										
6590QB/9465TS		02/05/2021	10255467	02162021	97815	232.11	02/08/2021	INV	PD	12/20 Epple Legal Fees
CHECK DATE: 02/16/2021										
6587QB/9469TS		02/05/2021	10255468	02162021	97815	2,030.13	02/08/2021	INV	PD	12/20 Quinn Legal Fees
CHECK DATE: 02/16/2021										
6589QB/9467TS		02/05/2021	10255470	02162021	97815	630.30	02/08/2021	INV	PD	12/20 Magalnic Legal Fees
CHECK DATE: 02/16/2021						7,028.18				
11365 MINTZ LEVIN										
9126198		02/05/2021	10255471	02162021	97816	7,286.60	02/08/2021	INV	PD	12/20 CPRA Legal Fees
CHECK DATE: 02/16/2021										
9126196		02/05/2021	10255472	02162021	97816	434.00	02/08/2021	INV	PD	10/20 Measure C Lawsuit L
CHECK DATE: 02/16/2021										
9126195		02/05/2021	10255473	02162021	97816	50,866.05	02/08/2021	INV	PD	12/20 Breach of Contract
CHECK DATE: 02/16/2021										
9126197		02/05/2021	10255475	02162021	97816	310.00	02/08/2021	INV	PD	12/20 AES Power Plant Leg
CHECK DATE: 02/16/2021						58,896.65				
3566 MISSION LINEN & UNIFORM										
295433-013121		02/05/2021	10255318	02162021	97817	2,925.47	02/05/2021	INV	PD	PW UNIFORMS JAN. 2021
CHECK DATE: 02/16/2021										
2172 MOBILE MINI LLC										
9009834878		02/04/2021	10255305	02162021	97818	152.91	02/04/2021	INV	PD	STREETS MAINT. STORAGE CO
CHECK DATE: 02/16/2021										
11544 MONTGOMERY HARDWARE CO.										
732326	5063	02/01/2021	10255084	02162021	97819	10,035.18	02/01/2021	INV	PD	REPAIR AND REPLACE RESTRO
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
732421	5063	02/04/2021	10255266	02162021	97819	10,035.18	02/04/2021	INV	PD	REPAIR AND REPLACE RESTRO
CHECK DATE: 02/16/2021										
11379 MRI SOFTWARE LLC						20,070.36				
US-INV1122637		01/27/2021	10255066	02162021	97820	8.52	01/27/2021	INV	PD	IVR Phone Charges 12/20/2
CHECK DATE: 02/16/2021										
US-INV1112843		01/27/2021	10255069	02162021	97820	9.26	01/27/2021	INV	PD	IVR Phone Charges 11/20/2
CHECK DATE: 02/16/2021										
US-INV1095761	5180	02/05/2021	10255341	02162021	97820	15,052.01	02/05/2021	INV	PD	ANNUAL SUBSCRIPTION RENEW
CHECK DATE: 02/16/2021										
9617 MULTICARD, INC.						15,069.79				
18741	5041	02/04/2021	10255217	02162021	97821	12,491.50	02/04/2021	INV	PD	INSTALL DOOR ACCESS CONTR
CHECK DATE: 02/16/2021										
12311 NAMVAR, MOHAMMAD										
763419660		02/05/2021	10255390	02162021	97822	875.61	02/16/2021	INV	PD	REFUND REDUCED PERMIT VAL
CHECK DATE: 02/16/2021										
6445 NOBLE CONSULTANTS, INC.										
2020226	2856	02/04/2021	10255239	02162021	97823	3,966.75	02/16/2021	INV	PD	C-1411-131 SSLagoon/BoatL
CHECK DATE: 02/16/2021										
12232 NV5, INC.										
197174	5087	01/22/2021	10255111	02162021	97824	1,560.00	02/16/2021	INV	PD	BerylStDrainage&St.Imprvm
CHECK DATE: 02/16/2021										
2320 OCLC, INC.										
1000100918		02/01/2021	10255372	02162021	97825	1,467.81	02/05/2021	INV	PD	CATALOGING SUBSCRIPTION/I
CHECK DATE: 02/16/2021										
2324 OFFICE DEPOT										
146168143001		01/27/2021	10255067	02162021	97826	8.30	01/27/2021	INV	PD	Office Supplies
CHECK DATE: 02/16/2021										
146123781001		01/27/2021	10255068	02162021	97826	47.27	01/27/2021	INV	PD	Office Depot
CHECK DATE: 02/16/2021										
143615306001		01/27/2021	10255072	02162021	97826	18.60	01/27/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE: 02/16/2021										
142883759001		01/20/2021	10255088	02162021	97826	129.77	02/20/2021	INV	PD	SRO OFFICE SUPPLIES
CHECK DATE: 02/16/2021										
147170409002		01/15/2021	10255109	02162021	97826	23.75	02/16/2021	INV	PD	Office Supplies for Engin
CHECK DATE: 02/16/2021										
151629979001		02/04/2021	10255253	02162021	97826	142.83	02/04/2021	INV	PD	PAPER
CHECK DATE: 02/16/2021										
151292087001		02/05/2021	10255510	02162021	97826	20.94	02/05/2021	INV	PD	CUPS, HOT
CHECK DATE: 02/16/2021										

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
152718897001		02/05/2021	10255512	02162021	97826	-3.54	02/05/2021	CRM	PD	CREDIT FOR MISSING ERASER
CHECK DATE:	02/16/2021									
147973893001		02/04/2021	10255359	02162021	97826	20.14	02/04/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE:	02/16/2021									
147869389001		02/04/2021	10255360	02162021	97826	180.54	02/04/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE:	02/16/2021									
150557664001		01/26/2021	10255374	02162021	97826	135.09	02/05/2021	INV	PD	SUPPLIES
CHECK DATE:	02/16/2021									
150004804001		02/05/2021	10255507	02162021	97826	38.31	02/05/2021	INV	PD	STAMP
CHECK DATE:	02/16/2021									
150005148001		02/05/2021	10255508	02162021	97826	24.79	02/05/2021	INV	PD	LEGAL PADS, PENCIL LEAD,
CHECK DATE:	02/16/2021									
152883200001		02/05/2021	10255509	02162021	97826	185.66	02/05/2021	INV	PD	RPT COVERS, ERASER, CALC
CHECK DATE:	02/16/2021									
148203396001		01/25/2021	10255264	02162021	97826	72.05	02/08/2021	INV	PD	WED OFFICE SUPPLIES JANUA
CHECK DATE:	02/16/2021									
146018972003		01/11/2021	10255281	02162021	97826	12.56	02/12/2021	INV	PD	DB GENERAL OFFICE SUPPLIE
CHECK DATE:	02/16/2021									
146018972002		01/07/2021	10255284	02162021	97826	31.73	02/12/2021	INV	PD	DB GENERAL OFFICE SUPPLIE
CHECK DATE:	02/16/2021									
152243244001		02/05/2021	10255347	02162021	97826	161.34	02/05/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE:	02/16/2021									
149020282001		02/04/2021	10255352	02162021	97826	74.44	02/04/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE:	02/16/2021									
148948021001		02/04/2021	10255353	02162021	97826	212.15	02/04/2021	INV	PD	OFFICE SUPPLIES
CHECK DATE:	02/16/2021									
10183 ON THE WING FALCONRY						1,536.72				
780992	4820	01/05/2021	10255408	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
780993	4820	01/05/2021	10255409	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
780994	4820	01/05/2021	10255410	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
780995	4820	01/05/2021	10255411	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
780996	4820	01/05/2021	10255412	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
780997	4820	01/05/2021	10255413	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781010	4820	01/05/2021	10255426	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781011	4820	01/05/2021	10255427	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781012	4820	01/05/2021	10255428	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781013	4820	01/05/2021	10255429	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781014	4820	01/05/2021	10255430	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781004	4820	01/05/2021	10255420	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE:	02/16/2021									
781005	4820	01/05/2021	10255421	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 02/16/2021										
781006	4820	01/05/2021	10255422	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781007	4820	01/05/2021	10255423	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781008	4820	01/05/2021	10255424	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781009	4820	01/05/2021	10255425	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
780998	4820	01/05/2021	10255414	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
780999	4820	01/05/2021	10255415	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781000	4820	01/05/2021	10255416	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781001	4820	01/05/2021	10255417	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781002	4820	01/05/2021	10255418	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
781003	4820	01/05/2021	10255419	02162021	97827	1,200.00	02/08/2021	INV	PD	ON THE WING FALCONRY INC.
CHECK DATE: 02/16/2021										
						27,600.00				
10315 PACIFIC ADVANCED CIVIL ENGINEERING, INC.										
4605	3606	01/31/2021	10255434	02162021	97828	300.00	02/16/2021	INV	PD	P&S.SewerPumpStations.Rin
CHECK DATE: 02/16/2021										
9648 PACIFIC ARCHITECTURE AND ENGINEERING										
10080-72	5067	01/20/2021	10255115	02162021	97829	6,862.66	02/16/2021	INV	PD	CO6.TransitCenter.Ref.PO2
CHECK DATE: 02/16/2021										
12012 PAPE MATERIAL HANDLING, INC.										
8511487		02/04/2021	10255358	02162021	97830	538.28	02/04/2021	INV	PD	STOCK CARTS BRAKE PADS AN
CHECK DATE: 02/16/2021										
12288 PEDERSEN, EMILY										
3409 GibsonRefund		02/05/2021	10255314	02162021	97831	3,117.00	02/05/2021	INV	PD	Full Refund for 3409 Gibs
CHECK DATE: 02/16/2021										
10362 PENINSULA ESCROW, INC.										
765627891		02/05/2021	10255397	02162021	97832	133.00	02/16/2021	INV	PD	REFUND BUILDING REPORT FE
CHECK DATE: 02/16/2021										
2453 PERFORMANCE NURSERY										
0000227655		02/01/2021	10255166	02162021	97833	1,322.62	02/01/2021	INV	PD	PLANT MATERIAL
CHECK DATE: 02/16/2021										
0000230256		02/01/2021	10255168	02162021	97833	-427.05	02/01/2021	CRM	PD	CREDIT-RETURNED PLANTS FO
CHECK DATE: 02/16/2021										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
8793 PLUGGE, AARON						895.57				
02/04/21		02/03/2021	10255282	02162021	97834	38.33	02/08/2021	INV	PD	REIMBURSEMENT- PLUGGE AMA
CHECK DATE: 02/16/2021										
11747 PORTOFINO HOTEL & MARINA										
02032021		02/05/2021	10255386	02162021	97835	330.52	02/05/2021	INV	PD	COVID Accomodation
CHECK DATE: 02/16/2021										
5485 PORTOFINO HOTEL & YACHT CLUB										
01122021		01/12/2021	10255299	02162021	97836	442.59	02/08/2021	INV	PD	FUEL 801
CHECK DATE: 02/16/2021										
2512 PRAXAIR										
61339515		01/22/2021	10255132	02162021	97837	211.95	02/16/2021	INV	PD	SCBA CYLINDER RENTAL
CHECK DATE: 02/16/2021										
2548 PRUDENTIAL OVERALL SUPPLY										
42591719		01/26/2021	10255133	02162021	97838	24.55	02/16/2021	INV	PD	FS1/DEL#20419018 MATS
CHECK DATE: 02/16/2021										
42592558		01/28/2021	10255134	02162021	97838	37.84	02/16/2021	INV	PD	FS2/DEL#40419014 MATS
CHECK DATE: 02/16/2021										
42582106		12/22/2020	10255292	02162021	97838	26.50	02/08/2021	INV	PD	MATS/ACCT 2-04-17-032 FD
CHECK DATE: 02/16/2021										
42589659		01/19/2021	10255295	02162021	97838	26.50	02/08/2021	INV	PD	MATS/ACCT 2-04-17-032 FD
CHECK DATE: 02/16/2021										
2561 PVP COMMUNICATIONS						115.39				
128738		02/05/2021	10255402	02162021	97839	866.71	02/05/2021	INV	PD	Traffic Training Motor Ou
CHECK DATE: 02/16/2021										
8230 RAYNE WATER SYSTEMS										
5461		02/04/2021	10255224	02162021	97840	128.00	02/04/2021	INV	PD	FS2 WATER SOFTNER 2/1-2/2
CHECK DATE: 02/16/2021										
11539 REDONDO BEACH TRAVEL AND TOURISM										
12/20DISB		02/05/2021	10255536	02162021	97841	36,473.03	02/05/2021	INV	PD	12/20 RBTMD DISB
CHECK DATE: 02/16/2021										
2642 REDONDO PIER ASSOCIATION										
204		01/01/2021	10255431	02162021	97842	5,433.75	02/08/2021	INV	PD	PIER ASSOC DUES Q1 2021
CHECK DATE: 02/16/2021										
7774 RESOURCE ENVIRONMENTAL, INC.										

CITY OF REDONDO BEACH

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
20083-1	5075	01/25/2021	10255117	02162021	97843	36,100.00	02/16/2021	INV	PD	Lead&AsbestosAbatement.Tr
CHECK DATE:	02/16/2021									
20083-2rev	5075	01/25/2021	10255118	02162021	97843	11,400.00	02/16/2021	INV	PD	Lead&AsbestosAbatement.Tr
CHECK DATE:	02/16/2021									
2685 RICHARDS, WATSON & GERSHON						47,500.00				
229936		02/05/2021	10255436	02162021	97844	72.80	02/08/2021	INV	PD	11/20 LA MS4 Permit Legal
CHECK DATE:	02/16/2021									
229939		02/05/2021	10255437	02162021	97844	416.00	02/08/2021	INV	PD	11/20 COVID-19 Emergency
CHECK DATE:	02/16/2021									
229940		02/05/2021	10255438	02162021	97844	41,327.41	02/08/2021	INV	PD	11/20 CEQA Challenge Agai
CHECK DATE:	02/16/2021									
229932		02/05/2021	10255439	02162021	97844	3,380.00	02/08/2021	INV	PD	11/20 Issues Relating to
CHECK DATE:	02/16/2021									
229934(A)		02/05/2021	10255440	02162021	97844	962.00	02/08/2021	INV	PD	11/20 NPDES Issues Seasid
CHECK DATE:	02/16/2021									
229949		02/05/2021	10255441	02162021	97844	390.00	02/08/2021	INV	PD	11/20 Muni Code/ City Cha
CHECK DATE:	02/16/2021									
229934(B)		02/05/2021	10255442	02162021	97844	416.00	02/08/2021	INV	PD	11/20 NRDC Legal Fees
CHECK DATE:	02/16/2021									
229933		02/05/2021	10255443	02162021	97844	442.00	02/08/2021	INV	PD	11/20 Pipeline Franchise
CHECK DATE:	02/16/2021									
229938		12/18/2020	10255461	02162021	97844	1,170.00	02/16/2021	INV	PD	R6900-1055 Eminent Domain
CHECK DATE:	02/16/2021									
229941		12/18/2020	10255463	02162021	97844	2,340.00	02/16/2021	INV	PD	R6900-1069 PCH Study Arte
CHECK DATE:	02/16/2021					50,916.21				
12304 RON'S MAINTENANCE, INC.										
82	5181	02/01/2021	10255244	02162021	97845	15,680.00	02/01/2021	INV	PD	PROVIDE CATCH BASIN MAINT
CHECK DATE:	02/16/2021									
2738 ROSEMEAD OIL PRODUCTS INC.										
84851775		02/04/2021	10255357	02162021	97846	1,120.76	02/04/2021	INV	PD	STOCK MOTOR OIL
CHECK DATE:	02/16/2021									
7912 SAFE & SECURE										
01-2021		02/03/2021	10255298	02162021	97847	60.00	02/08/2021	INV	PD	JANUARY 2021 LIVESCAPS
CHECK DATE:	02/16/2021									
4861 SECTRAN SECURITY, INC.										
21011289		02/08/2021	10255489	02162021	97848	315.91	02/08/2021	INV	PD	SECTRAN SERVICE FOR JANUA
CHECK DATE:	02/16/2021									
6612 SEEDS OF JOY VILLAGE, INC.										
FEBRUARY2021		02/08/2021	10255487	02162021	97849	2,555.00	02/08/2021	INV	PD	SEEDSOFJOY FEBRUARY 2021
CHECK DATE:	02/16/2021									

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
8622 SHOETERIA										
0015278-IN		02/04/2021	10255219	02162021	97850	349.82	02/04/2021	INV	PD	RICHARD ROSS WORK BOOT VO
CHECK DATE:	02/16/2021									
0015279-IN		02/04/2021	10255222	02162021	97850	331.63	02/04/2021	INV	PD	AIRRONE SILVA WORK BOOT V
CHECK DATE:	02/16/2021									
						681.45				
11796 SIEMENS MOBILITY										
5610254352	4766	02/04/2021	10255273	02162021	97851	1,830.00	02/04/2021	INV	PD	SIGNALIZED INTERSECTIONS-
CHECK DATE:	02/16/2021									
5620033810	4766	02/04/2021	10255288	02162021	97851	701.46	02/04/2021	INV	PD	TRAFFIC SIGNAL RESPONSE C
CHECK DATE:	02/16/2021									
5620033810- 1	5090	02/04/2021	10255289	02162021	97851	1,094.83	02/04/2021	INV	PD	TRAFFIC SIGNAL RESPONSE C
CHECK DATE:	02/16/2021									
						3,626.29				
8931 SIGNAL ATTORNEY SERVICE, INC.										
013121		02/05/2021	10255485	02162021	97852	150.00	02/08/2021	INV	PD	Services Rendered From 0
CHECK DATE:	02/16/2021									
5210 SIRSIDYNIX										
INVO5871		02/02/2021	10255108	02162021	97853	5,202.26	02/02/2021	INV	PD	CAPIRAMOBILE/APP SUBSCRIP
CHECK DATE:	02/16/2021									
2924 SMARDAN SUPPLY CO										
S3576775.003	5140	02/02/2021	10255214	02162021	97854	10,084.95	02/02/2021	INV	PD	2 - WATER BOTTLE FILLING
CHECK DATE:	02/16/2021									
8862 SONSRAY MACHINERY										
P39580-03		02/04/2021	10255230	02162021	97855	313.10	02/04/2021	INV	PD	W0360 BUCKET BLADE BOLTS
CHECK DATE:	02/16/2021									
P41505-02		02/04/2021	10255329	02162021	97855	100.57	02/04/2021	INV	PD	W0360 MIRROR
CHECK DATE:	02/16/2021									
						413.67				
11210 SOUTH BAY FLEET SPECIALIST										
20447	5179	02/01/2021	10255242	02162021	97856	6,229.19	02/01/2021	INV	PD	REPAIRS TO UNIT 662
CHECK DATE:	02/16/2021									
2990 SOUTH BAY FORD										
315687		02/04/2021	10255233	02162021	97857	19.73	02/04/2021	INV	PD	W0655-16 EXHAUST GASKET AN
CHECK DATE:	02/16/2021									
316501		02/04/2021	10255337	02162021	97857	27.17	02/04/2021	INV	PD	W0308-16 RADIO ANTENNA
CHECK DATE:	02/16/2021									
316443		02/04/2021	10255344	02162021	97857	60.26	02/04/2021	INV	PD	W0308-16 HUB CAP
CHECK DATE:	02/16/2021									

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
317040		02/04/2021	10255348	02162021	97857	91.46	02/04/2021	INV	PD	W0020 DOOR HANDLE
CHECK DATE: 02/16/2021										
501778		02/04/2021	10255249	02162021	97858	800.34	02/04/2021	INV	PD	W0660 AIR BAG LIGHT ON
CHECK DATE: 02/16/2021										
5759 SOUTH COAST EMERGENCY VEHICLE SERVICE						998.96				
502295		02/04/2021	10255231	02162021	97859	452.31	02/04/2021	INV	PD	W0114-18 BUTTON CONTROLLE
CHECK DATE: 02/16/2021										
502338		02/04/2021	10255322	02162021	97859	340.52	02/04/2021	INV	PD	W0116-15 TOOL BOX LOCK
CHECK DATE: 02/16/2021										
3016 SOUTHERN CALIFORNIA EDISON						792.83				
2-39-052-5335-1-16		02/01/2021	10255078	02162021	97860	6,886.12	02/01/2021	INV	PD	101 W. TORR BLVD 12-14 T
CHECK DATE: 02/16/2021										
2-39-052-5327-1-16-2		02/01/2021	10255079	02162021	97860	542.30	02/01/2021	INV	PD	BERYL HARBOR DRIVE 12-14
CHECK DATE: 02/16/2021										
2-39-052-5319-1-22		02/01/2021	10255080	02162021	97860	1,362.78	02/01/2021	INV	PD	CATALINA /HARBOR 12-16 T
CHECK DATE: 02/16/2021										
2-39-041-1593-1-28		02/05/2021	10255373	02162021	97860	763.62	02/05/2021	INV	PD	NELSON 12-23 THRU 1-25-21
CHECK DATE: 02/16/2021										
2-39-050-4033-1-15		02/05/2021	10255376	02162021	97860	526.57	02/05/2021	INV	PD	KINGSDALE 12-28 THRU 1-2
CHECK DATE: 02/16/2021										
3045 SPECIALTY DOORS						10,081.39				
50313S		02/04/2021	10255238	02162021	97861	337.50	02/04/2021	INV	PD	FIRE STATION 1 FOUND BROK
CHECK DATE: 02/16/2021										
50312S		02/04/2021	10255241	02162021	97861	373.48	02/04/2021	INV	PD	FIRE STATION 2 TESTED DOO
CHECK DATE: 02/16/2021										
12237 SUEZ WTS SERVICES USA, INC.						710.98				
900738092		01/07/2021	10255135	02162021	97862	168.63	02/16/2021	INV	PD	FS2 01/20 RENTAL
CHECK DATE: 02/16/2021										
900752948		01/20/2021	10255136	02162021	97862	52.56	02/16/2021	INV	PD	FS2 DI MIXTURE
CHECK DATE: 02/16/2021										
900763628		01/27/2021	10255137	02162021	97862	210.24	02/16/2021	INV	PD	FS1 DI MIX
CHECK DATE: 02/16/2021										
900763629		01/27/2021	10255531	02162021	97862	210.24	02/16/2021	INV	PD	FS2 DI MIX
CHECK DATE: 02/16/2021										
10365 T-MOBILE						641.67				
01212021		01/21/2021	10255286	02162021	97863	27.46	02/13/2021	INV	PD	FUME ALERT MONTHLY ACCESS
CHECK DATE: 02/16/2021										
9715 T2 SYSTEMS CANADA INC.										

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
INVEBP0000004631		01/26/2021	10255058	02162021	97864	7.00	02/08/2021	INV	PD	EXTEND BY PHONE JANUARY 2
CHECK DATE: 02/16/2021										
9290 TELECOM LAW FIRM, P.C.										
9830	4289	02/03/2021	10255199	02162021	97865	1,089.00	02/03/2021	INV	PD	TELECOM CONSULTING SERVIC
CHECK DATE: 02/16/2021										
11998 TELEFLEX LLC										
9503532921		01/21/2021	10255138	02162021	97866	328.50	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE: 02/16/2021										
9503526809		01/20/2021	10255139	02162021	97866	4,818.00	02/16/2021	INV	PD	PARAMEDIC SUPPLIES
CHECK DATE: 02/16/2021										
						5,146.50				
9570 THALES CONSULTING INC.										
2454	5162	01/29/2021	10255407	02162021	97867	2,700.00	02/05/2021	INV	PD	CAFR ONLINE SOFTWARE & RE
CHECK DATE: 02/16/2021										
9019 THOMSON REUTERS - WEST										
843339866		02/05/2021	10255482	02162021	97868	994.27	02/08/2021	INV	PD	11/20 Monthly Library Pla
CHECK DATE: 02/16/2021										
71 TIME WARNER CABLE										
0526211012721		02/04/2021	10255205	02162021	97869	3,512.25	02/04/2021	INV	PD	FIBER INTERNET 2GBPS
CHECK DATE: 02/16/2021										
0962656012521		02/04/2021	10255206	02162021	97869	279.20	02/04/2021	INV	PD	ETHERNET INTRASTATE
CHECK DATE: 02/16/2021										
0060500012521		02/05/2021	10255401	02162021	97870	203.02	02/05/2021	INV	PD	Spectrum Investigations
CHECK DATE: 02/16/2021										
						3,994.47				
11361 TIREHUB, LLC										
18537449		02/04/2021	10255356	02162021	97871	152.55	02/04/2021	INV	PD	STOCK CAR TIRES
CHECK DATE: 02/16/2021										
3216 TODDCO SWEEPING CO										
32609		02/01/2021	10255375	02162021	97872	432.00	02/05/2021	INV	PD	PARKING STRUCTURE CLEANIN
CHECK DATE: 02/16/2021										
7130 TORRANCE AUTO REPAIR										
0166883		02/04/2021	10255232	02162021	97873	163.59	02/04/2021	INV	PD	W0655-16 A/C
CHECK DATE: 02/16/2021										
0166981		02/04/2021	10255343	02162021	97873	99.95	02/04/2021	INV	PD	W0685-15 WHEEL ALIGNMENT
CHECK DATE: 02/16/2021										
						263.54				
3227 TORRANCE MEMORIAL MEDICAL CENTER										

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
1789181 CHECK DATE: 02/16/2021 10384 TORRES, SAMANTHA		12/14/2020	10255306	02162021	97874	288.00	02/08/2021	INV	PD	FIRST AID CATHERINE GARCI
02052021 CHECK DATE: 02/16/2021 9342 TRANSUNION RISK AND ALTERNATIVE		02/10/2021	10255540	02162021	97875	63.00	02/10/2021	INV	PD	CALPERS AUDIT FINDINGS -
02012021 CHECK DATE: 02/16/2021 8380 TROYGOULD PC		02/01/2021	10255287	02162021	97876	206.10	02/01/2021	INV	PD	TLO MONTHLY ACCESS CHARGE
146716 CHECK DATE: 02/16/2021 3261 TURF STAR INC		02/05/2021	10255480	02162021	97877	1,209.50	02/08/2021	INV	PD	12/20 General Legal Fees
7154956-00 CHECK DATE: 02/16/2021 3273 U.S. ARMOR CORPORATION		02/04/2021	10255351	02162021	97878	625.97	02/04/2021	INV	PD	BLADE KITS
31266 CHECK DATE: 02/16/2021		02/03/2021	10255192	02162021	97879	851.97	02/03/2021	INV	PD	vest Lopez
31312 CHECK DATE: 02/16/2021		02/03/2021	10255193	02162021	97879	937.16	02/03/2021	INV	PD	vest gonzalez
31311 CHECK DATE: 02/16/2021		02/03/2021	10255194	02162021	97879	881.80	02/03/2021	INV	PD	vest lackey
31310 CHECK DATE: 02/16/2021		02/03/2021	10255195	02162021	97879	851.97	02/03/2021	INV	PD	vest fuentes
31309 CHECK DATE: 02/16/2021		02/03/2021	10255196	02162021	97879	851.95	02/03/2021	INV	PD	vest cantanzaro
3281 UC REGENTS						4,374.85				
2819 CHECK DATE: 02/16/2021 7905 UG HEALTHCARE (USA) INC.		02/01/2021	10255141	02162021	97880	3,037.67	02/16/2021	INV	PD	02/21 RBFD CE/QI SERVICES
975600 CHECK DATE: 02/16/2021 3285 UNDERGROUND SERVICE ALERT		02/03/2021	10255191	02162021	97881	2,474.48	02/03/2021	INV	PD	15 cases of gloves
120210565 CHECK DATE: 02/16/2021 3300 UNITED PARCEL SERVICE		02/01/2021	10255107	02162021	97882	151.90	02/16/2021	INV	PD	Monthly RBCH New Ticket C

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
0000889114051		02/05/2021	10255506	02162021	97883	80.02	02/05/2021	INV	PD	POSTAGE
CHECK DATE: 02/16/2021										
5332 UNITED RENTALS NORTHWEST, INC.										
185398016-006		02/04/2021	10255308	02162021	97884	164.25	02/04/2021	INV	PD	HOMELESS CT. PORTABLE RES
CHECK DATE: 02/16/2021										
12307 UV SAFE, LLC										
132		02/03/2021	10255267	02162021	97885	1,935.62	02/08/2021	INV	PD	UVC DISINSECTION UNIT /DES
CHECK DATE: 02/16/2021										
8927 VECTOR RESOURCES, INC.										
87185	5102	02/08/2021	10255477	02162021	97886	360.00	02/08/2021	INV	PD	Vector Maintenance and Re
CHECK DATE: 02/16/2021										
8088 VERIZON BUSINESS SERVICES										
71715301		02/04/2021	10255221	02162021	97887	777.98	02/04/2021	INV	PD	EVDO TO PIP 4G
CHECK DATE: 02/16/2021										
3621 VERIZON WIRELESS										
9869922194		01/27/2021	10255070	02162021	97888	60.44	01/27/2021	INV	PD	Nov 25-Dec 25
CHECK DATE: 02/16/2021										
9872064931		02/04/2021	10255216	02162021	97888	124.71	02/04/2021	INV	PD	SEWER CELL AND IPAD 12/26
CHECK DATE: 02/16/2021										
9870343818		02/04/2021	10255223	02162021	97888	213.15	02/04/2021	INV	PD	PW EMERGENCY CELL PHONES
CHECK DATE: 02/16/2021										
9871497428		02/04/2021	10255263	02162021	97888	1,453.15	02/04/2021	INV	PD	IPADS FOR FIRE
CHECK DATE: 02/16/2021										
9872038206		02/05/2021	10255336	02162021	97888	3,727.12	02/05/2021	INV	PD	MONTHLY PHONE SERVICE
CHECK DATE: 02/16/2021										
9872032973		02/05/2021	10255349	02162021	97888	67.51	02/05/2021	INV	PD	DEC 26-JAN 25
CHECK DATE: 02/16/2021										
						5,646.08				
6081 VERONICA TAM & ASSOCIATES										
2804	4892	01/03/2021	10255309	02162021	97889	6,337.50	02/16/2021	INV	PD	11/2020-12/2020 GPAC RHNA
CHECK DATE: 02/16/2021										
10827 VOX NETWORK SOLUTIONS, INC.										
53943	5178	02/05/2021	10255327	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR
CHECK DATE: 02/16/2021										
53944	5178	02/05/2021	10255328	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR
CHECK DATE: 02/16/2021										
53945	5178	02/05/2021	10255330	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR
CHECK DATE: 02/16/2021										
53946	5178	02/05/2021	10255332	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR
CHECK DATE: 02/16/2021										
53947	5178	02/05/2021	10255333	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR

CITY OF REDONDO BEACH



VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 02/16/2021										
54135	5178	02/05/2021	10255334	02162021	97890	3,246.78	02/05/2021	INV	PD	VOX NETWORK SOLUTIONS AGR
CHECK DATE: 02/16/2021										
3392 WALTERS WHOLESALE ELECTRIC CO.						19,480.68				
S117191495.001		02/05/2021	10255319	02162021	97891	117.46	02/05/2021	INV	PD	SPOT LIGHTING-FACILITIES
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S116931605.001		02/05/2021	10255320	02162021	97891	2,105.68	02/05/2021	INV	PD	I.T. CABLE REELS
CHECK DATE: 02/16/2021										
S116802025.001		02/05/2021	10255321	02162021	97891	1,163.45	02/05/2021	INV	PD	COUNCIL CHAMBER RR
CHECK DATE: 02/16/2021										
S117165021.001		02/05/2021	10255323	02162021	97891	335.90	02/05/2021	INV	PD	ELECTRICAL SUPPLIES-STREE
CHECK DATE: 02/16/2021										
S117185034.001		02/05/2021	10255326	02162021	97891	1,404.20	02/05/2021	INV	PD	ELECTRICAL SUPPLIES-STREE
CHECK DATE: 02/16/2021										
11892 WASKOW, SAMUEL						5,126.69				
PERMIT E-6278		06/03/2019	10255448	02162021	97892	27.00	02/16/2021	INV	PD	Refund Permit E-6278,Rece
CHECK DATE: 02/16/2021										
3408 WAXIE SANITARY SUPPLY										
79762833		02/04/2021	10255236	02162021	97893	274.36	02/04/2021	INV	PD	STREETS CLEANING SUPPLIES
CHECK DATE: 02/16/2021										
79762938		02/04/2021	10255237	02162021	97893	98.52	02/04/2021	INV	PD	BUILD MAINT CLEANING SUPP
CHECK DATE: 02/16/2021										
3421 WEST COAST ARBORISTS INC						372.88				
168500	5070	02/04/2021	10255260	02162021	97894	32,649.00	02/04/2021	INV	PD	PROVIDE TREE TRIMMING SER
CHECK DATE: 02/16/2021										
168530	5070	02/04/2021	10255262	02162021	97894	256.00	02/04/2021	INV	PD	PROVIDE TREE TRIMMING SER
CHECK DATE: 02/16/2021										
168565	5070	02/04/2021	10255265	02162021	97894	38,016.00	02/04/2021	INV	PD	PROVIDE TREE TRIMMING SER
CHECK DATE: 02/16/2021										
6416 WILLIAMS DATA PROTECTION SERVICES						70,921.00				
0537399		02/04/2021	10255211	02162021	97895	191.43	02/04/2021	INV	PD	STORAGE-GROUP B
CHECK DATE: 02/16/2021										
11852 ZAMEEN PROPERTY LLC										
227 AVE F UNIT F		02/05/2021	10255363	02162021	97896	3,770.00	02/05/2021	INV	PD	MEASUREMENT H DEPOSIT A.
CHECK DATE: 02/16/2021										
9320 ZERO WASTE USA										
388804		02/04/2021	10255294	02162021	97897	1,866.93	02/04/2021	INV	PD	PIER DOGGIE BAGS 1-28-21

VENDOR INVOICE LIST

INVOICE	P.O.	INV DATE	VOUCHER	CHECK RUN	CHECK #	INVOICE NET	DUE DATE	TYPE	STS	INVOICE DESCRIPTION
CHECK DATE: 02/16/2021										
4049 ZIP REPORTS										
52705201228		01/27/2021	10255071	02162021	97898	19.00	01/27/2021	INV	PD	Reports ordered December
CHECK DATE: 02/16/2021										
52705210127		02/05/2021	10255350	02162021	97898	14.25	02/05/2021	INV	PD	REPORTS ORDERED JANUARY 2
CHECK DATE: 02/16/2021										
391 INVOICES						1,742,389.59				

** END OF REPORT - Generated by Camy Byrd **



Administrative Report

H.4., File # 21-2053

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

APPROVE CONTRACTS UNDER \$35,000:

1. APPROVE AMENDMENT TO THE AGREEMENT WITH SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT FOR ELECTRIC CHARGING INFRASTRUCTURE TO EXTEND TERM TO MARCH 31, 2025.
2. APPROVE GRANT AGREEMENT WITH GABI JAMES, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.
3. APPROVE GRANT AGREEMENT WITH NATURAL WORLD GOODS, INC. DBA NATURAL WORLD MARKET & CAFÉ FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,500 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.
4. APPROVE GRANT AGREEMENT WITH HENNESSEY'S TAVERN, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.
5. APPROVE GRANT AGREEMENT WITH BEACH CITIES ROVER LLC FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.
6. APPROVE GRANT AGREEMENT WITH SAVOIR FAIRE LANGUAGE INSTITUTE, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

7. APPROVE GRANT AGREEMENT WITH CRITIC'S CHOICE CATERING AND EVENT PRODUCTION, INC. FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$668.95 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

8. APPROVE GRANT AGREEMENT WITH A BASQ KITCHEN LLC DBA A FISH & FRIENDS FOR REIMBURSEMENT OF EXPENDITURES RELATED TO THE COVID-19 PUBLIC HEALTH EMERGENCY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR THE TERM FEBRUARY 16, 2021 TO FEBRUARY 15, 2022.

EXECUTIVE SUMMARY

Approve Contracts Under \$35,000

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Contracts and Signatures



MODIFICATION TO CONTRACT

This modification consists of 5 pages.

1. RECITALS

- A. The South Coast Air Quality Management District (hereinafter "SCAQMD") and the City of Redondo Beach (hereinafter "CONTRACTOR") have previously executed a Contract No. ML18098 to install six (6) electric vehicle (EV) charging stations; and modified by Contract No. ML18098A to extend the date by which performance must be completed.
- B. The CONTRACTOR has indicated that complications caused by the COVID-19 pandemic have further delayed their progress. The CONTRACTOR requested a one-year term extension. At their December 17, 2020 meeting, the MSRC approved the CONTRACTOR's request. Therefore, a modification to this Contract is necessary to extend the date by which performance must be completed.

2. MODIFICATION

The parties therefore agree to modify the existing Contract, at no additional cost to SCAQMD, as follows:

- A. The term of this Contract is extended for an additional period commencing April 1, 2024 and terminating March 31, 2025
- B. Attachment 1B - Statement of Work, attached hereto and included herein by this reference, supersedes the original Statement of Work and any modifications thereof.
- C. All other provisions of the above-referenced Contract shall remain in full force and effect.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY OF REDONDO BEACH

By: _____
Wayne Nasti, Executive Officer

By: _____
Name: William C. Brand
Title: Mayor

Date: _____

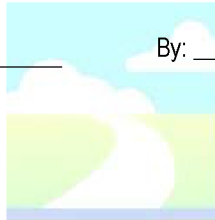
Date: February 16, 2021

APPROVED AS TO FORM:
Bayron T. Gilchrist, General Counsel

APPROVED AS TO FORM:
Michael W. Webb, City Attorney

By: Daylene Nasti _____

//MSRC Modification
Revised: November 20, 2020



By: _____

ATTEST:
Eleanor Manzano, City Clerk

By: _____

**Attachment 1B
Statement of Work
City of Redondo Beach
Contract Number ML18098B**

1. Project Elements

- A. The City of Redondo Beach (hereinafter referred to as “CONTRACTOR”) is to install five public access “Level II” type EV charging stations within the City of Redondo Beach. These stations shall be accessible to the public 24 hours per day, 7 days per week. Installations must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. Prospective locations are shown in the table below:

Rivera Lot, intersection of Avenida del Norte and Via El Prado
Police Department, 401 Diamond Street
Redondo Beach Public Library, 303 N Pacific Coast Highway
Redondo Beach Performing Arts Center, 1935 Manhattan Beach Boulevard
Redondo Beach Community Services, 1922 Artesia Boulevard

These locations are understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes.

- B. CONTRACTOR is also to install one limited access “Level II” type EV charging station at City Hall, 415 Diamond Street, Redondo Beach. Installation must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. This location is understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes.

CONTRACTOR shall be reimbursed according to Attachment 2 – Payment Schedule.

2. Operation Requirements and Reimbursement for Noncompliance: EV Charging Stations

CONTRACTOR is obligated to comply with the Operational Availability requirements set forth as follows:

- A. CONTRACTOR commits to ensuring Level II charging stations remain operational in the original location for a period of no less than three (3) years from the date the station begins operations in either its initial or expanded capacity. Should CONTRACTOR desire to deviate from this obligation, for reasons other than those stated in the EARLY TERMINATION clause of this Contract, CONTRACTOR shall reimburse SCAQMD for a prorated share of the funds provided for fueling/charging facilities as indicated in the table below:

**Attachment 1B
Statement of Work
City of Redondo Beach
Contract Number ML18098B**

3 year Operational Availability Obligation Termination Occurs	Percentage of MSRC Funds to be Reimbursed
Within Year 1	100%
Between Years 1-2	66%
Between Years 2-3	33%
After Year 3	0%

- B. The appropriate reimbursable amount shall be paid to SCAQMD within sixty (60) days from the date the station ceases operation. CONTRACTOR shall not be responsible for any reimbursement to SCAQMD if the obligation is terminated as a result of one or more reasons set forth in the EARLY TERMINATION clause of this Contract.
- C. The obligations of this section shall survive the expiration of the Contract and continue in full force and effect until the applicable operational availability period set forth above has been satisfied.

3. Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the MSRC's co-funding of the EV charging stations. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by SCAQMD staff, unless SCAQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

4. Reports

Quarterly Reports: Until EV charging stations commence operation, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: tasks completed, issues or problems encountered, resolutions implemented, and progress to date. Progress reports that do not comply will be returned to the CONTRACTOR as inadequate.

Final Report: A Final Report shall be submitted by the CONTRACTOR in the format provided by SCAQMD staff. The Final Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions about this project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, and the impact of the project on future electric vehicle projects.

**Attachment 1B
Statement of Work
City of Redondo Beach
Contract Number ML18098B**

5. Project Schedule

CONTRACTOR shall comply with the increments of progress identified in the following chart. The completion month for each task is based on the date of Contract execution.

Task	Completion
Go out to bid for EV stations	Month 19 <u>31</u>
Submit Public Outreach Plan	Month 19 <u>31</u>
Install EV stations and enter into service	Month 23 <u>35</u>
Implement Public Outreach Plan	Month 25 <u>37</u>
Quarterly reports	Quarterly beginning with Month 4, until all installations are complete
Final Report	Month 26 <u>38</u>



AB 2766/MSRC LOCAL GOVERNMENT PARTNERSHIP PROGRAM CONTRACT

1. PARTIES

The parties to this contract ("Contract") are the South Coast Air Quality Management District (referred to here as "SCAQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and the City of Redondo Beach (referred to here as "CONTRACTOR") whose address is 415 Diamond Street, Redondo Beach, California 90277.

2. RECITALS

- A. SCAQMD is the local agency with primary responsibility for regulating stationary source air pollution within the geographical boundaries of the South Coast Air Quality Management District in the State of California (State). SCAQMD is authorized under State Health & Safety Code Section 44225 (AB 2766) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act.
- B. Under AB 2766, SCAQMD's Governing Board has authorized the imposition of the statutorily set motor vehicle fee. By taking such action, the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to SCAQMD.
- C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by SCAQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
- D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by SCAQMD's Governing Board, SCAQMD authorized this Contract with CONTRACTOR for equipment or services described in Attachment 1 - Statement of Work, expressly incorporated herein by this reference and made a part hereof of this Contract.
- E. CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR's Local Government Partnership Program Application/Proposal dated July 18, 2018.
- F. CONTRACTOR is authorized to do business in the State of California and attests that it is in good tax standing with the California Franchise Tax Board.
- G. All parties to this Contract have had the opportunity to have this Contract reviewed by their attorney.

3. DMV FEES

CONTRACTOR acknowledges that SCAQMD cannot guarantee that the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that payment under this Contract is contingent upon SCAQMD receiving sufficient funds from the DMV, and that SCAQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees.

4. AUDIT AND RECORDS RETENTION

- A. CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by SCAQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from motor vehicles pursuant to the Clean Air Act of 1988.
- B. CONTRACTOR agrees to maintain records related to this Contract during the Contract term and continue to retain these records for a period of two years beyond the Contract term, except that in no

case shall CONTRACTOR be required to retain more than the most recent five years' records. SCAQMD shall coordinate such audit through CONTRACTOR'S audit staff.

- C. If an amount is found to be inappropriately expended, SCAQMD may withhold funding, or seek reimbursement, from CONTRACTOR in the amount equal to the amount that was inappropriately expended. Such withholding shall not be construed as SCAQMD's sole remedy and shall not relieve CONTRACTOR of its obligation to perform under the terms of this Contract.

5. TERM

The term of this Contract is for fifty (50) months from the date of execution by both parties, unless terminated earlier as provided for in the TERMINATION clause of this Contract, the EARLY TERMINATION clause, or the term is extended by amendment of this Contract in writing. No work shall commence prior to the Contract start date, except at CONTRACTOR's cost and risk, and no charges are authorized until this Contract is fully executed, subject to the provisions stated in the PRE-CONTRACT COSTS clause of this Contract.

6. SUCCESSORS-IN-INTEREST

This Contract, and the obligations arising under the Contract, shall be binding on and inure to the benefit of CONTRACTOR and their executors, administrators, successors, and assigns.

7. REPORTING

CONTRACTOR shall submit reports to SCAQMD as outlined in Attachment 1 - Statement of Work. SCAQMD reserves the right to review, comment, and request changes to any report produced as a result of this Contract.

8. TERMINATION

- A. In the event any party fails to comply with any term or condition of this Contract, or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 - Statement of Work, this failure shall constitute a breach of this Contract. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this contract. Notification shall be provided in the manner set forth in the NOTICES clause of this Contract. The non-breaching party reserves all rights under law and equity to enforce this Contract and recover damages.
- B. SCAQMD reserves the right to terminate this Contract, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, CONTRACTOR shall, except as and to the extent or directed otherwise by SCAQMD, discontinue any Work being performed under this Contract and cancel any of CONTRACTOR's orders for materials, facilities, and supplies in connection with such Work, and shall use its best efforts to procure termination of existing subcontracts upon terms satisfactory to SCAQMD. Thereafter, CONTRACTOR shall perform only such services as may be necessary to preserve and protect any Work already in progress and to dispose of any property as requested by SCAQMD.
- C. CONTRACTOR shall be paid in accordance with this Contract for all Work performed before the effective date of termination under section B of the TERMINATION clause of this Contract. Before expiration of the thirty (30) days' written notice, CONTRACTOR shall promptly deliver to SCAQMD all copies of documents and other information and data prepared or developed by CONTRACTOR under this Contract with the exception of a record copy of such materials, which may be retained by CONTRACTOR.

9. EARLY TERMINATION

This Contract may be terminated early due to the following circumstances: The infrastructure identified in Attachment 1, Statement of Work, becomes inoperable, and is either not technically able to be repaired, or is too costly to repair, and such failure is not caused by CONTRACTOR's negligence, misuse, or malfeasance.

10. STOP WORK

SCAQMD may, at any time, by written notice to CONTRACTOR, require CONTRACTOR to stop all or any part of the Statement of Work tasks in this Contract. A stop work order may be issued for reasons including, but not limited to, the project exceeding the budget, out of scope work, delay in project schedule, or misrepresentations. Upon receipt of the stop work order, CONTRACTOR shall immediately take all necessary steps to comply with the order. CONTRACTOR shall resume the work only upon receipt of written instructions from SCAQMD cancelling the stop work order. CONTRACTOR agrees and understands that CONTRACTOR will not be paid for performing work while the stop work order is in effect, unless SCAQMD agrees to do so in its written cancellation of the stop work order.

11. INSURANCE

CONTRACTOR represents that it is permissibly self-insured and will maintain such self-insurance in accordance with applicable provisions of California law throughout the term of this Contract. CONTRACTOR shall provide evidence of sufficient coverage during the term of this Contract and any extensions thereof that meet or exceed the minimum requirements set forth by the SCAQMD below. The certificate of self-insurance shall be mailed to: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, Attention: Cynthia Ravenstein, MSRC Contracts Administrator. **The SCAQMD Contract Number must be included on the face of the certificate.** If CONTRACTOR fails to maintain the required insurance coverage, SCAQMD reserves the right to terminate the Contract or purchase such additional insurance and bill CONTRACTOR or deduct the cost thereof from any payments owed to CONTRACTOR. Minimum insurance coverages are as follows:

- A. Worker's compensation insurance in accordance with either California or other state's applicable statutory requirements.
- B. General Liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in general aggregate.
- C. Automobile Liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage.

12. INDEMNIFICATION

CONTRACTOR agrees to hold harmless, defend and indemnify SCAQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, costs, lawsuits, claims, demands, causes of action, judgments, attorney's fees, or any other expenses arising from or related to any third party claim against SCAQMD, its officers, employees, agents, representatives, or successors in interest that arise or result in whole or in part, from any actual or alleged act or omission of CONTRACTOR, its employees, subcontractors, agents or representatives in the performance of this Contract. This Indemnification Clause shall survive the expiration or termination (for any reason) of the Contract and shall remain in full force and effect.

13. DISCLAIMER OF WARRANTY

The purchase or lease of funded vehicles/equipment is the CONTRACTOR's decision. The SCAQMD does not make any express or implied warranty of merchantability, fitness for a particular purpose or otherwise, quality or usefulness of the technology or product. Without limiting the foregoing, the SCAQMD will not be financially responsible, or otherwise liable, for the installation or performance of the vehicle/equipment.

14. PAYMENT

- A. SCAQMD shall reimburse CONTRACTOR up to a total amount of Eighty Nine Thousand Four Hundred Dollars (\$89,400) in accordance with Attachment 2 - Payment Schedule expressly incorporated herein by this reference and made a part hereof of the Contract.
- B. A withhold amount or percentage (if any) shall be identified in the Payment Schedule, and such amount shall be withheld from each invoice. Upon satisfactory completion of project and final acceptance of work and the final report, CONTRACTOR's invoice for the withheld amount shall be released. Proof of project completion shall include a Final Report detailing the project goals and accomplishments, data collected during project performance, if any, documentation of significant results, and emissions reduction input data needed for calculation of emissions reductions.
- C. Any funds not expended upon early Contract termination or Contract completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by SCAQMD to CONTRACTOR within thirty (30) days after approval by SCAQMD of an itemized invoice prepared and furnished by CONTRACTOR.
- D. An invoice submitted to SCAQMD for payment must be prepared in duplicate, on company letterhead, and list SCAQMD's contract number, period covered by invoice, and CONTRACTOR's social security number or Employer Identification Number and submitted to:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Cynthia Ravenstein, MSRC Contracts Administrator

- 1. Charges for equipment, material, and supply costs, travel expenses, subcontractors, and other charges, as applicable, must be itemized by CONTRACTOR. Reimbursement for equipment, material, supplies, subcontractors, and other charges, as applicable, shall be made at actual cost. Supporting documentation must be provided for all individual charges (with the exception of direct labor charges provided by CONTRACTOR).
- 2. SCAQMD shall pay CONTRACTOR for travel-related expenses only if such travel is expressly set forth in Attachment 2 - Payment Schedule of this Contract or pre-authorized by SCAQMD in writing.
- 3. CONTRACTOR's failure to provide receipts shall be grounds for SCAQMD's non-reimbursement of such charges. CONTRACTOR may reduce payments on invoices by those charges for which receipts were not provided.
- 4. CONTRACTOR must submit final invoice no later than ninety (90) days after the termination date of this Contract or invoice may not be paid.

15. COMPLIANCE WITH APPLICABLE LAWS

CONTRACTOR agrees to comply with all federal, state, and local laws, ordinances, codes and regulations and orders of public authorities in the performance of this Contract. CONTRACTOR must also ensure that the vehicles and/or equipment to be purchased, leased or installed in the performance of this Contract are in compliance with all applicable federal, state, and local air quality rules and regulations, and that it will

maintain compliance for the full Contract term. CONTRACTOR shall ensure that the provisions of this clause are included in all subcontracts.

16. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)

- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
- B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from funding sources other than AB2766. These MSERCs, which are issued by SCAQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
- C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. SCAQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.

17. NOTICES

All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by email, U.S. Mail, express, certified, return receipt requested, or a nationally recognized overnight courier service. In the case of email communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. Email communications shall be deemed to have been received on the date of such transmission, provided such date was a business day (Tuesday-Friday) and delivered prior to 5:30pm Pacific Standard Time. Otherwise, receipt of email communications shall be deemed to have occurred on the following business day. In the case of U.S. Mail notice, notice shall be deemed to be received when delivered or five (5) business days after deposit in the U. S. Mail. In the case of a nationally recognized overnight courier service, notice shall be deemed received when delivered (written receipt of delivery).

SCAQMD:
 South Coast Air Quality Management District
 21865 Copley Drive
 Diamond Bar, CA 91765-4178
 Attn: Cynthia Ravenstein, MSRC Contracts Administrator, email: cravenstein@aqmd.gov

CONTRACTOR:
City of Redondo Beach
531 N. Gertruda Ave.
Redondo Beach, CA 90277
Attn: Ted Semaan, email: Ted.Semaan@Redondo.org

18. INDEPENDENT CONTRACTOR

CONTRACTOR is an independent contractor. CONTRACTOR, its officers, employees, agents, representatives, or subcontractors shall in no sense be considered employees or agents of SCAQMD, nor shall CONTRACTOR, its officers, employees, agents, representatives, or subcontractors be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by SCAQMD to its employees. SCAQMD will not supervise, direct, or have control over, or be responsible for, CONTRACTOR's or subcontractor's means, methods, techniques, work sequences or procedures, or for the safety precautions and programs incident thereto, or for any failure by them to comply with any local, state, or federal laws, or rules or regulations, including state minimum wage laws and OSHA requirements.

19. SUBCONTRACTOR APPROVAL

If CONTRACTOR intends to subcontract all or a portion of the work under this Contract, then CONTRACTOR must first obtain written approval from SCAQMD's Executive Officer or designee prior to subcontracting any work. Such prior approval applies only to subcontractors not already included in Attachment 1, Statement of Work. Any material changes to the subcontract(s) that affect the scope of work, deliverable schedule, and/or payment/cost schedule shall also require the prior written approval of the Executive Officer or designee. No subcontract charges will be reimbursed unless the required approvals have been obtained from SCAQMD.

20. OWNERSHIP

Title and full ownership rights to any equipment purchased under this Contract shall at all times remain with CONTRACTOR.

21. SECURITY INTEREST

CONTRACTOR hereby grants SCAQMD a security interest in any and all equipment purchased, in whole or in part, with funding provided by SCAQMD pursuant to this Contract. CONTRACTOR acknowledges and agrees that SCAQMD shall have all lien rights as a secured creditor on any and all equipment purchased in whole or in part by the CONTRACTOR, under this Contract or any amendments thereto. The SCAQMD shall have lien rights in effect until the CONTRACTOR satisfies all terms under the Contract, including but not limited to, the use and reporting requirements. **Accordingly, CONTRACTOR further agrees that SCAQMD is authorized to file a UCC filing statement or similar security instrument to secure its interests in the equipment that is the subject of the Contract.** In the event CONTRACTOR files for bankruptcy protection, CONTRACTOR shall notify SCAQMD within 10 business days of such filing.

22. NON-DISCRIMINATION

In the performance of this Contract, CONTRACTOR shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, sex, sexual orientation, age, mental status, medical condition, physical or mental disability, denial of family and medical care leave, denial of pregnancy disability leave, or reasonable accommodations. CONTRACTOR shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352)

and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order.

23. CITIZENSHIP AND ALIEN STATUS

- A. CONTRACTOR warrants that it fully complies with all laws regarding the employment of aliens and others, and that its employees performing services hereunder meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603). CONTRACTOR shall obtain from all covered employees performing services hereunder all verification and other documentation of employees' eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. CONTRACTOR shall have a continuing obligation to verify and document the continuing employment authorization and authorized alien status of employees performing services under this Contract to insure continued compliance with all federal statutes and regulations. Notwithstanding the above, CONTRACTOR, in the performance of this Contract, shall not discriminate against any person in violation of 8 USC Section 1324b.
- B. CONTRACTOR shall retain such documentation for all covered employees for the period described by law. CONTRACTOR shall indemnify, defend, and hold harmless SCAQMD, its officers and employees from employer sanctions and other liability which may be assessed against CONTRACTOR or SCAQMD, or both in connection with any alleged violation of federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Contract.

24. ASSIGNMENT AND TRANSFER OF EQUIPMENT

- A. The rights and responsibilities granted hereby may not be assigned, sold, licensed, or otherwise transferred by CONTRACTOR without the prior written consent of SCAQMD, and any attempt by CONTRACTOR to do so shall be void upon inception.
- B. CONTRACTOR agrees to obtain SCAQMD's written consent to any assignment, sale, license or transfer of Equipment, if any, prior to completing the transaction. CONTRACTOR shall inform the proposed assignee, buyer, licensee or transferee (collectively referred to here as "Buyer") of the terms of this Contract. CONTRACTOR is responsible for establishing contact between SCAQMD and the Buyer and shall assist SCAQMD in facilitating the transfer of this Contract's terms and conditions to the Buyer. **CONTRACTOR will not be relieved of the legal obligation to fulfill the terms and conditions of this Contract until and unless the Buyer has assumed responsibility of this Contract's terms and conditions through an executed contract with SCAQMD.**

25. NON-EFFECT OF WAIVER

The failure of CONTRACTOR or SCAQMD to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

26. TAX IMPLICATIONS FROM RECEIPT OF MSRC FUNDS

CONTRACTOR is advised to consult a tax attorney regarding potential tax implications from receipt of MSRC funds.

27. ATTORNEYS' FEES

In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.

28. FORCE MAJEURE

A party shall not be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the party's reasonable control.

29. SEVERABILITY

In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.

30. HEADINGS

Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.

31. DUPLICATE EXECUTION

This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.

32. GOVERNING LAW

This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any disputes under this Contract shall be Los Angeles County, California.

33. PRE-CONTRACT COSTS

Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that this Contract is not executed, neither the MSRC nor the SCAQMD shall be liable for any amounts expended in anticipation of a fully executed Contract. If this Contract is fully executed, pre-contract cost expenditures authorized by the Contract will be reimbursed in accordance with the Payment Schedule and payment provision of the Contract.

34. CHANGE TERMS

Changes to any part of this Contract must be requested in writing by CONTRACTOR and approved by MSRC in accordance with MSRC policies and procedures. CONTRACTOR must make requests a minimum of 90 days prior to desired effective date of change. All modifications to this Contract shall be in writing and signed by the authorized representatives of the parties. Fueling station location changes shall not be approved under any circumstances.

35. PREVAILING WAGES

CONTRACTOR is alerted to the prevailing wage requirements of California Labor Code section 1770 et seq., and the compliance monitoring and enforcement of such requirements by the Department of Industrial Relations ("DIR"). CONTRACTOR and all of CONTRACTOR's subcontractors must comply with the California Public Works Contractor Registration Program and, where applicable, must be registered with the DIR to participate in public works projects. CONTRACTOR shall be responsible for determining the applicability of the provisions of California Labor Code and complying with the same, including, without limitation, obtaining from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work, making the same available to

any interested party upon request, paying any applicable prevailing rates, posting copies thereof at the job site and flowing all applicable prevailing wage rate requirements to its subcontractors. Proof of compliance with these requirements must be provided to SCAQMD upon request. CONTRACTOR shall indemnify, defend and hold harmless the South Coast Air Quality Management District against any and all claims, demands, damages, defense costs or liabilities based on failure to adhere to the above referenced statutes.

36. ENTIRE CONTRACT

This Contract represents the entire agreement between CONTRACTOR and SCAQMD. There are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the authorized representative of the party against whom enforcement of such waiver, alteration, or modification is sought.

37. AUTHORITY

The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

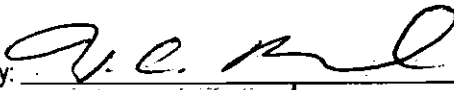
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IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY OF REDONDO BEACH

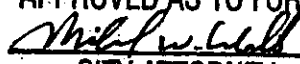
By: 
Dr. William A. Burke, Chairman, Governing Board

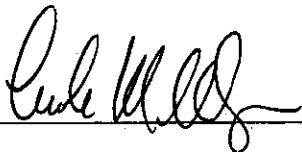
By: 
Name: William E. Brand
Title: Mayor

Date: 2/16/19

Date: 12/27/18

ATTEST:
Denise Garzaro, Clerk of the Board

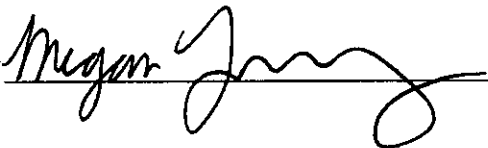
APPROVED AS TO FORM:

CITY ATTORNEY

By: 

APPROVED AS TO FORM:
Bayron T. Gilchrist, General Counsel

ATTEST:


ELEANOR MANZANO, CITY CLERK

By: 

//MSRC Master Boilerplate
Revised April 24, 2018

**Attachment 1
Statement of Work
City of Redondo Beach
Contract Number ML18098**

1. Project Elements

- A. The City of Redondo Beach (hereinafter referred to as "CONTRACTOR") is to install five public access "Level II" type EV charging stations within the City of Redondo Beach. These stations shall be accessible to the public 24 hours per day, 7 days per week. Installations must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. Prospective locations are shown in the table below:

Rivera Lot, intersection of Avenida del Norte and Via El Prado
Police Department, 401 Diamond Street
Redondo Beach Public Library, 303 N Pacific Coast Highway
Redondo Beach Performing Arts Center, 1935 Manhattan Beach Boulevard
Redondo Beach Community Services, 1922 Artesia Boulevard

These locations are understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes.

- B. CONTRACTOR is also to install one limited access "Level II" type EV charging station at City Hall, 415 Diamond Street, Redondo Beach. Installation must include signage with information on whom to contact in the event that users encounter malfunctions. Stations shall meet current Society of Automotive Engineers J1772 standards. This location is understood to be tentative; CONTRACTOR shall notify MSRC staff of any location changes.

CONTRACTOR shall be reimbursed according to Attachment 2 – Payment Schedule.

2. Operation Requirements and Reimbursement for Noncompliance: EV Charging Stations

CONTRACTOR is obligated to comply with the Operational Availability requirements set forth as follows:

- A. CONTRACTOR commits to ensuring Level II charging stations remain operational in the original location for a period of no less than three (3) years from the date the station begins operations in either its initial or expanded capacity. Should CONTRACTOR desire to deviate from this obligation, for reasons other than those stated in the EARLY TERMINATION clause of this Contract, CONTRACTOR shall reimburse SCAQMD for a prorated share of the funds provided for fueling/charging facilities as indicated in the table below:

**Attachment 1
Statement of Work
City of Redondo Beach
Contract Number ML18098**

3 year Operational Availability Obligation Termination Occurs	Percentage of MSRC Funds to be Reimbursed
Within Year 1	100%
Between Years 1-2	66%
Between Years 2-3	33%
After Year 3	0%

- B. The appropriate reimbursable amount shall be paid to SCAQMD within sixty (60) days from the date the station ceases operation. CONTRACTOR shall not be responsible for any reimbursement to SCAQMD if the obligation is terminated as a result of one or more reasons set forth in the EARLY TERMINATION clause of this Contract.
- C. The obligations of this section shall survive the expiration of the Contract and continue in full force and effect until the applicable operational availability period set forth above has been satisfied.

3. Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the MSRC's co-funding of the EV charging stations. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by SCAQMD staff, unless SCAQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

4. Reports

Quarterly Reports: Until EV charging stations commence operation, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: tasks completed, issues or problems encountered, resolutions implemented, and progress to date. Progress reports that do not comply will be returned to the CONTRACTOR as inadequate.

Final Report: A Final Report shall be submitted by the CONTRACTOR in the format provided by SCAQMD staff. The Final Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions about this project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, and the impact of the project on future electric vehicle projects.

**Attachment 1
Statement of Work
City of Redondo Beach
Contract Number ML18098**

5. Project Schedule

CONTRACTOR shall comply with the increments of progress identified in the following chart. The completion month for each task is based on the date of Contract execution.

Task	Completion
Go out to bid for EV stations	Month 7
Submit Public Outreach Plan	Month 7
Install EV stations and enter into service	Month 11
Implement Public Outreach Plan	Month 13
Quarterly reports	Quarterly beginning with Month 4, until all installations are complete
Final Report	Month 14

**Attachment 2
Payment Schedule
City of Redondo Beach
Contract Number ML18098**

Cost Breakdown

Purchase Category	Maximum AB2766 Discretionary Funds payable under this Contract	CONTRACTOR AB2766 Subvention Funds Applied	Other Funds Applied to Match	Total Cost
EV Charging Stations – Public Access	\$82,114	\$178,314	\$0	\$260,428
EV Charging Station – Limited Access	\$7,286	\$7,286	\$0	\$14,572
Totals	\$89,400	\$185,600	\$0	<u>\$275,000</u>

No funds shall be paid out to CONTRACTOR pursuant to this Contract, until the project described in Attachment 1 is completed and proof of completion is provided to SCAQMD. If the project described in Attachment 1 is not completed and satisfactory proof of completion is not provided to SCAQMD, no monies shall be due and payable to CONTRACTOR. However, reimbursement may be made for public access EV charging stations even if limited access EV charging station installation is not yet complete, or vice versa. Proof of completion shall include:

- Representative photos of completed stations;
- A report signed by a responsible official certifying that the station has been completed as described in Attachment 1; and
- Receipts for equipment and/or invoice(s) from subcontractor(s) performing the installations, if any.

If, at the completion of the Project, the expenditures are less than the Total Cost amount above, the actual amount of AB 2766 Discretionary Funds reimbursed to CONTRACTOR shall be adjusted on a prorated basis, as follows:

- For public access EV charging stations, the amount reimbursed to CONTRACTOR shall not exceed thrice the actual amount of AB 2766 Subvention and other funds applied; and
- For the limited access EV charging station, the amount reimbursed to CONTRACTOR shall not exceed the actual amount of AB 2766 Subvention and other funds applied.

Additional AB 2766 Discretionary Match Funds will not be available to fund project cost overruns. Any project cost overruns must be funded from other than AB 2766 Discretionary Funds.

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (“Agreement”) is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the “City”) on the one hand, and GABI JAMES, INC., a California corporation (the “Grantee”) located at 1810 S. Catalina Ave., Redondo Beach, CA 90277 on the other hand. The foregoing are collectively referred to as the “Parties.”

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the “CARES Act”), which established a \$5 billion Community Development Block Grant – Coronavirus Fund (“CDBG-CV”);

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated \$34,000 of the CDBG-CV Funds to assist small businesses operating within the City’s Riviera Village with expenses related to the construction of parklets to provide outdoor dining in the public right-of-way during the COVID-19 public health emergency orders;

WHEREAS, the assistance is funded through a grant program (the “Program”), which is administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the Riviera Village and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders for construction of parklets in the Riviera Village to provide outdoor dining in the public right-of-way. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$9,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this Agreement, and upon the City’s approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply

with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

GABI JAMES, INC.
a California corporation

By: _____

Name: Sara Gabriele
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



CITY OF REDONDO BEACH COVID-19 REIMBURSEMENT GRANT APPLICATION

Section 1: Grant Funds (select one)

☐ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☒ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Sara Gabriele

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Gabi James

Property Address: 1810 S Catalina Ave, Redondo Beach 90277

Mailing Address: same as above

Daytime Phone Number: 3105404884 Email: info@gabijamesla.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Loan April 2020 Amount Given: \$¹ \$131,900. 100% used on payroll

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: Partially Paid for our Outdoor Parklet- \$2,000

Patio Chairs & Tables- \$1,478. Lighting & Umbrellas- \$1076.99

Heaters- \$1,711.76. Propane for Heaters (June to Present)- \$3,058.10

Plexiglass- \$500. Sanitizer & Cleaning Products- \$600.

Total of Presented Items (Many More Not Present): \$10,424.85

Vendor(s): Amazon & Adriano Seating, Sanford Ventures

Total Grant Amount Requested: \$^{9,000}

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): _____

Please note that we only presented a portion of what we are & have paid for COVID related purchases.

We have many more than can be presented, including alternative packaging, more cleaning supplies, additional masks & protective gear, signage & more.

Thank you very much for your consideration. This would be an immense help.

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

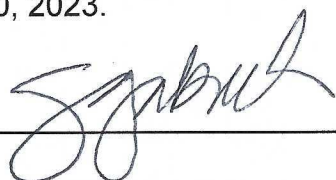
I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____

Date: _____



12/15/20

ACKNOWLEDGMENT


A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

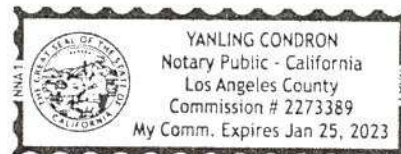
State of California }
County of Los Angeles }

On January 14, 2021, before me, YANLING CONDRON, Notary Public, personally appeared, SARA R. GABRIELE 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.


Yanling Condron, Notary Public



===== OPTIONAL =====

Name of Document: CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION

Number of Page(s): Three pages including this Notary page

My Commission Expire: January 25, 2023

Exhibit B

Expenditures and Grant Amount

Description of Expenditures Incurred:

Expenses related to the construction of parklets in the Riviera Village to provide outdoor dining in the public right-of-way during the COVID-19 public health emergency orders.

Grant Amount Requested:

\$9,000

Total Grant Funds Approved: \$2,000

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and NATURAL WORLD GOODS, INC DBA NATURAL WORLD MARKET & CAFÉ, a Delaware corporation (the "Grantee") located at 2302 Artesia Blvd., Redondo Beach, CA 90278 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$20,000 of the CDBG-CV Funds to assist small businesses operating within the City's Artesia Boulevard and Aviation Boulevard commercial corridors (collectively the "Aviation/Artesia Corridor") with COVID-19 expenses;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is be administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the Aviation/Artesia Corridor and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,500, upon submittal of all properly executed and notarized forms set forth in Section 3 of this Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with

COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's

performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

NATURAL WORLD GOODS, INC,
DBA NATURAL WORLD MARKET & CAFÉ,
a Delaware corporation

By: _____

Name: Rosanyeling Rodriguez
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



CITY OF REDONDO BEACH COVID-19 REIMBURSEMENT GRANT APPLICATION

Section 1: Grant Funds (select one)

☐ Citywide
Reimbursement
Grant

☒ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Rosanyeling Rodriguez

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Natural World Market & Cafe

Property Address: 2302 Artesia Blvd. Redondo Beach, CA 90278

Mailing Address: 2520 Graham Ave. Unit 2, Redondo Beach, CA 90278

Daytime Phone Number: 310-980-4506 Email: rosanyeling.rodriguez@naturalworldme.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Loan Amount Given: \$ 68,000

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: We built an outdoor dinning area for our Cafe.

We invested more than \$10,000 to build our beatiful patio in our parking lot and
we purchased outdoor furniture and decorative plants. Additionally. we
purchased hand sanitizer dispenser (handfree) to ensure our customer will
have a total touchless experience in our store and minimize COVID-19 risks.

Vendor(s): Action Sales, Amazon, Contractor: Israel Quintero,

Total Grant Amount Requested: \$ 9000



CITY OF REDONDO BEACH COVID-19 REIMBURSEMENT GRANT APPLICATION

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): We opened our business in July 2019 with many dreams in mind,

We wanted to offer healthy food and a place with a beautiful ambience focused on sustainability and how to

help our planet. COVID-19 hit us after only 8 months of being opened, so on top of new business challenges

we now must to focus on survival instead growth. We had to close all indoor activities in April-2020, but in June

we got excited as outdoor dinning was now allowed. Following CDC and L.A. county Health department

regulations, we invested in our patio and other areas to welcome diners in a safe environment. But now that was

taken away and we are now back to only take out. Today 12/17/2020 someone broke into our store, smashed

the glass of our front door and stole our cash drawer, so it seems we don't get a break. We opened our Cafe in Redondo

as we feel connected with this City, but we do need help to make it, I hope you consider us on this grant. We really need it.

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____

Date: 01/05/2021

See Attachment for
California Notary

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

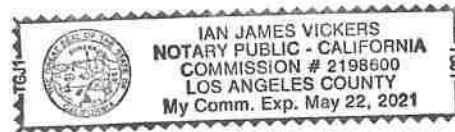
County of LOS ANGELES)

On 02/08/2021 before me, IAN JAMES VICKERS, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared ROSANYELING GERMANIA RODRIGUEZ GONDO AKA: ROSANYELING RODRIGUEZ
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 *Ian James Vickers*

(Seal)

Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☐ Personal Protective Equipment (PPE)
- ☒ Disinfection supplies
- ☐ Accommodations due to social distancing and indoor restrictions
- ☒ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$9,000

Total Grant Funds Approved: \$2,500

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and HENNESSEY'S TAVERN, INC., a California corporation (the "Grantee") located at 1712 S. Catalina Ave, Redondo Beach, CA 90277 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$40,000 of the CDBG-CV Funds to assist small businesses operating within the City;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated an additional \$16,000 of CDBG-CV Funds to assist small businesses operating within the City for a total allocation of \$56,000;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is be administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the City and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this

Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and

expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

HENNESSEY'S TAVERN, INC.,
a California corporation

By: _____

Name: Paul Hennessey
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 1: Grant Funds (select one)

☒ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Hennessey's Tavern, Inc.

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Hennessey's Tavern Corporate Office

Property Address: 1845 S. Elena Ave, #300 Redondo Beach, CA 90277

Mailing Address: 1845 S. Elena Ave, #300, Redondo Beach, CA 90277

Daytime Phone Number: 310-540-2274 Email: nfay@hennesseystavern.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Loan Amount Given: \$ 2,386,100

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: _____

PPE (masks, shields, sanitizer, thermometers)

Vendor(s): Amazon, RPH

Total Grant Amount Requested: \$ 2,000

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): _____

PPE for staff including face masks, shields,
thermometers, cleaners and sanitizers, etc.

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____

Date: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

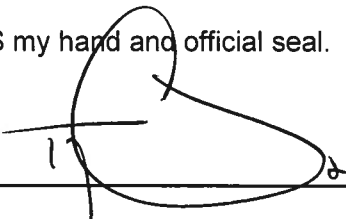
On December 15, 2020 before me, Timothy Steven Gomez, Notary Public
(insert name and title of the officer)

personally appeared Paul E. Hennessey,
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



(Seal)

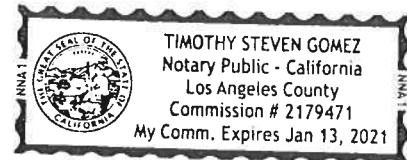


Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☒ Personal Protective Equipment (PPE)
- ☒ Disinfection supplies
- ☐ Accommodations due to social distancing and indoor restrictions
- ☐ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$2,000

Total Grant Funds Approved: \$2,000

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and BEACH CITIES ROVER LLC, a California limited liability company (the "Grantee") located at 529 N Pacific Coast Highway, Unit C, Redondo Beach CA 90277 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$40,000 of the CDBG-CV Funds to assist small businesses operating within the City;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated an additional \$16,000 of CDBG-CV Funds to assist small businesses operating within the City for a total allocation of \$56,000;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is be administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the City and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this

Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and

expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

BEACH CITIES ROVER LLC,
a California limited liability company

By: _____

Name: Morgan Anthony-Bulen
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



CITY OF REDONDO BEACH COVID-19 REIMBURSEMENT GRANT APPLICATION

Section 1: Grant Funds (select one)

☒ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Jesse & Morgan Bulen

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Beach Cities Rover, LLC

Property Address: 529 N PCH Unit C, Redondo Beach CA 90277

Mailing Address: 625 N Paulina Ave., Redondo Beach CA 90277

Daytime Phone Number: 3102007435 Email: jbullen@beachcitiesrover.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Amount Given: \$ \$17,100 (did not nearly cover payroll or overhead)

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: Sanitization stations, thermometers, signage, plexiglass, gloves, masks, seat/steeringwheel and gear shift covers, all of the

South Bay Strong required measures to be considered South Bay Strong, gas

for drop-off and pick up of vehicles in vehicle owners car for safety of spreading the virus,

Key Sanitizers for client car keys/key chains & virus "destroying" air purifiers for clients that do choose to come in to the office and

not be served outside. With social distancing, we have also had to separate employees thus slowing down work and before testing was free spent \$170 on tests for employees.

Vendor(s): POF, Best, Amazon, Firestone, C-IDEA, Maple made in the USA on Etsy, bags of sanitizer from the Riviera Village networking group we are in (purchasing local jug of sanitizer)

Total Grant Amount Requested: \$ 2,000.00

CITY OF REDONDO BEACH COVID-19 REIMBURSEMENT GRANT APPLICATION

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): As an Auto Repair shop, we are an essential business & have not closed once during COVID. Cars break down, need servicing etc.

& we as drivers want & need our vehicles working properly to feel safe in case of an emergency. We've been able to make sacrifices personally in order to not have to terminate.

We were able to add a 10999. Our employees Medical (Platinum PPO) was paid 100% by us until 11/1/20. We have implemented temperature readings and paid for covid tests.

Daily, we repair & Service Land Rovers & Jaguars for vehicle owners in the South Bay. Our focus is local. Sitting on the Volunteer Board at BCHD

really aides us in being a trend-setter for COVID "Best Practices" as I'm able to share the latest and spread the word via our business connections. Rent, Utilities & the usual overhead

didn't go away. The cost grew to implement functions of safety. It's important for clients, while it strains our resources, to be able to have drop-off/pick up available as rentals & Uber/Lyft

are considered unsafe to some, so we take them to and from their home, in their own vehicle. Constantly sanitizing, seat/gear/steeringwheel protectors, masksgloves, touchless

payments are our new normal, even though the Cost per repair for the company is now higher due to these added measures. Our goal is to maintain our 5 star status by enhancing the Auto Repair Experience & alleviating uneasiness that a broken down vehicle presents.

Other shops have been hit personally by COVID. Thankfully we're safe & open despite the financial costs associated with COVID. We've also assisted with other car brands, people don't need more uncertainty or stress. BCHD will be here for the South Bay through this pandemic.

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____

Date: 12/17/2020

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On December 18, 2020 before me, Trish Smiley, Notary Public
(insert name and title of the officer)

personally appeared Morgan Anthony-Bulen
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 is 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 Trish Smiley (Seal)

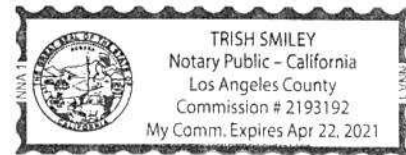


Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☒ Personal Protective Equipment (PPE)
- ☒ Disinfection supplies
- ☐ Accommodations due to social distancing and indoor restrictions
- ☐ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$2,000

Total Grant Funds Approved: \$2,000

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and SAVOIR FAIRE LANGUAGE INSTITUTE, INC., a California corporation (the "Grantee") located at 117 W. Torrance Blvd., Redondo Beach, CA 90277 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$40,000 of the CDBG-CV Funds to assist small businesses operating within the City;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated an additional \$16,000 of CDBG-CV Funds to assist small businesses operating within the City for a total allocation of \$56,000;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is be administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the City and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this

Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and

expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

SAVOIR FAIRE LANGUAGE INSTITUTE, INC.
a California corporation

By: _____

Name: Zoila Norwood
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 1: Grant Funds (select one)

☒ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Zoila V Norwood

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Savoir Faire Language Institute

Property Address: 117 W Torrance Blvd, Redondo Beach CA 90277

Mailing Address: 117 W Torrance Blvd, Redondo Beach CA 90277

Daytime Phone Number: 310-310-4323 Email: preschool@sfli-ca.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Loan Amount Given: \$ 93,000

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: Tables, Portable Sink, Cleaning Supplies, PPE

Vendor(s): Vons, Costco, CVS, Amazon, Home Depot, Rite Aid, Big Lots, Lakeshore

Total Grant Amount Requested: \$ 2000.00

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): Tables, Portable Sink, Lysol, Beach, Gloves, Gowns, Disinfectant Wipes, Microban, Various Cleaning supplies

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: 

Date: 12/17/20

See Attached For notary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

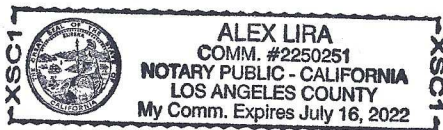
On January 13, 2021 before me, Alex Lira Notary Public,

Personally appeared ZOLA V NORWOOD
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 signatures(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.



Place Notary Seal Above

Signature: _____

Signature of Notary Public

OPTIONAL

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

Description of Attached Document CITY OF REDONDO BEACH

Title and Type of Document COVID-19 REIMBURSEMENT GRANT APPLICATION

Document Date _____ Number of Pages _____

Signer(s) Other Than Named Above: _____

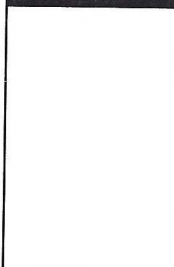
Capacity Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

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

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER



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

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

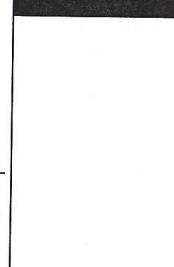


Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☒ Personal Protective Equipment (PPE)
- ☒ Disinfection supplies
- ☒ Accommodations due to social distancing and indoor restrictions
- ☐ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$2,000

Total Grant Funds Approved: \$2,000

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and CRITIC'S CHOICE CATERING & EVENT PRODUCTION, INC., a California corporation (the "Grantee") located at 2806 Phelan Ln, Redondo Beach, CA 90278 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$40,000 of the CDBG-CV Funds to assist small businesses operating within the City;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated an additional \$16,000 of CDBG-CV Funds to assist small businesses operating within the City for a total allocation of \$56,000;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is be administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the City and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this

Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and

expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

CRITIC'S CHOICE CATERING & EVENT
PRODUCTION, INC.,
a California corporation

By: _____

Name: Michelle Paul
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 1: Grant Funds (select one)

☒ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Michelle

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: Critic's Choice Catering & Event Production, Inc.

Property Address: 2806 Phelan Lane, Redondo Beach, CA 90278

Mailing Address: Same

Daytime Phone Number: 310.545.1144 Email: critics4catering@aol.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP & EIDL & REDF Amount Given: \$ 274,000

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: Face masks, Face Shields, Test Strips, Infrared
Thermometer, Special Packaging for Covid-19 Rules, Sanitizer, Disinfectant
Wipes

Vendor(s): Variety of Vendors

Total Grant Amount Requested: \$ 1346.19

+15.00 notary fee:
\$ 1361.19

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): _____

As a caterer, we are required by the State to have all these items in order to continue with our to go catering business.

Since our events are not allowed to happen our business is down 50% from last year! We need these funds in order to cover these unexpected expenditures.

Section 6: Certifications

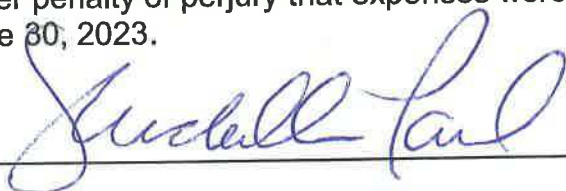
I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____



Date: 12/15/2020

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On 12/31/2020 before me, Michelle Paul, CFO ^(H.T.) Hanif Thakor, Notary Public
(insert name and title of the officer)

personally appeared Michelle Paul
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] (Seal)



Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☒ Personal Protective Equipment (PPE)
- ☒ Disinfection supplies
- ☐ Accommodations due to social distancing and indoor restrictions
- ☐ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$1,361.19

Total Grant Funds Approved: \$668.95

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into effective February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation (the "City") on the one hand, and A BASQ KITCHEN LLC dba A FISH AND FRIENDS, a California limited liability company (the "Grantee") located at 136 N. International Boardwalk, Redondo Beach, CA 90277 on the other hand. The foregoing are collectively referred to as the "Parties."

RECITALS

WHEREAS, on March 27, 2020, the United States Congress adopted the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (the "CARES Act"), which established a \$5 billion Community Development Block Grant – Coronavirus Fund ("CDBG-CV");

WHEREAS, through the CDBG-CV, local agencies may allocate the funds to assist with expenses arising out of the COVID-19 public health emergency orders;

WHEREAS, on October 6, 2020, the City Council of the City of Redondo Beach allocated \$40,000 of the CDBG-CV Funds to assist small businesses operating within the City;

WHEREAS, on December 1, 2020, the City Council of the City of Redondo Beach allocated an additional \$16,000 of CDBG-CV Funds to assist small businesses operating within the City for a total allocation of \$56,000;

WHEREAS, the assistance is funded through a grant program (the "Program"), which is administered by the City and funded by CDBG-CV;

WHEREAS, Grantee must have a small business located within the City and submit an application for CARES Act reimbursable costs arising out of the COVID-19 public health emergency orders to be eligible for participation in the Program;

WHEREAS, the Grantee desires to participate in the Program; and

WHEREAS, the City desires to reimburse the Grantee for eligible CARES Act reimbursable costs provided the Grantee complies with the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions contained herein, and upon acknowledgement of each of the Parties of the receipt of valuable consideration, it is agreed as follows:

SECTION 1: GRANT FUNDING

Grantees must be small businesses licensed by and located in the City with costs arising out of the COVID-19 public health emergency orders, including but not limited to, expenses related to accommodating social distancing and indoor restrictions, personal protective equipment, disinfection supplies and City-permitted outdoor dining/business operations. The City agrees to reimburse the Grantee for 100% of CARES Act reimbursable costs to appropriately provide services during the COVID-19 public health emergency orders, in a total amount not to exceed \$2,000, upon submittal of all properly executed and notarized forms set forth in Section 3 of this

Agreement, and upon the City's approval of all costs. The costs that are eligible for City reimbursement include all labor, materials, equipment, and other contract items to assist with COVID-related expenses. Additional requirements are described in **Exhibits A and B**, attached hereto and incorporated herein.

SECTION 2: WORK COMPLETION

Grantee agrees that all costs for which they are seeking reimbursement are CARES Act reimbursable and necessary expenditures incurred due to the COVID-19 public health emergency as described herein. The City's program coordinator, or an authorized representative, shall verify the Grantee's eligibility to receive funds pursuant to this Agreement. Grantee agrees to allow the City or its agents access to buildings or outdoor business areas, when convenient to all parties, for inspection. Such inspections shall not replace any required permit inspections by the City's Building Inspectors.

SECTION 3: REIMBURSEMENT REQUIREMENTS

Inspections are required by U.S. Department of Housing and Urban Development (HUD) if the funds have been used for construction-related items. The City will audit all grant files prior to June 30, 2021. Upon completion of the work by the Grantee, and upon final inspections, if applicable, by the City, the Grantee shall submit to the City the following properly executed and notarized forms: 1) Grantee's application certifying under penalty of perjury that the expenditures were necessary and incurred due to the COVID-19 public health emergency orders and the Grantee is seeking reimbursement for CARES Act reimbursable costs; 2) a statement by the architect for design work (if applicable); 3) contractor's sworn statement showing the full cost of the work and each separate component amount due to the contractor and each and every subcontractor involved in furnishing labor, materials or equipment in the work (if applicable); 4) proof of payment for the reimbursable costs (including receipts); and 5) any other required documents as provided in Exhibit A. If applicable, the Grantee shall also submit to the City a copy of the architect's statement of fees for professional services for preparation of plans and specifications. The City shall prepare a reimbursement request for the Grantee within sixty (60) days of receiving City Council reimbursement agreement approval. Failure by the Grantee to submit all required documents (or), to comply with the provisions of this Agreement will be deemed a breach of this Agreement and may result in a delayed or withheld reimbursement.

SECTION 4: CRITERIA FOR NATIONAL OBJECTIVES

In order to comply with HUD regulations, the Grantee shall create or retain at least a) one (1) full-time employee who is of low-or moderate-income; or b) two (2) part-time employees who are of low-or moderate-income. If requested by the City, the Grantee shall provide documentation to confirm creation and/or retention of the one (1) full-time, low-or moderate-income employee or two (2) part-time, low-or moderate-income employees sixty (60) days prior to the one-year anniversary of the date of this Agreement.

SECTION 5: INDEMNIFICATION

To the maximum extent permitted by law, the Grantee hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and

expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of the Grantee's performance or work hereunder (including any of its officers, agents, employees, Contractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. The Grantee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Grantee or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against the Grantee because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
- b. Waiver of Right of Subrogation. The Grantee, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.

SECTION 6: ADDITIONAL WORK

Nothing contained in this Agreement is intended to limit, restrict, or prohibit the Grantee from undertaking additional work in or about the subject premises, which is unrelated to the approved reimbursements provided for in this Agreement.

SECTION 7: TERM

This agreement shall be binding upon the City and upon the Grantee and his/her successor(s) to the Property for which reimbursement was sought for a period of one (1) year after the execution of this Agreement. In the event construction is performed, it shall be the responsibility of the Grantee to inform subsequent owner(s)/lessee(s) of the Project Property of the provisions of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year set forth above.

CITY OF REDONDO BEACH
a chartered municipal corporation

By: _____
William C. Brand, Mayor

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

Michael W. Webb, City Attorney

A BASQ KITCHEN LLC DBA A FISH AND
FRIENDS, a California limited liability company

By: _____

Name: Bernard Ibarra
Business Owner

***Consent of Property Owner:**

Property Owner has read the foregoing Agreement and consents to the work as described.

By: _____
Property Owner

* The consent of the Property Owner shall only be required if a contractor performs modifications to the business site)

Exhibit A
Application

Please see the attached application.



**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 1: Grant Funds (select one)

☒ Citywide
Reimbursement
Grant

☐ Artesia/Aviation
Commercial Corridor
Reimbursement Grant

☐ Riviera Village
Reimbursement
Grant

Section 2: Applicant Information

Name: Jessica/Bernard Ibarra

Check all that apply: ☐ Property Owner ☒ Business Owner/Tenant

Business Name: A Basq Kitchen LLC DBA A Fish & Friends

Property Address: 136 N. International Boardwalk

Mailing Address: 509 S. Francisca Ave

Daytime Phone Number: 310-926-6393 Email: abasqkitchen@gmail.com

Section 3: Other COVID-19 Federal Assistance Disclosure

Funds Source: PPP Amount Given: \$ Uline, Amazon

Section 4: Reimbursement Request

Item(s)/Service(s) Purchased: _____

1. EZ Up Tent, 2. Picnic Tables, 3. Shop Desk (hostess stand)

4. More Picnic Tables

Vendor(s): Uline, Amazon

Total Grant Amount Requested: \$ 2000

**CITY OF REDONDO BEACH
COVID-19 REIMBURSEMENT GRANT APPLICATION**

Section 5: Scope of Work

Description of Purchased Item(s)/Service(s) and Justification for Purchase (attach additional pages if needed): _____

Outdoor dining patio with hostess stand, tent and tables

Section 6: Certifications

I certify under penalty of perjury that the above statements are true and correct to the best of my knowledge. I understand that any false statement(s) may result in disqualification of assistance.

I certify under penalty of perjury that the purchase for which I am requesting reimbursement is necessary in response to the COVID-19 public health emergency.

I certify under penalty of perjury that I have/will not be otherwise reimbursed for this purchase, including by any federal/state program.

I certify under penalty of perjury that expenses were incurred during the period of January 21, 2020 to June 30, 2023.

Signature: _____ Date: 01-13-2021

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

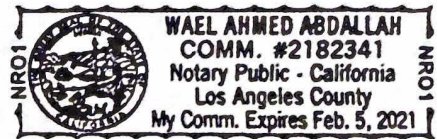
County of Los Angeles

On 1-12-2021 before me, Wael Ahmed Abdallah, Notary Public
(insert name and title of the officer)

personally appeared BERNARD IBARRA,
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 Wael Ahmed Abdallah (Seal)

Exhibit B

Expenditures and Grant Amount

Types of Expenditures Incurred:

- ☐ Personal Protective Equipment (PPE)
- ☐ Disinfection supplies
- ☒ Accommodations due to social distancing and indoor restrictions
- ☒ City-permitted outdoor dining / business operations

Grant Amount Requested:

\$2,000

Total Grant Funds Approved: \$2,000



Administrative Report

H.5., File # 21-2002

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: TED SEMAAN, PUBLIC WORKS DIRECTOR

TITLE

APPROVE THE FIRST AMENDMENT TO THE AGREEMENT WITH PACIFIC ARCHITECTURE AND ENGINEERING FOR ARCHITECTURAL CONSTRUCTION SUPPORT SERVICES FOR THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120 FOR AN ADDITIONAL AMOUNT OF \$50,000 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$65,000 FOR THE EXISTING TERM

EXECUTIVE SUMMARY

This contract with Pacific Architecture and Engineering, Inc. ("PAC") was initiated to provide architectural support services during the construction of the City's Transit Center Project and was necessary to replace services anticipated to be provided by the original designer who has since withdrawn from the project. Architectural support services include overall coordination of the project's various professional disciplines to clarify design intent as requested by the Contractor. In addition, PAC provides responses to specific inquiries made by the contractor and solutions for unexpected changes in conditions related to building architecture and appurtenant facilities. At the time of contract initiation, an initial contract value was selected to allow services to commence with the beginning of construction. As time has elapsed, a better estimate of the work volume has been made and this amendment will increase the contract value to better estimate the rate of work required by the construction. In addition, the City's Transit Division has requested additional project renderings be prepared for their use. Funding for this agreement and the Redondo Beach Transit Center Project is composed entirely of restricted transportation and grant funds.

BACKGROUND

The City's Transit Center Project design was developed by Atkins Engineering who finalized their design in 2016 just prior to relocating their Southern California based services out of the state. At that time, they withdrew from the project and their contract has since expired. Certain design services were still needed to support the construction phase of the project, and the City engaged professional service providers in several design disciplines to fill the gap, including PAC to provide architectural support services.

On October 24, 2019 the City issued an RFP soliciting architectural services for the project. No outside firms responded to the RFP. Since architectural services are also provided by PAC, they agreed to take on the additional responsibilities. On August 4, 2020 the City Council authorized a professional services contract in the amount of \$15,000 to provide said services. The value was

selected as a starting point to allow PAC's work to begin commensurate with the activities of the construction contractor. After several months' experience, the demand for support services as provided by PAC is better known and this First Amendment to the contract to increase the contract value by \$50,000 to \$65,000 is recommended by staff.

In addition to the work to provide construction era support services for the architecture discipline, The City's Transit Division has asked PAC to provide additional project renderings for their use and coordination with the other transit agencies intending to use the facility. Additional scope and fee for these renderings is also part of the proposed contact value.

PAC has another open contract on this project, initiated several years ago, for project management services, which is a different scope of work. A new contract was required due to federal procurement guidelines that applied to this (and other) construction era design support service contracts.

COORDINATION

The First Amendment was prepared by and approved as to form by the City Attorney's Office.

FISCAL IMPACT

The potential fees awarded under this contract are accounted for in the overall project budget and require no additional appropriation.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. First Amendment
2. Original Agreement
3. Insurance

**FIRST AMENDMENT TO THE AGREEMENT
FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND PACIFIC ARCHITECTURE AND ENGINEERING**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES ("First Amendment") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Pacific Architecture and Engineering, a California Corporation ("Consultant").

WHEREAS, on August 4, 2020, the parties originally entered into the Agreement for Consulting Services between the City and Consultant (the "Agreement"); and

WHEREAS, the volume of work to be performed has been determined to exceed that originally anticipated to complete the services under this contract; and

WHEREAS, the parties desire to increase the Consultant's total compensation.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendment to the Agreement:

1. **COMPENSATION.** Exhibit "C" of the Agreement is hereby amended to add Exhibit "C-1" to increase the limit for the total compensation paid to Consultant by \$50,000 for a total compensation limit of \$65,000. Exhibit "C-1" is attached hereto and incorporated by reference. Consultant shall be compensated for the services described in Exhibit "A" of the Agreement in accordance with Exhibit "C-1".
2. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement, and this First Amendment, the terms of this First Amendment shall prevail.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment in Redondo Beach, California, as of this 16th day of February, 2021.

CITY OF REDONDO BEACH

PACIFIC ARCHITECTURE AND
ENGINEERING

William C. Brand, Mayor

Jun Fujita Hall, President

ATTEST:

Eleanor Manzano, City Clerk

APPROVED:

Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "C-1"

COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

A. AMOUNT.

Total compensation provided pursuant to this agreement shall not exceed \$65,000.

Consultant shall be paid in accordance with the following hourly rates for the services described herein:

<u>Title</u>	<u>Hourly Billing Rate</u>
Admin	\$ 45.00
Drafter	\$ 65.00
Drafter II	\$ 91.00
Drafter III	\$ 97.00
Engineer	\$110.00
Engineer I	\$125.00
Document Control	\$130.00
Engineer II	\$145.00
Engineer III	\$155.00
Project Architect	\$171.00
Project Manager	\$171.00
Sr Engineer II	\$164.72
Specialist I	\$190.00
Specialist II	\$219.87

- B. **METHOD OF PAYMENT.** Consultant shall provide monthly invoices indicating the services and tasks performed, and hourly rate, hours worked, and staff assigned during the prior month to City for approval and payment. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.
- C. **SCHEDULE FOR PAYMENT.** Consultant shall be paid within thirty (30) days of City's receipt of monthly invoice, provided, however, that services are completed to the City's reasonable satisfaction.
- D. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Consultant: Pacific Architecture and Engineering, Inc
2447 Pacific Coast Highway, Suite 218
Hermosa Beach, CA 90254
Attention: Jun Fujita Hall

City: City of Redondo Beach
Public Works Department, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: Andrew Winje

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND PACIFIC ARCHITECTURE AND ENGINEERING, INC.**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Pacific Architecture and Engineering, Inc., a California Corporation ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".

* * * * *

GENERAL PROVISIONS

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable, Consultant shall prepare check prints upon request. Said plans, drawings,

reports, calculations, data, specifications, videos, graphics or other materials, shall be specific for the project herein and shall not be used by the City for any other project without Consultant's consent. Notwithstanding the foregoing, Consultant shall not be obligated to assign any proprietary software or data developed by or at the direction of Consultant for Consultant's own use; provided, however, that Consultant shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.

4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Consultant to conduct any inspections Consultant has agreed to perform pursuant to the terms of this Agreement. Consultant shall be solely liable for said inspections performed by Consultant. Consultant shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Consultant hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.
6. Records. Consultant, including any of its subcontractors shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Consultant, including any of its subcontractors shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Consultant's completion of performance of this Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.
7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be performed and paid for in accordance with the following:

Only the City Council, City Manager, or the Department Head responsible for the administration of, or supervision of the scope of work under, this Agreement may authorize extra and/or changed work. Consultant expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Consultant to secure the written authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Consultant thereafter shall be entitled to no compensation whatsoever for performance of such work.

If Consultant is of the opinion that any work which Consultant has been directed to perform is beyond the scope of this Agreement and constitutes extra work, Consultant shall promptly notify the City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Agreement and constitutes extra work. In the event that the City determines that such work does constitute extra work, City shall provide extra compensation to Consultant on a fair and equitable basis. A written amendment providing for such compensation for extra work shall be executed by Consultant and the City.

8. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
10. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the

project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

12. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages if any, sustained by the City by virtue of Consultant's breach of this Agreement.
13. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the maximum extent permitted by law, Consultant hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of Consultant's performance or work

hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Notwithstanding the foregoing, nothing in this Section 14 shall be construed to encompass Indemnitees' active negligence to the limited extent that this Agreement is subject to Civil Code Section 2782(b). Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Consultant because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
 - b. Waiver of Right of Subrogation. Consultant, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
15. Insurance. Consultant shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
17. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.
 - a. Federal Standard. Consultant further acknowledges that this is a federally assisted construction contract and that federal labor standards provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts, will be enforced. Consultant understands that in the event of a conflict between the Federal General Wage Decision as established by the United States Department of Labor (available at www.access.gpo.gov/davisbacon/ca.html) and the State General Prevailing Wage Determination as established by the California Department of Industrial Relations (available at <http://www.dir.ca.gov/DLSR/PWD/index.htm>), the higher of the two will prevail.
 - b. Prevailing Wages. City and Consultant acknowledge that this project is a public work to which prevailing wages apply. Consultant shall comply with the

Agreement to Comply with California Labor Law Requirements set forth in Exhibit "E", which is attached hereto and incorporated by reference.

18. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

19. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
20. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
21. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
22. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and

conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.

23. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
24. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
25. Time of Essence. Time is of the essence of this Agreement.
26. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
27. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
28. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
29. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
30. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
31. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
32. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title

to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.

33. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed, and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
34. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
35. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

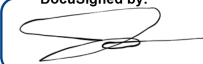
IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 4th day of August, 2020.


CITY OF REDONDO BEACH

DocuSigned by:

E6413C7231DF4E1...
William C. Brand, Mayor

PACIFIC ARCHITECTURE AND
ENGINEERING, INC.

DocuSigned by:

By: Jun Fujita
Name: Jun Fujita
Title: President

ATTEST:
DocuSigned by:

72F2A67166214CF...
Eleanor Manzano, City Clerk

APPROVED:

DocuSigned by:

ABED8CF35EEF48C...
Risk Manager Diane Strickfaden

APPROVED AS TO FORM:


DocuSigned by:

669049EDE03D402...
Michael W. Webb, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

Consultant shall provide architectural construction administration services for the City Transit Center located at 1521 Kingsdale Avenue, Redondo Beach, CA 90278 ("City Transit Center").

1. Consultant shall provide construction and bid support for the Transit Center Project including responding to Requests for Information (RFIs), reviewing submittals, and other construction support as needed on a time and material basis, and provide field visits as required pursuant to the compensation provided in Exhibit "C".
2. Consultant shall ensure that responses to RFIs contain clarification of the permit drawing, provide revisions requested of the design and details, and evaluate substitution requests. Drawing revisions shall be issued in the form of a numbered sketch on letter size paper. Revisions shall be demarcated with a "cloud" on said sketch.
3. Consultant shall ensure that submittal reviews and substitution requests include adequate product data and determine conformance to the Construction Documents.
4. When necessary, Consultant shall issue plan sheet revisions via numbered bulletin, with revisions demarcated by a "cloud" and identified by a bulletin number shown graphically in a triangle next to the revised clouded area on the sheet. Bulletin number shall be obtained from Construction Manager.
5. Consultant shall respond to RFIs and submittals within 7 days to avoid delays in construction.
6. Consultant shall notify City immediately if revisions in RFIs or Submittals are expected to cause a delay or increase in cost prior to submitting the response to discuss alternative options if any.
7. Consultant shall notify City of substitutions or revisions that result in a credit to the City.
8. Consultant shall obtain RFI and Submittal schedule from Construction Manager on weekly basis to track the status of unanswered RFIs and Submittals.
9. Consultant shall perform a review of "As-Built" drawings prepared by the Contractor for accuracy. Consultant shall produce modified electronic CAD files and one set of Mylar prints for the record architectural drawing set.

EXHIBIT "B"

SCHEDULE FOR COMPLETION

TERM. The term of this Agreement shall commence August 4, 2020 and expire December 31, 2022 ("Term"), unless otherwise terminated as herein provided. Notwithstanding the foregoing, Consultant shall be prepared to begin all duties described in Exhibit "A" within ten (10) days of City's Notice to Proceed. Upon City Manager's recommendation to the Mayor, the City, at its discretion may renew this Agreement prior to the expiration of the Term and subject to the same terms and conditions for an additional twelve (12) months.

EXHIBIT "C"
COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

A. **AMOUNT.** Consultant shall be paid the following amounts.

Total compensation provided pursuant to this agreement shall not exceed \$15,000.

Consultant shall be paid in accordance with the following hourly rate schedule:

Staff	Hourly Rate
Admin	\$45.00
Drafter	\$65.00
Drafter II	\$91.00
Drafter III	\$97.00
Engineer	\$110.00
Engineer I	\$125.00
Document Control	\$130.00
Engineer II	\$145.00
Engineer III	\$155.00
Project Architect	\$171.00
Project Manager	\$171.00
Sr. Engineer II	\$164.72
Specialist I	\$190.00
Specialist II	\$219.87

B. **METHOD OF PAYMENT.** Consultant shall provide monthly invoices indicating the services and tasks performed, and hourly rate, hours worked, and staff assigned during the prior month to City for approval and payment. Invoices must be itemized, adequately detailed, based on accurate records, and in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.

C. **SCHEDULE FOR PAYMENT.** Consultant shall be paid within thirty (30) days of City's receipt of monthly invoice, provided, however, that services are completed to the City's reasonable satisfaction.

D. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Consultant: Pacific Architecture and Engineering, Inc
2447 Pacific Coast Highway, Suite 218
Hermosa Beach, CA 90254
Attention: Jun Fujita Hall

City: City of Redondo Beach
Public Works Department, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: Andrew Winje

All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by registered or certified mail. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party.

EXHIBIT "D"

INSURANCE REQUIREMENTS FOR CONSULTANTS

Without limiting Consultant's indemnification obligations under this Agreement, Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Consultant's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

Consultant acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

EXHIBIT "E"

AGREEMENT TO COMPLY WITH CALIFORNIA LABOR LAW REQUIREMENTS

1. Contractor acknowledges that the project as defined in this Agreement between Contractor and the City, to which this Agreement to Comply with California Labor Law Requirements is attached and incorporated by reference, is a "public work" as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code ("Chapter 1"), and that this Agreement is subject to (a) Chapter 1, including without limitation Labor Code Section 1771 and (b) the rules and regulations established by the Director of Industrial Relations ("DIR") implementing such statutes. Contractor shall perform all work on the project as a public work. Contractor shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.

2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.

3. Pursuant to Labor Code Section 1771.4, Contractor shall post job site notices, as prescribed by regulation.

4. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.

5. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the City, forfeit the maximum amount allowable by law for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

6. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the City of the location of the records.

7. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code title 8, section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this

Agreement, Contractor and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

8. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 and 1/2 times the basic rate of pay.

9. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

10. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any failure.

11. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend (at Contractor's expense with counsel acceptable to the City) the City, its officials, officers, employees, agents, independent contractors, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Contractor, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses. All duties of Contractor under this Section shall survive termination of the Agreement.

EXHIBIT "F"

FEDERAL TRANSIT ADMINISTRATION REQUIREMENT CERTIFICATIONS

The Contractor certifies that the services offered in this procurement comply with all FTA Requirements and Regulations incorporated in Agreement Sections 1 through 12 and listed below:

<input type="checkbox"/>	1.	Incorporation of Federal Transit Administration (FTA) Terms
<input type="checkbox"/>	2.	Federal Changes
<input type="checkbox"/>	3.	No Federal Government Obligation to Third Parties
<input type="checkbox"/>	4.	Access to Records and Reports
<input type="checkbox"/>	5.	Fly America
<input type="checkbox"/>	6.	Energy Conservation
<input type="checkbox"/>	7.	Government-Wide Debarment and Suspension
<input type="checkbox"/>	8.	Program Fraud and False or Fraudulent Statements and Related Acts
<input type="checkbox"/>	9.	Civil Rights Laws and Equal Opportunity
<input type="checkbox"/>	10.	Disadvantaged Business Enterprises (DBE)
<input type="checkbox"/>	11.	Prompt Payment
<input type="checkbox"/>	12.	Termination

Date: _____

Signature: _____

Contractor: _____

Title: _____

EXHIBIT "G"

FTA REQUIREMENTS

1. *Incorporation of Federal Transit Administration (FTA) Terms*

Incorporation of Federal Transit Administration (FTA) Terms - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in [FTA Circular 4220.1E](#) are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.

2. *Federal Changes*

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the [Master Agreement](#) between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

3. *No Federal Government Obligation to Third Parties*

The City and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the City, Contractor or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

4. *Access to Records and Reports*

a. Record Retention. The Contractor will retain, and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the contract, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third-party agreements of any type, and supporting materials related to those records.

b. Retention Period. The Contractor agrees to comply with the record retention requirements in accordance with 2 C.F.R. § 200.333. The Contractor shall maintain all books, records, accounts and reports required under this Contract for a period of at not less than three (3) years after the date of termination or

expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.

c. Access to Records. The Contractor agrees to provide sufficient access to FTA and its contractors to inspect and audit records and information related to performance of this contract as reasonably may be required.

d. Access to the Sites of Performance. The Contractor agrees to permit FTA and its contractors access to the sites of performance under this contract as reasonably may be required.

5. **Fly America**

a. *Definitions*. As used in this clause:

“International air transportation” means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.

“United States” means the 50 States, the District of Columbia, and outlying areas.

“U.S.-flag air carrier” means an air carrier holding a certificate under 49 U.S.C. Chapter 411.

b. When Federal funds are used to fund travel, Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) (Fly America Act) requires contractors, recipients, and others use U.S.-flag air carriers for U.S. Government-financed international air transportation of personnel (and their personal effects) or property, to the extent that service by those carriers is available. It requires the Comptroller General of the United States, in the absence of satisfactory proof of the necessity for foreign-flag air transportation, to disallow expenditures from funds, appropriated or otherwise established for the account of the United States, for international air transportation secured aboard a foreign-flag air carrier if a U.S.-flag air carrier is available to provide such services.

c. If available, the Contractor, in performing work under this contract, shall use U.S.-flag carriers for international air transportation of personnel (and their personal effects) or property.

d. In the event that the Contractor selects a carrier other than a U.S.-flag air carrier for international air transportation, the Contractor shall include a statement on vouchers involving such transportation essentially as follows:

Statement of Unavailability of U.S.-Flag Air Carriers

International air transportation of persons (and their personal effects) or property by U.S.-flag air carrier was not available or it was necessary to use foreign-flag air carrier service for the following reasons. See FAR § 47.403. *[State reasons]:*

(End of statement)

e. The Contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase under this contract that may involve international air transportation.

6. Energy Conservation

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

7. Government-Wide Debarment and Suspension

Debarment, Suspension, Ineligibility and Voluntary Exclusion

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, which adopts and supplements the Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180. These provisions apply to each contract at any tier of \$25,000 or more, and to each contract at any tier for a federally required audit (irrespective of the contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the contract amount. As such, the Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be:

- (a) Debarred from participation in any federally assisted Award;
- (b) Suspended from participation in any federally assisted Award;
- (c) Proposed for debarment from participation in any federally assisted Award;
- (d) Declared ineligible to participate in any federally assisted Award;
- (e) Voluntarily excluded from participation in any federally assisted Award; or
- (f) Disqualified from participation in any federally assisted Award.

By signing and submitting its bid or proposal, the Contractor certifies as follows:

The certification in this clause is a material representation of fact relied upon by the City. If it is later determined by the City that the Contractor knowingly rendered an erroneous certification, in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The Contractor or proposer agrees to comply with the requirements of 2 C.F.R. part 180, subpart C, as supplemented by 2 C.F.R. part 1200, while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8. Program Fraud and False or Fraudulent Statements and Related Acts

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l) on the Contractor, to the extent the Federal Government deems appropriate.

The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

9. **Civil Rights Laws and Equal Opportunity**

The City is an Equal Opportunity Employer. As such, the City agrees to comply with all applicable Federal civil rights laws and implementing regulations. Apart from inconsistent requirements imposed by Federal laws or regulations, the City agrees to comply with the requirements of 49 U.S.C. § 5323(h) (3) by not using any Federal assistance awarded by FTA to support procurements using exclusionary or discriminatory specifications.

Under this Agreement, the Contractor shall at all times comply with the following requirements and shall include these requirements in each subcontract entered into as part thereof.

- (1) Nondiscrimination. In accordance with Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, disability, or age. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- (2) Race, Color, Religion, National Origin, Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e *et seq.*, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. chapter 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment," September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. § 2000e note. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.
- (3) Age. In accordance with the Age Discrimination in Employment Act, 29 U.S.C. §§ 621- 634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. part 1625, the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 *et seq.*, U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. part 90, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and

prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

- (4) Disabilities. In accordance with section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 *et seq.*, the Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 *et seq.*, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

10. Disadvantaged Business Enterprise (DBE)

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 C.F.R. part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the City deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible. 49 C.F.R. § 26.13(b).

Finally, for contracts with defined DBE contract goals, each FTA recipient must include in each prime contract a provision stating that the contractor shall utilize the specific DBEs listed unless the contractor obtains the City's written consent; and that, unless the City's consent is provided, the contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE. 49 C.F.R. § 26.53(f) (1).

Overview

It is the policy of the City and the United States Department of Transportation ("DOT") that Disadvantaged Business Enterprises ("DBE's"), as defined herein and in the Federal regulations published at 49 C.F.R. part 26, shall have an equal opportunity to participate in DOT-assisted contracts. It is also the policy of the City to:

- a. Ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- b. Create a level playing field on which DBE's can compete fairly for DOT-assisted contracts;
- c. Ensure that the DBE program is narrowly tailored in accordance with applicable law;
- d. Ensure that only firms that fully meet 49 C.F.R. part 26 eligibility

- standards are permitted to participate as DBE's;
- e. Help remove barriers to the participation of DBEs in DOT assisted contracts;
- f. To promote the use of DBEs in all types of federally assisted contracts and procurement activities; and
- g. Assist in the development of firms that can compete successfully in the marketplace outside the DBE program.

This Contract is subject to 49 C.F.R. part 26. Therefore, the Contractor must satisfy the requirements for DBE participation as set forth herein. These requirements are in addition to all other equal opportunity employment requirements of this Contract. The City shall make all determinations with regard to whether or not a Contractor is in compliance with the requirements stated herein. In assessing compliance, the City consider during its review of the Contractor's submission package, the Contractor's documented history of non-compliance with DBE requirements on previous contracts with the City.

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor shall carry out applicable requirements of 49 C.F.R. part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as the City deems appropriate.

DBE Participation

For the purpose of this Contract, the City will accept only DBE's who are:

- a. Certified, at the time of bid opening or proposal evaluation, by Los Angeles Metropolitan Transportation Authority, City of Los Angeles, or the California Unified Certification Program (CUCP); or
- b. An out-of-state firm who has been certified by either a local government, state government or Federal government entity authorized to certify DBE status or an agency whose DBE certification process has received FTA approval; or
- c. Certified by another agency approved by the City.

DBE Participation Goal

The City of Redondo Beach DBE participation Overall Goal is 21% and the contract goal is 0%. This goal represents those elements of work for FTA assisted contracting opportunities by the City performed by qualified Disadvantaged Business Enterprises.

Although the City has not established a contract-specific Disadvantaged Business Enterprise (DBE) goal for this FTA federally funded project, contractors are encouraged to take all reasonable steps to obtain DBE participation and ensure that DBEs can fairly compete for and perform on the City's federally funded contracts and subcontracts as set forth in Part 26, Title

Proposed Submission

Each Contractor, as part of its submission, shall supply the following information:

- a. A completed **DBE Utilization Form** that indicates the percentage and dollar value of the total bid/contract amount to be supplied by Disadvantaged Business Enterprises under this Contract.
- b. A list of those qualified DBE's with whom the Contractor intends to contract for the performance of portions of the work under the Contract, the agreed price to be paid to each DBE for work, the Contract items or parts to be performed by each DBE, a proposed timetable for the performance or delivery of the Contract item, and other information as required by the **DBE Participation Schedule**. No work shall be included in the Schedule that the Contractor has reason to believe the listed DBE will subcontract, at any tier, to other than another DBE. If awarded the Contract, the Contractor may not deviate from the DBE Participation Schedule submitted in response to the bid. Any subsequent changes and/or substitutions of DBE firms will require review and written approval by the City.
- c. An original **DBE Letter of Intent** from each DBE listed in the **DBE Participation Schedule**.
- d. An original **DBE Affidavit** from each DBE stating that there has not been any change in its status since the date of its last certification.

Good Faith Efforts

Submit a completed **DBE Utilization Schedule**

If the Contractor is unable to meet the goal set forth in the DBE Participation Goal, the City will consider the Contractor's documented good faith efforts to meet the goal in determining responsiveness. The types of actions that the City will consider as part of the Contractor's good faith efforts include, but are not limited to, the following:

- a. Documented communication with the City's DBE Coordinator (questions of IFB or RFP requirements, subcontracting opportunities, appropriate certification, will be addressed in a timely fashion);
- b. Pre-bid meeting attendance. At the pre-bid meeting, the City generally informs potential Contractors of DBE subcontracting opportunities;
- c. The Contractor's own solicitations to obtain DBE involvement in general circulation media, trade association publication, minority-focus media and other reasonable and available means within sufficient time to allow DBEs to respond to the solicitation;
- d. Written notification to DBE's encouraging participation in the proposed Contract; and

- e. Efforts made to identify specific portions of the work that might be performed by DBE's.

The Contractor shall provide the following details, at a minimum, of the specific efforts it made to negotiate in good faith with DBE's for elements of the Contract:

- a. The names, addresses, and telephone numbers of DBE's that were contacted;
- b. A description of the information provided to targeted DBE's regarding the specifications and bid proposals for portions of the work;
- c. Efforts made to assist DBE's contacted in obtaining bonding or insurance required by the Contractor or the Authority.

Further, the documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted when a non-DBE subcontractor was selected over a DBE for work on the contract. 49 C.F.R. § 26.53(b) (2) (VI). In determining whether a Contractor has made good faith efforts, the Authority may take into account the performance of other Contractors in meeting the Contract goals. For example, if the apparent successful Contractor failed to meet the goal, but meets or exceeds the average DBE participation obtained by other Contractors, the Authority may view this as evidence of the Contractor having made good faith efforts.

Administrative Reconsideration

Within five (5) business days of being informed by the City that it is not responsive or responsible because it has not documented sufficient good faith efforts, the Contractor may request administrative reconsideration. The Contractor should make this request in writing to the City. The City will forward the Contractor's request to a reconsideration official who will not have played any role in the original determination that the Contractor did not document sufficient good faith efforts.

As part of this reconsideration, the Contractor will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The Contractor will have the opportunity to meet in person with the assigned reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The City will send the Contractor a written decision on its reconsideration, explaining the basis for finding that the Contractor did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

Termination of DBE Subcontractor

The Contractor shall not terminate the DBE subcontractor(s) listed in the **DBE Participation Schedule** without the City's prior written consent. The City may provide such written consent only if the Contractor has good cause to terminate the DBE firm. Before transmitting a request to terminate, the Contractor shall give notice in writing to the DBE subcontractor of its intent to

terminate and the reason for the request. The Contractor shall give the DBE five days to respond to the notice and advise of the reasons why it objects to the proposed termination. When a DBE subcontractor is terminated or fails to complete its work on the Contract for any reason, the Contractor shall make good faith efforts to find another DBE subcontractor to substitute for the original DBE and immediately notify the City in writing of its efforts to replace the original DBE. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the Contract as the DBE that was terminated, to the extent needed to meet the Contract goal established for this procurement. Failure to comply with these requirements will be in accordance with Section 10 below (Sanctions for Violations).

Continued Compliance

The City shall monitor the Contractor's DBE compliance during the life of the Contract. In the event this procurement exceeds ninety (90) days, **it will be the responsibility of the Contractor to submit quarterly written reports to the City that** summarize the total DBE value for this Contract. These reports shall provide the following details:

- a. DBE utilization established for the Contract;
- b. Total value of expenditures with DBE firms for the quarter;
- c. The value of expenditures with each DBE firm for the quarter by race and gender;
- d. Total value of expenditures with DBE firms from inception of the Contract; and
- e. The value of expenditures with each DBE firm from the inception of the Contract by race and gender.

Reports and other correspondence must be submitted to the DBE Coordinator with copies provided to the City. Reports shall continue to be submitted quarterly until final payment is issued or until DBE participation is completed.

The successful Contractor shall permit:

- a. The City to have access to necessary records to examine information as the City deems appropriate for the purpose of investigating and determining compliance with this provision, including, but not limited to, records of expenditures, invoices, and contract between the Contractor and other DBE parties entered into during the life of the Contract.
- b. The authorized representative(s) of the City, the U.S. Department of Transportation, the Comptroller General of the United States, to inspect and audit all data and record of the Contractor relating to its performance under the Disadvantaged Business Enterprise Participation provision of this Contract.
- c. All data/record(s) pertaining to DBE shall be maintained as stated in Section 4 Access to Records and Reports.

Sanctions for Violations

If at any time the City has reason to believe that the Contractor is in violation of its obligations under this Agreement or has otherwise failed to comply with terms of this Section, the City may, in addition to pursuing any other available legal remedy, commence proceedings, which may include but are not limited to, the following:

- a. Suspension of any payment or part due the Contractor until such time as the issues concerning the Contractor's compliance are resolved; and
- b. Termination or cancellation of the Contract, in whole or in part, unless the successful Contractor is able to demonstrate within a reasonable time that it is in compliance with the DBE terms stated herein.

11. Prompt Payment

Prompt Payment to Subcontractors

- (1) The Contractor is required to pay all Subcontractors for all work that the Subcontractor has satisfactorily completed, no later than thirty (30) business days after the Contractor has received payment from the City.
- (2) In addition, all Retainage amounts must be paid by the Contractor to the Subcontractor no later than thirty (30) business days after the Subcontractor has, in the opinion of the City Engineer, satisfactorily completed its portion of the Work.
- (3) A delay in or postponement of payment to the Subcontractor requires good cause and prior written approval of the City Engineer.
- (4) The Contractor is required to include, in each subcontract, a clause requiring the use of appropriate arbitration mechanisms to resolve all payment disputes.
- (5) The City will not pay the Contractor for work performed unless and until the Contractor ensures that the Subcontractors have been promptly paid for the work they have performed under all previous payment requests, as evidenced by the filing with the City of lien waivers, canceled checks (if requested), and the Contractor's sworn statement that it has complied with the prompt payment requirements. Contractor must submit a prompt payment affidavit, (form to be provided by the City) which identifies each subcontractor (both DBE and non-DBE) and the date and amount of the last payment to such subcontractor, with every payment request filed with the City, except for the first payment request, on every contract with the City.
- (6) Failure to comply with these prompt payment requirements is a breach of the Contract, which may lead to any remedies permitted under law, including, but not limited to, Contractor debarment. In addition, Contractor's failure to promptly pay its Subcontractors is subject to the provisions of 50 ILCS 505/9.

Reporting Requirements During the Term of the Contract

- (1) The Contractor shall, within thirty (30) business days of contract award, or prior to any work being performed, execute formal subcontracts or purchase orders with the DBE firms included in the bid. These written agreements shall

be made available to the City. All contracts between the Contractor and its subcontractors must contain a prompt payment clause as set forth in this Section 10 herein.

- (2) During the term of annual contracts, the Contractor shall submit regular "Status Reports of DBE Subcontract Payments" in a form acceptable to the City. The frequency with which these reports are to be submitted will be determined by the City but in no event will reports be required less frequently than quarterly. **In the absence of written notice from the City the Contractor's first "Status Report of DBE Subcontract Payments" will be due ninety (90) days after the date of contract award, with additional reports due quarterly thereafter.**
- (3) In the case of a one-time procurement with either a single or multiple deliveries, a "Status Report of DBE Subcontract Payments," in a form acceptable to the City, indicating final DBE payments shall be submitted directly to the City. The information must be submitted prior to or at the same time as the Contractor's final invoice to the City department identified in the solicitation. (NOTICE: The original invoices must be submitted directly to the City's department identified in the contract documents and the Status Report of DBE Subcontract Payments must be submitted directly to the City Project Manager. **Failure to follow these directions may delay final payment.**
- (4) The address for the City: City of Redondo Beach, 415 Diamond Street, Redondo Beach, CA 90277

12. Termination.

Termination for Convenience

The City may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the City's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to City to be paid the Contractor. If the Contractor has any property in its possession belonging to City, the Contractor will account for the same, and dispose of it in the manner City directs.

Termination for Default

If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the City may terminate this contract for default. Termination shall be effected by serving a Notice of Termination on the Contractor setting forth the manner in which the Contractor is in default. The Contractor will be paid only the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the City that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of

or are beyond the control of the Contractor, the City, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a Termination for Convenience.

Opportunity to Cure

The City, in its sole discretion may, in the case of a termination for breach or default, allow the Contractor 30 days in which to cure the defect. In such case, the Notice of Termination will state the time period in which cure is permitted and other appropriate conditions

If Contractor fails to remedy to City's satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within ten (10) days after receipt by Contractor of written notice from City setting forth the nature of said breach or default, City shall have the right to terminate the contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude City from also pursuing all available remedies against Contractor and its sureties for said breach or default.

Waiver of Remedies for any Breach

In the event that City elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this contract, such waiver by City shall not limit City's remedies for any succeeding breach of that or of any other covenant, term, or condition of this contract.

PROMPT PAYMENT AFFIDAVIT

Contractor will place a check in the appropriate box below that applies to this payment request.

Re: Payment Request No. _____

I, _____ (Name), the
_____ (Title - e.g., President, Vice President, etc.) of
_____ ("Company"), do state the following with regard to
payments made under Contract No. _____ ("Contract"):

1. _____ Subcontractors, at the first tier, both DBE and non-DBE, who completed work and were listed for payment on the prior Payment Request No. _____, were paid no later than thirty (30) business days after Contractor received payment from City.
2. _____ Copies of invoices and cancelled checks for subcontractors at the first tier who were paid under the prior payment request have been delivered or mailed to the City. In addition, Contractor has attached to the current Payment Request all lien waivers for prior subcontractor payments and any other documentation required by City. (Failure to attach all required documentation to the Payment Request or forward cancelled checks and invoices to the City may cause the Payment Request to be rejected by City.)
3. _____ All retainage amounts withheld from any subcontractor who satisfactorily completed its portion of the contract work, including punch list items, were paid to the subcontractor(s) no later than thirty (30) business days after it satisfactorily completed its work, whether or not City has paid said retainage amounts to Contractor. Attach a copy of the cancelled check evidencing payment of each retainage amount.
4. _____ There was no delay in or postponement of any payment owed to a subcontractor, whether periodic payment or retainage amount, except for good cause and after receipt of prior written approval from the City.
5. _____ The Contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the Contractor's receipt of payment for that work from the City. In addition, the Contractor is required to return any retainage payments to those subcontractors after the subcontractor's work related to this contract is satisfactorily completed and within 30 days of Contractor's receipt of the partial retainage payment related to the subcontractor's work. Attach a copy of the written approval from the City.

Company Name

Signature

Print Name

Date: _____

Subscribed and sworn to before me this _____ day of _____ 20__.

Notary Public

**DBE
UTILIZATION
FORM**

The undersigned Contractor has satisfied the requirements of the solicitation in the following manner (please check the appropriate space):

_____The Contractor is committed to a minimum of
_____ % DBE utilization on this contract.

Date: _____

Signature: _____

Company Name: _____

Title: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/15/2019

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

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

PRODUCER RENE WILLIAMS AGENCY 22837 Pacific Coast Hwy Ste D Malibu, CA 90265-5841 0E57763	CONTACT NAME: Rene Williams PHONE (A/C, No, Ext): (310)317-4434 FAX (A/C, No): (310)317-4436 E-MAIL: rwilliams@farmersagent.com ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Lloyds of London INSURER B: Farmers Insurance INSURER C: INSURER D: INSURER E: INSURER F:
INSURED Pacific Architecture and Engineering 25307 Malibu Road MALIBU, CA 90265	NAIC #

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	y	PSF02222273	11/19/2019	11/19/2020	EACH OCCURRENCE \$ 2,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000					
	MED EXP (Any one person) \$ 5,000					
	PERSONAL & ADV INJURY \$ 2,000,000					
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER					GENERAL AGGREGATE \$ 4,000,000
						PRODUCTS - COM/OP AGG \$ 2,000,000
a	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY	y	PSF02222273	11/18/2019	11/19/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY					BODILY INJURY (Per person) \$
						BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				EACH OCCURRENCE \$
	DED RETENTION \$					AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	B09478670	11/19/2019	11/19/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	E.L. EACH ACCIDENT \$ 1,000,000					
	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000					
	E.L. DISEASE - POLICY LIMIT \$ 1,000,000					
A	Professional liability		PSF02222273	11/19/2019	11/18/2020	claims made \$ 1,000,000

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

Certificate holder named as Additional Insured under policy PSF02222273. Should any of the described policies be cancelled before the expiration date, the issuing insurer will mail 10 days written notice. Lloyds of London Insurance is AM Best rated A XV

CERTIFICATE HOLDER

CANCELLATION

City of Redondo Beach Their OFFICER, EMPLOYEES, VOLUNTEERS, AND AGENTS 415 Diamond Street Redondo Beach, CA 90277	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
----------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ACORD 25 (2016/03)

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RESOLUTION NO. CC-2005-032

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, TRANSFERRING \$460,000 IN PROPOSITION C FUNDS, AND \$400,000 IN MEASURE R FUNDS FROM THE KINGSDALE RESURFACING, 182ND TO GRANT PROJECT, JOB NO. 40880, TRANSFERRING \$370,000 IN PROPOSITION C FUNDS FROM THE INGLEWOOD AVENUE RESURFACING, MARINE AVENUE TO MANHATTAN BEACH BOULEVARD PROJECT, JOB NO. 41210, TRANSFERRING \$820,000 IN PROPOSITION C FUNDS FROM THE TORRANCE BOULEVARD RESURFACING, PACIFIC COAST HIGHWAY TO PROSPECT AVENUE PROJECT, JOB NO. 41230, TRANSFERRING \$175,000 IN PROPOSITION C FUNDS, AND \$525,000 IN OTHER INTERGOVERNMENTAL GRANT FUNDS FROM THE BUS SHELTERS AND BENCHES PROJECT, JOB NO. 40120, TO THE REDONDO BEACH TRANSIT CENTER PROJECT, JOB NO. 20120

WHEREAS, it is the intention of the City Council of Redondo Beach ("City Council") to review the adopted budget from time to time; and

WHEREAS, the City of Redondo Beach's ("City") adopted budget needs to be modified to transfer funds between existing capital improvement projects to fund necessary expenditures; and

WHEREAS, on November 5, 2019, the City Council approved the Plans and Specifications for the Redondo Beach Transit Center Job. No 20120 (the "Project"); and authorized the City Clerk to advertise the project for competitive bids; and

WHEREAS, on February 27, 2020, the City received and opened a total of four (4) proposals from vendors for the Project; and

WHEREAS, M.S. Construction Management Group., a California Corporation, was the bidder with the lowest responsive bid for the new Redondo Beach Transit Center Job No 20120, in the amount of \$11,500,000.00; and

WHEREAS, currently, there is insufficient funding in the Redondo Beach Transit Center Project; and

WHEREAS, there are funds available from Measure R, Proposition C, and Other Intergovernmental Grants, as well as in existing capital improvement projects not currently under design or construction which must be reallocated to cover the additional costs for the Redondo Beach Transit Center Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the amounts allocated in the budget for Fiscal Year 2019-2020 and the amounts required to meet conditions which have arisen during the budget year, require a modification in the

budget appropriations; and, upon recommendation of the City Manager, the budget appropriation as adopted for Fiscal Year 2019-2020 is modified as follows:

\$460,000 from the Proposition C Fund and \$400,000 from the Measure R Fund allocated to the Kingsdale Resurfacing, 182nd to Grant Avenue Project, Job No. 40880, shall be transferred to the Redondo Beach Transit Center Project, Job No. 20120.

\$370,000 from the Proposition C Fund allocated to the Inglewood Avenue Resurfacing, Marine Avenue to Manhattan Beach Boulevard Project, Job No. 41210, shall be transferred to the Redondo Beach Transit Center Project, Job No. 20120.


\$820,000 from the Proposition C Fund allocated to the Torrance Boulevard Resurfacing, Pacific Coast Highway to Prospect Avenue Project, Job No. 41230, shall be transferred to the Redondo Beach Transit Center Project, Job No. 20120.

\$175,000 from the Proposition C Fund and \$525,000 from the Other Intergovernmental Grants Fund allocated to the Bus Benches and Shelters Project, Job No. 40120, shall be appropriated to the Redondo Beach Transit Center Project, Job No. 20120.

SECTION 2: That, pursuant to Section 11(f) of the City Charter, the City Clerk is hereby directed to correct the budget records of said City for Fiscal Year 2019-2020 in accordance with the above modifications.

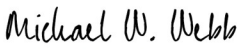
SECTION 3: That the City Clerk shall certify to the passage and adoption of this resolution, shall enter the same in the Book of Original Resolutions of said City and shall cause the action of the City Council in adopting the same to be entered in the official minutes of said City Council.

PASSED, APPROVED AND ADOPTED this 19th day of May, 2020.

DocuSigned by:

E6413C7231DF4E1...
William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

DocuSigned by:

669049EDE03D402...
Michael W. Webb, City Attorney

DocuSigned by:

72F2AC716C214CF...
Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2005-032 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 19th day of May, 2020, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES: NEHRENHEIM, LOEWENSTEIN, HORVATH, GRAN, EMDEE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

DocuSigned by:

72F2AC746C244CF...
Eleanor Manzano, CMC
City Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/29/2020

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

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

PRODUCER Rene Williams Agency 22837 Pacific Coast Hwy Ste D Malibu CA 90265-5841		CONTACT NAME: Esther Campos PHONE (A/C, No. Ext): 310-317-4433 E-MAIL ADDRESS: Rwilliams@farmersagent.com FAX (A/C, No):	
INSURED PACIFIC ARCHITECTURE AND ENGINEERING INC. 730 Arizona Ave Santa Monica CA 90401		INSURER(S) AFFORDING COVERAGE INSURER A: Lloyds of London INSURER B: FARMERS INSURANCE COMPANY INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC #	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		PSF02222273	11/19/2020	11/19/2021	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 250,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$	
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y		PSF02222273	11/19/2020	11/19/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	Y	B09478570	11/19/2020	11/19/2021	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	PROFESSIONAL LIABILITY			PSF02222273	11/19/2020	11/19/2021	CLAIMS MADE 1,000,000	

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

CERTIFICATE HOLDER AND ADDITIONAL INSURED UNDER POLICY PSF02222273:
 CITY OF REDONDO BEACH THEIR OFFICER EMPLOYEES VOLUNTEERS, AND AGENTS
 415 DIAMOND STREET
 REDONDO BEACH, CA 90277

SHOULD ANY OF THE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE, THE ISSUING INSURER WILL MAIL A WRITTEN NOTICE 30 DAYS IN ADVANCE.

CERTIFICATE HOLDER

CANCELLATION

CITY OF REDONDO BEACH THEIR OFFICER EMPLOYEES VOLUNTEERS, AND AGENTS 415 DIAMOND STREET REDONDO BEACH, CA 90277	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Rene Williams</i>
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**WORKERS' COMPENSATION AND EMPLOYERS'
LIABILITY INSURANCE POLICY**

Named Insured . PACIFIC ARCHITECTURE & ENGINEERING
. PACIFIC ARCHITECTURE AND ENGINEERING
. 25307 MALIBU ROAD
. MALIBU CA 90265

Effective Date 11/19/19

Agent

29-58-2AN

B0947-86-70

Policy Number
of the Company

2019

Policy
Year

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - BLANKET

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization for which you perform work under a written contract that requires you to obtain this agreement from us.

The additional premium for this endorsement shall be 3.0 % of the Workers' Compensation premium otherwise due for the state(s) listed below on such remuneration, subject to a minimum charge of _____.

All written contracts in the state(s) of.

CA

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

Countersigned _____
Authorized Representative



ADDITIONAL INSURED ENDORSEMENT

ATTACHING TO POLICY
NUMBER: PSJ0622577517

THE INSURED: Pacific Architecture & Engineering

WITH EFFECT FROM: 19 Nov 2020

It is understood and agreed that the following amendments are made to this Policy:

1. The following **DEFINITION** is added:

"Additional insured" means:

The City of Thousand Oaks (Effective From: 19 Feb 2020)
The City, its elected officials, officers, agents, employees, and volunteers
2100 Thousand Oaks Blvd
Thousand Oaks, CA 91362
US

City of Santa Monica (Effective From: 19 Feb 2020)
The City, its elected officials, officers, agents, employees, and volunteers
1635 Main St
Santa Monica, CA 90401
US

The City of Rolling Hills (Effective From: 19 Feb 2020)
The City, its elected officials, officers, agents, employees, and volunteers
2 Portugese Bend
Rolling Hills, CA 90274
US

City of South Gate and their appointed officials employees, agents, or volunteers
(Effective From: 05 Jun 2020)
8650 California Avenue
South Gate, CA 90280
US

THE CITY OF CARLSBAD, ITS OFFICERS, EMPLOYEES, VOLUNTEERS AND
AGENTS
(EFFECTIVE FROM: 06 APR 2017)
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CA 92008
US

SUCity of Redondo Beach, their officers, (Effective From: 21 Dec 2015)
employees, volunteers and agents
415 Diamond St
St. Redondo Beach, CA 90277
US

City of Rancho Palos Verdes (Effective From: 21 Dec 2015)
30940 Hawthorne Blvd
Rancho Palos Verdes, CA 90272
US

El Segundo (Effective From: 23 Dec 2015)
City of El Monte and their elected & appointed (Effective From: 27 Apr 2016)
officials, officers, employees, agents or volunteers
11333 Valley Boulevard
El Monte, CA 91731
US

The Costa Mesa Sanitary District, its elected and appointed officials, agents,
officers,
volunteers and employees (Effective From: 15 Feb 2018)
290 Paularino Ave



Costa Mesa, CA 92626
US

THE CITY OF CARLSBAD, ITS OFFICERS, EMPLOYEES, VOLUNTEERS AND
AGENTS
(Effective From: 06 Apr 2017)
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CA 92008
US

SUCity of Redondo Beach, their officers employees, volunteers and agents
(Effective From:
21 Dec 2015)
415 Diamond St
St. Redondo Beach
CA 90277
US

City of Rancho Palos Verdes (Effective From: 21 Dec 2015)
30940 Hawthorne Blvd
St. Redondo Beach
Rancho Palos Verdes, CA 90272
US

City of El Monte and their elected & appointed officials, officers, employees,
agents or
volunteers (Effective From: 27 Apr 2016)
11333 Valley Boulevard
El Monte, CA 91731
US

2. Where an "Additional insureds" **CONDITION** exists in this Policy, **additional insureds** are included as a **third party**.
3. Where an "Additional insureds" **CONDITION** does not exist in this Policy, the following **CONDITION** is added:

Additional Insureds

Additional insureds are indemnified under this Policy as if they were **you**, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising solely out of an act, error or omission committed by **you** or on **your** behalf, provided that had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before **we** indemnify any **additional insured**, they must prove to **us** that the **claim** arose solely out of an act, error or omission committed by **you** or on **your** behalf and fully comply with **CONDITION 1** as if they were **you**.

When this **CONDITION** applies, it will be primary and non-contributory to the **additional insured's** own insurance but only if **you** and the **additional insured** have entered into a contract that contains a provision requiring this.

Whilst **additional insureds** are indemnified under this Policy, any **claim** made by **additional insureds** against **you** will be treated by **us** as if they were a **third party** and not as a named insured.

4. The following **CONDITION** is added:

Notice of cancellation to additional insureds

If **we** give **you** notice of cancellation in accordance with the "Cancellation" **CONDITION**, **we** will endeavour to provide the same notice of cancellation to **additional insureds**; however, not doing so will not place any additional liability upon **us**.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

Authorized Signatory

CFC Underwriting Ltd



Administrative Report

H.6., File # 21-2047

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: TED SEMAAN, PUBLIC WORKS DIRECTOR

TITLE

APPROVE AMENDMENT NO. 5 TO FUNDING AGREEMENT #MOU.MR312.06 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR PACIFIC COAST HIGHWAY ARTERIAL IMPROVEMENTS FROM ANITA STREET TO PALOS VERDES BOULEVARD PROJECT, JOB NO. 40800, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 4 TO FUNDING AGREEMENT # MOU.MR312.07 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR PACIFIC COAST HIGHWAY AT TORRANCE BOULEVARD INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40810, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 5 TO FUNDING AGREEMENT # MOU.MR312.20 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR AVIATION BOULEVARD AT ARTESIA BOULEVARD INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40780, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021; AND

APPROVE AMENDMENT NO. 2 TO FUNDING AGREEMENT # MOU.MR312.42 BETWEEN THE CITY OF REDONDO BEACH AND LACMTA FOR INGLEWOOD AVENUE SOUTHBOUND RIGHT TURN LANE AT MANHATTAN BEACH BOULEVARD AND INTERSECTION IMPROVEMENTS PROJECT, JOB NO. 40960, TO EXTEND THE LAPSING DATE OF THE PROJECT FUNDS TO JUNE 30, 2021

EXECUTIVE SUMMARY

The City of Redondo Beach has received \$8.8 million from LACMTA in Measure R Highway Program funds for five regional street improvement projects endorsed by the Infrastructure Working Group of the South Bay Cities Council of Governments (SBCCOG). The projects include PCH Arterial Improvements from Anita to Palos Verdes Blvd., northbound PCH at Torrance Blvd. Right Turn Lane Improvements, westbound Palos Verdes Blvd. at PCH Right Turn Lane Improvements, northbound Aviation at Artesia Right Turn Lane Improvements, and southbound Inglewood at Manhattan Beach Blvd. Right Turn Lane Improvements.

The scope of the projects includes design, right-of-way acquisition and construction. The construction phases of the PCH/PV Blvd. Right Turn Lane Improvements Project and PCH/Torrance Blvd. Right Turn Lane Improvements project were completed on April 18, 2018 and May 19, 2020, respectively.

Each project's funding agreement had an initial term of five years, after which extensions are granted on a year to year basis to allow for closer tracking of project progress by LACMTA. Although construction of the project at Torrance Blvd. was completed in May 2020, project closeout paperwork endured beyond the expiration date of the current funding agreement. The three other projects are in various stages of development including design and right-of-way acquisition. These four projects all require a one-year extension amendment to their funding agreement. There are no other changes to the funding agreements.

BACKGROUND

Measure R is a one-half cent sales tax approved by Los Angeles County voters in November 2008 to meet the transportation need of Los Angeles County. The City of Redondo Beach received \$8,798,000 from LACMTA in Measure R Highway Program funds for five regional street improvement projects endorsed by the Infrastructure Working Group of the South Bay Cities Council of Governments (SBCCOG). The projects and their LACMTA funding commitment include:

PCH Arterial Improvements from Anita to PV	\$1,400,000
PCH/Torrance Right Turn Lane Improvements	\$ 935,000
PCH/PV Right Turn Lane Improvements	\$ 389,000
Aviation/Artesia Right Turn Lane Improvements	\$ 869,000
Inglewood/MBB Right Turn Lane Improvements	<u>\$5,205,000</u>
Total:	\$8,798,000

Over the years the original funding agreements have lapsed and had to be extended with an amendment, some requiring multiple amendments due to the extended timeline required to implement the project. The original LOAs and previous amendments can be found at the following link: [City of Redondo Beach - File #: 19-0553 \(legistar.com\)](https://redondo.legistar.com/LegislationDetail.aspx?ID=4293124&GUID=4A193DA3-1BA0-4ABB-AD9E-CABB9EDD3B18)
<<https://redondo.legistar.com/LegislationDetail.aspx?ID=4293124&GUID=4A193DA3-1BA0-4ABB-AD9E-CABB9EDD3B18>> It is likely that additional extensions may be required for some of these projects, due especially to delays in the ROW acquisition phase.

COORDINATION

The time extension amendments for all four projects have been coordinated with the SBCCOG and LACMTA. The City Attorney's Office approved the amendments as to form.

FISCAL IMPACT

The total allocation of the South Bay Measure R Highway Program funds to the City of Redondo Beach is \$8,798,000. The funding does not require a local match, but funds are paid to the City on a cost-reimbursement basis. Neither the original Agreements nor these Amendments have any impact on the City's General Fund.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. Amendment No 5 to MOU.MR312.06, PCH Arterial Improvements.

2. Amendment No 4 to MOU.MR312.07, PCH/Torrance RTL
3. Amendment No 5 to MOU.MR312.20, Aviation/Artesia RTL
4. Amendment No 2 to MOU.MR312.42, Inglewood/Manhattan Beach RTL

**AMENDMENT No. 5
TO MEASURE R FUNDING AGREEMENT BETWEEN
CITY OF REDONDO BEACH
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Amendment No. 5 to the Funding Agreement (this “Amendment”), is dated as of August 25, 2020 by and between the City of Redondo Beach ("Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. Grantee and LACMTA entered into that certain Funding Agreement No. MOU.MR312.06 dated August 15, 2011, which was amended on January 30, 2017, December 1, 2017, March 25, 2019, and August 31, 2019 ,(as amended, the “Existing FA”), which Existing FA provides for the Plans, Specifications, and Estimates (PS&E), Right-of-Way, and Construction of Pacific Coast Highway Arterial Improvements from Anita Street to Palos Verdes Boulevard (the “Project”); and

B. WHEREAS, the LACMTA Board in October 25, 2018 delegated administrative authority to staff to extend funding lapse dates to meet PAED, PS&E, ROW and Construction time frames; and

C. WHEREAS, the Grantee and LACMTA desire to extend the lapsing date of FY 2011-12 funds to June 30, 2021; and

D. WHEREAS, the Grantee and LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part II, Section 9.1 (vii) of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: “(vii) All Funds programmed for FY 2011-12 are subject to lapse by June 30, 2021.”
2. Attachment B1-4 of the Existing FA is hereby replaced by Attachment B1-5, attached.
3. Attachment C-3 of the Existing FA is hereby replaced by Attachment C-4, attached.
4. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No.5 to the FA to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____

Phillip A. Washington
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
Acting County Counsel

By: _____


Deputy

Date: 12/3/2020

GRANTEE:

CITY OF REDONDO BEACH

By: _____

William C. Brand
City Mayor

Date: _____

APPROVED AS TO FORM:

By: _____

Michael W. Webb
City Attorney

Date: _____

ATTEST:

By: _____

Eleanor Manzano
City Clerk

Date: _____

ATTACHMENT B1-5 EXPENDITURE PLAN COST & CASH FLOW BUDGET

Measure R Program - Funding Agreement Projects - FA# MOU.MR312.06 A-5

Project Title: Pacific Coast Highway Arterial Improvements from Anita St. to Palos Verdes Blvd. Project#:MR312.06

PROGRAMMED SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Years	FY 2020-21 Qtr 1	FY 2020-21 Qtr 2	FY 2020-21 Qtr 3	FY 2020-21 Qtr 4	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:						
MEASURE R FUNDS:						
PAED						\$0
PS&E	\$258,181	\$31,819	\$10,000			\$300,000
RW Support		\$8,000	\$12,000			\$20,000
RW						\$0
Const. Support		\$39,000	\$41,000			\$80,000
Construction			\$310,000	\$400,000	\$290,000	\$1,000,000
Total MEASURE R	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$1,400,000
SUM PROG LACMTA FUNDS:	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$1,400,000
SUM NON-LACMTA FUNDS :	\$0	\$0	\$0	\$0	\$0	\$0
PROJECT FUNDING FY19-20 and FY20-21	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$1,400,000
SUMMARY OF ALL FUNDS						
PAED	\$0	\$0	\$0	\$0	\$0	\$0
PS&E	\$258,181	\$31,819	\$10,000	\$0	\$0	\$300,000
RW Support	\$0	\$8,000	\$12,000	\$0	\$0	\$20,000
RW	\$0	\$0	\$0	\$0	\$0	\$0
Const. Support	\$0	\$39,000	\$41,000	\$0	\$0	\$80,000
Construction	\$0	\$0	\$310,000	\$400,000	\$290,000	\$1,000,000
TOTAL MILESTONES	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$1,400,000
SUM PROG LACMTA FUNDS	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$0
SUM NON-LACMTA FUNDS	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECT FUNDING	\$258,181	\$78,819	\$373,000	\$400,000	\$290,000	\$1,400,000

ATTACHMENT C-4 SCOPE OF WORK

PROJECT TITLE: F46 – Pacific Coast Highway Arterial Improvements from Anita Street to Palos Verdes Boulevard

PROJECT LOCATION:

The project is located in the City of Redondo Beach, County of Los Angeles.

PROJECT LIMITS:

This project limits are along Pacific Coast Highway (PCH), or State Route 1 (SR-1) between Anita Street/190th Street to the north and Palos Verdes Boulevard to the south.

NEXUS TO HIGHWAY OPERATION DEFINITION / PROJECT PURPOSE:

The purpose of this project is to reduce congestion, improve traffic flow, operations, and enhance pedestrian safety along Pacific Coast Highway (PCH), or State Route 1 (SR-1) between Anita Street/190th Street and Palos Verdes Boulevard.

PROJECT BACKGROUND:

Pacific Coast Highway is a major north-south State Highway that runs parallel to Interstate 405 (I-405) in the South Bay. Two previous regional and local planning studies were completed and identified a series of recommendations to improve traffic circulations along PCH. These studies include the *City of Redondo Beach Traffic Circulation Element* (City of Redondo Beach, 2009) approved in 2012 and *User-Based Microanalysis of State Route 1, Pacific Coast Highway* (SCAG, 2009). These prior studies identified PCH between Anita Street and Palos Verdes Boulevard as a highly congested corridor which experiences long delays during the AM and PM commuting hours. Many of the intersections along the 2.6 mile long project corridor are operating at a deficient level of service and have inadequate lane storage.

The project is separated into two phases. Phase I is a Traffic Analysis Report along Pacific Coast Highway from Anita Street to Palos Verdes Boulevard. Phase II consists of improvements at the intersection of Pacific Coast Highway and Torrance Boulevard. Phase II includes PS&E, Right-of-Way and Construction of a southbound dedicated right-turn lane at Torrance Boulevard, and other modifications including lengthening left turn pockets and restriping.

PROJECT SCOPE:

Phase 1: Traffic Analysis Report along PCH from Anita Street to Palos Verdes Boulevard

Phase I: Funding

Component	Amount
PA/ED	\$ 0
PS and E	\$ 150,000
R/W Support	\$ 0
R/W Capital	\$ 0
Construction Support	\$ 0
Construction	\$ 0
Total Phase I	\$ 150,000

Phase I: Scope

The project will finalize a Traffic Analysis Report along PCH from Anita Street to Palos Verdes Boulevard. The report will evaluate and document existing traffic conditions and provide preliminary design recommendations aimed at reducing congestion and improving safety.

A total of 29 intersections were identified and studied within the project limits. The report evaluates the existing traffic conditions of the Project study intersections for the following analysis:

- Level of Service (LOS) analysis
- Queuing analysis
- Signal warrant analysis

The 29 intersections are as follows:

1. Pacific Coast Highway at Anita Street / Herondo Street	Signalized
2. Pacific Coast Highway at Catalina Avenue	Signalized
3. Pacific Coast Highway at Irena Avenue	Signalized
4. Pacific Coast Highway at Agate Street	Unsignalized
5. Pacific Coast Highway at N. Guadalupe Avenue	Unsignalized
6. Pacific Coast Highway at Beryl Street	Signalized
7. Pacific Coast Highway at Carnelian Street	Signalized
8. Pacific Coast Highway at Diamond Street	Signalized
9. Pacific Coast Highway at Vincent Street	Signalized
10. Pacific Coast Highway at Emerald Street	Signalized
11. Pacific Coast Highway at Garnet Street	Signalized
12. Pacific Coast Highway at Torrance Boulevard	Signalized
13. Pacific Coast Highway at Pearl Street	Signalized
14. Pacific Coast Highway at Ruby Street / S. Guadalupe Avenue	Signalized
15. Pacific Coast Highway at Sapphire Street /S. Francisca Avenue	Signalized
16. Pacific Coast Highway at Topaz Street	Unsignalized
17. Pacific Coast Highway at Knob Hill Avenue	Signalized
18. Pacific Coast Highway at Avenue A	Unsignalized

19. Pacific Coast Highway at Avenue B	Unsignalized
20. Pacific Coast Highway at Avenue C	Signalized
21. Pacific Coast Highway at Avenue D	Unsignalized
22. Pacific Coast Highway at Avenue E	Unsignalized
23. Pacific Coast Highway at Avenue F	Signalized
24. Pacific Coast Highway at Avenue G	Unsignalized
25. Pacific Coast Highway at Avenue H	Signalized
26. Pacific Coast Highway at Elena Avenue South	Signalized
27. Pacific Coast Highway at Avenue I	Unsignalized
28. Pacific Coast Highway at Vista Del Mar	Unsignalized
29. Pacific Coast Highway at Palos Verdes Boulevard	Signalized

The report presents a set of proposed improvements to mitigate the circulation deficiencies along PCH, incorporating recommendations based on the regional and local planning studies completed for PCH thus far: *City of Redondo Beach Traffic Circulation Element* (City of Redondo Beach, 2009) approved in 2012 and *User-Based Microanalysis of State Route 1, Pacific Coast Highway* (SCAG, 2009).

Preliminary design recommendations were provided for 11 locations where either operational or safety deficiencies were observed or assessed.

Phase I: Schedule

	START DATE	COMPLETION DATE
Traffic Analysis Report	11/23/2015	4/19/2018
Bid for Traffic Analysis	11/23/2015	1/18/2016
Data Collection	11/1/2016	12/20/2016
Draft Traffic Analysis Report Version 1	12/21/2016	4/13/2017
Draft Traffic Analysis Version 2	4/13/2017	9/28/2017
Final Traffic Analysis Report	9/28/2017	4/19/2018

Phase II: Pacific Coast Highway (PCH) and Torrance Blvd Improvement

Phase II: Funding

Component	Amount
PA/ED	\$ 0
PS and E	\$ 150,000
R/W Support	\$ 40,000
R/W Capital	\$ 60,000
Construction Support	\$ 150,000
Construction	\$ 850,000
Total Phase II	\$ 1,250,000

Phase II Scope: Pacific Coast Highway (PCH) and Torrance Blvd Improvement

The proposed improvements for Phase II of the project include the addition of a southbound dedicated right turn lane on Pacific Coast Highway at Torrance Boulevard. The proposed lane would widen PCH, increasing the number of lanes on PCH at the intersection of Torrance Blvd from 3 lanes to 4 lanes. The 4 lanes will consist of a dedicated left turn lane, right turn lane, and two through lanes.

The project will also lengthen the dedicated left turn lane on southbound PCH by about 120 feet. This will increase left turn lane storage on southbound PCH, thus reducing backups on the through lane.

Specific improvements are as follows:

- Southbound dedicated right turn lane at Torrance Blvd.
- Acquire ROW through dedicated south bound right turn easement, including corner cutoff for curb ramp/s with ADA access.
- Modify the PCH SB left turn lane to EB Torrance Blvd by lengthening the turn pocket about 120 feet; restripe northbound and southbound PCH north of Torrance Blvd
- Remove street parking on both side of the street in order to provide longer left turn lane for SB traffic.
- Provide replacement street parking on the northerly block of PCH
- Relocate existing bus pad on SB PCH, from north of the intersection to south of the intersection to accommodate right turn lane.
- Obtain all necessary permits for the construction, including Caltrans and LACFCD.
- Hire construction firm through competitive bid and award process
- Provide construction supervision and management using consultant or City staff.
- Complete construction and prepare as-builts

Phase II Schedule: Pacific Coast Highway (PCH) and Torrance Blvd Improvement

PS&E	Oct 17, 2016	March 31, 2019
35% PS&E	Oct 17, 2016	February 28, 2017
Preliminary Investigations		
Preliminary Foundation		
Geometric Drawings	November 1, 2016	December 31, 2016
Bridge Type Selection Roadway and Retrofit Strategy		
ADL Review		
Utilities		
Right-of-Way		
Estimating		
Civic Design	January 1, 2017	March 31, 2017

Structural Design	January 1, 2017	March 31, 2017
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Software Specifications		
Project Review & Comments		
65% PS&E	March 1, 2017	October 18, 2017
Civil Design Plans		
Right-of-Way Engineering		
Structural Design		
Prepare Project Cost Estimate		
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Project Review & Comments		
95% PS&E	October 18, 2017	October 19, 2018
Civil Design Plans		
Structural Design		
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Submittals & Reviews		
Submit Final PS&E	November 1, 2018	December 31, 2018
Outside Agency Review	December 17, 2018	October 31, 2020
RIGHT OF WAY SUPPORT		
Certification/Mapping		
Appraisal		
RIGHT OF WAY ACQUISITION Phase II	February 1, 2019	April 30, 2019
Certification/Mapping		
Title Report		
Meet with Property Owners	February 1, 2019	February 28, 2019
Appraisal	March 1, 2019	March 15, 2019
Environmental Investigation		
Closing/Acquire Property/Relocation	March 16, 2019	December 31, 2020
Physical Possession	March 16, 2019	December 31, 2020
Remediation		
Utility Relocation		
Third Party Coordination		
Design Utilities		

Relocate Utilities		

CONSTRUCTION MILESTONES:	START DATE	COMPLETION DATE
SOLICITATION CONSTRUCTION	January 1, 2021	March 31, 2021
Develop Solicitation Package	January 1, 2021	January 15, 2021
Solicitation Response	January 16, 2021	February 15, 2021
Evaluations		
Selection		
Board Approval	February 16, 2021	March 15, 2021
Contract Award	February 16, 2021	March 15, 2021
Fully Executed Contract	March 16, 2021	March 31, 2021
Excavation	April 1, 2021	April 7, 2021
Clear/Grub		
Survey		
Sample Borings		
Grading		
Compaction		
Drainage		
Environmental		
Hazardous Materials Handling		
Archaeological		
Air Quality Monitoring		
Concrete		
Form Work		
Rebar Placement		
Pole Placement		
Traffic Control	April 1, 2021	April 7, 2021
TMP		
Structural	April 1, 2021	April 15, 2021
False Work		
Iron Placement		
Pole Placement		
Utilities		
DWP		
SCE	April 8, 2021	April 15, 2021
LADOT	April 8, 2021	April 15, 2021
Materials		
Long-Lead Equipment		
Staging		
Material Lay Down Area		
Signage		
Electrical		
Power U/G Communication	April 16, 2021	May 15, 2021
A/G Testing/Acceptance	April 16, 2021	May 15, 2021
	START DATE	COMPLETION DATE
Landscape		
Clearing	May 16, 2021	June 7, 2021
Planting	May 16, 2021	June 7, 2021

Plant Establishment		
Irrigation	June 8, 2021	June 15, 2021
Testing	June 8, 2021	June 15, 2021
Change Orders	June 16, 2021	June 30, 2021
P.O. Processing Time		
Weather		
Third Party Issues		
Strike Labor Walk Outs		
Force Majeure		
Claims		

Design and Study: Following Tasks are to be performed under a Consultant Contract for the design and study of the entire corridor:

The design phase of the project includes:

- A. a study phase, traffic analysis, reports, and various intersection improvement alternatives for the entire corridor of the Pacific Coast Highway
- B. prepare complete design plans, specifications, estimates and obtain Caltrans and County permits for a right turn lane addition on southbound Pacific Coast Highway at Torrance Boulevard, per Phase 2
- C. provide support services during construction phase of the right turn lane addition on southbound Pacific Coast Highway at Torrance Boulevard, per Phase 2, and
- D. perform necessary environmental study to determine the presence and extent of hazardous substances for Phase 2

Following the design and Caltrans permit process, the City will hire construction companies, through competitive bidding process, to construct the right turn lane addition, including southbound left turn lengthening and other intersection improvements. A more detailed description of the project scopes are stated below:

A. Preliminary Design Development for the Entire Project

- (a) Data Collection and Research. Consultant will research, collect and review all available data and information pertinent to the Project. Consultants research should include latest right of way maps/records, street improvement plans, traffic signal, street lighting, signing and striping, timing plans, and other related plans.
- (b) Topographic Survey and Base Map. Consultant will perform a topographic survey and prepare base maps for the intersection of PCH and Torrance Boulevard and an Aerial Survey of the entire Project.

- (c) Field Investigation. Consultant will conduct field investigation to verify all existing street improvements, utilities and obstructions, traffic counts, signal timing, signing and striping and other relevant items would be located in the field and shown on the base plans
- (d) Traffic Counts. Consultant will obtain traffic count information for the 29 intersections along the corridor, in order to perform level of service analysis for all intersections within the project limits.
- (e) Prepare Level of Service Analysis. Prepare level of service analyses for all study area intersections utilizing both HCM and ICU methodologies using the latest version of Synchro/Simtraffic.
- (f) Present Preliminary Design Concept and Plans. Present and discuss preliminary design plans for improvement concepts with exhibits, preliminary cost estimates, implementation schedules and other backup data.
- (g) Preferred Preliminary Design Plans. Prepare preferred preliminary design plans for selected improvements incorporating comments from the City and Caltrans.
- (h) Final Preliminary Conceptual Design Plans. Prepare and present final preliminary conceptual design plans, cost estimates and schedule to the City's Public Works Commission and/or the Council and Caltrans.

B. Construction Documents for PCH at Torrance Boulevard with Full Design

- (a) Utility Research & Coordination. Consultant will research all information pertinent to the intersection of PCH and Torrance that includes latest right of way maps/record, street improvement plans, traffic signal, street lighting, signing and striping, timing plans, and all other utility plans.
- (b) Pavement Investigation and Report. The consultant will perform a geotechnical reconnaissance of the site and advancing up to 3 soil borings at strategic locations for the dedicated right-turn lane to observe the existing pavement thickness and soil conditions beneath and to facilitate collection of sub-grade soil samples for lab testing.

The results of the field and laboratory testing will be provided to the City in a report including the following:

- Thickness of pavement section
- Site soil characterization

- R-Value of subgrade soils
 - Pavement section recommendations
- (c) 60% Construction Plans, Specifications & Estimate (PS&E). Consultant will prepare the 60% street improvement plans for the dedicated right turn lane from southbound PCH to westbound Torrance Boulevard which includes, Title Sheet, Typical Sections and Details, Roadway Plans and Profiles with Utilities shown, Traffic Signal and Intersection Lighting Modification Plan, Drainage Structures and Profiles and Traffic Handling Plans. The plans will conform to the requirements of the City of Redondo Beach, and will be designed per the latest California Department of Transportation (Caltrans) standards and specifications. Proposed facilities may include poles, mast arms, luminaries, controllers, vehicle detection, pull boxes, conduits, pedestrian push buttons, vehicular signals, pedestrian signals, striping, and fiber optic communication. Consultant will prepare technical specification and construction cost estimate along with the plans. Consultant shall prepare all exhibits and legal descriptions for temporary right-of-entry use and final right-of-way dedication/transfer to Caltrans.
- (d) 90% Construction Plans, Specifications & Estimate (PS&E). Based on the 60% comments from the City, consultant will revise the PS&E package for the 90% submittal. The plans, specifications, and cost estimate will incorporate the comments from all the stakeholder meetings and corrections from the first round of reviews.
- (e) 100% Construction Plans, Specifications & Estimate (PS&E). Based on the 90% comments from the City and Caltrans, consultant will revise the PS&E package for the 100% submittal. The plans, specifications, and cost estimate will incorporate the comments from all the stakeholder meetings and corrections from the second round of reviews.
- (f) Final Construction Plans, Technical Specifications & Estimate (PS&E). Based on the 100% comments from the City and Caltrans (if any), consultant will revise the PS&E package for the Final submittal.
- (g) Permit Process – Submittal, Coordination and Approval. Consultant will submit, coordinate and obtain all applicable permits from the City and other public agencies, coordinate plan review, prepare response on Caltrans comments and obtain final Caltrans approval.

C. Support Services through Bid, Award & Construction Phases

- (a) Provide Assistance in Preparing Bid Document. Consultant will provide assistance in preparing bid documentation including providing unit quantities, description of additive bid items and special conditions.
- (b) Provide Bid and RFI Response Services. Consultant will provide bid response services including attending pre-bid meeting with prospective contractors, responding to bidder's RFI, prepare addenda, evaluate bid documents and make recommendation to City for the selection of lowest responsive bidder.
- (c) Provide Support Services During Construction. Includes attending pre-construction conference, reviewing contractor's submittals, responding to RFI's, and revise and/or modify plans based on construction changes made in the field. Consultant should be available for construction site visits to assist in resolution of problems arising during construction.

D. Optional Environmental Services, ESA I and ESA II (City's Sole Discretion)

- (a) Phase I (ESA) Environmental Site Assessment. Prepare a Phase I Environmental Site Assessment (ESA) for 247 S Pacific Coast Highway, Redondo Beach, California 90277. Prepare Phase I ESA using methods consistent with the ASTM International (ASTM) E 1527-13 Standard Practice for Environmental Site Assessments, which shall comply with 40 Code of Federal Regulations (CFR) Part 312 (the All Appropriate Inquiries [AAI] Rule).
- (b) Phase II (ESA) Environmental Site Assessment. Determine the necessity of Phase II (ESA) after completion and review of the Phase I (ESA) findings. Consultant shall discuss the Phase I (ESA) findings with the City to determine if a Phase II (ESA) is required.

The Phase II (ESA) presented herein is based on the assumption that the Project site, currently a gasoline service station, would be contaminated by petroleum based contaminants, if confirmed by Phase I (ESA)

In the event soil contamination, consistent with petroleum based service station discharges, is suspected, Consultant shall provide Phase II services.

- i. Consultant shall ensure its representative will provide the field investigation and reporting services as follows.

- ii. Consultant shall ensure its representative will conduct the GPR and electromagnetic survey, drill the borings and collect the samples of soil and soil gas for analysis utilizing the methodologies used industrywide.
- iii. Final Reporting. Upon completion of all field activities and receipt of final laboratory reports, prepare a final report to document all activities, present analytical results, provide interpretation of data, and provide conclusions and recommendations.

Right of Way Acquisition:

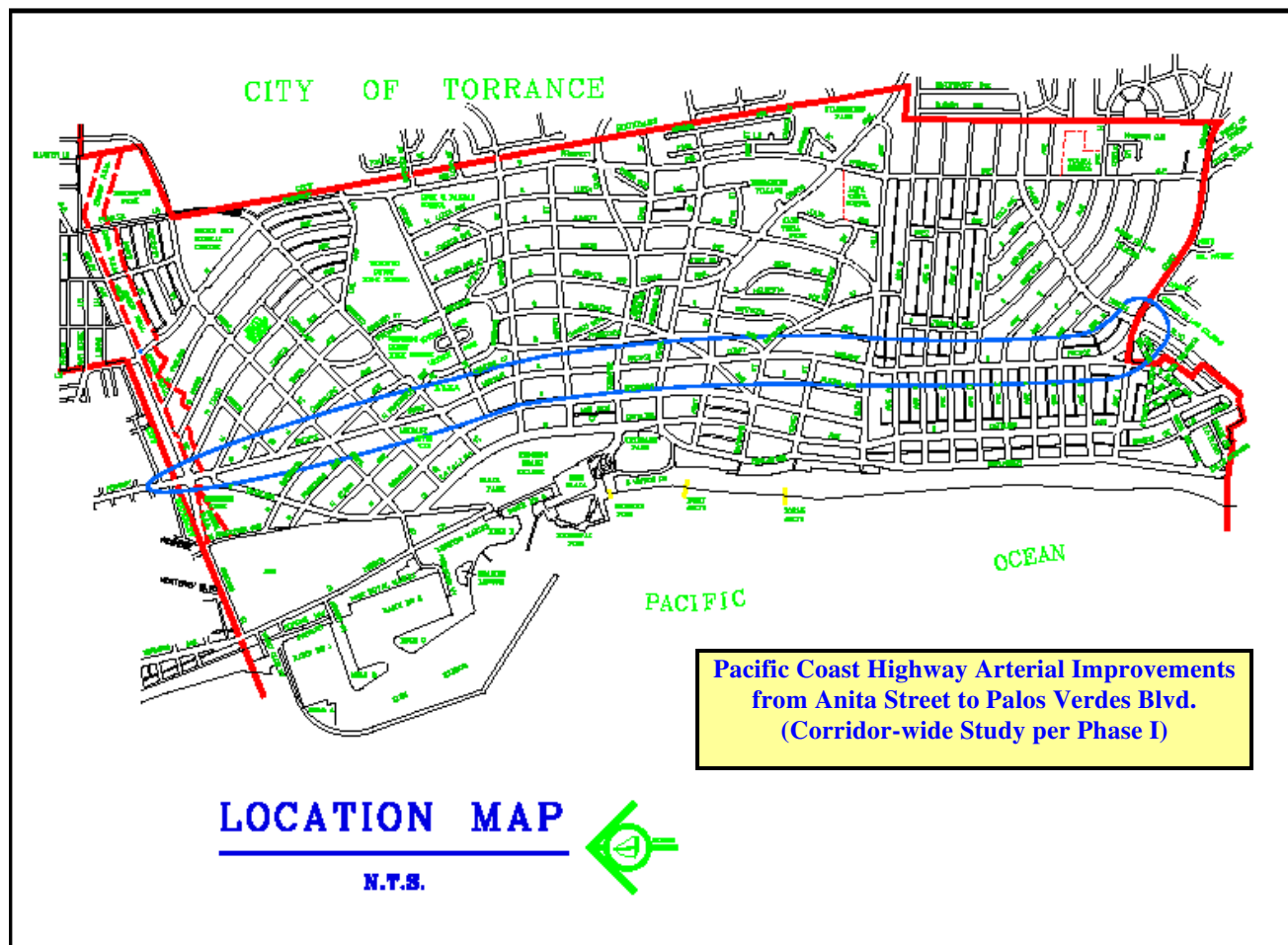
City will acquire necessary easement for the southbound right turn lane from Pacific Coast Highway at Torrance Boulevard, per Phase I, including a corner cutoff. City will solicit necessary support services for the right-of-way negotiations, acquisition and procurement. City will also negotiate with the owner/s of the properties involved for a temporary construction easement (TCE) needed for the construction of the right turn lane addition.

Construction:

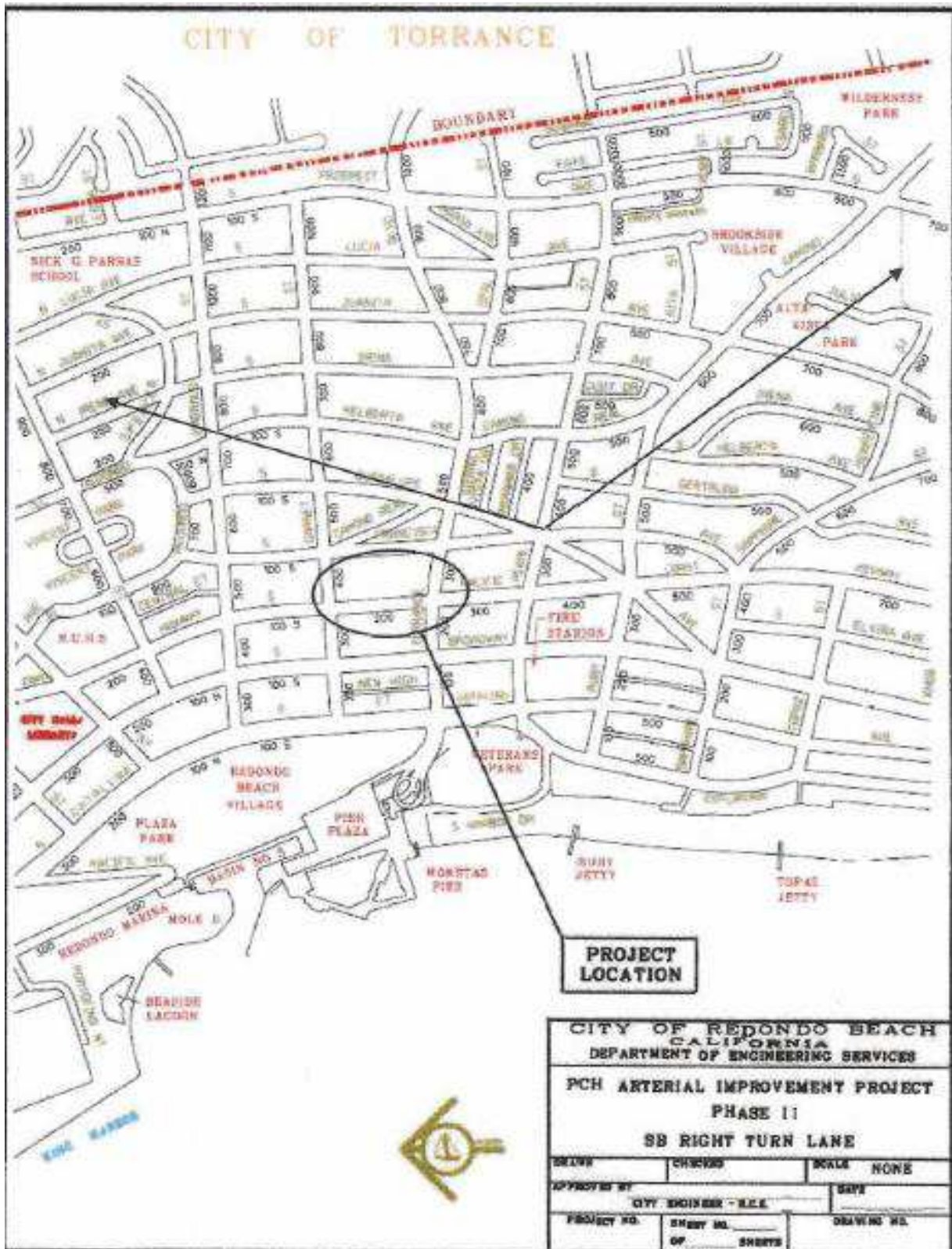
Construction for Phase II: Pacific Coast Highway Southbound Right Turn Lane at Torrance Boulevard. City will hire a construction company through competitive bid process to construct the right turn lane and related other signal, sidewalk, curb and gutter, catch basin and all other improvements per Caltrans approved plans.

ATTACHMENT C-4 -Location Maps

Phase I



Phase II



**AMENDMENT No. 4
TO MEASURE R FUNDING AGREEMENT BETWEEN
CITY OF REDONDO BEACH
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Amendment No. 4 to the Funding Agreement (this “Amendment”), is dated as of August 25, 2020 by and between the City of Redondo Beach ("Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. Grantee and LACMTA entered into that certain Funding Agreement No. MOU.MR312.07, dated August 15, 2011, which was amended on December 1, 2017, November 15, 2018 and August 31, 2019, (as amended the “Existing FA”), which Existing FA provides for the Plans, Specification and Estimates (PS&E), Right-of-Way, and Construction of Pacific Coast Highway at Torrance Boulevard Intersection Improvements (the “Project”); and

B. WHEREAS, the LACMTA Board on October 25, 2018 delegated administrative authority to staff to extend funding lapse dates to meet PAED, PS&E, ROW and Construction time frames; and

C. WHEREAS, the Grantee and LACMTA desire to extend the lapsing date of FY 2012-13 funds to June 30, 2021; and

D. WHEREAS, Grantee and LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part II, Section 9.1 (vii) of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: "All Funds programmed for FY 2011-12 have lapsed and are no longer available. All Funds programmed for FY 2012-13 are subject to lapse by June 30, 2021. All Funds programmed for FY 2018-19 are subject to lapse by June 30, 2023."
2. Attachment B1-3 of the Existing FA is hereby replaced by Attachment B1-4, attached.
3. Attachment C-3 of the Existing FA is hereby replaced by Attachment C-4, attached.
4. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No.4 to the FA to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____

Phillip A. Washington
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
Acting County Counsel

By: _____


Deputy

Date: 12/3/2020

GRANTEE:

CITY OF REDONDO BEACH

By: _____

William C. Brand
City Mayor

Date: _____

APPROVED AS TO FORM:

By: _____

Michael W. Webb
City Attorney

Date: _____

APPROVED AS TO FORM:

By: _____

Eleanor Manzano
City Clerk

Date: _____

ATTACHMENT B1-4 - EXPENDITURE PLAN COST & CASH FLOW BUDGET

Measure R Program - Funding Agreement Projects - FA# MOU.MR312.07 A-4
 Project Title: Pacific Coast Highway at Torrance Blvd. Intersection Improvement - Project#: MR312.07

PROGRAMMED SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Years	FY 2020-21 Qtr 1	FY 2020-21 Qtr 2	FY 2020-21 Qtr 3	FY 2020-21 Qtr 4	FY 2021-22 Qtr 1	FY 2021-22 Qtr 2	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:								
MEASURE R FUNDS:								
PAED								
PS&E	\$154,000							\$154,000
RW Support	\$9,000							\$9,000
RW								
Const. Support	\$50,000	\$22,000	\$10,000					\$82,000
Construction	\$270,482	\$257,065	\$162,453					\$690,000
Total MEASURE R	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000
SUM PROG LACMTA FUNDS:	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000
SUM NON-LACMTA FUNDS :	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROJECT FUNDING FY20-21 and FY21-22	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000
SUMMARY OF ALL FUNDS								
PAED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PS&E	\$154,000	\$0	\$0	\$0	\$0	\$0	\$0	\$154,000
RW Support	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
RW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Const. Support	\$50,000	\$22,000	\$10,000	\$0	\$0	\$0	\$0	\$82,000
Construction	\$270,482	\$257,065	\$162,453	\$0	\$0	\$0	\$0	\$690,000
TOTAL MILESTONES	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000
SUM PROG LACMTA FUNDS	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000
SUM NON-LACMTA FUNDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECT FUNDING	\$483,482	\$279,065	\$172,453	\$0	\$0	\$0	\$0	\$935,000

ATTACHMENT C-4 SCOPE OF WORK

PROJECT TITLE: F47 – Pacific Coast Highway at Torrance Blvd Intersection Improvements

PROJECT LOCATION:

The project is located in the City of Redondo Beach of the Los Angeles County, within the South Bay area.

PROJECT LIMITS:

This project limits are from the intersection of Pacific Coast Highway PCH or (State Route 1) and Torrance Boulevard to approximately 300 feet south of the intersection.

NEXUS TO HIGHWAY OPERATION DEFINITION / PROJECT PURPOSE:

The purpose of this project is to improve traffic flow, reduce congestion, enhance pedestrian safety, improve operations and traffic circulation along this congested corridor on and along Pacific Coast Highway (PCH), or State Route 1 (SR-1) and Torrance Boulevard.

PROJECT BACKGROUND:

Pacific Coast Highway is a major north-south State Highway that runs parallel to Interstate 405 (I-405) in the South Bay. Two previous regional and local planning studies were completed and identified a series of recommendations to improve traffic circulations along PCH. These studies include the *City of Redondo Beach Traffic Circulation Element* (City of Redondo Beach, 2009) approved in 2012 and *User-Based Microanalysis of State Route 1, Pacific Coast Highway* (SCAG, 2009). These prior studies identified the intersection of PCH and Torrance Boulevard as highly congested intersection, the proposed project will improve the level of service at the intersection.

PROJECT BUDGET:

COMPONENT	AMOUNT
PA/ED	000,000
PS and E	154,000
R/W Support	009,000
R/W Capital	000,000
Construction Support	082,000
Construction Capital	<u>690,000</u>
Total Budget	\$935,000

PROJECT SCOPE:

This project will result in the construction of an additional right turn lane (approximately 300 feet in length) on northbound Pacific Coast Highway, to the eastbound Torrance Boulevard. This proposed project will assist in decreasing travel time, relieve intersection backup and improve congested traffic conditions due to through and right

turning vehicles having to share the same lane. The intersection experiences long delays often up to several minute and is currently operation at a Level of Service of E during the AM peak hour, subsequently there is a queue spillback on all approaches.

The proposed improvements will also include signal modifications at the intersection of PCH and Torrance Boulevard, which will improve storage, mobility and pedestrian safety. The project will remove and relocate the traffic signal pole on the southeast corner, install new poles, replace the vehicle heads, pedestrian heads, push buttons, signage, and re-stripe the roadway and at the existing crosswalk at the southeast corner of PCH/Torrance Boulevard.

Additional improvements will also adjust to grade the existing traffic signal pull box, and relocate Caltrans pull boxes. The existing sidewalk on the southeast corner will be also be removed and re-constructed with a new street section, which will include an ADA curb ramp, are-constructed PCC sidewalk, cross gutter, and bus pad. Lane widths are to be provided per final Caltrans approved plans. Two catch basins, along with connecting storm drains, will be reconstructed at the proposed locations, per Plans approved by Los Angeles County Flood Control District.

DESIGN:

I. Preliminary Design

Tasks to be performed include the following, as applicable:

- A.** Account for field visits of the project area to identify design issues. Record existing site conditions in photographs and/or video.
- B.** Read, review and understand all aspects and goals of the Lead Agency's General Plan Circulation Element and other plans, as these plans pertain to the widening and ultimate build-out of the Pacific Coast Highway.
- C.** Incorporate agreed layout plans into the final design.
- D.** Provide a complete survey of the project area, establishing horizontal and vertical control for the project. Mapping shall include topographic features within 50 feet of project area.
- E.** Identify and coordinate with all utilities in the project area to facilitate the final design of the Project.
- F.** Conduct geotechnical investigations or substantiate with records of prior investigation and mitigation, if required by Caltrans.
- G.** Identify right-of-way acquisitions, and/or vacations to provide for the optimal alignment of Road, which shall incorporate roadway widening, development, build outs and preservation of existing improvements and scenic character of the area.
- H.** Identify street pavement structural sections for project area.
- I.** Identify all drainage/BMP structure improvements, based upon hydrology, hydraulic calculations and water quality issues. Structural

BMPs shall be incorporated into the street design for stormwater quality improvements prior to entering natural waterways.

- J.** Prepare and submit a Report/Drawings identifying the ultimate alignment of roadway improvements, as well as the recommended ultimate repair strategy for As part of the Report, the Consultant shall prepare and provide CAD drawings of the proposed alignment, which shall include vertical and horizontal alignment, improvements, and drainage/BMP structures. Right-of-way acquisitions and/or vacations, if applicable, shall be clearly identified.
- K.** Prepare and submit an Engineer's construction cost estimate for all recommended improvements identified in the Report.

II. Environmental Analysis

Tasks to be performed include the following, as applicable:

- A.** Define a complete and detailed project description and delineate project study areas that will meet the needs of technical analyses and Initial Study/Mitigated Negative Declaration (IS/MND).
- B.** Conduct the required technical analysis for the project.
- C.** Prepare, following completion of appropriate technical analysis, an Administrative Draft IS, consistent with CEQA Guidelines Appendix G, for review and approval by the City.
- D.** Prepare the Draft IS and Draft MND for public circulation.
- E.** Prepare responses to public review of Draft and prepare a Final MND and submit for review to the City.
- F.** Prepare an MMRP.
- G.** Coordinate with the City and prepare permit applications/notifications for the Project as applicable.
- H.** Delineation of the Waters of the US will be conducted within the ESL if applicable.
- I.** Prepare a final Tree report and map.

III. Final Design – Plans, Specifications and Estimates

Tasks to be performed include, but are not limited to, the following:

- A.** Design the ultimate build out of a right turn lane on northbound Pacific Coast Highway at Torrance Boulevard, and ultimate repair strategy for the intersection.
- B.** Prepare civil roadway plans for the required improvements, consistent with Caltrans Standards. At a minimum, the plan set shall include Title Sheet, Site Plan, General Construction Notes, Horizontal Control, Typical Sections and Details, Plan and Profile, Drainage/BMP

- Structure(s) Details, Traffic Striping/Signage/Signal Plans, Street Lighting/Electrical, Bike Lane (if any), and Median/Landscaping Plans.
- C.** Submittal of plan set shall be delivered at 50% and 90% complete and final (five (5) sets per submittal). When project is complete, the Consultant shall provide AutoCAD files for all plan sheets.
 - D.** Assist the City for the City Council presentation by preparing exhibits and attending meetings to discuss concerns of the property owners along Pacific Coast Highway, particularly with issues of right-of-way acquisition/easement.
 - E.** Prepare construction specifications consistent with Caltrans and City format (SSPWC "Greenbook" APWA), current edition with updates.
 - F.** Submittal of specifications shall be delivered to the City at 90% complete and final. When project is complete, the Consultant shall provide a digital file of specification package in Microsoft Word format for Windows.
 - G.** Prepare an engineer's construction cost estimate based on the itemized quantity take-off from the contract documents.
 - H.** Submittal of the engineer's construction cost estimate shall be delivered to the City at 90% complete and final in a spreadsheet format.

IV. Project Management and Preparation of Periodic Updated Schedule, Deliverables and Meetings

Tasks to be performed include the following, as applicable:

- A.** Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, progress meetings and preparation for the Community Information Workshop at 90% design completion.
- B.** Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.

RIGHT-OF-WAY:

Consultant to Perform the Task of Support Services. City to obtain Right-of-Way from the property adjacent.

Consultant to perform the following tasks:

- A.** Prepare and provide exhibits, plats and legal descriptions for the properties requiring right-of-way acquisition, slope easements, temporary construction easements and/or right-of-entry.

- B.** Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, site visits, progress meetings and preparation for City Council meetings.
- C.** Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.

Consultant to perform the following tasks, as applicable:

- A.** Order title reports/litigation guarantees.
- B.** Present conceptual plans to property owners adjacent to project.
- C.** Shall choose an Appraiser to prepare and provide appraisal of properties requiring right-of-way acquisition.
- D.** Authorize appraisals and improvements pertaining to properties.
- E.** Notify and meet with property owners of appraisals and detailed improvements to their properties.
- F.** Set just compensation.
- G.** Present written offer letters and appraisal summaries to property owners.
- H.** Conduct negotiations to settlement.

CONSTRUCTION:

Lead Agency, here the City, expects to provide construction oversight, procure a consultant or use City's own staff for construction management, award a contract for construction and to perform the following tasks:

- A.** Conduct a "Ground Breaking" ceremony for the project. At the minimum, inform the community of the impending project with signs and pamphlets.
- B.** Contract with a separate engineering firm to provide Construction Management for the Project. This can be accomplished through an RFP. Grantee may provide Construction Management by their own staff, if available.
- C.** Contract with a licensed Contractor for construction.
- D.** Conduct a "Ribbon Cutting" ceremony at the completion of the Project.

The Design Consultant shall meet as needed with the Lead Agency to accomplish Project tasks as outlined. Meetings expected between the Consultant and Lead Agency shall include, but not be limited to, Pre-Construction Meeting, progress meetings and preparation of responses to RFIs.

MILESTONES: The proposed implementation schedule for this project will be as follows:

	START DATE	COMPLETION DATE
SOLICITATION(BID/PROPOSAL) DESIGN		
Develop Solicitation Package	January 1, 2012	January 31, 2012
Solicitation Response	February 1, 2012	February 28, 2012
Evaluations		
Selection		
Board Approval	May 1, 2012	May 3, 2012
Contract Award	May 1, 2012	May 3, 2012
Fully Executed Contract	May 4, 2012	May 31, 2012
PLANNING		
Prepare Concept Report		
Prepare Feasibility Study		
Prepare Project Study Report		
Intelligent Transportation System (ITS)		
Feasibility Study		
Concept Exploration		
PRELIMINARY DESIGN		
Prepare Detailed Design Plans		
Prepare Detailed Construction Plans		
Prepare Project Cost Estimate		
Intelligent Transportation System (ITS)		
Concept of Operations		
System Requirements		
High Level Design		
PA&ED	June 1, 2012	May 31, 2014
Prepare Environmental Document Document Type: Categorical Exemption Filing		
Scoping		
Technical Studies		
Draft Environmental Document		
Final Environmental Document		
Community Outreach		
Secure Project Approval		
Intelligent Transportation System (ITS)		

PS&E	June 1, 2014	December 31, 2017
35% PS&E	June 1, 2014	June 30, 2015
Preliminary Investigations		
Preliminary Foundation		
Geometric Drawings		
Bridge Type Selection Roadway and Retrofit Strategy		
ADL Review		
Utilities		
Right-of-Way		
Estimating		
Civic Design	August 1, 2014	June 30, 2015
Structural Design	August 1, 2014	June 30, 2015
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Software Specifications		
Project Review & Comments		
65% PS&E	July 1, 2015	June 30, 2016
Civil Design Plans	July 1, 2015	June 30, 2016
Right-of-Way Engineering		
Structural Design		
Prepare Project Cost Estimate	July 1, 2015	June 30, 2016
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Project Review & Comments		
95% PS&E	July 1, 2016	June 30, 2017
Civil Design Plans	July 1, 2016	June 30, 2017
Structural Design		
Intelligent Transportation System (ITS)		

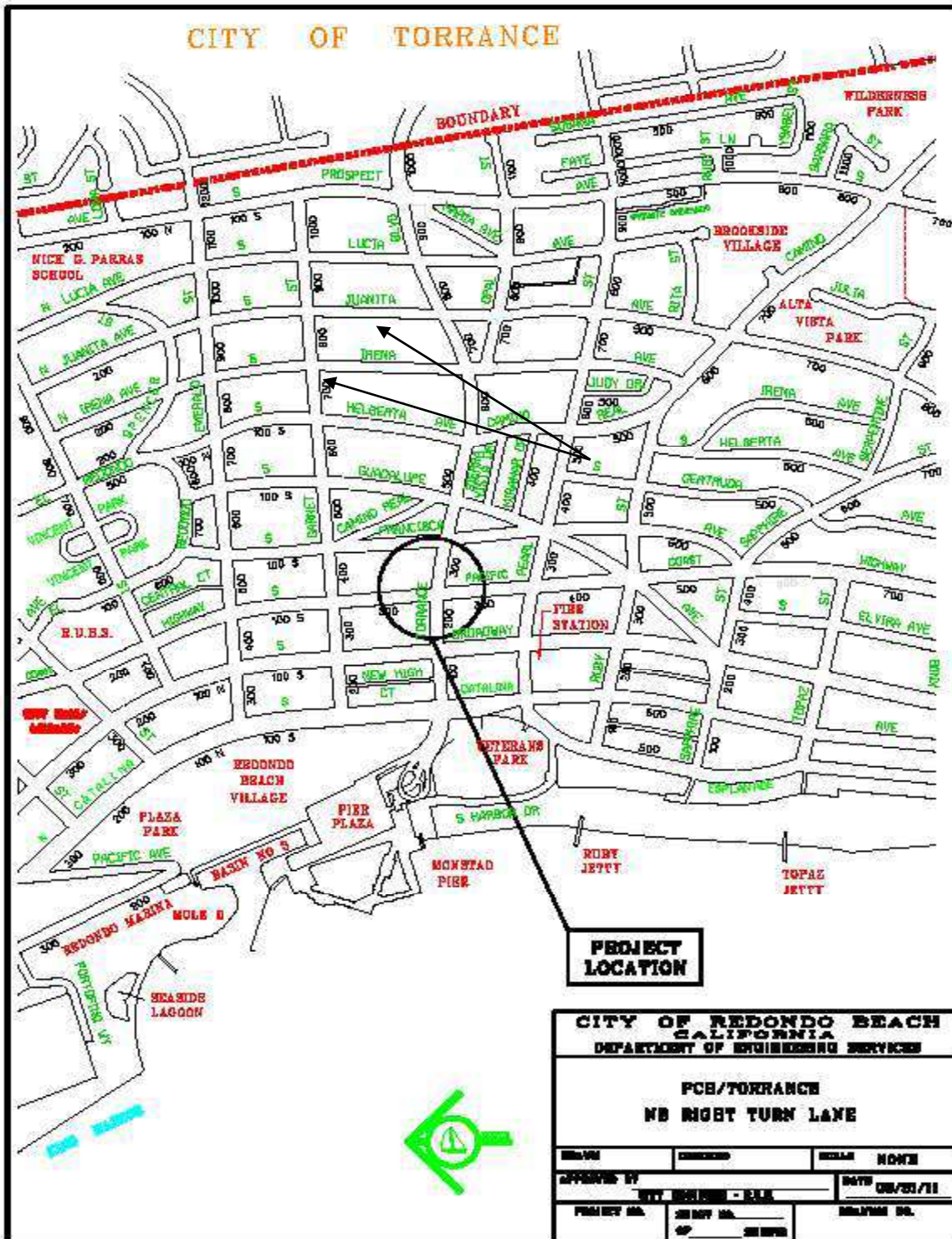
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Submittals & Reviews		
Submit Final PS&E	July 1, 2017	December 31, 2017
Outside Agency Review	July 1, 2015	May 10, 2018
RIGHT OF WAY SUPPORT	July 1, 2016	October 31, 2019
Certification/Mapping		
Appraisal		
RIGHT OF WAY ACQUISITION		
Certification/Mapping		
Title Report	July 1, 2019	August 31, 2019
Meet with Property Owners		
Appraisal		
Environmental Investigation		
Closing/Acquire Property/Relocation		
Physical Possession		
Remediation		
Utility Relocation	July 1, 2019	December 31, 2019
Third Party Coordination	July 1, 2019	December 31, 2019
Design Utilities		
Relocate Utilities	November 1, 2019	December 31, 2019
SOLICITATION (BID/PROP.) CONSTRUCTION		
Develop Solicitation Package	June 1, 2019	Jun 30, 2019
Solicitation Response	July 1, 2019	July 31, 2019
Evaluations		
Selection		
Board Approval	October 16, 2019	November 6, 2019
Contract Award	November 7, 2019	December 31, 2019
Fully Executed Contract	November 7, 2019	December 31, 2019

CONSTRUCTION MILESTONES: The proposed implementation schedule for this project will be as follows:

	START DATE	COMPLETION DATE
Excavation	February 1, 2020	February 15, 2020
Clear/Grub	February 1, 2020	February 7, 2020
Survey		
Sample Borings		
Grading		
Compaction	February 8, 2020	February 15, 2020
Drainage	February 8, 2020	February 15, 2020
Environmental		
Hazardous Materials Handling		
Archaeological		
Air Quality Monitoring		
Concrete		
Form Work	March 1, 2020	March 15, 2020
Rebar Placement		
Pole Placement	April 8, 2020	April 20, 2020
Traffic Control		
TMP	February 1, 2020	June 30, 2020
Structural		
False Work		
Iron Placement		
Pole Placement		
Utilities		
DWP		
SCE	April 1, 2020	April 30, 2020
LADOT	April 1, 2020	April 30, 2020
Materials		
Long-Lead Equipment		
Staging	May 1, 2020	May 31, 2020
Material Lay Down Area	May 1, 2020	May 31, 2020
Signage	May 1, 2020	May 31, 2020
Electrical		
Power U/G Communication	June 1, 2020	June 10, 2020
A/G Testing/Acceptance	June 1, 2020	June 10, 2020
Landscape		
Clearing		
Planting		
Plant Establishment		
Irrigation	June 1, 2020	June 30, 2020
Testing	June 21, 2020	June 30, 2020

	START DATE	COMPLETION DATE
Change Orders and Close Out	June 16, 2020	Dec 31, 2020
P.O. Processing Time	June 16, 2020	Dec 31, 2020
Weather		
Third Party Issues		
Strike Labor Walk Outs		
Force Majeure		
Claims		

ATTACHMENT C-4 -Location Map(s)



**AMENDMENT No. 5
TO MEASURE R FUNDING AGREEMENT BETWEEN
CITY OF REDONDO BEACH
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Amendment No. 5 to the Funding Agreement (this "Amendment"), is dated as of August 25, 2020 by and between the City of Redondo Beach ("Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. Grantee and LACMTA entered into that certain Funding Agreement No. MOU.MR312.20 dated August 15, 2011, which was amended on January 30, 2017, December 1, 2017, May 15, 2019 and August 31, 2019, (as amended the "Existing FA"), which Existing FA provides for the Plans, Specifications and Estimates (PS&E), Right-of-Way, and Construction of Aviation Boulevard at Artesia Boulevard Intersection Improvements (the "Project"); and

B. WHEREAS, the LACMTA Board on October 25, 2018 delegated administrative authority to staff to extend funding lapse dates to meet PAED, PS&E, ROW and Construction time frames; and

C. WHEREAS, the Grantee and LACMTA desire to extend the lapsing date of FY2011-12 funds to June 30, 2021; and

D. WHEREAS, the Grantee and LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part II, Section 9.1 (vii) of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: 'All Funds programmed for FY 2011-12 are subject to lapse by June 30, 2021'
2. Attachment B1-4 of the Existing FA is hereby replaced by Attachment B1-5, attached.
3. Attachment C-3 of the Existing FA is hereby replaced by Attachment C-4, attached.
4. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No.5 to the FA to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____

Phillip A. Washington
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
Acting County Counsel

By: _____


Deputy

Date: 12/3/2020

GRANTEE:

CITY OF REDONDO BEACH

By: _____

William C. Brand
City Mayor

Date: _____

APPROVED AS TO FORM:

By: _____

Michael W. Webb
City Attorney

Date: _____

ATTEST:

By: _____

Eleanor Manzano
City Clerk

Date: _____

ATTACHMENT B1-5 - EXPENDITURE PLAN COST & CASH FLOW BUDGET

Measure R Program - Funding Agreement Projects FA# MOU.MR312.20 A-5

Project Title: Aviation Boulevard at Artesia Boulevard Intersection Improvements Project#: MR312.20

PROGRAMMED SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Years	FY 2020-21 Qtr 1	FY 2020-21 Qtr 2	FY 2020-21 Qtr 3	FY 2020-21 Qtr 4	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:						
MEASURE R FUNDS:						
PAED						\$0
PS&E						\$0
RW Support	\$212,592	\$2,408				\$215,000
Const. Support						\$0
RW	\$18,820	\$10,000	\$374,180			\$403,000
Construction				\$111,000	\$118,000	\$229,000
Total MEASURE R	\$231,412	\$12,408	\$374,180	\$111,000	\$118,000	\$847,000
PROJECT FUNDING F20-21	\$231,412	\$12,408	\$374,180	\$111,000	\$118,000	\$847,000
SUMMARY OF ALL FUNDS						
PAED	\$0	\$0	\$0	\$0	\$0	\$0
PS&E	\$0	\$0	\$0	\$0	\$0	\$0
RW Support	\$212,592	\$2,408	\$0	\$0	\$0	\$215,000
Const. Support	\$0	\$0	\$0	\$0	\$0	\$0
RW	\$18,820	\$10,000	\$374,180	\$0	\$0	\$403,000
Construction	\$0	\$0	\$0	\$111,000	\$118,000	\$229,000
TOTAL MILESTONES	\$231,412	\$12,408	\$374,180	\$111,000	\$118,000	\$847,000
SUM PROG LACMTA FUNDS	\$231,412	\$12,408	\$374,180	\$111,000	\$118,000	\$847,000
SUM NON-LACMTA FUNDS	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECT FUNDING	\$231,412	\$12,408	\$374,180	\$111,000	\$118,000	\$847,000

ATTACHMENT C-4 SCOPE OF WORK

PROJECT TITLE: Aviation Boulevard at Artesia Boulevard Intersection Improvements Project

PROJECT LOCATION:

The project is located in the City of Redondo Beach of the Los Angeles County, within the South Bay area.

PROJECT LIMITS:

This project limits are Aviation Boulevard on the south side of Artesia Boulevard for a length of approximately 250 feet south of the intersection.

NEXUS TO HIGHWAY OPERATION DEFINITION / PROJECT PURPOSE:

The intersection of Aviation Boulevard and Artesia Boulevard is a major entryway to the City of Redondo Beach. Artesia Boulevard is a primary travel corridor to Interstate I-405 (I-405) and State Route 91 (SR-91) freeways. This intersection improvement project will improve regional traffic flow and reduce congestion on two key arterials, an eligible Highway Operational Improvement.

PROJECT BACKGROUND:

Aviation Boulevard is a regionally significant arterial that supports the movement of commuters and goods in the South Bay region of LA County. This particular intersection is a major north-south corridor from the residential areas in the southern part of the South Bay and to the employment center to the north. Aviation Boulevard carries approximately 32,000 – 37,100 vehicles per day and Artesia Boulevard carries roughly 33,000 vehicles per day. Motorists, including commuters and goods transporters, traverse Aviation Boulevard to access many regionally significant destinations including LAX, El Segundo Employment Center, Galleria at South Bay, Del Amo Fashion Center and a host of Piers and beaches. Additionally, Aviation Boulevard is a critical link to several freeways in the region including I-405, I-105 and SR-91.

PROJECT BUDGET:

COMPONENT	AMOUNT
PS and E	215,000
R/W Capital	403,000
Construction Capital	<u>229,000</u>
Total Budget	\$ 847,000

PROJECT SCOPE:

The project will install an additional right turn lane (approximately 250 feet in length) on northbound Aviation Boulevard to eastbound Artesia Boulevard. Additionally, the proposed improvements include removing and constructing a new sidewalk in the acquired right-of way along with curbs, gutters and driveways; relocating the traffic signal pole on the southeast corner of the intersection; traffic striping modifications, installing new signal loop detectors, and new street pavement. The proposed improvements will require the purchase of additional right of way from the owner of the service station located at the southeast corner.

This proposed project will decrease travel time, relieve intersection backup and improve congested traffic conditions. Currently this intersection is heavily congested during the morning and afternoon rush hours, due to through and right turning vehicles sharing a single lane. The project will improve the current Level of Service, LOS F, at the intersection, to a LOS E.

DESIGN:

I. Preliminary Design

Tasks to be performed include the following, as applicable:

- A.** Account for field visits of the project area to identify design issues. Record existing site conditions in photographs and/or video.
- B.** Read, review and understand all aspects and goals of the Lead Agency's General Plan Circulation Element and other plans, as these plans pertain to the widening and ultimate build-out of the Aviation Boulevard.
- C.** Incorporate agreed layout plans into the final design.
- D.** Provide a complete survey of the project area, establishing horizontal and vertical control for the project including the adjacent property. Mapping shall include topographic features within 50 feet of project area.
- E.** Identify and coordinate with all utilities in the project area to facilitate the final design of the Project.
- F.** Conduct geotechnical investigations or substantiate with records of prior investigation and mitigation, as required.
- G.** Identify right-of-way acquisitions, and/or vacations to provide for the optimal alignment of road, which shall incorporate roadway widening, development build outs and relocation/preservation of existing improvements and scenic character of the area.
- H.** Identify street pavement structural sections for project area.
- I.** Identify all drainage/BMP structure improvements, based upon hydrology, hydraulic calculations and water quality issues. Structural

BMPs shall be incorporated into the street design for stormwater quality improvements prior to entering natural waterways.

- J.** Prepare and submit a Report/Drawings identifying the ultimate alignment of roadway improvements, as well as the recommended ultimate repair strategy for the Report. The Consultant shall prepare and provide CAD drawings of the proposed alignment, which shall include vertical and horizontal alignment, improvements, and drainage/BMP structures. Right-of-way acquisitions required for the project shall be clearly identified.
- K.** Prepare and submit an Engineer's construction cost estimate for all recommended improvements identified in the Report.

II. Environmental Analysis

Tasks to be performed include the following, as applicable:

- A.** Perform Environmental Site Assessments as required by the City.
- B.** Define a complete and detailed project description and delineate project study areas that will meet the needs of technical analyses and Initial Study/Mitigated Negative Declaration (IS/MND).
- C.** Conduct the required technical analysis for the project.
- D.** Prepare, following completion of appropriate technical analysis, an Administrative Draft IS, consistent with CEQA Guidelines Appendix G, for review and approval by the City.
- E.** Prepare the Draft IS and Draft MND for public circulation.
- F.** Prepare responses to public review of Draft and prepare a Final MND and submit for review to the City.
- G.** Prepare an MMRP.
- H.** Coordinate with the City and prepare permit applications/notifications for the Project as applicable.
- I.** Delineation of the Waters of the US will be conducted within the ESL if applicable.
- J.** Prepare a final Tree report and map.

III. Final Design – Plans, Specifications and Estimates

Tasks to be performed include, but are not limited to, the following:

- A.** Design the ultimate build out of a right turn lane on northbound Aviation Boulevard at Artesia Boulevard, and ultimate repair strategy for the intersection.
- B.** Prepare civil roadway plans for the required improvements, consistent with City Standards. At a minimum, the plan set shall include Title Sheet, Site Plan, General Construction Notes, Horizontal Control,

Typical Sections and Details, Plan and Profile, Drainage/BMP Structure(s) Details, Traffic Striping/Signage/Signal Plans, Street Lighting/Electrical, Bike Lane (if any), and Median/Landscaping Plans.

- C. Submittal of plan set shall be delivered at 50% and 90% complete and final (five (5) sets per submittal). When the project is complete, the Consultant shall provide AutoCAD files for all plan sheets.
- D. Assist the City for the City Council presentation by preparing exhibits and attending meetings to discuss concerns of the property owner of the service station, particularly with issues of right-of-way acquisition and easements.
- E. Prepare construction specifications consistent with City format (SSPWC "Greenbook" APWA), current edition with updates.
- F. Submittal of specifications shall be delivered to the City at 90% complete and final. When project is complete, the Consultant shall provide a digital file of specification package in Microsoft Word format for Windows.
- G. Prepare an engineer's construction cost estimate based on the itemized quantity take-off from the contract documents.
- H. Submittal of the engineer's construction cost estimate shall be delivered to the City at 90% complete and final in a spreadsheet format.

IV. Project Management and Preparation of Periodic Updated Schedule, Deliverables and Meetings

Tasks to be performed include the following, as applicable:

- A. Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, progress meetings and preparation for the Community Information Workshop at 90% design completion.
- B. Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.

RIGHT-OF-WAY:

Consultant to Perform the Task of Support Services and Perform the Appraisal and Acquisition of the Right-of-Way from the adjacent property. Consultant to perform the following tasks:

- A. Prepare and provide exhibits, plats and legal descriptions for the properties requiring right-of-way acquisition, slope easements, temporary construction easements and/or right-of-entry.

- B.** Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, site visits, progress meetings and preparation for City Council meetings.
- C.** Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.
- D.** Order title reports/litigation guarantees.
- E.** Present conceptual plans to property owners adjacent to project.
- F.** Shall choose an Appraiser to prepare and provide appraisal of properties requiring right-of-way acquisition.
- G.** Authorize appraisals and improvements pertaining to properties.
- H.** Notify and meet with property owners of appraisals and detailed improvements to their properties.
- I.** Set just compensation.
- J.** Present written offer letters and appraisal summaries to property owners.
- K.** Conduct negotiations to settlement.

CONSTRUCTION:

Lead Agency, here the City, expects to provide construction oversight, procure a consultant or use City's own staff for construction management, award a contract for construction and to perform the following tasks:

- A.** Conduct a "Ground Breaking" ceremony for the project. At the minimum, inform the community of the impending project with signs and pamphlets.
- B.** Contract with a separate engineering firm to provide Construction Management for the Project. This can be accomplished through an RFP. Grantee may provide Construction Management by their own staff, if available.
- C.** Contract with a licensed Contractor for construction.
- D.** Conduct a "Ribbon Cutting" ceremony at the completion of the Project.

The Design Consultant shall meet as needed with the Lead Agency to accomplish Project tasks as outlined. Meetings expected between the Consultant and Lead Agency shall include, but not be limited to, Pre-Construction Meeting, progress meetings and preparation of responses to RFIs.

MILESTONES: The implementation schedule for this project will be as follows

	START DATE	COMPLETION DATE
Solicitation(Bid/Proposal)Design		
Develop Solicitation Package	February 1, 2012	March 31, 2012
Solicitation Response	May 1, 2012	June 30, 2012
Board Approval Process	March 1, 2015	May 19, 2015
Contract Award	March 1, 2015	May 19, 2015
Fully Executed Contract	May 20, 2015	July 15, 2015
PLANNING	NA	
Prepare Concept Report		
Prepare Feasibility Study		
Prepare Project Study Report		
Intelligent Transportation System (ITS)		
Feasibility Study		
Concept Exploration		
PRELIMINARY DESIGN		
Prepare Detailed Design Plans		
Prepare Detailed Construction Plans		
Prepare Project Cost Estimate		
Intelligent Transportation System (ITS)		
Concept of Operations		
System Requirements		
High Level Design		
PA&ED		
Prepare Environmental Document Document Type: _____		
Scoping		
Technical Studies		
Draft Environmental Document		
Final Environmental Document		
Community Outreach		
Secure Project Approval		
Intelligent Transportation System (ITS)		
Categorical Exemption Filing		
PS&E	July 16, 2015	October 31, 2020
35% PS&E	July 16, 2015	August 31, 2016
Preliminary Investigations	August 1, 2015	October 30, 2015
Preliminary Foundation	August 1, 2015	October 30, 2015
Geometric Drawings	August 1, 2015	October 30, 2015
Bridge Type Selection Roadway and Retrofit Strategy		
ADL Review		
Utilities		

Right-of-Way		
Estimating		
Civic Design	November 1, 2015	August 31, 2016
Structural Design	November 1, 2015	August 31, 2016
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Software Specifications		
Project Review & Comments		
65% PS&E	September 1, 2016	October 31, 2016
Civil Design Plans	September 1, 2016	October 31, 2016
Right-of-Way Engineering	September 1, 2016	October 31, 2016
Structural Design		
Prepare Project Cost Estimate	September 1, 2016	October 31, 2016
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Project Review & Comments		
95% PS&E	October 1, 2018	September 30, 2020
Civil Design Plans	October 1, 2018	September 30, 2020
Structural Design	October 1, 2018	September 30, 2020
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Submittals & Reviews		
Submit Final PS&E	October 31, 2020	October 31, 2020
Outside Agency Review	October 31, 2020	October 31, 2020
RIGH OF WAY SUPPORT		

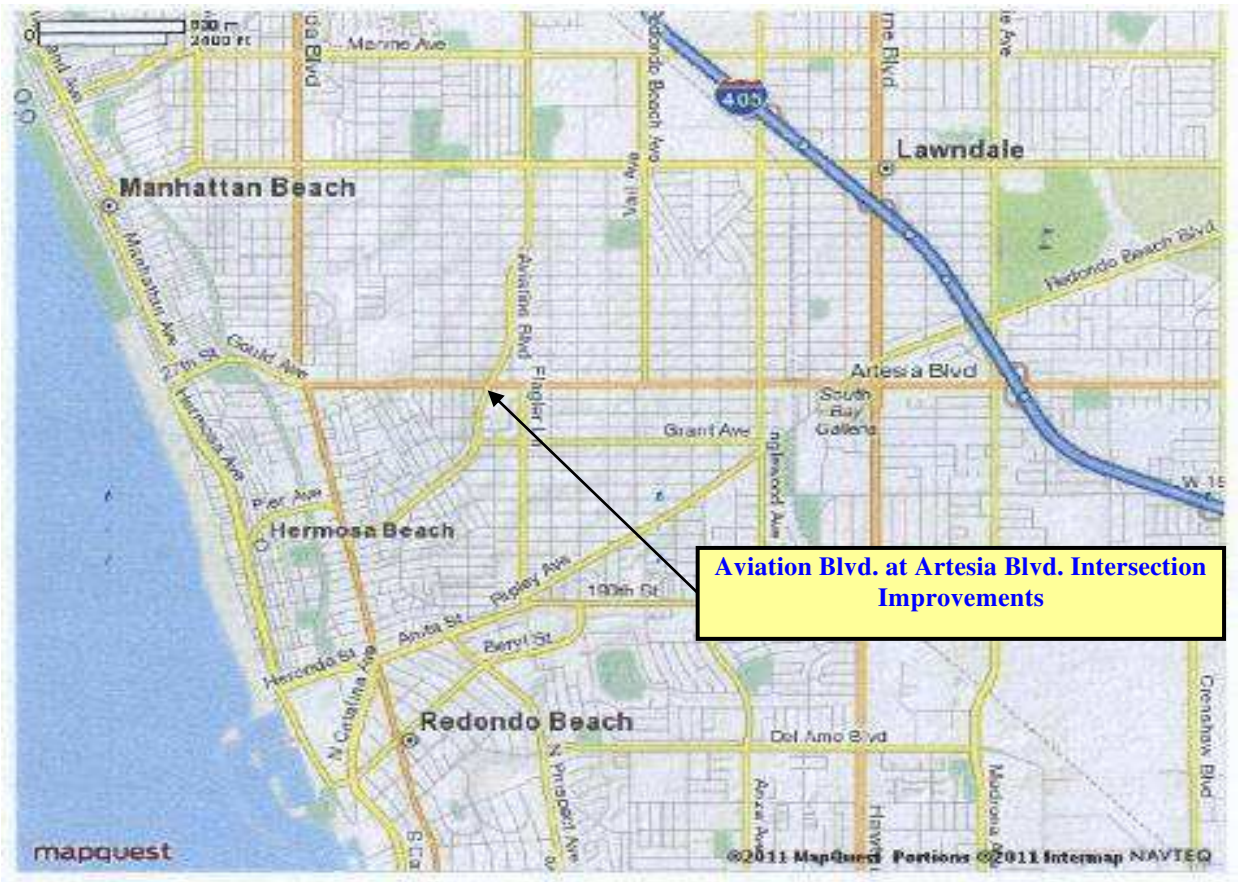
Certification/Mapping		
Appraisal		
RIGHT OF WAY ACQUISITION		
Certification/Mapping		
Title Report		
Meet with Property Owners	November 1, 2015	March 31, 2017
Appraisal	December 1, 2015	March 31, 2020
Environmental Investigation	January 1, 2019	June 30, 2020
Closing/Acquire Property/Relocation	December 1, 2017	December 31, 2020
Physical Possession	December 1, 2017	December 31, 2020
Remediation		
Utility Relocation		
Third Party Coordination		
Design Utilities		
Relocate Utilities		

CONSTRUCTION MILESTONES: The implementation schedule for this project will be as follows.

	START DATE	COMPLETION DATE
SOLICITATION(BID/PROP.)CONST RUCT	November 1, 2020	December 15, 2020
Develop Solicitation Package	November 1, 2020	November 15, 2020
Solicitation Response	December 1, 2020	December 15, 2020
Evaluations		
Selection		
Board Approval	February 1, 2021	February 15, 2021
Contract Award	February 1, 2021	February 15, 2021
Fully Executed Contract	February 16, 2021	February 28, 2021
Hazardous Materials Handling		
Archaeological		
Air Quality Monitoring		
Concrete		
Form Work	March 1, 2021	March 31, 2021
Rebar Placement	March 1, 2021	March 31, 2021
Pole Placement	March 1, 2021	March 31, 2021
Traffic Control		
TMP		
Structural		
False Work		
Iron Placement		
Pole Placement		
Utilities		
DWP		
SCE	April 1, 2021	April 10, 2021
LADOT	April 1, 2021	April 10, 2021
Materials		

Long-Lead Equipment		
Staging	April 11, 2021	May 15, 2021
Material Lay Down Area	April 11, 2021	May 15, 2021
Signage	April 11, 2021	May 15, 2021
Electrical		
Power U/G Communication	May 16, 2021	May 31, 2021
A/G Testing/Acceptance	May 16, 2021	May 31, 2021
Landscape		
Clearing		
Planting		
Plant Establishment		
Irrigation		
Testing		
	START DATE	COMPLETION DATE
Change Orders	June 1, 2021	June 30, 2021
P.O. Processing Time	June 1, 2021	June 30, 2021
Weather		
Third Party Issues		
Strike Labor Walk Outs		
Force Majeure		
Claims		

ATTACHMENT C-4 -Location Map(s)



**AMENDMENT No. 2
TO MEASURE R FUNDING AGREEMENT BETWEEN
CITY OF REDONDO BEACH
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Amendment No.2 to the Funding Agreement (this “Amendment”), is dated as of August 25, 2020 by and between the City of Redondo Beach ("Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. Grantee and LACMTA entered into that certain Funding Agreement No. 920000000M31242, dated January 16, 2015, which was amended on August 31, 2019, (as amended, the “Existing FA”), which Existing FA provides for the Project Approval and Environmental Document (PA&ED), Plans, Specifications and Estimates (PS&E), Right-of-Way, and Construction of Inglewood Ave. at Manhattan Beach Blvd. Intersection Improvements (Southbound Right Turn Lane) (the “Project”); and

B. WHEREAS, the LACMTA Board on October 25, 2018, delegated administrative authority to staff to extend funding lapse dates to meet PAED, PS&E, ROW and Construction time frames; and

C. WHEREAS, the Grantee and LACMTA desire to extend the lapsing date of FY2014-15 and FY2015-16 funds to June 30, 2021; and

D. WHEREAS, the Grantee and LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part II, Section 9.1 (vii) of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: All Funds programmed for FY 2013-14 have lapsed and are no longer available. All Funds programmed for FY 2014-15 are subject to lapse by June 30, 2021. All Funds programmed for FY 2015-16 are subject to lapse by June 30, 2021.”
2. Attachment B1- 1 of the Existing FA is hereby replaced by Attachment B1-2 attached.
3. Attachment C-1 of the Existing FA is hereby replaced by Attachment C-2, attached.
4. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

FTIP #: LA0G997
Subregion ID: Interchange 405, I-110, I-105 and SR-91
Ramp and Interchange Improvements (South Bay)

Project#: MR312.42
Amendment No. 2
FA# 920000000MR31242

IN WITNESS WHEREOF, the parties have caused this Amendment No.2 to the FA to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Phillip A. Washington
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
Acting County Counsel

By: _____
Deputy

Date: 12/3/2020

GRANTEE:

CITY OF REDONDO BEACH

By: _____
William C. Brand
City Mayor

Date: _____

APPROVED AS TO FORM:

By: _____
Michael W. Webb
City Attorney

Date: _____

APPROVED AS TO FORM:

By: _____
Eleanor Manzano
City Clerk

Date: _____

ATTACHMENT B1-2 EXPENDITURE PLAN COST & CASH FLOW BUDGET

Measure R Program - Funding Agreement Projects - FA# 9200000000MR31242

Project Title: Inglewood Ave. at Manhattan Beach Blvd. Intersection Improvements (Southbound Right Turn Lane) Pr

PROGRAMMED SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Expenditures	FY 2020-21 Qtr 1	FY 2020-21 Qtr 2	FY 2020-21 Qtr 3	FY 2020-21 Qtr 4	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:						
MEASURE R FUNDS:						
PAED	\$20,000					\$20,000
PS&E	\$270,070	\$100,930	\$49,000			\$420,000
RW Support	\$12,333	\$25,000	\$22,667			\$60,000
Const. Support			\$50,000	\$60,000	\$55,000	\$165,000
RW		\$800,000	\$1,405,000	\$605,000		\$2,810,000
Construction			\$300,000	\$900,000	\$500,000	\$1,700,000
Total MEASURE R	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000
SUM PROG LACMTA FUNDS:	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000
PROJECT FUNDING FY20-21	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000
SUMMARY OF ALL FUNDS						
PAED	\$20,000	\$0	\$0	\$0	\$0	\$20,000
PS&E	\$270,070	\$100,930	\$49,000	\$0	\$0	\$420,000
RW Support	\$12,333	\$25,000	\$22,667	\$0	\$0	\$60,000
Const. Support	\$0	\$0	\$50,000	\$60,000	\$55,000	\$165,000
RW	\$0	\$800,000	\$1,405,000	\$605,000	\$0	\$2,810,000
Construction	\$0	\$0	\$300,000	\$900,000	\$500,000	\$1,700,000
TOTAL MILESTONES	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000
SUM PROG LACMTA FUNDS	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000
SUM NON-LACMTA FUNDS	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECT FUNDING	\$302,403	\$925,930	\$1,826,667	\$1,565,000	\$555,000	\$5,175,000

ATTACHMENT C-2

SCOPE OF WORK

PROJECT TITLE: Inglewood Ave. at Manhattan Beach Blvd. Intersection Improvements (Southbound Right Turn Lane)

PROJECT LOCATION:

The project is located in the County of Los Angeles, in the City of Redondo Beach.

PROJECT LIMITS:

The project limits are the Northwest Corner of Inglewood Ave. at Manhattan Beach Blvd., from the corner to approximately 300 feet north of the intersection.

NEXUS TO HIGHWAY OPERATION DEFINITION/PROJECT PURPOSE:

The purpose of this project is to construct a southbound right turn lane on Inglewood Ave. at the intersection of Manhattan Beach Blvd. to eliminate congestion for the southbound through traffic. Inglewood Blvd. is a major travel corridor from the I-405 freeway. This project will improve the flow of traffic through this intersection.

BUDGET:

COMPONENT	AMOUNT
PA/ED	20,000
PS and E	420,000
R/W Support	60,000
R/W Capital	2,810,000
Construction Support	165,000
Construction Capital	<u>1,700,000</u>
Total Budget	\$5,175,000

PROJECT BACKGROUND:

The Inglewood Ave Corridor is one of the most highly congested arterial roads and carries approximately 57,000 vehicles daily to and from the I-405 freeway and local streets, and approximately 3,400 and 4,000 vehicles travel through this corridor during the a.m. and p.m. peak hours, respectively. In 2007, an intersection LOS analysis conducted by the Redondo Beach Circulation Element found that the intersection of Inglewood Avenue and Manhattan Beach has been operating at LOS E-AM and LOS F-PM.

SCOPE:

Inglewood Avenue runs north-south, located at the boundary between the City of Redondo Beach and the City of Lawndale, carries heavy traffic off of the Interstate I-405. Southbound Inglewood Avenue at the intersection of Manhattan Beach Blvd currently have the following lane configuration:

- One left turn lane
- Two through lanes
- One right turn lane

Currently, the intersection running at its lowest level of service & capacity causing significant delay and back-up traffic during the peak hours. This project will study and explore all necessary improvements at the intersection in order to reduce congestion and improve the level of service. City of Redondo Beach will acquire necessary right-of-way in order to accommodate one additional right turn lane for the southbound Inglewood Avenue at the intersection of Inglewood Avenue and Manhattan Beach Blvd. This project would explore various alternatives, design and construct the most feasible one. If feasible, the southbound Inglewood will have the following final configuration:

- One left turn lane
- Three through lanes
- One right turn lane

The intersection traffic signal and pedestrian phasing should be re-designed and improved using the latest state of the art traffic detection and signal technology. All necessary utility relocations are to be done under this project in order to accommodate one additional southbound lane, including Metropolitan Water District's utility vents & appurtenances and Southern California Edison power poles. City of Redondo Beach will coordinate the intersection improvements with the City of Lawndale.

DESIGN:

I. Preliminary Design – “Proposed Land Acquisition on Inglewood Ave. North of Manhattan Beach Blvd. Report” as Final Work Product

“Consultant” Staff to perform the following tasks:

- A. Account for field visits of the project area to identify design issues. Record existing site conditions in photographs and/or video.
- B. Read, review and understand all aspects and goals of the Lead Agency's General Plan Circulation Element and other plans, as these plans pertain to the widening and ultimate build-out of Inglewood Ave.
- C. Obtain 24 hour and other necessary traffic counts to compare existing Level of Service to future with project Level of Service at the intersection.
- D. Incorporate provided layout plans to be incorporated into the final design.
- E. Provide a complete survey of the project area, establishing horizontal and vertical control for the project. Mapping shall include topographic features within 50 feet of project area.
- F. Identify and coordinate with all utilities in the project area to facilitate the final design of the Project.

- G. Conduct soil contamination investigations within a 500 foot radius of Inglewood Ave and Manhattan Beach Blvd. intersection.
- H. Identify right-of-way acquisitions, and/or vacations to provide for the optimal alignment of Road, which shall incorporate roadway widening, development, build outs and preservation of existing improvements and scenic character of the area.
- I. Obtain street pavement structural sections for project area.
- J. Identify all drainage/BMP structure improvements, based upon hydrology, hydraulic calculations and water quality issues. Structural BMPs shall be incorporated into the street design for stormwater quality improvements prior to entering natural waterways.
- K. Prepare and submit a Report identifying the ultimate alignment of roadway improvements, as well as the recommended ultimate repair strategy for the Inglewood Ave. at Manhattan Beach Blvd. Southbound Right Turn Lane Improvements. As part of the Report, the Consultant shall prepare and provide CAD drawings of the proposed alignment, which shall include vertical and horizontal alignment, improvements, and drainage/BMP structures. Right-of-way acquisitions and/or vacations shall be clearly identified.
- L. Prepare and submit an Engineer's construction cost estimate for all recommended improvements identified in the Report.

II. Environmental Analysis

"Consultant" Staff to perform the following tasks as applicable to the project:

- A. Define a complete and detailed project description and delineate project study areas that will meet the needs of technical analyses and Initial Study/Mitigated Negative Declaration (IS/MND).
- B. Conduct the required technical analysis for the project.
- C. Prepare, following completion of appropriate technical analysis, an Administrative Draft IS, consistent with CEQA Guidelines Appendix G, for review and approval by the City.
- D. Prepare the Draft IS and Draft MND for public circulation.
- E. Prepare responses to public review of Draft and prepare a Final MND and submit for review to the City.
- F. Prepare an MMRP.
- G. Coordinate with the City and prepare permit applications/notifications for the Project as applicable.

III. Final Design – Plans, Specifications and Estimates

"Consultant" Staff to perform the following tasks:

- A. Design the ultimate build out of Inglewood Ave, and ultimate repair strategy for Inglewood Ave., based on the City reviewed "**Proposed Land Acquisition on Inglewood Ave. North of Manhattan Beach Blvd. Report**".
- B. Prepare civil roadway plans for the required improvements, consistent with City format. At a minimum, the plan set shall include Title Sheet, Site Plan, General Construction Notes, Horizontal Control, Typical Sections and Details, Plan and Profile, Drainage/BMP Structure(s) Details, Traffic Striping/Bikeway/Signage/Signal Plans, and Street Lighting/Electrical.
- C. Submittal of plan set shall be delivered at 35%, 65%, 90%, 95% complete and final (five (5) sets per submittal). When project is complete, the Consultant shall provide signed and stamped CAD files for all plan sheets.

- D. Assist the City for the Community Information Workshop after the 90% submittal by preparing exhibits and attending workshop and be prepared to discuss concerns of the property owners along Inglewood Ave, particularly with issues of right-of-way acquisition.
- E. Prepare construction specifications consistent with City format (SSPWC "Greenbook" APWA, current edition with updates.
- F. Submittal of specifications shall be delivered to the City at 90% complete and final. When project is complete, the Consultant shall provide a digital file of specification package in Microsoft Word format for Windows.
- G. Prepare an engineer's construction cost estimate based on the itemized quantity take-off from the contract documents.
- H. Submittal of the engineer's construction cost estimate shall be delivered to the City at 65% and 90% complete and final in a spreadsheet format.

IV. Project Management and Preparation of Periodic Updated Schedule, Deliverables and Meetings

"Consultant" Staff to perform the following tasks:

V.

- A. Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, presentation of "Summary Letter Report", progress meetings and preparation for the Community Information Workshop at 90% design completion.
- B. Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.

RIGHT-OF-WAY:

The budget includes Right-of-Way Support and Right-of-Way Capital costs.

"Consultant" Staff to perform the following tasks:

- A. Prepare and provide exhibits, plats and legal descriptions for the properties requiring right of way acquisition, slope easements, temporary construction easements and/or rights-of-entry.
- B. Meet as needed with the City to accomplish Project tasks as outlined. Meetings expected between the Consultant and City, shall be and not be limited to: Project Kick-off Meeting, site visits, progress meetings and preparation for City Council meetings.
- C. Provide periodic schedule updates on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project.

"Consultant" Staff to perform the following tasks

- A. Order title reports/litigation guarantees.
- B. Present conceptual plans to property owners adjacent to project.
- C. Shall choose an Appraiser to prepare and provide appraisal of properties requiring right of way acquisition.
- D. Authorize appraisals and improvements pertaining to properties.
- E. Notify and meet with property owners of appraisals and detailed improvements to their properties.
- F. Set just compensation.

- G. Present written offer letters and appraisal summaries to property owners.
- H. Conduct negotiations to settlement.

CONSTRUCTION

Lead Agency expects to provide construction oversight, procure a consultant for construction management and let a low bid contract for construction and to perform the following tasks:

- A. Conduct a "Ground Breaking" ceremony for the project.
- B. Contract with a separate engineering firm to provide Construction Management for the Project. This will be accomplished through an RFP.
- C. Contract with a Contractor for construction.
- D. Conduct a "Ribbon Cutting" ceremony at the completion of the Project.

The Design Consultant shall meet as needed with the Lead Agency to accomplish Project tasks as outlined. Meetings expected between the Consultant and Lead Agency, shall be and not be limited to: Pre-Construction Meeting, progress meetings and preparation of response to RFIs.

MILESTONES: The implementation schedule for this project will be as follows.

	START DATE	COMPLETION DATE
SOLICITATION (BID/PROPOSAL)		
Develop Solicitation Package	May 1, 2015	September 1, 2015
Solicitation Response	September 23, 2015	November 1, 2015
Evaluations	November 1, 2015	November 27, 2015
Selection	November 27, 2015	December 4, 2015
Board Approval	February 2, 2016	March 1, 2016
Contract Award	March 1, 2016	March 1, 2016
Fully Executed Contract	April 1, 2016	April 1, 2016
PLANNING		
Prepare Concept Report	May 1, 2016	November 1, 2016
Prepare Feasibility Study	May 1, 2016	November 1, 2016
Prepare Project Study Report	May 1, 2016	November 1, 2016
Intelligent Transportation System (ITS)		
Feasibility Study		
Concept Exploration		
Insert other planning milestones		
PRELIMINARY DESIGN		
Prepare Detailed Design Plans		
Prepare Detailed Construction Plans		
Prepare Project Cost Estimate		
Intelligent Transportation System (ITS)		
Concept of Operations		
System Requirements		
High Level Design		
Insert other prelim design milestones		
PA&ED		
Prepare Environmental Document Document Type: _____	November 1, 2016	
Scoping		
Technical Studies		
Draft Environmental Document		
Final Environmental Document		
Community Outreach		
Secure Project Approval		February 1, 2017
Intelligent Transportation System (ITS)		
Categorical Exemption Filing		
Insert other PAED milestones		
PS&E		
35% PS&E		
Preliminary Investigations	July 1, 2016	January 1, 2017
Preliminary Foundation		
Geometric Drawings		
Bridge Type Selection Roadway and Retrofit Strategy		
ADL Review		
Utilities		
Right-of-Way		
Estimating		
Civil Design	July 1, 2016	January 1, 2017
Structural Design		
Intelligent Transportation System (ITS)		

FTIP #: LA0G997
Subregion ID: Interstate I-405, I-110, I-105, and SR-91
Ramp and Interchange Improvements (South Bay)

Project#: MR312.42
Amendment No.2
FA# 920000000MR31242

Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Software Specifications		
Project Review & Comments		February 1, 2017
65% PS&E		
Civil Design Plans	February 1, 2017	July 1, 2017
Right-of-Way Engineering		
Structural Design		
Prepare Project Cost Estimate		
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Project Review & Comments		September 1, 2017
95% PS&E		
Civil Design Plans	March 1, 2018	June 1, 2018
Structural Design		
Intelligent Transportation System (ITS)		
Detailed Design		
ITS Drawings		
System Plans		
Communications Plans		
Systems Integrations Plans		
Equipment Specifications		
Software Specifications		
Submittals & Reviews		
Submit Final PS&E	September 1, 2020	September 15, 2020
Outside Agency Review		October 1, 2020
Insert other PS&E Milestones		
RIGHT OF WAY SUPPORT		
Certification/Mapping		
Appraisal		
RIGHT OF WAY ACQUISITION		
Certification/Mapping		
Title Report		
Meet with Property Owners	July 1, 2016	July 1, 2019
Appraisal	September 1, 2019	December 31, 2019
Environmental Investigation		
Closing/Acquire Property/Relocation	January 1, 2020	September 30, 2020
Physical Possession		
Remediation		
Insert other ROW milestones		
Utility Relocation		
Third Party Coordination		
Design Utilities		
Relocate Utilities	7	

Rev 12-03-19

FA Attachment C-2
Scope of Work

CONSTRUCTION MILESTONES: The implementation schedule for this project will be as follows.

	START DATE	COMPLETION DATE
Solicitation (Bid/Proposal)		
Develop Solicitation Package	September 1, 2020	September 15, 2020
Solicitation Response	September 16, 2020	October 15, 2020
Evaluations		
Selection		
Board Approval Process		
Contract Award	December 1, 2020	December 1, 2020
Fully Executed Contract	December 31, 2020	December 31, 2020
Excavation		
Clear/Grub	January 8, 2021	January 31, 2021
Survey		
Sample Borings		
Grading		
Compaction		
Drainage		
Environmental		
Hazardous Materials Handling		
Archaeological		
Air Quality Monitoring		
Concrete		
Form Work		
Rebar Placement		
Pole Placement		
Traffic Control		
TMP		
Structural		
False Work		
Iron Placement		
Pole Placement		
Utilities		
DWP		
SCE		
LADOT		
Materials		
Long-Lead Equipment		
Staging		
Material Lay Down Area		
Signage		
Electrical		
Power U/G Communication		
A/G Testing/Acceptance		

FTIP #: LA0G997
 Subregion ID: Interstate I-405, I-110, I-105, and SR-91
 Ramp and Interchange Improvements (South Bay)

Project#: MR312.42
 Amendment No.2
 FA# 920000000MR31242

	START DATE	COMPLETION DATE
Landscape		
Clearing		
Planting		
Plant Establishment		
Irrigation		
Testing		
General Construction/close out project	May 15, 2021	June 20, 2021
Change Orders		
P.O. Processing Time		
Weather		
Third Party Issues		
Strike Labor Walk Outs		
Force Majeure		
Claims		

ATTACHMENT C-2 -Location Map(s)





Administrative Report

H.7., File # 21-2084

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2102-014, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO KM INC. DBA TRADEWINDS, A CALIFORNIA CORPORATION

APPROVE A LEASE WITH KM INC. FOR THE PREMISES AT 142 AND 144 INTERNATIONAL BOARDWALK FOR A MONTHLY AMOUNT OF \$3,172.50 FOR THE TERM FEBRUARY 16, 2021 - FEBRUARY 16, 2022

EXECUTIVE SUMMARY

In July 2012, the City purchased the International Boardwalk leasehold and began the process of direct leasing to various tenants. This leasehold includes a narrow linear development of approximately 17,200 square feet. The City has negotiated a lease with Tradewinds for the space at 142 International Boardwalk, which is approximately 1200 rentable square feet and the space at 144 International Boardwalk which is approximately 210 rentable square feet for a total of 1,410 square feet,

The proposed lease is for a three-year term with the City retaining the option to terminate the lease with a twelve (12) month prior written notice. Rental to the City's Harbor Uplands Fund will amount to the greater of the minimum monthly rent of \$3,172.50, or 10% of gross sales.

BACKGROUND

In July 2012, the City purchased the International Boardwalk leasehold and began the process of entering into direct leases with various tenants. The International Boardwalk is comprised of a very narrow and linear development along the east side of the Redondo Beach Marina - also referred to as Basin III. The approximately 17,200 square feet of space is almost entirely prepared for retail and food and beverage uses.

Tradewinds is a retail beach boutique that specializes in high quality Redondo Beach apparel, beach supplies and home décor. Tradewinds has been a long-term tenant of the Boardwalk and in September 2019 expanded their retail operation to occupy the two locations listed above. They have been operating with two separate month-to-month leases for the spaces and have requested a new lease that consolidates the spaces into a single lease.

The proposed lease carries a three-year term with a minimum monthly rental amounting to \$3,172.50, or approximately \$2.25 per square foot, which is consistent with other similar retail leases in the waterfront and broader market. The monthly rent paid to the City will be the greater of the base rent of \$3,172.50 or 10% of gross sales. Under the lease, Tenant accepts the property "as is" with no further cost to the City. The City will retain the right to terminate the lease with a twelve-month written notice. Tenant John Kukawsky will remain

as personal guarantor on the lease.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office on this report. The City Attorney's Office has approved the document as to form.

FISCAL IMPACT

Lease revenue from the property will accrue to the City's Harbor Uplands Fund. The proposed lease will result in a minimum monthly rent of \$3,172.50 with an annual minimum of \$38,070. Over the three-year term of the lease, revenue to the Uplands Fund will be a minimum of \$114,210.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

- Resolution No. CC-2102-014
- Lease Between the City of Redondo Beach and KM Inc.

RESOLUTION NO. CC-2102-014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO KM INC. DBA TRADEWINDS, A CALIFORNIA CORPORATION

WHEREAS, Section 2-21.01, Chapter 21, Title 2, of the Redondo Beach Municipal Code provides that any lease of public land owned or controlled by the City of Redondo Beach, or by any department or subdivision of the City, shall be administratively approved by resolution; and

WHEREAS, the City Council shall approve the subject lease only upon the making of certain findings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of Redondo Beach approves the lease with KM Inc. dba Tradewinds, a California Corporation ("Lease") for the property commonly located at 121 W. Torrance Blvd., Suite 201 Redondo Beach, CA 90277, consisting of approximately 1,410 rentable square feet, as further detailed in the Lease attached hereto as Exhibit "A" and incorporated herein as set forth in full.

SECTION 2. That the City Council of the City of Redondo Beach hereby finds:

1. The Lease will result in a net economic or other public benefit to the City of Redondo Beach or the general public; and
2. The granting of the Lease is consistent with and will further the fiscal, budgetary and applicable economic development, social, recreational, public safety or other applicable adopted policies of the City; and
3. The Lease, and all land uses and development authorized by the Lease, are consistent with all applicable provisions of the general plan, the Coastal Land Use Plan where applicable, and the applicable zoning ordinances of the City; and
4. The Lease and all land uses and development authorized by the Lease, are consistent with and will carry out the goals, standards and policies of any specific plan applicable to the Lease property; and
5. The Lease and its purposes are consistent with all other applicable provisions of law.

PASSED, APPROVED AND ADOPTED this 16th day of February, 2021.

William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2102-014 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 16th day of February, 2021, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

EXHIBIT “A”

REDONDO BEACH INTERNATIONAL BOARDWALK

LEASE

by and between

CITY OF REDONDO BEACH

Landlord

and

KM INC. DBA TRADEWINDS
A CALIFORNIA CORPORATION

Tenant

SUMMARY OF LEASE PROVISIONS:

The information provided below is a summary of detailed provisions set forth in this Lease agreement by and between Landlord and Tenant identified below. This summary is intended to provide an overview only and is not intended to alter, limit or expand the provisions set forth at length in the Lease. In the event of any conflict between the information in this summary and any other provision of the Lease, the latter shall control.

Effective Date of Lease: February 16, 2021

Landlord: The City of Redondo Beach, a chartered city and municipal corporation.

Premises: That certain location in the Retail/Restaurant Area commonly known as Tenant Space number 142 International Boardwalk, comprised of approximately 1200 rentable square feet of Floor Area and 144 International Boardwalk, comprised of approximately 210 (as more particularly described in Exhibit A)

Tenant: KM Inc. a California Corporation

Tenant's Trade Name: Tradewinds (Exhibit B)

Use of Premises: Retail storefront and for no other use. Exhibit B

Lease Term: Three (3) years from commencement date.

Commencement Date: February 16, 2021.

Expiration Date: February 15, 2024.

Minimum Monthly Rent: Three Thousand One Hundred Seventy-Two Dollars and 50 Cents (\$3,172.50) per month for the first year with a Three percent (3%) increase on the anniversary of the commencement date each year thereafter.

Monthly Percentage Rent: Ten percent (10%) of Gross Sales and as may be further described in Section 7.4.

Tenant's Monthly Expense Share: Approximately \$.35 per square foot, being Tenant's pro rata share of applicable operating expenses and Common Area Expenses as described in the Lease.

Tenant's Association Share: Tenant to pay it's share for joint advertising and promotion as described in Article 27.

Address for Notices (Article 29):

TO LANDLORD:

City of Redondo Beach
Waterfront Economic Development Director
415 Diamond Street
Redondo Beach, CA 90277

and

City of Redondo Beach
City Attorney
415 Diamond Street
Redondo Beach, CA 90277

TO TENANT:

KM Inc. dba Tradewinds
c/o John Kukawsky
142 International Boardwalk
Redondo Beach CA 90277

Security Deposit: One Thousand Seven Hundred Fifty Dollars (\$1,750.00)

Guarantors: John Kukawsky (see Exhibit C)

Name and location of competing business or operation not subject to Non-Competition provisions (Section 15.3): N/A.

Rider to Lease: None. (Exhibit G)

Brokers: Landlord: BC Urban . Tenant: None.

Table of Contents

ARTICLE 1	DEFINITIONS	1
ARTICLE 2	EXHIBITS.....	7
ARTICLE 3	PREMISES.....	7
3.1	Lease of Premises.....	7
3.2	Agreements Affecting Lease.....	8
3.3	Landlord's Reservations	8
3.3.1	Regarding the Boardwalk Retail/Restaurant Area	8
3.3.2	Regarding the Premises	8
3.3.3	Regarding the City as Regulator	8
ARTICLE 4	USE AND POSSESSION	9
4.1	Tenant's Business	9
4.2	Compliance with Agreements, Laws, etc; Rules and Regulations; Insurance Requirements.....	9
4.3	Release	9
4.4	Use of the Premises.....	9
4.5	Prohibited Uses	11
4.6	Safety Requirements	12
4.7	Compliance with Law	13
4.8	Rules and Regulations.....	13
4.9	Food Service Use	13
ARTICLE 5	TERM.....	15
5.1	Term.....	15
5.2	Early Termination	15
5.3	No Relocation Assistance	15
ARTICLE 6	HOLDING OVER.....	16
ARTICLE 7	RENT	16
7.1	Minimum Monthly Rent	16
7.2	Payment of Tenant's Monthly Expense Share.....	16
7.3	Adjustment To Minimum Monthly Rent.....	17
7.4	Monthly Percentage Rent.....	17
7.4.1	Default Monthly Percentage Rent.....	17
7.4.2	Calculation and Adjustment of Monthly Percentage Rent Payments	18
7.4.3	Record Keeping	18
7.4.4	Monthly and Annual Statements.....	18
7.4.5	Right to Inspect and Audit	19

7.5	Additional Rent	19
7.6	Failure To Pay Items Required Under Article 7.....	19
7.7	Application of Payments	20
7.8	Address for Payments	20
ARTICLE 8 UTILITIES		20
8.1	Indemnification	20
8.2	Utility Charges	20
8.3	No Overloading.....	20
8.4	Discontinuance.....	21
8.5	Additional Utility Programs	21
8.6	Utility Service by Landlord.....	21
ARTICLE 9 INDEMNITY - RELEASE - INSURANCE - WAIVER OF SUBROGATION.....		22
9.1	Indemnity	22
9.2	Release	23
9.3	Waiver of Subrogation	23
9.4	Insurance Provided by Tenant.....	23
9.4.1	Comprehensive General Liability	23
9.4.2	Plate Glass	24
9.4.3	Boiler and Machinery	24
9.4.4	Direct Property Damage	24
9.4.5	Workers Compensation.....	24
9.4.6	Employer's Liability.....	24
9.4.7	Liquor Liability.....	24
9.4.8	Business Interruption	25
9.4.9	Motor Vehicle Liability	25
9.4.10	Policy Form	25
9.5	Blanket Coverage.....	26
9.6	Insurance Provided by Landlord	26
9.7	Actions Affecting Insurance.....	26
9.8	Hazardous Materials.....	27
9.9	Adjustment of Coverage	27
ARTICLE 10 TENANT'S RIGHT TO MAKE ALTERATIONS.....		27
10.1	Landlord's Consent.....	28
10.2	Ownership and Surrender of Alterations.....	28
10.3	Liens.....	29

10.4	Additional Requirements	29
10.5	Compliance with Applicable Prevailing Wage Requirements	30
ARTICLE 11	MECHANICS' LIENS.....	31
11.1	No Liens.....	31
11.2	Notices of Non-Responsibility	31
11.3	Security for Contested Claims.....	32
11.4	Landlord's Rights	32
ARTICLE 12	ADVERTISING MEDIA	32
12.1	Approved Advertising	32
12.2	Landlord's Consent Required	32
12.3	Advertising Outside Premises	32
ARTICLE 13	FIXTURES AND PERSONAL PROPERTY; PAYMENT OF TAXES	33
13.1	Removable Trade Fixtures	33
13.2	Improvements and Tenant's Work.....	33
13.3	Taxes on Improvements and Fixtures	33
13.4	Notice of Possessory Interest; Payment of Taxes and Assessments.....	33
ARTICLE 14	ASSIGNING, MORTGAGING, SUBLETTING, CHANGE IN OWNERSHIP	34
14.1	Prohibition Against Transfer.....	34
14.2	Restrictions on Transfer	34
14.3	No Release from Liability	35
14.4	Transferees's Obligations	35
14.5	Assignee's or Subtenant's Rent.....	35
14.6	Further Restrictions.....	35
ARTICLE 15	TENANT'S CONDUCT OF BUSINESS.....	36
15.1	Continuous Operation	36
15.2	Hours of Operation.....	36
15.3	Non-Competition	37
ARTICLE 16	REPAIRS AND MAINTENANCE.....	37
16.1	Tenant's Maintenance.....	37
16.2	Landlord's Right to Repair	38
16.3	Surrender of Premises	38
16.4	Landlord's Maintenance	38
16.5	Landlord's Entry.....	39
16.6	Display	40
ARTICLE 17	RECONSTRUCTION.....	40

17.1	Damage or Destruction by Casualty.....	40
17.2	Termination Upon Substantial Damage	40
17.3	Commencement of Restoration	40
17.4	No Abatement of Rent	41
17.5	Remedies Limited	41
ARTICLE 18 COMMON AREAS		41
18.1	Use of Common Areas	41
18.2	Common Area Maintenance.....	41
18.3	Control of Common Areas	42
18.4	Parking	42
ARTICLE 19 BANKRUPTCY; INVOLUNTARY TRANSFERS		43
19.1	Election to Assume Lease	43
19.2	Conditions of Assumption.....	43
19.3	Adequate Assurance.....	46
19.4	Occupancy Charges.....	46
19.5	Consent	46
19.6	Insolvency	46
19.7	Other Laws	47
ARTICLE 20 DEFAULTS BY TENANT; REMEDIES; TERMINATION AND SURRENDER OF POSSESSION 47		
20.1	Events of Default	47
20.2	Notices	48
20.3	Additional Assurances	48
20.4	Landlord's Rights and Remedies	48
20.5	Landlord's Damages	49
20.6	Fixtures and Personal Property	51
20.7	No Waiver	51
20.8	Termination and Surrender of Possession	51
20.9	Self Help	52
20.10	Limitation on Setoffs, Counterclaims	52
20.11	Interest	52
ARTICLE 21 DEFAULTS BY LANDLORD; REMEDIES		53
ARTICLE 22 EMINENT DOMAIN.....		53
22.1	Taking Resulting in Termination	53
22.2	Award.....	53
22.3	Partial Taking.....	54

22.4	Transfer under Threat of Taking	54
ARTICLE 23	ATTORNEYS' FEES	54
ARTICLE 24	SALE OR MORTGAGE BY LANDLORD.....	54
24.1	Sale or Mortgage.....	54
24.2	Landlord's Successor.....	54
24.3	Release on Sale	55
ARTICLE 25	MASTER DOCUMENTS AND LOAN CONSIDERATIONS	55
25.1	Subordination	55
25.2	Attornment	55
25.3	Notice to Holder of Encumbrance.....	55
25.4	Recordation	56
25.5	Estoppel Certificate.....	56
ARTICLE 26	QUIET POSSESSION	56
ARTICLE 27	TENANT'S ASSOCIATION SHARE FOR ADVERTISING AND PROMOTION.....	56
ARTICLE 28	CAPTIONS AND TERMS.....	57
ARTICLE 29	NOTICES	57
ARTICLE 30	OBLIGATIONS OF SUCCESSORS	57
ARTICLE 31	SECURITY DEPOSIT	58
31.1	Payment.....	58
31.2	Application.....	58
31.3	Transfer of Landlord's Interest	58
ARTICLE 32	BROKERS	58
ARTICLE 33	MISCELLANEOUS.....	59
33.1	Relationship of the Parties	59
33.2	Severability	59
33.3	Warranty of Authority.....	59
33.4	Entire Agreement	59
33.5	Construction	60
33.6	Right to Lease	60
33.7	Governing Law	60
33.8	Waiver or Consent Limitation.....	60
33.9	Force Majeure	60
33.10	Waiver of Rights of Redemption	61
33.11	Labor Disputes.....	61
33.12	Additional Assurances	61

33.13	Gender and Person	61
33.14	Counterparts.....	61
33.15	Time of Essence.....	61
33.16	Franchise.....	61
33.17	Exhibits Incorporated.....	62
33.18	Nondiscrimination	62
33.19	Independent Contractor.....	62
33.20	No Conflict of Interest	62
33.30	Acknowledgment, Release and Waiver.....	63

EXHIBITS

EXHIBIT A	-	Site Plan of Boardwalk Retail/Restaurant Area
EXHIBIT B	-	Description of the Premises, Trade Name and Use of Premises
EXHIBIT C	-	Guaranty of Lease
EXHIBIT D	-	Estoppel Certificate
EXHIBIT E	-	Sign Criteria
EXHIBIT F	-	Boardwalk Retail/Restaurant Area and Parking Rules and Regulations
EXHIBIT G	-	Rider to Lease
EXHIBIT H	-	Confirmation of Lease
EXHIBIT I	-	Memorandum of Lease Form

**REDONDO BEACH INTERNATIONAL BOARDWALK
LEASE**

This Lease ("Lease") is made as of February 16, 2021, by and between the **City of Redondo Beach**, a chartered city and municipal corporation ("Landlord") and **KM INC DBA TRADEWINDS, a California Corporation** ("Tenant").

RECITALS

A. The State of California has granted to Landlord certain tidelands on the conditions that Landlord develop, improve and operate such lands as a harbor. Landlord has developed, improved and is currently operating the area commonly known as Redondo Beach Harbor (the "Harbor Area"), which includes tide and submerged lands and uplands. As part of the Harbor Area, Landlord has constructed a boardwalk area known as the Redondo Beach International Boardwalk (the "Boardwalk") within the Harbor Area, and maintains the Boardwalk for recreational uses.

B. Tenant desires to lease from Landlord, and Landlord is willing to lease to Tenant, a certain portion of the Improvements on the Boardwalk Retail/Restaurant Area described herein as the Premises upon and subject to the terms, provisions and conditions of this Lease.

C. Landlord is planning to undertake a comprehensive revitalization of the Harbor Area, which may include the conveyance and/or redevelopment of the Boardwalk. Landlord has disclosed to Tenant that Landlord may desire to terminate this Lease prior to the end of the Term in connection with Landlord's planned revitalization of the Harbor Area and Boardwalk.

In consideration of the promises, conditions and covenants set forth herein, Landlord and Tenant hereby agree as follows:

ARTICLE 1 DEFINITIONS

For the purposes of this Lease, the following underlined terms shall have the meaning ascribed to them:

Additional Rent. All sums of money required to be paid pursuant to the terms of this Lease, including but not limited to the sums to be paid pursuant to Article 7, Article 8 and Section 18.2.

Assignment. Any (i) transfer, assignment, subletting, license, concession, change of ownership, mortgage or hypothecation of the Lease or of any portion of the Premises (as defined below) by Tenant or (ii) if Tenant is a business entity other than a publicly traded corporation, the transfer, assignment or hypothecation of more than twenty-five percent (25%), in the aggregate, of the equity, securities or voting control of Tenant.

Boardwalk. The Redondo Beach International Boardwalk.

Boardwalk Retail/Restaurant Area. The Improvements which are a part of the Redondo Beach International Boardwalk Area ("Boardwalk Area") of the Redondo Harbor Properties and

the Redondo Beach Harbor Enterprise, and which comprise the retail shops in the Boardwalk Area. The Boardwalk Retail/Restaurant Area, of which the Premises is a part, is located on the real property ("Property") located in Redondo Beach and further described in Exhibit A.

City. The City of Redondo Beach, a chartered city and municipal corporation.

CPI. The Consumer Price Index-All Consumers (Los Angeles-Anaheim-Riverside, CA, All Items, Base 1982-84 = 100) as published by the United States Department of Labor, Bureau of Labor Statistics. Should the Bureau discontinue the publication of the Index, or publish the same less frequently or on a different schedule, or alter the same in some other manner including, but not limited to, changing the name of the Index or the geographic area covered by the index, Landlord and Tenant shall adopt a substitute index or procedure which reasonably reflects and monitors consumer prices.

Commencement Date. The Commencement Date shall be the Commencement Date in the Summary.

Common Area. All improved and unimproved areas within the exterior boundaries of the Boardwalk Retail/Restaurant Area that are provided and designated by Landlord from time to time for the general and common use, benefit and/or convenience of Landlord and/or other tenants in the Boardwalk Retail/Restaurant Area and/or their respective authorized representatives and invitees. The Common Area are those areas, facilities and equipment of the Boardwalk Retail/Restaurant Area outside the Tenant Spaces and other premises for the exclusive use of Landlord or a tenant, and include without limitation, pedestrian walkways and patios, pier decking, landscaped areas, sidewalks, service corridors, public restrooms, stairways, non-structural portions of the roofs and exterior walls, plazas, malls, thoroughways, loading areas and parking areas. The common areas as they exist at the Commencement Date of this Lease are outlined in Exhibit A, which are depicted for the sake of conceptual reference only and not to establish exact locations or boundaries.

Common Area Expenses. All expenses incurred in connection with maintenance of the Common Areas including but not limited to all sums expended in connection with all general maintenance, repairs, resurfacing, painting, restriping, cleaning, sweeping and janitorial services; maintenance and repair of signs; sprinkler systems, planting and landscaping; lighting and other utilities; heating, ventilating and air conditioning costs and systems; directional signs and other markers and bumpers; maintenance and repair of any fire protection systems; lighting systems, storm drainage systems and other utility systems; salaries and costs of workers' compensation insurance covering personnel to implement such services including, if Landlord deems necessary, the cost of security guards; real and personal property taxes and assessments on the Improvements and land comprising the Common Areas; any governmental imposition or surcharge imposed on and/or assessed against any portion of the Common Areas; depreciation, maintenance and operating costs of machinery and equipment used in connection with the Common Areas (if owned) and rental paid for such machinery and equipment (if rented); adequate public liability and property damage insurance on the Common Areas; fire and extended coverage insurance (and earthquake and other natural disaster coverage insurance if Landlord obtains and maintains such coverage); licensing fees; pest extermination; and amounts paid by Landlord as a result of personal

injury or property damages, whether due to lack of insurance, deductible amounts or otherwise. In addition, Common Area Expenses shall include an amount for accounting, bookkeeping and collection of the expenses associated with the Common Areas equal to ten percent (10%) of the total of the above expenses associated with Common Areas for each calendar year. Landlord may cause any or all services associated with the Common Areas to be provided by an independent contractor or contractors.

Should Landlord acquire or make available additional land not currently shown as part of the Boardwalk Retail/Restaurant Area (as defined below), and make said land available for parking or other Common Area purposes, then Common Area Expenses shall also include all of the aforementioned expenses and costs incurred and paid in connection with said additional land.

Environmental Damages. All claims, judgments, damages (including punitive damages), losses, penalties, fines, liabilities (including strict liability), encumbrances and liens, and any other costs and expenses, resulting from the existence on or in, or release to the ground or air of Hazardous Materials in violation of or alleged to be in violation of the laws applicable thereto, including any attorneys' fees, disbursements, consultant's fees and other costs resulting from (a) investigation and defense of any alleged claim and (b) directive of any Governmental Agency, whether or not the claims or directives are groundless, false or fraudulent or ultimately defeated, and (c) any settlement or judgment.

Floor Area. All areas within the Boardwalk Retail/Restaurant Area which are held for the exclusive use and occupancy by specific tenants of Landlord, measured from the exterior surface of exterior walls (and, in the case of openings, from extensions thereof), and from the center of interior partitions, including, but not limited to, restrooms, mezzanines, warehouse or storage areas, clerical or office areas, and employee areas.

Governmental Agency. Any Federal, State, County or City authority having appropriate jurisdiction, any political subdivision thereof, or any school, agricultural, lighting, drainage or other improvement or special assessment district thereof.

Gross Sales . The gross selling price (including finance charges) of all merchandise or services sold, leased, licensed, or delivered in or from the Premises by Tenant, its permitted subtenants, licensees, or concessionaires, whether for cash or on credit (whether collected or not), including the gross amount received by reason of orders taken on the Premises although filled elsewhere, and whether made by store personnel or vending machines and all deposits not refunded to purchasers. Any transaction on an installment basis, including, without limitation, any "lay-away" sale, gift certificate or like transaction, or otherwise involving the extension of credit, shall be treated as a sale for the full price at the time of the transaction, irrespective of the time of payment or when title passes. All sales originating and orders taken, from or at the Premises, whether the orders are made by telephone, mail or any electronic device even if the order is filled elsewhere, shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another location for collection, and although actual filling of the sale or service order or actual delivery of the merchandise may be made from a place other than the Premises. Gross Sales also shall include any sums that Tenant receives from pay telephones, stamp machines, music machines, amusement machines, or public toilet locks, as well

as all admission, entry and other fees of any nature or kind charged by Tenant, its agents, sublessees, concessionaires or licensees. Gross Sales in credit card transactions shall include only the actual amount received by Tenant from the credit card issuer.

In addition, the term Gross Sales as used in this Lease shall not include the full retail price of California State Lottery tickets sold from the premises, but shall include the full amount of compensation and any incentive bonuses paid to and received by Tenant for such sales, as such compensation and bonuses are determined from time to time by the State Lottery Commission and Director under California Government Code §8880.51 and other applicable California laws.

Gross Sales shall not include, or if included there shall be deducted (but only to the extent they have been included), the following:

1. The selling price of all merchandise returned by customers and accepted for full credit, or the amount of discounts, refunds, and allowances made on such merchandise.

2. Merchandise returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant.

3. Sums and credits received in the settlement of claims for loss of or damage to merchandise.

4. The price allowed on all merchandise traded in by customers for credit or the amount of credit for discounts and allowances made instead of acceptance of merchandise.

5. Any sums paid to third parties for the use or rental of pay telephones, stamp machines, music machines, amusement machines, or public toilet locks.

6. Sales and use taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes, and other similar taxes now or in the future imposed on the sale of merchandise or services, but only if such taxes are added to the selling price, separately stated, collected separately from the selling price of merchandise or services, and collected from customers.

7. Sales of fixtures, trade fixtures, or personal property that are not merchandise as allowed in this lease.

Guarantors. The Guarantors, if any, are set forth in the Summary attached hereto and made a part hereof.

Harbor Area. The area commonly known as Redondo Beach Harbor.

Hazardous Materials. (a) Any petroleum or petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants which (i) pose a hazard to the Boardwalk Retail/Restaurant Area or to persons on or about the Boardwalk Retail/Restaurant Area or (ii) cause the Boardwalk Retail/Restaurant Area to be in violation of any Hazardous Materials Laws; (b) asbestos in any

form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; (c) any chemical, material or substance defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to, the Comprehensive Environmental Response' Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et. seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, et seq.; Sections 25115, 25117, 25122.7, 25140, 25281, 25316, and 25501 of the California Health and Safety Code; and Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Boardwalk Retail/Restaurant Area or the owners and/or occupants of property adjacent to or surrounding the Boardwalk Retail/Restaurant Area.

Impositions. The term "Impositions" shall mean all taxes, assessments, charges, levies, fees and other governmental charges, general and special, ordinary and extraordinary, of any kind and nature whatsoever, including, but not limited to, assessments for public Improvements or benefits, which shall be laid, assessed, levied, or imposed upon the Boardwalk Retail/Restaurant Area and the Common Areas or any part thereof and which are payable at any time during the term hereof, and all gross receipts taxes, rent taxes, business taxes and occupancy taxes, and shall include all of Landlord's reasonable administrative costs and any and all costs incurred by Landlord in contesting or negotiating the taxes with any governmental authority, except only franchise, estate, inheritance, succession, capital levy, transfer, income and excess profits taxes imposed upon Landlord.

Improvements. Structures, construction, alterations, additions and/or changes to the Boardwalk Retail/Restaurant Area, the Common Areas or the Premises, as the context requires.

Landlord. City or any successor to or assignee of Landlord's interest in the Boardwalk Retail/Restaurant Area.

Lease Year. For the first Lease Year, the period commencing on the Commencement Date and ending on the immediately next June 30th, whether in the same calendar year or the following calendar year, and thereafter, the period of 12 consecutive months commencing with each July 1st thereafter and ending on the following June 30th, the calendar year next following the Commencement Date.

Lender. Any construction, interim or permanent lender, or any mortgagee, trustee or beneficiary under a mortgage or deed of trust to which the Premises, the Boardwalk Retail/Restaurant Area, and/or any part thereof is subject pursuant to an agreement with Landlord.

Master Documents. This Lease shall be subordinate to the Tidelands Trust instruments

and any master lease, pursuant to which Landlord owns its estate, and any other document reasonably deemed relevant by Landlord, all of which are on file with Landlord.

Maximum Lawful Rate of Interest. The maximum lawful rate of interest shall be 300 basis points (3%) above the prime rate of interest announced by the Bank of America at its San Francisco office as charged to corporate borrowers of the highest standing for short term unsecured obligations (but in no event in excess of the maximum rate of interest then permitted to be charged by California law).

Minimum Hours of Operation. The minimum hours of operation shall be 11:00 am through 8:00 pm during each day of the Months of May, June, July, August and September; and 11:00 am through 6:00 pm during each day for any other Month (subject to change as provided for below).

Minimum Monthly Rent. Minimum Monthly Rent as specified in the Summary, payable Monthly in advance as increased pursuant to the terms of Article 7.

Month or Monthly. A calendar month period within each Lease Year, except that with regard to payments that are to be made Monthly, the first Monthly period shall commence on the date the Term commences and the last Monthly period shall end on the date the Term expires or terminates.

Monthly Percentage Rent. The Monthly Percentage Rent is that percentage of the Gross Sales during each Month as set forth in the Summary.

Premises. That portion of the Boardwalk Retail/Restaurant Area known as the Tenant Space number referred to above in the Summary, which numbered Tenant Space is located as shown on Exhibit B. The Minimum Monthly Rent is not based on the actual square footage as may be found by more exact measurement, and deviation from the approximations of Floor Area used to describe the Tenant Space herein shall not cause a change in the Minimum Monthly Rent.

Principal Owner. Any person or entity which owns or has the power to vote at least twenty-five percent (25%) of the equity securities (whether stock, partnership interests or otherwise) of Tenant.

Prior Lease. The lease between Landlord and Tenant in effect prior to the Commencement Date of this Lease, if any.

Reconstruction. The repair, reconstruction and restoration of the Premises following a casualty, as described in Article 17.

Removable Trade Fixtures. All personal property of Tenant not permanently affixed to the Premises, including but not limited to shelves, racks, signs, displays, counters and mirrors, which can be removed without damage to the Premises.

Security Deposit. The amount of the Security Deposit is set forth in the Summary, and is payable by Tenant to Landlord pursuant to Article 31.

Summary. The Summary is the Summary of Lease Provisions attached at the front of this Lease and made a part hereof.

Tenant. The Tenant is identified in the Summary and on the first page of this Lease.

Tenant's Estoppel Certificate. A written statement by Tenant, substantially in the form of Exhibit D, with respect to the Lease, as required by Section 25.5.

Tenant Spaces. Those certain spaces designed for the possession and occupancy of businesses and tenancies under lease from Landlord as depicted on Exhibit B.

Tenant's Monthly Expense Share. Tenant's Monthly Expense Share is set forth in the Summary.

Term. The term of this Lease is set forth in the Summary, commencing on the Commencement Date.

ARTICLE 2 EXHIBITS

The Summary set forth above and the following drawings and special provisions are attached hereto as Exhibits and are incorporated herein by this reference:

- Exhibit A: General site plan of the Boardwalk Retail/Restaurant Area.
- Exhibit B: Description of Premises, Trade Name and Use of the Premises.
- Exhibit C: Guaranty of Lease.
- Exhibit D: Tenant's Estoppel Certificate.
- Exhibit E: Sign Criteria.
- Exhibit F: Rules and Regulations.
- Exhibit G: Rider to Lease
- Exhibit H: Confirmation of Lease
- Exhibit I: Memorandum of Lease Form

ARTICLE 3 PREMISES

3.1 Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, for the Term, for the rent, and upon the covenants and conditions set forth in this Lease. Prior to entering into this Lease, Tenant has made a thorough and independent examination of the Premises and all matters related to Tenant's decision to enter into this Lease. As the occupant of the Premises pursuant to the Prior Lease, Tenant is thoroughly familiar with all aspects of the Premises and is satisfied that it is in an acceptable condition and meets Tenant's needs. Tenant agrees that Tenant shall accept the Premises "AS IS" in the condition as of the execution of this Lease, subject to all recorded matters, laws, ordinances and

governmental regulations and orders. Landlord shall have no responsibility for any work or Improvements which may be required to prepare the Premises for Tenant's use, or for any work in remodeling the Premises. Tenant acknowledges that neither Landlord nor any agent or representative of Landlord has made any representation as to the condition of the Premises, the suitability of the Premises for Tenant's intended use or the economic feasibility of the business Tenant intends to conduct. This Lease confers no rights of possession to Tenant to that portion of Boardwalk Retail/Restaurant Area lying outside of the exterior walls, floor and roof of the Premises, or to the Common Areas.

3.2 Agreements Affecting Lease. This Lease is subject to the Master Documents, which are hereby incorporated by reference. Upon written demand of Landlord, Tenant shall execute, acknowledge and deliver to Landlord for recording a subordination agreement whereby this Lease is subordinated to any of the Master Documents and any amendments thereto provided Tenants' rights under this Lease are not substantially or materially altered..

3.3 Landlord's Reservations.

3.3.1 Regarding the Boardwalk Retail/Restaurant Area. Landlord may change the name of the Boardwalk Retail/Restaurant Area. Tenant acknowledges that the Improvements shown in Exhibit A and the identity of any tenant shown thereon are subject to changes, alterations, additions and deletions as the Landlord may direct. Landlord may change the shape, size, location, number and extent of the Improvements on the site plan as shown on Exhibit A, and eliminate or add any Improvements to any portion of the Boardwalk Retail/Restaurant Area. Landlord reserves to itself the use of the roof, exterior walls, and the equipment, machinery, connections, pipes, ducts, conduits and wires leading through the Premises and serving other parts of the Boardwalk Retail/Restaurant Area, all in a manner and in locations which will not unreasonably interfere with Tenant's use of the Premises. Tenant's consent shall not be required for the creation of any covenants, easements or rights of way which are created by or required by Landlord or by any governmental authority.

3.3.2 Regarding the Premises. Landlord shall not materially change the size or location of the Premises without Tenant's prior written consent, which shall not be unreasonably withheld, after the Commencement Date. Landlord reserves the right to enter the Premises for purposes of inspection and repairs as set forth in Section 16.5, for self-help as set forth herein, for the installation and maintenance of sprinkler equipment, and at all times in case of emergency.

3.3.3 Regarding the City as Regulator. Tenant acknowledges and agrees that neither this Lease nor any other agreement with City in its proprietary capacity as Landlord shall bind the City in its regulatory capacity and that nothing contained herein is an agreement of the City as a governmental body having regulatory jurisdiction of the Premises to issue or grant to Tenant any permit including building, land use, occupancy, and health permits. Tenant shall be required to apply for and obtain all permits including building and land use permits needed from the City in its governmental regulatory capacity, and to comply with all laws, ordinances, rules and regulations of City governing the construction, use and occupancy of the Premises. Tenant further acknowledges that Tenant shall not have the right to apply for building and land use permits without Landlord's written consent, which may be withheld in the sole discretion of

Landlord.

ARTICLE 4 USE AND POSSESSION

4.1 Tenant's Business. Upon and after the Commencement Date Tenant shall use the Premises at all times for the sole purpose of conducting therein the business described and under the trade name as set forth in, Exhibit B, and for no other purpose or use and under no other trade name. Tenant shall not by any means or device, either directly or indirectly, violate the aforementioned restrictions on the use of the Premises.

4.2 Compliance with Agreements, Laws, etc; Rules and Regulations; Insurance Requirements.

4.2.1 Tenant shall not use or permit to be used the Premises or any part thereof for any purpose or use in violation of the Master Documents, this Lease or in violation of any law or ordinance or any regulation of any governmental authority or in any manner that will constitute an unreasonable annoyance to any occupant of the Boardwalk Retail/Restaurant Area or a public or private nuisance, including but not limited to the production of deleterious or offensive odors (which shall in all instances for purposes of this Lease include any and all food and cooking odors), or that will damage the reputation of the Boardwalk Retail/Restaurant Area or any part thereof, or for any hazardous purpose, or in any manner that will violate, suspend, void or serve to increase the premium rate of or make inoperative any policy or policies of insurance at any time carried on the property, buildings or Improvements on the Boardwalk Retail/Restaurant Area or the Property or any part thereof.

4.2.2 Tenant shall not violate or permit the violation of, and at Tenant's cost and expense shall comply with or cause to be complied with, at all times during the Term, all provisions of this Lease and the Master Documents affecting the Boardwalk Retail/Restaurant Area and all laws, ordinances, rules, regulations and orders of all governmental authorities (including, without limitation, the Tidelands Trust) affecting the Boardwalk Retail/Restaurant Area and the operation of any business therein and, without limiting the generality of the foregoing, Tenant shall, at its cost and expense, procure all licenses, permits or other authorizations required in connection with any operation conducted in the Premises. Tenant shall pay for any and all changes to the remainder of the Boardwalk Retail/Restaurant Area outside the Premises required or necessitated by or in any way due to this Lease and/or Tenant's required or permitted activities (including construction) hereunder.

4.3 Release. Tenant hereby releases Landlord from any liability for any loss or damage should Tenant's use and occupancy of the Premises for the purposes set forth in this Lease be prohibited or impaired by reason of any zoning, law, ordinance or regulation of federal, state, county or municipal governments, or by reason of any act of legal or governmental or other public authority, including without limitation, ballot initiatives.

4.4 Use of the Premises. Tenant shall at all times and at Tenant's cost and expense during the term (and shall cause its occupants to, as appropriate):

(1) Maintain the Premises and all access areas thereto in good order, condition and repair, and provide such janitorial services as shall be necessary to keep all of the above continuously safe, neat, vermin free, clean, inviting and attractive; and that in regard thereof, Tenant acknowledges that the Premises, being an oceanfront facility, is subject to nuisances caused by birds in the form of roosting and deposit of their droppings, and agrees to take reasonable measures to prevent or reduce such roosting and other nuisances caused by the birds on the exterior and roof of the Premises and to keep the exterior of the Premises and its immediate area clean and free of such droppings;

(2) Store or stock in the Premises only such property as shall be reasonably required in connection with business being conducted in the Premises, and not use any portion of the Premises for storage or warehouse purposes beyond such needs; and except for incidental related office purposes, use for office, clerical or other non-selling purposes only such space in the Premises as is from time to time reasonably required for Tenant's business therein;

(3) Store all trash and garbage in adequate closed containers located within the Premises so as not to be visible to members of the public patronizing the Boardwalk Retail/Restaurant Area; maintain such containers in a neat and clean condition and in a manner which will not create or permit any health or fire hazard or any offensive odor; and arrange for the regular removal of trash and garbage. If Landlord shall furnish trash removal service, Tenant shall use such service and shall pay Landlord monthly for such service at the prevailing competitive rate for such service as billed by Landlord;

(4) Refrain from burning any papers, trash or garbage of any kind in, on or about the Premises;

(5) Refrain from overloading any floor in the Premises;

(6) Refrain from using any portion of the Premises as living quarters, sleeping apartments or lodging rooms;

(7) Refrain from using the plumbing facilities for any purpose other than that for which they were constructed and refrain from disposing of any toxic, hazardous, damaging or injurious substance therein;

(8) Refrain from distributing any handbills or other advertising matter in, on or about any part of the Premises, the Boardwalk Retail/Restaurant Area, or nearby parking facilities, and shall not permit any parading, rallying, patrolling, picketing, demonstrating, hawking, sign waving, or any similar type of conduct within the Premises or the Boardwalk Retail/Restaurant Area;

(9) Use best efforts to cause all trucks servicing the Premises to be loaded and unloaded in those areas and during those hours specified by Landlord;

(10) Provide the proper number and types of fire extinguishers for the Premises as required by the most stringent applicable laws or insurance requirements of either Landlord or

Tenant;

(11) Keep the Premises suitably lighted during such hours as Landlord may reasonably require, including periods in addition to the business hours of Tenant if in the opinion of Landlord such lighting is reasonably necessary or desirable; and,

(12) Keep the walkway in front of the Premises free of all obstructions, including, but not limited to, temporary displays and signage. Certain furnishings, such as tables and chairs along the marina basin railing, may be considered by Landlord on a case-by-case basis in Landlord's sole discretion.

4.5 Prohibited Uses. Tenant shall not, and shall not allow any occupant of the Premises to:

(1) Conduct any going-out-of-business, fire, bankruptcy, auction or other distress sale in, on or about the Premises, or sell any used or re-conditioned merchandise or items;

(2) Use any sidewalks, walkways or areaways of the Boardwalk Retail/Restaurant Area for any purpose other than the passage of pedestrians. Tenant shall conduct its business entirely within the Premises and no portion of Tenant's business may encroach onto, or be located on the walkway in front of the Premises;

(3) Place any fence, structure, building, improvement, division, rail, sign, advertising, display, device or obstruction of any type or kind upon the Common Area or the Boardwalk Retail/Restaurant Area or any part thereof, or upon any vestibule, entrance or return to the Premises, except as may be approved in writing by Landlord;

(4) Park, operate, load or unload any truck or other delivery vehicle at the Boardwalk Retail/Restaurant Area or the Property, other than that portion from time to time designated by Landlord, or use any portion of Landlord's loading docks and related facilities other than such portions thereof and during such times as Landlord may designate in its sole and absolute discretion;

(5) Keep live animals of any kind in, on or about the Premises;

(6) Install, use or permit to be used in, on or about the Premises or the Boardwalk Retail/Restaurant Area any advertising medium, paging system, or other sound, light, or sensory device which may be seen, heard or experienced outside the Premises, such as, but not limited to, flashing lights, searchlights, loudspeakers, phonographs, pianos, organs, jukeboxes or radio or television broadcasts, or permit any live music or entertainment at any time unless in accordance with the terms of a valid entertainment permit issued by the City;

(7) Maintain or permit to be maintained in, on or about the Premises, pinball, mechanical or electronic games of any nature, or any vending, coin or credit card operated machines of any nature (except for any vending machines for food, candy, beverages and other similar items which are located only in areas not generally accessible to patrons and are solely for

use by employees of the business(s) being conducted in the Premises);

(8) Use any portion of the Premises for (i) the sale of drugs, including without limitation medical marijuana, (ii) a drug treatment clinic, (iii) a liquor store, (iv) a bar dispensing liquor or alcoholic products which is not an incidental part of a restaurant or (v) the sale, distribution, display or offer for sale any item which in Landlord's good faith judgment (which judgment may include consideration of the fact that the Landlord is the City), is inconsistent with the quality of the operation of the Boardwalk Retail/Restaurant Area intended for general and family-oriented patronage or which may tend to injure or detract from the moral character or image of the Boardwalk Retail/Restaurant Area, or which may otherwise violate the local community's sense of decorum, as may be determined by Landlord in its sole discretion. Without limiting the generality of the foregoing, Tenant shall not sell, distribute, display or offer for sale any paraphernalia used in connection with any illegal drugs or any pornographic, lewd or "adult" newspaper, book, magazine, film, picture, representation or merchandise of any kind.

4.6 Safety Requirements. Tenant's occupancy and rights hereunder shall be subject to the following:

(1) All fire protection systems servicing the Premises and the Boardwalk Retail/Restaurant Area, including, without limitation, any central station or remote station alarm systems, risers, sprinkler system, sprinkler control and fire protection water supply and related valves and fire pumps, shall be subject to Landlord's direct control and supervision, but without any obligation on Landlord to exercise such control and/or supervision.

(2) It shall be the responsibility of Landlord to keep any sprinklers in service at all times and to maintain any sprinkler equipment within the Premises in good order and repair so as to satisfy a "highly protected risk" rating with Landlord's fire insurance carrier, and any impairments to the sprinkler system within the Premises shall be reported immediately by Tenant to Landlord. In the event that it is necessary that any automatic sprinkler system be out of service, Tenant shall provide a fire watch in the affected areas of the building to meet both Landlord's and Code requirements.

(3) Tenant shall provide and maintain portable fire extinguishers throughout the Premises on the basis of at least one 2A-20BC rated extinguisher for each 3,000 sq. ft. or portion thereof. Said extinguishers must be mounted along normal paths of travel and securely hung in conspicuous locations. Said extinguishers must be placed so that travel distance to an extinguisher from any portion of the Premises does not exceed 75 feet.

(4) Tenant shall not introduce any hazardous occupancy or operation into the Premises for which the fire protection equipment therein is not designed. No operation may be conducted in the Boardwalk Retail/Restaurant Area which involves the use or storage of flammable liquids, aerosols or gas, and such use or storage in the Premises is prohibited, except and only as may be otherwise provided in this Lease for cooking facilities.

(5) Tenant shall observe and comply with all requirements specified by Landlord's fire insurance carrier for a "highly protected risk" rating in respect of the Premises and Tenant's use of

the same and its operations therein.

(6) If any cooking facility is operated in the Premises, Tenant shall comply with the special hazard protection requirements in the latest edition of NFPA Standard 96, including, without limitation:

(i) properly constructed and arranged ventilation hoods and ducts for all cooking equipment;

(ii) a fixed pipe automatic dry chemical or carbon dioxide extinguishing system (or approved equivalent) protecting the cooking surface, ventilation hood and ductwork of all cooking appliances producing grease-laden vapors;

(iii) the extinguishing system must be interconnected with the fuel supply for the cooking equipment so that actuation of the extinguishing system causes automatic shut-off of the fuel supply to the equipment.

4.7 Compliance with Law. Tenant covenants and agrees not to violate or permit the violation of, and at its expense shall comply or cause to be complied with all present and future applicable building, subdivision, zoning, off-street parking, environmental protection or any other land use or other laws, ordinances, rules, regulations or orders of any and all governmental authorities regulating the conduct of or having jurisdiction over the use and occupancy of the Boardwalk Retail/Restaurant Area (including the Premises) and, without limiting the generality of the foregoing, Tenant shall, at its expense, procure all licenses, permits or other authorizations required in order to lawfully and properly use, as a portion of the Boardwalk Retail/Restaurant Area, the Premises in the manner required and contemplated by this Lease. Tenant shall be responsible, at Tenant's expense, for making any modifications to the Premises or accommodations as may be required pursuant to the Americans with Disabilities Act and any other applicable accessibility laws.

4.8 Rules and Regulations. Tenant and Tenant's agents, employees, licensees, concessionaires, subtenants and invitees shall observe faithfully and comply with any reasonable rules and regulations governing the Boardwalk Retail/Restaurant Area as may from time to time be established in the Boardwalk Retail/Restaurant Area and Parking Rules and Regulations in Exhibit F and modified by Landlord. Such rules and regulations may apply, but need not be limited to, Minimum Hours of Operation, safety regulations, matters relating to security, schedule for lighting of display windows and signs and the use of Common Areas. Such rules and regulations shall be binding upon Tenant when posted in the management office of the Boardwalk Retail/Restaurant Area or upon delivery of a copy thereof to Tenant.

4.9 Food Service Use. Any material change in the quality or general theme of the restaurant originally approved by Landlord in the Premises shall be subject to Landlord's prior written approval, which may be granted or withheld in Landlord's sole discretion. Tenant agrees to maintain the highest standards in the quality and preparation of all food items, maintenance and cleanliness of the Premises, including, without limitation, the following:

(a) Tenant shall use its best efforts to maintain an “A” rating (or such similar first-class standard) set forth from time to time in applicable health department or other applicable governmental guidelines. Tenant’s failure to maintain such first-class rating more than three (3) times in any twenty-four (24) month period during the Lease Term shall, at Landlord’s election, constitute a material default by Tenant hereunder; provided, however, that Tenant shall not be in default under this section so long as Tenant contests any such rating in good faith within thirty (30) days after Tenant’s receipt of notice that its rating has been lowered and concurrently therewith provides to Landlord written evidence that Tenant is diligently pursuing the resolution of such contest and thereafter resolves such contest within sixty (60) days.

(b) Tenant shall not permit the accumulation of any refuse and shall be solely responsible, at Tenant’s sole cost and expense, for the removal of all trash and garbage from the Premises not less than seven (7) days per week to trash receptacles provided by Landlord pursuant to such procedures as Landlord may designate from time to time. Pending such removal, all such trash shall be kept in odor-proof, vermin-proof sealed containers out of public view and in compliance with all applicable laws.

(c) Tenant shall, at its sole cost and expense, at all times during the Term, provide necessary exhaust fans and systems, ductwork and venting and use its best efforts to ensure that all smoke, odors, vapors and steam are properly exhausted from the Premises. Such systems shall be installed pursuant to plans approved by Landlord, which systems shall prevent the discharge of smoke, odors, vapors and steam into the Common Areas of the Premises and the premises of other tenants. Notwithstanding the foregoing, Landlord acknowledges and agrees that Tenant’s ordinary and customary odors alone which are consistent with Tenant’s permitted restaurant use shall not constitute a violation of this section. Tenant’s exhaust and venting systems shall include fire prevention and/or extinguishment facilities or systems as may be required from time to time by applicable law or by Landlord in connection with Tenant’s use at the Premises. All such systems shall be maintained by Tenant at Tenant’s sole cost and expense in good working order and condition and in accordance with all applicable laws. Tenant shall regularly and adequately clean and maintain, or provide a contract for such cleaning and maintenance of, all such exhaust and venting systems serving the Premises, whether located within or outside the Premises in compliance with Landlord’s standards and requirements for such cleaning and maintenance. Tenant shall provide to Landlord, upon Landlord’s request, reasonable proof of such cleaning and maintenance program.

(d) Tenant shall use its best efforts to keep the Premises free from insects, rodents and all vermin. Without limiting the generality of the foregoing, Tenant shall, at Tenant’s sole cost and expense, engage professional, reputable exterminators reasonably approved by Landlord to service the Premises, including, without limitation, all food preparation and food storage areas, on a monthly basis (or at such greater frequency as Landlord may require) and to the extent necessary to safely keep the Premises free of insects, rodents, vermin and other pests and to prevent insects, rodents, vermin and other pests from infesting the premises of other tenants or the Common Areas of the Premises. Tenant shall, upon Landlord’s request, provide reasonable proof that Tenant is causing such extermination to be performed regularly at the Premises.

(e) Tenant shall, at Tenant’s sole cost and expense at all times during the Lease Term,

provide the necessary piping, connections, traps, grease traps, catch basins and other facilities for the removal of all waste liquids from the Premises in compliance with all applicable laws, codes and ordinances. Such facilities shall be connected to the sewers and mains provided by Landlord and shall be constructed so as to prevent the backing up or discharge of any such waste liquids into the Premises, the premises of other tenants or into the Common Areas of the Premises. Tenant shall not dispose of, nor permit to be disposed, any materials which tend to cause clogging or blockage of pipes and drains. Tenant shall regularly and adequately clean, or provide for the cleaning of, all grease traps, catch basins, plumbing waste lines and similar facilities serving the Premises. Tenant shall, upon Landlord's request, provide adequate proof that Tenant is causing such drainage cleaning to be performed regularly at the Premises.

(f) If alcoholic beverages are to be served at the Premises, Tenant shall obtain and maintain all required liquor licenses at all times during the Term. Tenant shall comply with all applicable alcoholic beverage control laws. Tenant shall not sell or serve alcoholic beverages intended for consumption outside of the Premises and shall use its best efforts to ensure that Tenant's customers do not carry such beverages outside of the Premises.

ARTICLE 5 TERM

5.1 Term. The Term for the period stated in the Summary shall commence on the Commencement Date. If the Commencement Date occurs on a day other than the first day of a Month, the Initial Term shall commence on the Commencement Date and shall continue from the first day of the calendar month next following the Commencement Date for the period of years set forth above.

5.2 Early Termination. Landlord may terminate the Term at any time in Landlord's sole and absolute discretion, with or without cause, by giving Tenant written notice at least twelve (12) months prior to the intended termination date. If Landlord delivers such notice of termination to Tenant, then this Lease shall terminate on the date set forth in the termination notice. Upon receipt of Landlord's notice of termination, Tenant may in its sole and absolute discretion give notice to Landlord of Tenant's election to terminate the Term 90 days after its receipt of Landlord's termination notice, and in such event the date of termination shall be 90 days after Tenant's receipt of Landlord's termination notice. Tenant acknowledges that Landlord may desire to terminate this Lease to facilitate Landlord's plans for the revitalization of the Boardwalk and Harbor Area, and that Tenant is not entitled to relocation benefits therefore as set forth in Section 5.3 hereof. Upon the termination of the Term of this Lease, the parties shall have no further obligations under this Lease, except as to those obligations that expressly survive the termination of this Lease.

5.3 No Relocation Assistance. Tenant understands and agrees that Tenant is not eligible to be a "displaced person" under the California Relocation Act, which provides that a "displaced person" shall not include any person whose right of possession at the time of moving arose after the date of the public entity's acquisition of the real property. Tenant understands that Tenant is a "post-acquisition tenant" pursuant to the Relocation Assistance and Real Property Acquisition Guidelines of the California Department of Housing and Community Development, 25 Cal. Code Regs. §6000, *et seq.* Tenant understands that pursuant to Section 6034(b) of the California Code of Regulations, Tenant shall not be entitled to any relocation benefits or assistance

if Tenant is temporarily or permanently displaced from the Premises, whether as a result of the expiration of the Term, Landlord's termination of the Lease pursuant to Section 5.2 hereof, Landlord's pursuit of an unlawful detainer proceeding against Tenant, or for any other reason. Tenant hereby knowingly and voluntarily waives any rights Tenant may have to claim or receive any relocation assistance or benefits under state or federal law, and agrees not to file any claim or take any other action to receive such assistance or benefits.

ARTICLE 6 HOLDING OVER

If Tenant holds over or remains in possession of the Premises with or without the consent of Landlord after the expiration of the Term, such holding over or continued possession shall create a tenancy from month to month only, upon the same terms and conditions as are herein set forth so far as the same are applicable; provided, however, the Minimum Monthly Rent payable during the period of such holding over shall be two hundred percent (200%) of the rent payable immediately preceding the expiration of the Term. If Tenant fails to surrender the Premises in a timely manner upon the termination of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall indemnify and hold Landlord harmless from loss or liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any proposed new tenant founded on such failure.

ARTICLE 7 RENT

Tenant shall pay Landlord without prior demand, deduction, set-off, counterclaim or offset during the Term the rent provided in this Article. All payments to be made under the terms of this Lease shall be in lawful money of the United States of America.

7.1 Minimum Monthly Rent. Tenant agrees to pay the Minimum Monthly Rent, in advance, on the first day of each calendar month, commencing on the Commencement Date, for the use and occupancy of the Premises. Should the Commencement Date be on a day other than the first day of a Month, then the rental for such fractional month shall be computed on a daily basis for the period from the Commencement Date to the end of such calendar month in an amount equal to 1/30 of said Minimum Monthly Rent for each day in such period and shall be due on the Commencement Date.

7.2 Payment of Tenant's Monthly Expense Share. Tenant shall pay Monthly to Landlord, as Additional Rent in addition to all other rental payable pursuant to this Article 7, Tenant's Monthly Expense Share. Tenant's Monthly Expense Share shall be due and payable at the same time that the Minimum Monthly Rent is due and payable. Tenant acknowledges that all businesses within the Boardwalk Retail/Restaurant Area are currently assessed under the International Boardwalk Sanitation District ("Sanitation District") for operational service fees provided by the City. Said fees are levied and assessed as set forth by ordinance and resolution of Landlord's City Council and may be adjusted from time to time. Tenant agrees to pay the annual assessment levied on the Premises by the Sanitation District. One-twelfth of the assessment levied annually upon Tenant at the Premises by the Sanitation District shall be credited (the "Sanitation District Credit") to each of Tenant's Monthly Expense Share for each month during the Lease Year for which the assessment and levy pertains; provided that Tenant delivers a true copy of the notice

of assessment and levy to Landlord within 30 days that Tenant receives such notice of assessment and levy. No Sanitation District Credit shall be given on account of penalties, interest or costs of collection arising from non-payment of the assessment. In the event the Sanitation District is dissolved or altered in any manner, including to assess only leaseholders, Tenant agrees that the Sanitation District Credit shall cease and no longer be credited against Tenant's Monthly Expense Share, and that the full amount of the Tenant's Monthly Expense Share shall be due and payable without credit or offset.

7.3 Adjustment To Minimum Monthly Rent. On the third anniversary of the Commencement Date, the Minimum Monthly Rent shall be adjusted to an amount equal to 80% of the average total monthly rent, including without limitation percentage and minimum rent, payable to Landlord during the previous (three-year) period, provided it shall never be decreased. If such a formula does not yield an increase in Minimum Monthly Rent equal to or greater than the CPI increase for such a period, then Minimum Monthly Rent shall be adjusted by the increase in the CPI over such period, but in no event decreased, as provided in this Section. For purposes of these CPI increase adjustments, the "Base Month" shall be the Month which is two Months before the Commencement Date, and the adjustment Month shall be the next Month immediately following the third anniversary of the Base Month. The increase shall be calculated by multiplying the Minimum Monthly Rent by a fraction in which the numerator is the CPI for the adjustment Month and the denominator is the CPI for the base Month, and the Minimum Monthly Rent shall be increased to that sum. If the CPI is amended or discontinued, Tenant agrees that Landlord shall have the right to designate a substitute index to be used which will assure that substantially the same results will be obtained hereunder as if the CPI had remained in effect throughout the Term.

7.4 Monthly Percentage Rent. In addition to Minimum Monthly Rent and other sums specified herein, Tenant agrees to pay to Landlord on the 10th day of each Month, Monthly Percentage Rent for the immediately preceding Month without any prior demand and without any offset or deduction whatsoever; except that Tenant shall be liable for Monthly Percentage Rent only to the extent by which the amount the Monthly Percentage Rent for the immediately preceding Month exceeds the Minimum Monthly Rent paid to Landlord by Tenant for the same immediately preceding Month.

7.4.1 Default Monthly Percentage Rent. In the event Tenant shall fail to timely submit a Monthly Statement, as provided for below in section 7.4.4, the Monthly Percentage Rent due on the date that the Monthly Statement for such Month is required to be submitted to Landlord shall be the "Default Monthly Percentage Rent", which is the higher of (i) the highest Monthly Percentage Rent previously reported on a Monthly Statement or (ii) 110% of the then current Minimum Monthly Rent applicable to the Month for which the Monthly Percentage Rent is due. In the event that the Monthly Percentage Rent to be due was later determined from the relevant Monthly Statement in accordance with section 7.4.4 to be greater than the Default Monthly Percentage Rent, Tenant shall immediately pay the amount of the deficiency to Landlord, together with interest thereon from the date the Monthly Percentage Rent was otherwise due. Nothing contained herein shall be construed (i) to allow Tenant to fail or refuse to faithfully account for Gross Sales, to submit Monthly Statements or to pay Monthly Percentage Rent as otherwise provided for herein, or (ii) as a waiver of the rights of Landlord to otherwise receive faithful accountings and Monthly Statements from Tenant and to conduct audits concerning such rights.

The Monthly Percentage Rent for any Month shall be the greater of (i) the Default Monthly Percentage Rent and (ii) the Monthly Percentage Rent determined by a timely submitted Monthly Statement. Tenant shall not be entitled to a credit or repayment if the Default Monthly Percentage Rent is later determined by the relevant Monthly Statement to be greater than the Monthly Percentage Rent.

7.4.2 Calculation and Adjustment of Monthly Percentage Rent Payments. The amount of the Monthly Percentage Rent due and payable for the immediately preceding Month shall be calculated by applying the percentage of Gross Sales specified as Monthly Percentage Rent in the Summary to Gross Sales in the Monthly Statement to be submitted to Landlord as required below and deducting therefrom the payment (if any) of Minimum Monthly Rent made by Tenant for the same Month. The calculation of Minimum Percentage Rent shall be made in writing by Tenant and submitted to Landlord together with the payment of the Monthly Percentage Rent to which it applies. The accuracy of such calculation and of the Monthly Statement shall not be binding on Landlord. For the purpose of computing the Monthly Percentage Rental due, sales made during the first fractional Month in which Monthly Percentage Rent commences shall be added to the sales made during the first full calendar Month and Tenant shall pay to Landlord the amount by which the amount so computed as a percentage of Gross Sales of Tenant during this entire period exceeds the Monthly installments of Minimum Monthly Rent which are paid by Tenant during said period. The amount by which the Minimum Monthly Rent paid for any Month exceeds the Monthly Percentage Rent for that same Month shall not be credited against the Minimum Monthly Rent or Monthly Percentage Rent for any other Month and there shall not be an adjustment on an annual basis of the aggregate Monthly Percentage Rent due during a Lease Year.

7.4.3 Record Keeping. Tenant shall record at time of sale, in the presence of the customer, all receipts from sales or other transactions, whether cash or credit, in a cash register(s), which shall provide a cumulative total and which shall number consecutive purchases. Tenant shall keep and maintain (i) all such cash register receipts with regard to the Gross Sales, net sales, credits, refunds and other pertinent transactions made from or upon the Premises (including the Gross Sales of any subtenant, licensee or concessionaire), (ii) detailed original records of any exclusions or deductions from Gross Sales (including any exclusions or deductions from Gross Sales of any subtenant, licensee or concessionaire) and (iii) full and accurate books of account and records in accordance with generally accepted accounting principles consistently applied. Such books, receipts and records shall be kept for a period of three (3) years after the close of each Lease Year, and shall be available for inspection and audit by Landlord and/or its representatives at the Premises at all times during regular business hours. In addition, upon request of Landlord, Tenant agrees to furnish to Landlord a copy of Tenant's State and Local Sales and Use Tax Returns and Tenant waives any right of confidentiality which Tenant may claim to have for such Returns.

7.4.4 Monthly and Annual Statements. Tenant shall furnish to Landlord a written statement ("Monthly Statement") of Gross Sales for each Month not later than 10 days after the end of such Month. Tenant shall also furnish an annual written statement ("Annual Statement"), including a Monthly breakdown of Gross Sales during each Lease Year, within 45 days after the close of each Lease Year. Such Monthly Statements and Annual Statement shall be signed and certified to be true and correct by Tenant if Tenant is composed of individuals, or by the chief financial officer of Tenant, if Tenant is a corporation. The receipt by Landlord of any Monthly or

Annual Statement or any payment of Monthly Percentage Rental for any period shall not bind it as to the correctness of the Monthly Statement or the Annual Statement, or the correctness of any payment. Any information gained by Landlord from such Statements, or any audit or inspection shall be confidential to the extent that Tenant maintains such information as secret and confidential and so informs Landlord, and shall not be disclosed by Landlord other than to carry out the purposes of this Section, with the exception of the following: Landlord shall be permitted to divulge the contents of any such Statements in connection with any financing arrangements, ground leases, or assignments of Landlord's interest in the Premises, in connection with any administrative or judicial proceedings in which Landlord is involved where Landlord may be required to divulge such information or when Landlord (as a public agency) is required by law to divulge such information.

7.4.5 Right to Inspect and Audit. Landlord shall, within five (5) years after the receipt of the Annual Statement for a Lease Year, be entitled to inspect and audit, and to make and retain copies of, Tenant's books, records and accounts relevant to the determination of Gross Sales and the cost of sales (including the Gross Sales and cost of sales of any subtenant, licensee or concessionaire) for all Months during the period subject to audit. Such audit shall be conducted either by Landlord or by an auditor designated by Landlord during normal business hours at Tenant's principal place of business. If it is determined as a result of such audit that there has been a deficiency in the payment of any Monthly Percentage Rental, then such deficiency shall immediately become due and payable, together with interest at the Maximum Lawful Rate from the date when said payment should have been made. In addition, if any of Tenant's Monthly Statements under review by Landlord is found to have understated Gross Sales for any Month by more than two percent (2%), and if Landlord is entitled to any additional Monthly Percentage Rental for that Month as a result of said understatement, then Tenant shall pay to Landlord all reasonable costs and expenses (including, but not limited to: accounting, bookkeepers and auditors fees; attorneys' fees; costs allocable to salaries and benefits of Landlord's employees; copying, reproduction and printing costs; and litigation and court costs) which may be incurred or suffered by Landlord in determining the understatement or collecting the underpayment. If Tenant's statement shall be found to have understated Gross Sales for any Month by more than 6%, then, in addition to Landlord's aforesaid rights, Landlord may, at its sole option, terminate this Lease at any time thereafter upon notice to Tenant.

7.5 Additional Rent. Tenant shall pay all Additional Rent. If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be collectible as Additional Rent with the next installment of Minimum Monthly Rent thereafter falling due. Nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or to limit any other remedy of Landlord.

7.6 Failure To Pay Items Required Under Article 7. If Tenant fails to pay any Minimum Monthly Rent, Monthly Percentage Rent, Default Monthly Percentage Rent or any Additional Rent when the same is due and payable, such unpaid amounts shall bear interest at the Maximum Lawful Rate from the date due until the date of receipt by Landlord of such payment. In addition to such interest, Tenant acknowledges that the late payment by Tenant of any monthly installment of Minimum Monthly Rent (and/or late payment of other obligations hereunder) will cause Landlord to incur certain internal administrative costs and expenses not otherwise provided for under this Lease, and that the exact amount of such costs are extremely difficult or impractical

to fix. Such costs and expenses will include but are not limited to internal administrative processing, accounting and review. Therefore, if any such payment is not received by Landlord from Tenant in good funds by the 10th day after the date on which such payment is due, Tenant shall immediately pay to Landlord a late charge equal to the greater of 5% of such payment or \$100. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its internal administrative loss suffered because of nonpayment or untimely payment by Tenant. Acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment or untimely payment by Tenant, and shall not prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease.

7.7 Application of Payments. Landlord may at its option, apply any payments received from Tenant, to any Minimum Monthly Rent, Monthly Percentage Rent or Additional Rent which is then due and payable. If Landlord shall not make any specific application of a payment received from Tenant, then any payment received from Tenant shall be applied first to the Minimum Monthly Rent, Monthly Percentage Rent or Additional Rent which has been overdue for the longest period of time.

7.8 Address for Payments. All rental and other payments shall be paid by Tenant to Landlord at Landlord's address as shown in the Summary, or at such other place as may occasionally be designated by Landlord in writing.

ARTICLE 8 UTILITIES

Tenant shall, during the entire Term, (i) arrange for and pay any and all initial utility deposits and fees, connection and metering costs, and (ii) all monthly service charges for electricity, gas, water, telephone and any other utility services, except for sewage, furnished to the Premises and the Improvements thereon. Landlord shall not be liable for any loss or damage resulting from an interruption of any of the above services.

8.1 Indemnification. Tenant shall defend, indemnify and save Landlord harmless against any liability or charges on account of any utility services. In case any utility charges are not paid by Tenant when due, Landlord may pay the utility charges to the utility company or department furnishing the utility service, and any amounts so paid by Landlord shall be paid by Tenant to Landlord immediately upon demand by Landlord, as Additional Rent.

8.2 Utility Charges. If a submeter is installed for any utilities, Tenant shall pay Landlord monthly for the utility services so submetered at the same rates which Tenant would pay to the utility company supplying such utility service if such service were supplied by direct meter. If the furnishing of any service by Landlord should be determined to be a public utility service and rates therefor should be fixed or approved by any public authority having jurisdiction, then such rates for any such service shall supersede the provisions of this Lease with respect to the determination of the charges to be paid by Tenant for such service. Landlord may at its option, install separate utility meters at Tenant's expense.

8.3 No Overloading. Tenant shall not have the right to install any equipment which shall exceed the capacity of any utility facilities or which shall require additional utility facilities

without Landlord's prior written approval of Tenant's plans and specifications therefor. If such installation is approved by Landlord, and if Landlord provides such additional facilities to accommodate Tenant's installation, Tenant agrees to pay Landlord, upon demand, the cost of providing such additional utility facilities and all related expenses of any kind. Tenant shall in no event use any of the utility facilities in any way which shall overload or overburden the utility systems.

8.4 Discontinuance. Landlord reserves the right to cut off and discontinue furnishing any heating, ventilation, air conditioning or other utility services furnished or submetered by Landlord at any time after an event of default under this Lease by Tenant. Landlord shall not be liable for any damages resulting from or arising out of such discontinuance of utility services, and such discontinuance shall not constitute a termination of this Lease or an eviction of Tenant. Tenant hereby releases Landlord from any loss, damage or liability sustained by Tenant as a result of such discontinuance.

8.5 Additional Utility Programs. If Landlord now or hereafter elects to provide any type of utility or alarm services to all or a substantial part of the Boardwalk Retail/Restaurant Area, then Tenant shall, upon Landlord's request, participate in the program and pay to Landlord the reasonable cost of installing and providing the services to Tenant. The utility or alarm services which Landlord may provide include, but are not limited to, electricity for lighting, heating and air conditioning, fire, smoke or security alarm systems, telephone systems and/or any other technological advances which may provide a benefit to the tenants or patrons of the Boardwalk Retail/Restaurant Area. If Landlord provides any of such utility or alarm systems, Landlord may also establish a reasonable program, through rules and regulations, for the monitoring of such systems, determining the usage by each Occupant, establishing standards, requirements and limitations on usage, record keeping, construction and maintenance.

8.6 Utility Service by Landlord. If any utilities are provided in whole, or in part, by Landlord, Tenant shall promptly pay to Landlord as Additional Rent Tenant's share of the charges paid by Landlord for the utilities servicing the Premises or the Common Areas during the Term. From and after the Commencement Date, Tenant shall pay to Landlord an amount estimated by Landlord to be the monthly sum payable hereunder by Tenant for such services. Landlord may adjust the monthly estimated sum at the end of each calendar quarter, based on Landlord's experience and reasonably anticipated costs. Within 60 days following the end of each calendar year, Landlord shall furnish Tenant a statement covering the previous year showing the total of said utility expenses payable by Tenant for said year and the payments actually made by Tenant with respect to such period as set forth above. If the sums payable for such utility expenses exceed Tenant's prior payments, Tenant shall pay Landlord the deficiency within 10 days after receipt of such statement. If said payments exceed the sums payable for such expenses, Tenant shall be entitled to offset such excess against payments which next become due to Landlord as set forth above. Tenant shall pay its pro rata share of the utilities expense, which shall be an amount equal to the utilities expense on the Boardwalk Retail/Restaurant Area multiplied by a fraction the numerator of which shall be the floor area of the Premises as determined by Landlord (and as indicated on the cover sheets hereto) and the denominator of which shall be the floor area of all areas available for exclusive use and occupancy by tenants of the Boardwalk Retail/Restaurant Area, whether or not such areas are actually occupied and open for business.

ARTICLE 9 INDEMNITY - RELEASE - INSURANCE - WAIVER OF SUBROGATION

9.1 **Indemnity.** To the fullest extent permitted by law, Tenant shall indemnify and hold harmless Landlord and its respective officers, employees, elected and appointed officials and volunteers from and against any and all claims, damages, liabilities, losses, Environmental Damages, judgments, lawsuits, causes of action, obligations, penalties, costs, charges and expenses, including without limitation, attorneys' fees and costs and expert witness fees, caused in whole or in part by any intentional, reckless or negligent act or omission of Tenant, any Tenant assignee, licensee, sublessee, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, or its failure to comply with any of its obligations contained in this Lease, or its failure to comply with any law, and which may be imposed or incurred or asserted (whether real or claimed) against Landlord or its respective officers, employees, elected and appointed officials, contractors, and volunteers by reason of the occurrences listed below during the Term of this Lease. This indemnification obligation shall survive this Lease and shall not be limited by any term of any insurance policy required under this Lease.

(a) Any use, non-use, possession, occupation, condition, operation, conduct of business, maintenance or management of the Premises, or from any activity, work, or other things done, permitted or suffered by Tenant, its agents, contractors, servants, employees or invitees, in or about the Premises, or any part thereof, or any sidewalk, curb, vault, passageway or space adjacent thereto over which Tenant has management responsibilities or control;

(b) Any negligence or wrongful act on the part of Tenant or any of its agents, contractors, servants, employees, sublessees, operators, licensees or invitees;

(c) Any accident, injury or damage to any person or property occurring in, on or about the Premises, or any part thereof, or any sidewalk, curb, vault, passageway or space adjacent thereto over which Tenant has management responsibilities or control;

(d) Any failure on the part of Tenant to maintain, repair, restore or construct the Premises as provided in this Lease, or any failure to perform or comply with any of the other terms, provisions, covenants and conditions contained in this Lease on its part to be performed or complied with; and

(e) All liens, claims and demands arising out of the construction, alteration, repair, restoration or work of improvement on or about the Premises by or on behalf of Tenant or its facilities.

Tenant agrees to give prompt notice to Landlord in case of casualty or accidents in the Premises, or in the case of any incident or omission upon which a claim could be made. In case any action or proceeding is brought against Landlord or its officers, agents and employees by reason of any such claim, Tenant, upon written notice from Landlord, shall at Tenant's expense, resist or defend such action or proceeding by counsel reasonably approved by Landlord in writing. This obligation to indemnify shall include without limitation reasonable attorneys' fees and

investigation costs and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made or may be made. Notwithstanding the foregoing, Landlord or its officers, agents and employees shall not be entitled to indemnity under the foregoing provision for any claim arising from the willful misconduct or gross negligence of Landlord, its officers, agents and employees.

9.2 Release. Landlord or its agents shall not be liable for interference with the light, air, access to, or for any latent defect in the Premises. Landlord shall not be liable for and Tenant hereby releases Landlord from any loss, damage or liability of any kind, for any injury to or death of persons, for Environmental Damages or for damage to property of Tenant or any other person from any cause whatsoever occurring from and after the Commencement Date by reason of the use, construction, occupancy and enjoyment of the Premises or the Boardwalk Retail/Restaurant Area by Tenant or any person thereon or holding under Tenant, or for any matter for which Tenant indemnifies Landlord. The damages for which Landlord is released include, but are not limited to, damages resulting from (i) any labor dispute, (ii) fire, smoke, explosion, noxious odors, the presence of Hazardous Materials, falling plaster or other building materials, steam, gas, electricity, or other nuisance, (iii) water, dampness, wave action or rain which may leak from or to any part of the Premises or its roof, (iv) failure or rupture of the pipes, appliances, systems, equipment or plumbing works in the Premises or the Boardwalk Retail/Restaurant Area and (v) interruption in utility service. Landlord shall in no event be liable to Tenant or anyone claiming by, under or through Tenant for any loss, damage or liability resulting from the acts or omissions of other Tenants or users of the Boardwalk Retail/Restaurant Area or by any other third person who was not acting under the direction and control of Landlord.

9.3 Waiver of Subrogation. Tenant hereby waives any rights Tenant may have against Landlord on account of any loss or damage occasioned to Tenant, or Tenant's property, arising from any risk generally covered by fire and extended coverage insurance. Tenant's insurance coverages shall be endorsed to state that all insurers waive any rights of subrogation it may have against the City of Redondo Beach, its officers, elected and appointed officials, contractors, employees, and volunteers.

9.4 Insurance Provided by Tenant. From and after delivery of possession of the Premises, Tenant shall carry and maintain, at Tenant's sole cost and expense, the following types of insurance, in the amounts specified and in the forms provided below:

9.4.1 Comprehensive General Liability. Comprehensive General Liability Insurance covering the Premises and Tenant's use thereof against claims for bodily injury or death, personal injury and property damage occurring upon, in or about the Premises regardless of when such claims may be made. Such insurance shall have limits of not less than \$2,000,000 for bodily injury to or death of any number of persons arising out of any one occurrence and \$1,000,000 for property damage arising out of any one occurrence, or a combined single limit of at least \$3,000,000 may be provided in lieu of split limits. These limits shall apply to this location only. The insurance coverage required under this Section shall include coverage for liability hazards as defined in the policy forms and endorsements for premises and operations liability, personal injury liability, broad form property damage liability and contractual liability, which shall extend to liability of Tenant arising out of the indemnities provided in Section 9.1. General Liability

coverage can be provided in the form of an endorsement to Tenant's insurance, or as a separate policy. If required by Landlord from time to time, Tenant shall increase the limits of its comprehensive general liability insurance to reasonable amounts customary for tenants in like Boardwalk Retail/Restaurant Areas. Coverage must be at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

9.4.2 Plate Glass. Insurance covering all plate glass on the Premises. Tenant shall have the option to (i) insure the risk, (ii) post a bond for replacement of any damaged plate glass, or (iii) pay for the immediate replacement of all plate glass if and when any damage occurs.

9.4.3 Boiler and Machinery. Boiler and machinery insurance on all air conditioning equipment and systems exclusively serving the Premises and all electrical facilities and equipment located in the Premises. If said equipment and systems, and the damage that may be caused by them or result from them, are not covered by Tenant's extended coverage insurance, then the insurance specified in this subsection shall be in an amount of not less than Five Hundred Thousand Dollars (\$500,000). If Tenant requires boilers or other pressure vessels to serve the Premises they shall also be insured in the amount required by this subsection.

9.4.4 Direct Property Damage. All Risk Physical Damage Insurance covering Tenant's trade fixtures, merchandise and personal property from time to time in, on or about the Premises, and all leasehold Improvements to the Premises which Tenant is required to maintain pursuant to Section 16.1, specifically including any heating and cooling facilities serving the Premises which may be located outside the Premises provided that Tenant shall have the option to self insure the plate glass. Such insurance (i) shall be written on a replacement cost basis in an amount equal to at least ninety percent (90%) of the replacement cost of the insured property; and (ii) shall provide protection against perils that are covered under standard insurance industry practices within the classification of all risk insurance, including, but not limited to, loss or damage from fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, domestic water damage, collapse, sprinkler leakage, vandalism, malicious mischief, and, if obtainable at commercially reasonable rates, also earthquake, flood and other natural disaster insurance. Tenant's obligations to provide insurance pursuant to this Section shall apply to all Improvements and fixtures, notwithstanding that some or all of such Improvements and fixtures may have been installed by Tenant, Landlord, a prior tenant or any other party at any time before or after the delivery of the Premises to Tenant.

9.4.5 Workers Compensation. Statutory workers compensation insurance (including occupational disease insurance) as may be from time to time required by the laws of the State of California.

9.4.6 Employer's Liability. Employer's liability insurance with a per occurrence limit of not less than \$1,000,000 per accident for bodily injury or disease or such greater amount as is customary for similar employers in the trade area.

9.4.7 Liquor Liability. If, with the consent of Landlord, alcoholic beverages are to be dispensed in the Premises, liquor liability insurance which includes loss of means of support coverage with limits of not less than those set forth in Section 9.3.1 above, for bodily injury or

death and property damage in the event that in any part of the Premises there shall be given, sold or dispensed intoxicating liquors or alcoholic beverages as set forth in the Dram Shop statutes of California.

9.4.8 Business Interruption. Rental insurance (or, as the case may be, use and occupancy insurance) and business interruption or disruption insurance with benefits payable to Landlord in amounts not less than the total Minimum Annual and Monthly Percentage Rentals payable by Tenant to Landlord for the previous year.

9.4.9 Motor Vehicle Liability. Motor vehicle liability insurance governing any autos used in connection with operations at the Premises with coverage at least as broad as Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

9.4.10 Policy Form. All policies of insurance provided for herein shall be issued by insurance companies (i) with A. M. Best rating of not less than A-X, and (ii) which are California admitted insurers. Any deductibles must be declared to and approved by Landlord in its sole discretion. All such policies shall provide that the full amount of any losses shall be payable for Landlord's benefit under the terms of this Lease notwithstanding any act, omission or negligence of Landlord or Tenant which might otherwise result in a forfeiture of insurance coverage, and shall be issued in the names of Landlord and Tenant, and if requested by Landlord, Landlord's mortgagee or beneficiary, which policies shall be for the mutual and joint benefit and protection of Landlord, Tenant and Landlord's mortgagee or beneficiary. Executed copies of such policies of insurance or certificates and endorsements thereof shall be delivered to Landlord within ten (10) days after the Commencement Date. Thereafter, executed copies of renewal policies or certificates and endorsements thereof shall be delivered to Landlord at least fifteen (15) days prior to the expiration of each term of each such policy. All public liability and property damage policies shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recover under said policies for any loss occasioned by Landlord, its officers, elected and appointed officials, agents, employees and volunteers due to negligence by Tenant. All policies of insurance delivered to Landlord shall contain a provision that the company writing said policy will give to Landlord in writing thirty (30) days' notice in advance of any cancellation or lapse, refusal to renew, suspension or termination of coverage, reduction of any policy limits, increase of any policy deductibles, or other alteration of any terms or conditions of the policy, or of the effective date of any reduction in the amounts of insurance. All of Tenant's insurance coverages shall be written as primary policies, not contributing to, and not as excess coverage to coverage which Landlord may carry. Tenant agrees to permit Landlord, at any reasonable time, to inspect Tenant's policies of insurance of Tenant with respect to the Premises. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Endorsement:

1. General Liability: "The City of Redondo Beach, its officers, elected and appointed officials, employees and volunteers are to be covered as insureds with respect to liability arising out of ownership, maintenance or use of that part of the premises leased to Tenant."

2. Automobile Liability: "The City of Redondo Beach, its officers, elected and appointed officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobile owned, leased, hired or borrowed by or on behalf of Lessee."

(b) Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

(c) Each insurance policy required by this Lease shall be in effect for the duration of the Lease Term. The maintenance of proper insurance coverage is a material element of the Lease and failure to maintain or renew coverage or to provide evidence of renewal may be treated by Landlord as a default of the Lease on Lessee's part.

9.5 Blanket Coverage. Notwithstanding anything to the contrary set forth in this Article 9, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided, however, (i) that Landlord and other parties in interest to Landlord shall be named as additional insured as their interests may appear and (ii) that the coverage afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance, and (iii) that the requirements set forth herein are otherwise satisfied.

9.6 Insurance Provided by Landlord. Landlord shall at all times from and after the Commencement Date maintain in effect a policy or policies of insurance covering the Premises in an amount not less than eighty percent (80%) of full replacement cost (exclusive of the cost of land, excavations, foundations and footings) from time to time during the Term, or the amount of such insurance as Landlord's Lender may require Landlord to maintain, whichever is greater. This coverage must provide protection against any peril generally included in the classification "Fire and Extended Coverage," sprinkler damage, vandalism, malicious mischief and business interruptions. In addition, Landlord may, at Landlord's option, obtain insurance against earthquake, flood and other natural disaster damage; but Landlord is not obligated to obtain or continue to maintain such coverage. Landlord's obligation to carry the insurance provided for herein may be brought within the coverage of any so-called blanket policy or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policy of insurance. If Landlord is a municipal governmental entity, Landlord may elect to self insure for the coverage required herein on terms and conditions in accordance with programs and policies of self insurance established and in effect from time to time by Landlord.

9.7 Actions Affecting Insurance. Tenant shall not at any time during the Term carry any stock or goods or do anything in or about the Premises which will in any way tend to increase the insurance rates upon the Boardwalk Retail/Restaurant Area. Tenant shall pay to Landlord, upon demand, the amount of any increase in premiums for insurance that may be charged during the Term, or the amount of insurance coverage required to be carried by Landlord on the Boardwalk Retail/Restaurant Area, resulting from any act of Tenant in or about the Premises which

does so increase the insurance rates, whether or not Landlord shall have consented to such act on the part of Tenant. If Tenant installs upon the Premises any electrical equipment which constitutes an overload of the electrical lines of the Boardwalk Retail/Restaurant Area, Tenant shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriters and any governmental authority having jurisdiction, including without limitation, removal and restoration, and nothing herein contained shall be deemed to constitute Landlord's consent to such overloading. Tenant shall, at its own expense, comply with all requirements for Landlord's maintenance of fire and extended coverage insurance for the Premises, including the installation of fire extinguishers or automatic dry chemical extinguishing systems that may be more particularly described elsewhere in this Lease.

9.8 Hazardous Materials. Tenant covenants that no Hazardous Materials shall be brought onto, stored, used, transported or disposed of at the Premises by Tenant or any of its employees, agents, independent contractors, licensees, subtenants or invitees, except for in strict compliance with all laws, rules and regulations controlling the presence and use of such materials. No Hazardous Materials shall be placed into the plumbing or waste treatment systems of the Premises except for systems which are designed to accept Hazardous Materials for treatment and discharge in accordance with the laws applicable thereto. Tenant shall undertake special attention and precautions to prevent the discharge or disposal of any Hazardous Materials into the ocean. Tenant shall hold harmless, indemnify and defend Landlord, its respective councilmembers, elected and appointed officials, employees, volunteers, successors and assigns, (collectively, the "Indemnified Persons") from and against any direct, indirect, or consequential Environmental Damages resulting from or arising out of events occurring on or about the Premises during the Term, except for Environmental Damages arising solely from the acts or omissions of any one of the Indemnified Persons. Tenant's indemnification obligation hereinabove shall survive the expiration of the Term or earlier termination of this Lease.

Tenant covenants to promptly notify Landlord when Tenant becomes aware of (a) the presence of Hazardous Materials on the Premises which were not previously authorized by Landlord in accordance with the provisions of this Section or approved in writing by Landlord, and (b) the release to the Premises or the air of Hazardous Materials, whether or not caused or permitted by Tenant. Such notice shall include as much detail as reasonably possible, including identity of the location, type and quantity of Hazardous Materials released. If the unauthorized existence of Hazardous Materials on the Premises is caused or permitted by the Tenant, or the Tenant releases Hazardous Materials beneath, on or above the Premises, and such existence or release results in Environmental Damages, the Tenant, at its sole expense, shall promptly take all actions required by the Laws applicable thereto to return the Premises to the condition existing prior to the events which resulted in Environmental Damages.

9.9 Adjustment of Coverage. The amounts of insurance coverage shall be adjusted periodically upon the request of the Landlord's "risk manager", and the amounts of adjustments shall not be less than such periodic increases of CPI. As conditions change, Landlord reserves the right to make changes to any provisions or coverage as set forth in this Article 9 as determined by City's risk manager in his or her reasonable discretion.

ARTICLE 10 TENANT'S RIGHT TO MAKE ALTERATIONS

10.1 Landlord's Consent.

(a) Tenant shall not make or permit to be made any alterations, additions or improvements (singularly and collectively "Alterations") to or of the Premises, Boardwalk or Improvements or any part thereof without the prior written consent of Landlord in each instance.

(b) Landlord will not unreasonably withhold its consent to any Alterations provided and upon the condition that all of the following conditions shall be satisfied: (i) the Alterations do not affect the outside appearance of the Premises, Boardwalk or Improvements; (ii) the Alterations are nonstructural and do not impair the strength of the Premises, Boardwalk or Improvements or any part thereof; (iii) the Alterations are to the interior of the Premises and do not affect any part of the Boardwalk or Boardwalk Retail/Restaurant Area outside of the Premises; (iv) the Alterations do not affect the proper functioning of the heating, ventilating and air conditioning ("HVAC"), mechanical, electrical, sanitary or other utilities, systems and services of the Premises or Improvements, or increase the usage thereof by Tenant; (v) Landlord shall have approved the final plans and specifications for the Alterations and all contractors who will perform them; (vi) Tenant pays to Landlord (A) a fee for Landlord's indirect costs, field supervision or coordination in connection with the Alterations equal to ten percent (10%) of the estimated cost of Alterations that are in excess of \$10,000, and (B) the reasonable costs and expenses actually incurred by Landlord in reviewing Tenant's plans and specifications and inspecting the Alterations to determine whether they are being performed in accordance with the approved plans and specifications and in compliance with applicable laws, including, without limitation, the fees of any architect or engineer employed by Landlord for such purpose; (vii) before proceeding with any Alteration which will cost more than \$10,000 (exclusive of the costs of items constituting Tenant's Property, as defined in Section 10.2), Tenant obtains and delivers to Landlord, at Landlord's option, either: (C) a performance bond and a labor and materials payment bond for the benefit of Landlord, issued by a corporate surety licensed to do business in California, each in an amount equal to one hundred twenty five percent (125%) of the estimated cost of the Alterations and in form satisfactory to Landlord, or (D) such other security as shall be reasonably satisfactory to Landlord. Unless all of the foregoing conditions are satisfied, Landlord shall have the right to withhold its consent to the Alterations in Landlord's sole and absolute discretion.

(c) Not less than fifteen (15) days nor more than twenty (20) days prior to commencement of any Alterations, Tenant shall notify Landlord of the work commencement date so that Landlord may post notices of nonresponsibility about the Premises. All Alterations must comply with all applicable laws, the other terms of this Lease, and the final plans and specifications approved by Landlord, and Tenant shall fully and promptly comply with and observe the rules and regulations of Landlord then in force with respect to the making of Alterations. Landlord's review and approval of Tenant's plans and specifications are solely for Landlord's benefit. Landlord shall have no duty toward Tenant, nor shall Landlord be deemed to have made any representation or warranty to Tenant, with respect to the safety, adequacy, correctness, efficiency or compliance with Laws of the design of the Alterations, the plans and specifications therefor, or any other matter regarding the Alterations.

10.2 Ownership and Surrender of Alterations. Upon their installation, all Alterations,

including, but not limited to, wall covering, paneling and built-in cabinetry, but excluding movable furniture, trade fixtures and office equipment ("Tenant's Property"), shall become a part of the realty and belong to Landlord and shall be surrendered with the Premises. However, upon the expiration or sooner termination of the Term, Tenant shall, upon written demand by Landlord, at Tenant's expense, immediately remove any Alterations made by Tenant which are designated by Landlord to be removed and repair any damage to the Premises caused by such removal.

10.3 Liens. Tenant shall pay when due all claims for labor, materials and services furnished by or at the request of Tenant or Tenant's affiliates. Tenant shall keep the Premises, Boardwalk and Boardwalk Retail/Restaurant Area free from all liens, security interests and encumbrances (including, without limitation, all mechanic's liens and stop notices) created as a result of or arising in connection with the Alterations or any other labor, services or materials provided for or at the request of Tenant or Tenant's affiliates, or any other act or omission of Tenant or Tenant's affiliates, or persons claiming through or under them. (Such liens, security interests and encumbrances singularly and collectively are herein called "Liens.") Tenant shall not use materials in connection with the Alterations that are subject to any Liens. Tenant shall indemnify Landlord for, and hold Landlord harmless from and against: (a) all Liens; (b) the removal of all Liens and any actions or proceedings related thereto; and (c) all liabilities incurred by Landlord or Landlord's affiliates in connection with the foregoing. If Tenant fails to keep the Premises, Boardwalk or Boardwalk Retail/Restaurant Area free from Liens, then, in addition to any other rights and remedies available to Landlord, Landlord may take any action necessary to discharge such Liens, including, but not limited to, payment to the claimant on whose behalf the Lien was filed. Tenant shall indemnify Landlord for, and hold Landlord harmless from and against, all liabilities so incurred by Landlord, without regard to any defense or offset that Tenant may have had against the claimant. Neither Landlord's curative action nor the reimbursement of Landlord by Tenant shall cure Tenant's default in failing to keep the Premises, Boardwalk and Boardwalk Retail/Restaurant Area free from Liens.

10.4 Additional Requirements. Alterations shall comply with all Laws. Tenant, at its expense, shall obtain all necessary permits and certificates for the commencement and performance of Alterations and for final approval thereof upon completion, and shall cause the Alterations to be performed in compliance therewith and with all applicable insurance requirements, and in a good, first-class and workmanlike manner. The City shall have all rights to review and approve or disapprove all required submittals in accordance with the City Municipal Code, and nothing set forth in this Lease shall be construed as the City's approval of any or all of the applications or plans for the Alterations. Tenant, at its expense, shall diligently cause the cancellation or discharge of all notices of violation arising from or otherwise connected with Alterations, or any other work, labor, services or materials done for or supplied to Tenant or Tenant's affiliates, or by any person claiming through or under Tenant or Tenant's affiliates. Alterations shall be performed so as not to interfere with any other tenant in the Boardwalk or Boardwalk Improvements, cause labor disharmony therein, or delay or impose any additional expense on Landlord in the construction, maintenance, repair or operation of the Boardwalk or Boardwalk Retail/Restaurant Area. Throughout the performance of the Alterations, Tenant, at its expense, shall carry, or cause to be carried, in addition to the insurance described in this Lease, Workers' Compensation insurance in statutory limits and such other insurance as Landlord may

reasonably require, with insurers reasonably satisfactory to Landlord. Tenant shall furnish Landlord with satisfactory evidence that such insurance is in effect at or before the commencement of the Alterations and, upon request, at reasonable intervals thereafter until completion of the Alterations.

10.5 Compliance with Applicable Prevailing Wage Requirements. The Tenant shall carry out the construction of all Alterations in conformity with all applicable laws. Although the parties believe that California law does not require the payment of prevailing wages or the hiring of apprentices as a result of this Lease because the parties intend that the Premises is being leased to Tenant at its fair market rental value, and no other subsidies or financial assistance is being provided to Tenant by Landlord hereunder, Tenant shall be solely responsible for determining and effectuating compliance with such laws, and Landlord makes no representation as to the applicability or non-applicability of any of such laws to the construction of the Alterations. Tenant hereby expressly acknowledges and agrees that the Landlord has not previously affirmatively represented to the Tenant or its contractor(s) for the construction of the Alterations, in writing or otherwise, in a call for bids or otherwise, whether the Alterations are a “public work,” as defined in Section 1720 of the Labor Code. If work required to be performed by the Tenant is finally determined by a court of competent jurisdiction to be subject to prevailing wage laws, then the Landlord acknowledges that the work is a “public work,” and the following requirements apply:

- a. Landlord shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed for the Alterations.
- b. Tenant shall obtain those rates from the Director of Department of Industrial Relations at <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm> or from the Landlord.
- c. Tenant shall provide a copy of prevailing wage rates to any staff or subcontractor hired, and shall pay the adopted prevailing wage rates as a minimum.
- d. Tenant shall comply with the provisions of Labor Code Sections 1771, 1773.2, 1773.8, 1774, 1775, 1776, 1777.5, 1777.6, 1777.7, 1810, 1813 and 1815 and California Administrative Code Title 8, Section 200 et seq.
- e. Pursuant to the provisions of Section 1775 of the Labor Code, Tenant shall forfeit to the Landlord, as a penalty, the sum of \$200.00 for each calendar day, or portion thereof, for each laborer, worker or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Lease, by him or by any subcontractor under him, in violation of the provision of the Lease.

To the maximum extent permitted by law, Tenant shall defend (at Tenant’s expense with counsel reasonably acceptable to the Landlord), indemnify and hold harmless the Landlord and its officers, employees, elected or appointed officials, volunteers, contractors and agents from and against any and all loss, demand, liability, damage, claim, cost, expense and/or “increased costs” (including reasonable attorneys’ fees, court and litigation costs, and fees of expert witnesses) which, in connection with the construction of the Alterations, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Tenant or any of his subcontractors of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the

implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Tenant or any of his subcontractors to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the construction of the Alterations, including, without limitation, any and all public works (as defined by applicable law), Tenant shall bear all risks of his and his subcontractors' payment or non-payment of prevailing wages under California law and the implementation of Labor Code Section 1781, as the same may be amended from time to time, and any other similar law. "Increased costs," as used in this Section, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Lease.

ARTICLE 11 MECHANICS' LIENS

11.1 No Liens. Tenant shall do all things necessary to prevent the filing of any mechanics' or other lien against the Boardwalk Retail/Restaurant Area, the Premises, the underlying real property or any part thereof by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant, or anyone holding the Premises, or any part thereof, through or under Tenant, or by reason of Tenant's failure to pay any Taxes which Tenant is required to pay. If any lien shall at any time be filed against the Boardwalk Retail/Restaurant Area or the Premises or any part thereof, Tenant shall either cause the lien to be discharged of record immediately after the date of filing of the lien or, if Tenant in its discretion and in good faith determines that such lien should be contested, Tenant shall furnish such security as may be necessary or required, in Landlord's judgment, to prevent any foreclosure proceedings against the Boardwalk Retail/Restaurant Area, the Premises or any part thereof and to permit a reputable title insurance company to insure over the lien during the pendency of such contest. If Tenant shall fail to discharge such lien immediately or fail to furnish such security, such inaction shall constitute a default under this Lease and, in addition to any other right or remedy of Landlord resulting from Tenant's default, Landlord may, but shall not be obligated to, discharge the lien either by paying the amount claimed to be due or by procuring the discharge of such lien by giving security or in such other manner as is, or may be, deemed necessary by Landlord. Tenant shall, within three (3) days after Landlord's request, hire an attorney acceptable to Landlord who agrees with Landlord in writing to represent Landlord and Tenant, at Tenant's sole cost, in connection with the discharge of the lien and protection of the Premises and Boardwalk Retail/Restaurant Area. If such written confirmation is not received by Landlord from an acceptable attorney within such three (3) day period, Landlord may hire an attorney to represent Landlord's interest in connection with any such lien, at Tenant's sole cost. Tenant shall repay to Landlord upon demand, all sums disbursed, expended, incurred or deposited by Landlord pursuant to the foregoing provisions of this Section 11.1, including Landlord's costs, expenses and reasonable attorneys' fees incurred by Landlord in connection therewith. Nothing contained in this Lease shall imply any consent or agreement on the part of Landlord to subject Landlord's estate to liability under any mechanics' or other lien law.

11.2 Notices of Non-Responsibility. Landlord or its representatives shall have the right to enter and inspect the Premises at all reasonable times, and shall have the right to post and keep posted thereon notices of non-responsibility or such other notices which Landlord may deem to be proper for the protection of Landlord's interest in the Premises. Tenant shall, before the

commencement of any work which might result in any putative lien, give to Landlord written notice of its intention to do so in sufficient time to enable the posting of such notices.

11.3 Security for Contested Claims. If Tenant desires to contest any claim of lien, it shall furnish Landlord adequate security for 150% of the amount of the claim, plus estimated costs and interest, or the bond of a responsible corporate surety in such amount, conditioned upon the discharge of the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant shall immediately pay and satisfy such judgment.

11.4 Landlord's Rights. If Tenant is in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed, and has not given Landlord security to protect the Premises and Landlord against such claim of lien, Landlord may (but shall not be so required to) pay said claim and any associated costs. The amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and payable from Tenant to Landlord. Interest shall accrue on such amount from the dates of Landlord's payments at the Maximum Lawful Rate.

ARTICLE 12 ADVERTISING MEDIA

12.1 Approved Advertising. Tenant shall erect signs in accordance with the provisions of the sign criteria labeled Exhibit E. Tenant hereby receives Landlord's consent to affix a sign to a lower corner of the door or front window of the Premises, showing the name, address and telephone number of Tenant. Any and all signage pertaining to Tenant's business must be approved by all necessary public agencies prior to installation. Any signage currently on the Premises will be considered new signage as of the Commencement Date, and therefore, must receive the proper approval (from Landlord and all appropriate governmental agencies) to remain on the Premises.

12.2 Landlord's Consent Required. Tenant shall not affix or maintain any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such item or items except with the prior written approval of Landlord as to size, type, color, location, copy, medium, structure and aesthetic qualities on any of the glass panes and supports of the show windows, doors and the exterior walls nor within twenty-four (24) inches of any window of the Premises.

12.3 Advertising Outside Premises. No advertising medium shall be utilized by Tenant which can be heard or experienced outside the Premises, including but not limited to flashing lights, searchlights, loudspeakers, phonographs, radios or televisions. Tenant shall not display, paint or place any handbills, bumper stickers or other advertising devices on any vehicle parked in the parking area of the Boardwalk Retail/Restaurant Area, nor shall Tenant distribute, or cause to be distributed, in the Boardwalk Retail/Restaurant Area or on the Property, any handbills or other advertising devices without the prior written consent of Landlord. Landlord may enter upon the Premises to remove any non-conforming signs, etc. Tenant shall not decorate, paint, alter, install canopies, devices, fixtures, antennas or attachments to the exterior or roof of the Premises. Tenant agrees to keep the walkway in front of the Premises free of all obstructions, including, but not limited to, temporary displays and signage.

ARTICLE 13 FIXTURES AND PERSONAL PROPERTY; PAYMENT OF TAXES.

13.1 Removable Trade Fixtures. Any Removable Trade Fixtures shall remain the property of Tenant and Landlord agrees that Tenant shall have the right to remove any and all of its Removable Trade Fixtures which it may have stored or installed in the Premises, provided Tenant is not in breach or violation of any of its duties or obligations under the terms of this Lease. Nothing in this Article shall be deemed or construed to permit Tenant to remove such Removable Trade Fixtures without the immediate replacement thereof with similar property of comparable or better quality, if such removal renders the Premises unsuitable for conducting the type of business specified in Exhibit B. Tenant shall, at its expense, immediately repair any damage to the Premises caused by the removal of any such trade fixtures, signs, and other personal property. Upon expiration or termination of this Lease, Tenant shall leave the Premises in a neat and clean condition, free of debris. All Removable Trade Fixtures installed in or attached to the Premises by Tenant must be new when so installed or attached.

13.2 Improvements and Tenant's Work. All Improvements to the Premises by Tenant, including but not limited to mechanical systems, light fixtures, floor coverings and partitions, but excluding Removable Trade Fixtures, shall become the property of Landlord upon expiration or termination of this Lease.

13.3 Taxes on Improvements and Fixtures. Tenant shall pay before delinquency, any and all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation, Removable Trade Fixtures, leasehold improvements, merchandise and other personal property in, on or upon the Premises. In the event any of such items of property are assessed with the property of Landlord, then such assessment shall be equitably allocated between and paid by Landlord and Tenant, and any portion of such assessment levied on the property of Landlord shall be paid to Landlord as Additional Rent. Landlord shall determine the basis of prorating any such assessments and such determination shall be binding upon both Landlord and Tenant.

13.4 Notice of Possessory Interest; Payment of Taxes and Assessments. City is a public entity, and as such, Landlord's underlying fee and reversionary interest in the subject property is, or may be, exempt from property tax assessments. **In accordance with California Revenue and Taxation Code Section 107.6(a), Landlord hereby informs Tenant that by entering into this Lease a possessory interest in Tenant subject to property taxes may be created, and if so, Tenant or other party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest.**

In the event the Landlord shall no longer be exempt from property tax assessments and Tenant is not separately assessed for its possessory interest and Improvements on the Premises, Tenant shall, as Additional Rent, pay (or, if Landlord is assessed and pays, shall pay to Landlord) that portion of any assessment levied against or upon the Boardwalk Retail/Restaurant Area or Landlord's interest therein that represents the value of the Tenant's leasehold interest and the value of the Improvements of the Premises that would have been assessed and levied upon the Premises

had it been assessed as such possessory interest. The amount of any tax or excise payable by or assessed against Tenant shall be paid by Tenant before it becomes delinquent.

Landlord and Tenant recognize and acknowledge that there may be changes in the current real property tax system and that there may be imposed new forms of taxes, assessments, charges, levies or fees placed on, or levied in connection with the ownership, leasing, occupancy or operation of the Boardwalk Retail/Restaurant Area or the Premises. Any new or increased tax, assessment, charge, levy or fee which is imposed or increased as a result of or arising out of any change in the structure of the real property tax system or any limitation on the real property taxes which can be assessed on real property including, but not limited to, any and all taxes, assessments, charges, levies and fees assessed or imposed due to the existence of this Lease (including any surcharge on the income directly derived by Landlord therefrom) or for the purpose of funding special assessment districts of the type funded by real property taxes, shall also be included within the meaning of "taxes". With respect to any general or special assessment which may be levied against or upon the Premises or the Boardwalk Retail/Restaurant Area and which under the laws then in force may be evidenced by improvement or other bonds, or may be paid in periodic installments, there shall be included within the meaning of "taxes" with respect to any tax fiscal year only the amount currently payable on such bond for such tax fiscal year, or the periodic installment for such tax fiscal year. With respect to any tax fiscal year only the amount currently payable on such bond for such tax fiscal year, or the periodic installment for such tax fiscal year. During any part of the Term which shall be less than a full tax fiscal year, Taxes applicable to the Premises shall be prorated on a daily basis between Landlord and Tenant so that Tenant shall pay only the Taxes attributable to the portion of the tax fiscal year occurring within the term of this Lease. In the event that any Taxes are payable after the end of a tax fiscal year, Landlord may nevertheless collect Taxes applicable to the Premises from Tenant as set forth above (in a tax fiscal year) and treat Tenant's payments as payments on account of Taxes payable after the tax fiscal year.

ARTICLE 14 ASSIGNING, MORTGAGING, SUBLETTING, CHANGE IN OWNERSHIP

14.1 Prohibition Against Transfer. Tenant acknowledges that as a government entity, Landlord must make many of its lease decisions in public, and therefore has unique concerns regarding the composition of tenants. Tenant further acknowledges that given the unique "attraction park" nature of the property, the importance of the Harbor and Boardwalk areas in bringing revenues to the City, and the importance of the Harbor and Boardwalk areas to the image of Redondo Beach, Landlord has further unique concerns regarding the composition of tenants. Accordingly, Tenant agrees that Tenant shall not have the power to transfer or assign this Lease, sublet the Premises, enter into license or concession agreements, or change ownership (such transactions are hereinafter individually and collectively referred to as a "Transfer"), without first obtaining the written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

14.2 Restrictions on Transfer. If Tenant desires to apply for Landlord's consent for a Transfer to anyone (a "Transferee"), Tenant shall give written notice ("Transfer Notice") to Landlord at least 60 days before the effective date of any such proposed Transfer. The Transfer

Notice shall state (a) whether Tenant proposes to assign the Lease, sublet the Premises, enter into a license or concession agreement or change ownership, (b) the proposed effective date of the Transfer, (c) the identity of the proposed Transferee, (d) all other material terms of the proposed Transfer, (e) in detail the type of business operation the proposed Transferee intends to conduct on the Premises and (f) Tenant's warranty and representation that Tenant is not in breach or violation of any of its obligations or duties under this Lease (or, if there is such a breach or violation, a statement identifying such breach or violation). The Transfer Notice shall be accompanied by a copy of the proposed agreement documenting the Transfer, or if none, a copy of any offers, draft agreements, letters of commitment or intent and other documents pertaining to the proposed Transfer. In addition, the Transfer Notice shall be accompanied by the proposed Transferee's income statements and balance sheets covering the preceding 36-month period, and each shall be certified as accurate by the Transferee.

If Landlord consents to the proposed Transfer, Tenant may thereafter promptly effect a Transfer in accordance with the terms of Tenant's Transfer Notice. If Landlord consents to the proposed Transfer and Tenant does not consummate the proposed Transfer within 30 days after receipt of Decision Notice, the provisions of the first paragraph of this Section 14.2 shall again apply. Any Transfer without Landlord's prior written consent shall be immediately void and shall constitute a default hereunder.

14.3 No Release from Liability. No Transfer, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of Tenant's obligations under this Lease, from its covenants and obligations hereunder during the Term. Tenant shall, promptly upon demand, reimburse Landlord for Landlord's reasonable attorneys' fees and administrative expenses incurred in conjunction with the processing and documentation of any requested Transfer.

14.4 Transferees's Obligations. Each Transfer to which Landlord has consented shall be evidenced by a written instrument in form satisfactory to Landlord, and executed by Tenant and the Transferee. Each such Transferee shall agree in writing for the benefit of Landlord to assume, be bound by, and perform the terms, covenants and conditions of this Lease to be performed, kept or satisfied by Tenant, including the obligation to pay to Landlord all amounts coming due under this Lease. One fully executed copy of such written instrument shall be delivered to Landlord. Failure to obtain in writing Landlord's prior consent or otherwise comply with the provisions of this Article 14 shall prevent any Transfer from becoming effective.

14.5 Assignee's or Subtenant's Rent. Upon the effective date of any Assignment, the Minimum Monthly Rent shall be increased to the highest of (i) the rentals payable by any assignee or subtenant pursuant to such Assignment or Subletting, (ii) an amount equal to the total of the Minimum Monthly Rent, as adjusted under Section 7.3 hereof, plus Percentage Rental, required to be paid by Tenant pursuant to this Lease during the twelve (12) month period immediately preceding such Assignment, or (iii) an amount equal to the Minimum Monthly Rent as adjusted under Section 7.3 hereof, but using as the numerator of the fraction described therein the CPI as of the effective date of such Assignment. In no event shall the Minimum Monthly Rent after such Assignment be less than the Minimum Monthly Rent during the period immediately preceding.

14.6 Further Restrictions. Tenant shall not, without the prior written consent of

Landlord (which consent may be granted or withheld in Landlord's sole discretion), mortgage, encumber or hypothecate this Lease or any interest herein. Tenant shall not permit the Premises to be used by any party other than Tenant or a permitted Transferee. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. For purposes of this Article 14, if Tenant is a partnership, a limited liability company or other association other than a corporation, any withdrawal(s) or change(s) of a Principal Owner or if Tenant is a corporation, any transfers cumulating 25% or more of its stock, shall constitute a voluntary Transfer and shall be subject to the provisions hereof. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.

ARTICLE 15 **TENANT'S CONDUCT OF BUSINESS**

15.1 Continuous Operation. Tenant covenants to open for business with the general public adequately staffed with workers, merchandise and fixtures in accordance with the Use of Premises to which it is restricted under this Lease. From and after the date Tenant opens for business, Tenant shall continuously (except for reasonable temporary periods necessary for maintenance, repairs, installation of equipment and tenant improvements) and uninterruptedly conduct within the Premises the business which it is permitted to conduct under this Lease except while the Premises are untenable by reason of fire or other casualty. Tenant shall at all times keep and maintain within and upon the Premises an adequate staff of workers and stock of merchandise and trade fixtures to service and supply the usual and ordinary demands of its customers, and shall keep the Premises in a neat, clean and orderly condition. Tenant shall continuously, actively and diligently operate its business in the entire Premises in a high grade and reputable manner throughout the term of this Lease, maintaining in the Premises an adequate staff of employees and a full and complete stock of merchandise. The Premises shall be personally supervised by competent personnel who have power to act on behalf of Tenant. In general, Tenant shall employ its best business judgment, efforts and abilities to operate Tenant's business in an efficient and businesslike manner. It is expressly understood and agreed that Landlord does not consider Minimum Monthly Rent in itself a fair and adequate rental for the Premises and would not have entered into this Lease unless Tenant had obligated itself to pay Monthly Percentage Rent, which Landlord expects to supplement the Minimum Monthly Rent to provide fair and adequate rental return. It is the intent of Landlord and Tenant that Tenant produce the maximum Gross Sales possible during the Term. Therefore, if Tenant fails to continuously operate its business in accordance with the terms of this Lease, fails to keep the required store hours, or vacates the Premises prior to the expiration of the term hereof, Tenant shall pay Monthly Percentage Rent in an amount not less than Default Monthly Percentage Rent for each Month during which such failure or vacation has occurred, notwithstanding that for each such Month Tenant also submits a Monthly Statement. In addition, Landlord shall have the right to treat any of such events as a material default and breach of this Lease.

15.2 Hours of Operation. Recognizing that it is in the interests of both Tenant and Landlord to have regulated hours of business for all of the Boardwalk Retail/Restaurant Area, if Tenant conducts a retail business, then Tenant shall remain open for business during the Minimum Hours of Operation. Landlord retains the right (but not the obligation) to change the Minimum Hours of Operation to those hours, if any, other businesses in the Boardwalk Retail/Restaurant

Area are normally open for business. Tenant shall adequately illuminate its window displays, exterior signs and exterior advertising displays continuously during all Minimum Hours of Operation as determined in Landlord's sole and absolute discretion. The foregoing provisions shall be subject to the hours of operation prescribed by any governmental regulations or labor union contracts to which the Tenant's business is subject. Tenant's failure to keep the Premises open for business during the Minimum Hours of Operation shall be conclusively deemed for any and all purposes to be a violation or breach of a condition, covenant or obligation of this Lease which cannot afterward be cured or performed, but which may be enforced by Landlord by an action for specific performance, in addition to any other remedies available to Landlord.

15.3 Non-Competition. Because Monthly Percentage Rent is a material consideration of this Lease, and in order to achieve maximum sales volume, Tenant, any affiliate and any Guarantor of the Lease, (and their respective officers, directors, and stockholders or partners) shall not directly or indirectly own, operate, manage or have any interest in the profits of any similar store or business (unless in operation on the date of this Lease and identified in the Rider, Exhibit G) within a radius of three (3) miles from the perimeter of the Boardwalk Retail/Restaurant Area. Without limiting Landlord's remedies, if Tenant violates any provision of this Section, Landlord may, at its option, include the gross sales of such other competing stores or businesses in the Gross Sales transacted in the Premises for the purpose of computing Monthly Percentage Rent due hereunder, as though the sales of such competing stores or businesses had actually been made from the Premises. If Landlord so elects, all of the provisions of Article 7 hereof shall be applicable to all records pertaining to such competing stores or businesses. Any competing stores or businesses existing as of the date of this Lease and specified in the Rider that would violate this Non-Competition section may continue to be operated, managed, conducted and owned in the same manner and location as on the date of this Lease.

ARTICLE 16 REPAIRS AND MAINTENANCE

16.1 Tenant's Maintenance. In addition to the duties, restrictions and obligations of Tenant in Section 4.2 above, Tenant shall, at its own cost and expense, repair, replace and maintain in good and tenantable condition (a) the Premises and every part thereof (except that portion of the Premises to be maintained by Landlord as hereinafter provided), (b) the utility meters, lines, pipes and conduits, all fixtures, air conditioning equipment and heating equipment and other equipment or fixtures exclusively serving the Premises, located within and without the Premises regardless of whether (i) such equipment or fixtures are installed or owned by Landlord or Tenant as part of any equipment system or (ii) are attached to the exterior of or installed on the roof of the Premises by Tenant or Landlord; (c) the storefront or storefronts and all signs, locks and closing devices, window sashes, casements or frames, doors and door frames, floor coverings (including carpeting, terrazzo or other special flooring). Tenant shall perform all such items of repair, maintenance, alteration, improvement or reconstruction as may at any time or from time to time be required by a Governmental Agency having jurisdiction over the Premises. Tenant shall contract with a service company, acceptable to Landlord, for the monthly maintenance of the heating, ventilating and air conditioning equipment exclusively serving the Premises, and shall furnish to Landlord a copy of the service contract within ten (10) days after Tenant opens the Premises to the public for business, and shall furnish to Landlord a copy of any subsequent contract entered into by Tenant from time to time during the Term. Tenant shall promptly replace at its own expense any broken glass, both

exterior and interior, with glass of the same kind, size and quality and shall cause the exterior of the Premises to be painted not later than the end of every third Lease Year in accordance with the specifications required by the "Design Criteria" adopted by Landlord for the Boardwalk Retail/Restaurant Area. Tenant shall make no adjustment, alteration or repair of any part of the sprinkler or sprinkler alarm system within or outside the Premises without Landlord's consent in its sole discretion. Tenant acknowledges and understands that the concrete roof structure above the Premises was not specifically designed or constructed in such a manner to prevent water leakage or intrusion below into the Premises. Tenant hereby agrees to maintain the Premises in a "water-tight" manner to prevent water intrusion or leaking from above, including, but not limited to, maintaining the ceiling of the Premises.

16.2 Landlord's Right to Repair. If Tenant fails to make repairs and/or maintain the Premises or any part thereof in a manner reasonably satisfactory to Landlord, Landlord shall have the right to elect to make such repairs or perform such maintenance on behalf of and for the account of Tenant after five (5) days' notice of such election. No notice shall be required in the event of an emergency. The cost of such work shall be paid by Tenant as Additional Rent promptly upon receipt of a bill therefor.

16.3 Surrender of Premises. Upon expiration or termination of the Lease, Tenant shall deliver the Premises to Landlord in good order, condition and state of repair, ordinary wear and tear excepted. Upon request of Landlord, Tenant shall execute and deliver to Landlord in recordable form a quitclaim deed for the Premises.

16.4 Landlord's Maintenance. Subject to the foregoing provisions, Landlord shall keep and maintain in good and tenantable condition and repair the structural integrity of the foundation and pilings which support the Premises and of the roof, exterior bearing walls (excluding the interior of all walls and the exterior and interior of the store fronts, all windows, doors and plate glass and interior ceilings) and structural parts of the Premises, the main trunk lines, pipes and conduits outside the Premises for the furnishing to the Premises of various utilities (except to the extent that the same are the obligations of the appropriate utility company). Landlord reserves the right to charge Tenant with the cost of any Landlord repairs that would otherwise be within Tenant's maintenance responsibilities set forth above. Notwithstanding the foregoing, Landlord shall not be required to make repairs (a) necessitated by reason of (i) the negligence or omission of Tenant or anyone claiming under Tenant, (ii) the failure of Tenant to perform or observe any conditions or agreements in this Lease, or (iii) alterations, additions, or Improvements made by Tenant or anyone claiming under Tenant or (b) casualties for which Landlord is not required to (and does not) carry insurance or for insured casualties for which available insurance proceeds are not sufficient to pay the costs of such repair. Landlord shall have no liability to Tenant for failure to make repairs unless (i) Tenant has previously notified Landlord in writing of the need for such repairs and (ii) Landlord has failed to commence and complete said repairs within a reasonable period of time following receipt of Tenant's written notification. Tenant shall be responsible for all damage resulting from any delays in making required repairs occasioned by Tenant's failure to give prompt notice as Landlord's obligation to repair is conditioned thereon.

As used in this Section, "exterior walls" shall not include storefronts, plate glass, window cases or window frames, doors or door frames, security grills or similar enclosures. Landlord shall

be under no obligation to make any repairs, alterations, renewals, replacements or Improvements to and upon the Premises or the mechanical equipment exclusively serving the Premises at any time except as expressly provided in this Article. If Landlord fails to begin making such repairs to the Premises or perform such maintenance of the Premises as it is obligated to do by the terms hereof within a reasonable time after Landlord's receipt of written notice, Tenant's sole right and remedy for such failure on the part of Landlord shall be, after further written notice to Landlord, to cause such repairs to be made or such maintenance to be performed to the Premises in a first class workmanlike manner and in compliance with all applicable governmental, insurance and warranty requirements and the standards set forth in this Lease. Upon completion of such repair or maintenance Tenant must submit to Landlord its invoice for the actual, direct costs and expenses of the repairs or maintenance, which Landlord shall pay promptly after demand, provided that the costs and expenses shall not exceed the reasonable cost of such repairs or maintenance. Tenant hereby releases Landlord from, and agrees that Tenant shall be liable for, any damages resulting from Tenant's failure to properly perform any repairs or maintenance which Tenant elects to perform under this Section 16.4.

16.5 Landlord's Entry. Upon reasonable notice by Landlord, Tenant shall permit Landlord or its authorized representatives to enter the Premises at all times during normal business hours for purposes of inspection. Tenant shall permit Landlord or any person authorized by Landlord to enter upon the Premises and make any necessary repairs to the Premises or to perform Landlord's maintenance required of Landlord under Section 16.4 and to perform any work therein (i) which may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, of any insurer of the Premises, or of any rating bureau or insurance underwriters of Landlord, or (ii) that Landlord may deem necessary to prevent waste or deterioration in connection with the Premises if Tenant does not make or cause such repairs to be made or performed promptly after receipt of written demand from Landlord, or (iii) that Landlord may deem necessary to perform remodeling, construction or other work incidental to any portion of the Boardwalk Retail/Restaurant Area or the pilings and other structures supporting the Boardwalk Retail/Restaurant Area, including but not limited to work on the bikepath level above the Premises or the premises of another tenant adjacent to the Premises or to enforce any provision of this Lease or to cure any default of Tenant. Landlord shall use its best efforts not to interfere unreasonably with Tenant's business during the conduct of any such work. If such work of Landlord unreasonably interferes with the ability of Tenant to conduct its business on the Premises as required by this Lease, during the period of such unreasonable interference the Minimum Monthly Rent shall be partially abated in proportion to the amount of such unreasonable interference; and in the event such work fully prevents Tenant from conducting its business as required, the Minimum Monthly Rent shall be fully abated during such period, and such interference shall not be claimed by Tenant as constituting a constructive eviction by Landlord; provided, however, that the Minimum Monthly Rent shall not be reduced to a level lower than the amount of the Business Interruption Insurance required to be provided by Tenant in Section 9.3.8. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which, under any provision of this Lease, Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to perform such work. No exercise by Landlord of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned by the exercise of such rights. In the event Landlord makes any repairs pursuant to subsections (i) or (ii), Tenant shall pay the cost thereof to Landlord as Additional Rent, promptly upon receipt of a bill therefor.

16.6 Display. Landlord and its authorized representatives may enter the Premises at any time during business hours for the purpose of exhibiting the Premises to prospective developers, lenders, assignees, or master leaseholders. During the final six (6) months of the term of this Lease, Landlord may exhibit the Premises to prospective tenants.

ARTICLE 17 RECONSTRUCTION

17.1 Damage or Destruction by Casualty. In case of any damage to or destruction of the Improvements on the Boardwalk Retail/Restaurant Area or the Common Area or the Improvements on the Premises, or any part thereof, and subject to the next sentence, if the insurance proceeds available to Landlord, if any, on account of such damage or destruction to the Premises are sufficient for the purpose, Landlord shall within a reasonable period of time commence and complete the restoration, replacement or rebuilding of the Improvements, together with such alterations and additions, or variations from the original plans for the exterior elevations (including materials selection and color) or the size, bulk and scale of the Improvements and such alterations or changes as are required by then current building codes (such restoration, replacement, rebuilding, alterations and additions, together with any temporary repairs and property protection pending completion of the work being herein called "Restoration"). If the Improvements on the Premises are damaged during the last three (3) years of the Lease Term, or if the insurance proceeds collected with respect to such Improvements are not sufficient to complete Restoration, or if there are no insurance proceeds for the Improvements, or if Landlord elects not to undertake Restoration of the Improvements, then Landlord shall have the right to notify Tenant of such election and this Lease shall terminate as to the Premises. Tenant shall repair and restore Tenant's betterments, trade fixtures, equipment, inventory or other installations or Improvements of Tenant in, on or about the Premises, and such Improvements as Tenant is required to insure, and/or repair and maintain under this Lease.

17.2 Termination Upon Substantial Damage. Notwithstanding anything to the contrary contained in this Lease, Landlord may, at its option, terminate this Lease upon thirty (30) days' notice to Tenant (said notice to be given not later than one hundred (100) days after the later of the occurrence of any damage or destruction or written notification from Tenant to Landlord of such occurrence) if: (i) the Premises, the Boardwalk Retail/Restaurant Area or the Common Area shall be damaged or destroyed and Landlord's architect shall certify in writing that the extent of the damage or destruction is twenty-five percent (25%) or more of the replacement value of any of the respective Premises, Boardwalk Retail/Restaurant Area or the Common Area (excluding the replacement value of trade fixtures, equipment, inventory or other installations or Improvements not permanently affixed to the real estate) immediately prior to the occurrence of the damage or destruction, or (ii) the damage or destruction is such that, in Landlord's judgment, restoration cannot be completed within one hundred twenty (120) days of the commencement thereof regardless of the cost of such restoration or repair. The effective date of the termination shall be the date of the occurrence of the damage or destruction.

17.3 Commencement of Restoration. If the Premises shall be damaged or destroyed, and either the provisions of Section 17.2 shall not apply, or the provisions of Section 17.2 shall apply but Landlord shall not have elected to terminate this Lease, Landlord and Tenant shall

commence their respective obligations of repair and restoration set forth in Section 17.1 as soon as practicable, and shall prosecute the same to completion with all due diligence.

17.4 No Abatement of Rent. During the period of any damage, repair or restoration provided for in Section 17.1, the Minimum Monthly Rent for the Premises shall not be abated in any way except if the Premises is not repaired or restored within six months from the date of the damage or destruction and such is due to the fact that Landlord failed to prosecute its repairs and restoration with all due diligence, then Minimum Monthly Rent for the Premises shall abate from the sixth month date after the date of such damage or destruction until that date upon which the Premises is repaired and restored, or such earlier date on which it should have been repaired and restored if Tenant had prosecuted its repairs and restoration with all due diligence; provided, that Tenant shall not be liable for any Minimum Monthly Rent to the extent that Landlord is paid benefits for such the loss of Minimum Monthly Rent from the Business Interruption Insurance required to be provided by Tenant in Section 9.3.8. Tenant shall continue or cause to be continued the operation of the businesses in the Premises during any such period to the extent reasonably practicable. Tenant's obligation to pay all other amounts payable under this Lease shall continue. Tenant shall not be entitled to any abatements or reductions or to any compensation, damage or offset for loss of the use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by any damage, destruction, repair or restoration.

17.5 Remedies Limited. As a material inducement to entering into this Lease, Tenant irrevocably waives and releases its rights under the provisions of Section 1932(2) and 1933(4) of the California Civil Code, it being the intent of the parties hereto that the express terms of this Lease shall control under any circumstances in which those provisions might have otherwise applied. Said Sections whose effect are being waived presently provide as follows:

Section 1932: “The hirer of a thing may terminate the hiring before the end of the term agreed upon:...2. When the greater part of the thing hired, or that part which was and which the letter had at the time of the hiring reason to believe was the material inducement to the hirer to enter into the contract, perishes from any other cause than the want of ordinary care of the hirer.”

Section 1933: “The hiring of a thing terminates:...4. By the destruction of the thing hired.”

ARTICLE 18 **COMMON AREAS**

18.1 Use of Common Areas. Subject to the provisions of Section 18.4, Tenant and its employees and invitees are authorized, empowered and privileged to non-exclusive use of the Common Areas during the Term. Tenant hereby acknowledges that, as of the date of this Lease, there is no parking area within the Boardwalk Retail/Restaurant Area which will be part of the Common Area. Landlord reserves the right to repair, change, modify, or otherwise alter the Common Area. Further, Landlord expressly reserves the right to establish, modify and enforce reasonable rules and regulations governing the Common Area.

18.2 Common Area Maintenance. Landlord shall maintain and operate, or cause to be maintained and operated (except as hereinafter provided with reference to cost of maintenance), the Common Areas at all times for the benefit and use of the customers and patrons of Tenant, and

of other tenants, owners and occupants of the land constituting the Boardwalk Retail/Restaurant Area. All Common Area Expenses shall be at the sole cost and expense of Landlord and shall not, except for the Tenant's Monthly Expense Share, be charged to Tenant except as otherwise provided for in this Lease. If Landlord at any time hereafter determines, in Landlord's sole and absolute judgment, that the best interests of the Boardwalk Retail/Restaurant Area will be served by having the Common Areas or any part thereof operated and maintained by a person, firm or corporation other than Landlord, Landlord may select a person, firm or corporation to operate and maintain all or any such part of the Common Areas and may negotiate and enter into a contract therefor with such person, firm or corporation on such terms and conditions and for such time as Landlord, in Landlord's sole and absolute judgment, shall deem reasonable and proper both as to service and cost. Landlord shall keep, or cause to be kept, the Common Areas in a neat, clean and orderly condition, properly lighted, landscaped and insured, and shall repair any damage to the facilities thereof.

18.3 Control of Common Areas. Landlord shall at all times have the right and privilege of determining the nature and extent of the Common Areas within the Boardwalk Retail/Restaurant Area, including surface, underground or multiple-deck, and of making such changes therein which in Landlord's sole and absolute discretion are deemed to be desirable and for the best interest of all persons using the Common Areas. The exercise of Landlord's discretion shall include but shall not be limited to the location and relocation of entrances and exits, the installation and location of prohibited areas, and the design and location of landscaped areas.

Tenant and its employees, customers, suppliers, invitees and patrons shall abide by the Boardwalk Retail/Restaurant Area and Parking Rules and Regulations, as set forth in Exhibit F, as the same may be amended by Landlord from time to time in Landlord's sole and absolute discretion. Landlord and its successors and assigns, shall at all times during the Term have sole and exclusive control of the Common Areas, and may at any time during the Term exclude and restrain any person from use or occupancy thereof, excepting customers, suppliers, invitees, employees and patrons of Tenant, and other tenants of Landlord who make use of said areas in accordance with the Boardwalk Retail/Restaurant Area and Parking Rules and Regulations established by Landlord with respect thereto. The right of Tenant hereunder in and to the Common Areas shall at all times be subject to the rights of Landlord and other tenants of the Boardwalk Retail/Restaurant Area to use the same in common with Tenant. It shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation.

If, in the opinion of Landlord, unauthorized persons are using any of said areas by reason of the presence of Tenant in the Premises, Tenant, upon demand of Landlord, shall enforce Landlord's right to exclude such persons by appropriate proceedings. Nothing herein shall affect the right of Landlord at any time to remove any such unauthorized persons from said areas or to restrain the use of any of said areas by unauthorized persons.

Landlord shall not be liable for any damage to motor vehicles, or for loss of property from within such motor vehicles, of Tenant, its customers, suppliers, invitees, employees or patrons, unless caused by the gross negligence of Landlord, its agents, servants or employees.

18.4 Parking. Tenant hereby acknowledges that Landlord built, owns and operates two

(2) parking structures adjacent to the Redondo Beach Boardwalk Area, known as the "Pier Parking Structure" and the "Plaza Parking Structure". Said parking structures are to service the general public; including, but not limited to, customers of the Redondo Beach Boardwalk Area and customers of Tenant. Tenant acknowledges that at no time will Tenant share in the revenues from said parking structures, nor will Tenant, its agents, employees, customers, licensees and sub-tenants receive free parking, unless granted by Landlord, in its sole discretion. Tenant, its agents, employees, customers, licensees and sub-tenants agree to comply with the fees for parking automobiles in the parking structures; said fees shall be set by the City Council of Landlord at its sole discretion. Landlord reserves the right to change entrances, exits, traffic lanes and the boundaries and locations of said parking structures. If at any time Landlord elects to close all or a portion of said parking structures for repair, Tenant will waive any and all claims against Landlord for such closure.

Employees and suppliers of Tenant and the other tenants of Landlord shall park their automobiles in certain designated non-exclusive automobile parking areas which may from time to time be designated for employees and suppliers of the Boardwalk Retail/Restaurant Area. Landlord at all times shall have the right to designate the particular parking area, if any, to be used by any or all of such employees or suppliers and any such designation may be changed from time to time. Tenant shall furnish Landlord with the license numbers of Tenant and its employees within fifteen (15) days after the Commencement Date and Tenant shall thereafter notify Landlord of any changes within five (5) days after such change occurs. All parking in parking areas owned or operated by Landlord shall be subject to the charges, fees and the Boardwalk Retail/Restaurant Area and Parking Rules and Regulations pertaining to employees and suppliers promulgated from time to time by City. If special charges and fees are allowed to employees and suppliers, and Tenant or its employees or its suppliers fail to park their cars in designated parking areas, then Landlord may charge Tenant for the charges and fees for general parking each day or partial day per car parked in any areas other than those designated. All amounts due under the provisions of this Section shall be payable by Tenant within ten (10) days after demand therefor. Tenant acknowledges that employee, supplier, customer and patron parking may not be available during certain evening and early morning hours.

ARTICLE 19 BANKRUPTCY; INVOLUNTARY TRANSFERS

19.1 Election to Assume Lease. In the event an order for relief shall be entered against or come into existence as to Tenant under Chapter 7 or Chapter 11 or Chapter 13 of the U.S. Bankruptcy Code, and the Trustee or Debtor-In-Possession shall elect to assume this Lease for the purpose of assigning this Lease or otherwise, such election and assignment may only be made if all of the terms and conditions of Sections 19.2 and 19.3 are satisfied. If such Trustee shall fail to elect to assume this Lease within sixty (60) days after the order for relief, or such additional time as the Bankruptcy Court authorizes, then this Lease shall be deemed rejected and immediately canceled and terminated. Landlord shall be thereupon immediately entitled to possession of the Premises without further obligation to Tenant or Trustee. Landlord's right to be compensated for damages in such bankruptcy proceeding shall survive.

19.2 Conditions of Assumption. In the event that a Petition for reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Bankruptcy Code,

or a proceeding is filed under Chapter 7 of the Bankruptcy Code and is converted to Chapters 11 or 13, the Trustee or Tenant, as Debtor-In-Possession (“DIP”), whether DIP under Chapter 11 or 13, must elect to assume this Lease within sixty (60) days from the date of the filing of the Petition under Chapters 11 or 13, or within such additional time as the Bankruptcy Court may authorize, or the Trustee or DIP shall be deemed to have rejected this Lease. No election by the Trustee or DIP to assume this Lease, whether under Chapters 7, 11 or 13, shall be effective unless each of the following conditions, which Landlord and Tenant acknowledge are commercially reasonable in the context of a bankruptcy proceeding of Tenant, have been satisfied, and Landlord has so acknowledged in writing:

(a) Landlord has not terminated this Lease pursuant to the provisions established herein prior to the filing of the Petition.

(b) The Trustee or the DIP has cured, or has provided Landlord adequate assurance (as defined below) that:

(i) Within ten (10) days from the date of such assumption the Trustee will cure all monetary defaults under this Lease; and

(ii) Within thirty (30) days from the date of such assumption the Trustee will cure all non-monetary defaults under this Lease.

(c) The Trustee or the DIP has compensated, or has provided to Landlord adequate assurance (as defined below) that within ten (10) days from the date of assumption Landlord will be compensated for any monetary loss incurred by Landlord arising from the default of Tenant, the Trustee, or the DIP as recited in Landlord's written statement of monetary loss sent to the Trustee or DIP. The term “monetary loss” shall include all of Landlord’s attorney fees and costs incurred in monitoring Tenant’s bankruptcy case and in representing Landlord’s interests in such case.

(d) The Trustee or the DIP has provided Landlord with adequate assurance of the future performance of each of Tenant's Trustee's or DIP’s obligations under this Lease; provided, however, that:

(i) The Trustee or DIP shall also deposit with Landlord, as security for the timely payment of rent, an amount equal to three (3) months' rent (as adjusted pursuant to Section 19.2(d)(iii) below) and other monetary charges accruing under this Lease; and

(ii) If not otherwise required by the terms of this Lease, the Trustee or DIP shall also pay in advance on the date Minimum Monthly Rent is payable one-twelfth (1/12th) of Tenant's annual obligations under this Lease for maintenance, common area charge, real estate taxes, insurance and similar charges.

(iii) From and after the date of the assumption of this Lease, the Trustee or DIP shall pay as Minimum Monthly Rent an amount equal to the sum of the Minimum Monthly Rent otherwise payable hereunder, plus the highest amount of the annual Monthly Percentage Rent paid by Tenant to Landlord within the five (5) year period prior to the date of Tenant's Petition

under the Bankruptcy Code, which amount shall be payable in advance in equal monthly installments on the date Minimum Monthly Rent is payable.

(iv) If the Trustee or DIP assumes this Lease, and does not assign it, then the obligations imposed under this Lease upon the Trustee or DIP shall continue thereafter. If the Trustee or DIP assumes and assigns this Lease, then the obligations imposed under this Lease upon Trustee or DIP shall be released in accordance with Bankruptcy Code Section 365(l) and any amendments or replacements of such section, but such obligations shall continue thereafter upon the assignee(s).

(e) The assumption of the Lease will not:

(i) Breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound relating to the Boardwalk Retail/Restaurant Area; or

(ii) Disrupt, in Landlord's sole judgment, the tenant mix of the Boardwalk Retail/Restaurant Area or any other attempt by Landlord to provide a specific variety of retail stores in the Boardwalk Retail/Restaurant Area which, in Landlord's sole judgment, would be most beneficial to all of the tenants in the Boardwalk Retail/Restaurant Area and would enhance the image, reputation, and profitability of the Boardwalk Retail/Restaurant Area.

(f) For purposes of this Section 19.2, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance" shall mean:

(i) The Trustee or the DIP has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or DIP will have sufficient funds to fulfill the obligations of Tenant under this Lease, and to keep the Premises stocked with merchandise and properly staffed with sufficient employees to conduct a fully operational, actively promoted business on the Premises; and

(ii) The Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or DIP shall have granted a valid and perfected first lien and security interest and/or mortgage in property of Tenant, Trustee or DIP acceptable as to value and kind to Landlord, to secure Landlord the obligation of the Trustee or DIP to cure the monetary and/or non-monetary defaults under this Lease within the time periods set forth above. Notwithstanding the foregoing provisions, Tenant shall have the right to assign or otherwise Transfer this Lease or the entire (but not part of) the Premises, to its parent corporation or to a wholly owned subsidiary; provided, however, that (A) Tenant shall also remain primarily liable for all obligations under this Lease, (B) the Transferee shall, prior to the effective date of the Transfer, deliver to Landlord instruments evidencing such Transfer and its agreement to assume and be bound by all of the terms, conditions and covenants of this Lease to be performed by Tenant, all in form acceptable to Landlord, (C) Tenant shall not be in default under this Lease, and (D) Tenant's right to make such Transfer is expressly conditioned on, and shall remain in effect only as long as, the Transferee maintains its relationship as parent corporation or wholly owned

subsidiary of Tenant.

19.3 Adequate Assurance. If the Trustee or DIP has assumed this Lease pursuant to the terms and conditions of Section 19.1 or 19.2 herein, for the purpose of transferring Tenant's interest under this Lease or the estate created thereby, to any other person, such interest or estate may be so transferred only if Landlord shall acknowledge in writing that the intended Transferee has provided "adequate assurance of future performance" as defined in this Section 19.3 of all of the terms, covenants and conditions of this Lease to be performed by Tenant. For purposes of this Section 19.3, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance of future performance" shall mean that each of the following conditions have been satisfied, and Landlord has so acknowledged in writing:

(a) The Transferee has submitted a current financial statement audited by a certified public accountant which shows a net worth and working capital in amounts determined to be sufficient by Landlord to assure the future performance by such Transferee of Tenant's obligation under this Lease;

(b) The Transferee, if requested by Landlord, shall have obtained guarantees in form and substance satisfactory to Landlord from one or more persons who satisfy Landlord's standards of creditworthiness;

(c) The Transferee has submitted in writing evidence, satisfactory to Landlord, of substantial retailing experience in Boardwalk Retail/Restaurant Areas of comparable size to the Boardwalk Retail/Restaurant Area and in the sale of merchandise and services permitted under this Lease; and

(d) Landlord has obtained all consents or waivers from any third party required under any lease, mortgage, financing arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such Transfer.

19.4 Occupancy Charges. When, pursuant to the Bankruptcy Code, the Trustee or DIP shall be obligated to pay reasonable use and occupancy charges for the use of the Premises or any portion thereof, such charge shall not be less than the Minimum Monthly Rent as defined in this Lease and other monetary obligations of Tenant for the payment of maintenance, common area charges, real estate taxes, Service Assessments, insurance and similar charges.

19.5 Consent. Neither Tenant's interest in this Lease, nor any lesser interest of Tenant herein, nor any estate of Tenant hereby created, shall pass to any trustee, receiver, Transferee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any state having jurisdiction of the person or property of Tenant unless Landlord shall consent to such Transfer in writing. No acceptance by Landlord of rent or any other payments from any such trustee, receiver, Transferee, person or other entity shall be deemed to have waived the need to obtain Landlord's consent for any transfer of Tenant's interest under this Lease.

19.6 Insolvency. In the event the estate of Tenant created hereby shall be taken in execution or by other process of law, or if Tenant or any guarantor of Tenant's obligations

hereunder shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency law under any state law, or if any order for relief is entered against, or comes into existence as to the guarantor or if an involuntary petition is commenced against the guarantor under the U.S. Bankruptcy Code, or any similar provision of another country, or any similar provision in any future federal U.S. Bankruptcy Code, or any similar provision of another country, or if a Receiver or Trustee of the property of Tenant or any guarantor shall be appointed under any state law by reason of Tenant's or the guarantor's insolvency or inability to pay its debts as they become due and otherwise, or if any Transfer shall be made of Tenant's or the guarantor's property for the benefit of creditors under state law; then and in such event Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of the election to so terminate within thirty (30) days after the occurrence of such event.

19.7 Other Laws. The provision of this Article 19 concerning the rights of Landlord, and the obligations of Trustee, Tenant, Debtor, Receiver, DIP and assignee are in addition to such rights and obligations provided by law, including those applicable provisions of the Bankruptcy Code. Nothing contained in this Article 19 shall limit or reduce in any manner whatsoever such rights and obligations which are otherwise provided by law.

ARTICLE 20 DEFAULTS BY TENANT; REMEDIES; TERMINATION AND SURRENDER OF POSSESSION

20.1 Events of Default. The occurrence of any of the following shall constitute a default by Tenant and a breach of this Lease:

(a) Failure or refusal to pay any amount of Minimum Monthly Rent, Monthly Percentage Rent, Additional Rent or any other sums payable by Tenant hereunder when due, or the failure or refusal to submit a Monthly Statement or Annual Statement when due; or

(b) If Tenant shall be given, in any twelve (12) consecutive calendar month period, three or more notices under clause (a) above; or

(c) Failure or refusal to occupy and operate the Premises in accordance with Article 4 or Article 15; or

(d) Any Principal Owner or general partner of Tenant terminates or materially alters its relationship with Tenant without the prior written consent of Landlord; or

(e) Maintenance, commission or permission on the Premises of waste, nuisance, or use of the Premises for an unlawful purpose or failure or refusal to maintain and repair the Premises as required by this Lease; or

(f) Any Transfer contrary to the provisions of Article 14; or

(g) Understatement of Gross Sales by more than six percent (6%); or

(h) Failure to remain open for business as required by Article 15, on any

occasion during a given year of the Lease Term in which Tenant has received two (2) or more notices pursuant to subsection (b) of Section 20.2; or

(i) Failing or refusing to perform fully and promptly any express or implied covenant or condition of this Lease.

20.2 Notices. Following the occurrence of any of the defaults specified in subsection (a) through (i) of Section 20.1, Landlord shall give Tenant, or any subtenant, a written notice specifying the nature of the default and the provisions of this Lease breached and demanding that Tenant, or any subtenant, either fully cure each such default within the time period specified in the corresponding subsections below or quit the Premises and surrender the same to Landlord:

(a) For nonpayment of Minimum Monthly Rent, Monthly Percentage Rent, Additional Rent, or any other sums payable by Tenant hereunder, or for failure to submit a Monthly Statement or Annual Statement, five (5) days;

(b) For breach of Article 4 or Article 15, three (3) days;

(c) For any default described in subsections (d) through (h) of Section 20.1, Landlord shall give Tenant or any subtenant a written notice specifying the nature of the default and the provisions of this Lease breached and Landlord shall have the right, but not the obligation and in addition to all other rights set forth herein, to demand in said notice that Tenant quit the Premises within five (5) days; and

(d) For failure to perform any other covenant or condition of this Lease, a reasonable period to cure such default not to exceed twenty (20) days; provided, however, that if such default cannot be cured within said time period, the cure period shall be extended if Tenant so notifies Landlord in writing of Tenant's need for additional time to cure, commences cure of the default within said time period, and thereafter diligently and in good faith continues with and actually completes said cure within a reasonable period of time.

To the extent permitted by California law, the time periods provided in this Section 20.2 for cure of Tenant's defaults under this Lease or for surrender of the Premises shall be in lieu of (not in addition to) any similar time periods prescribed by California law as a condition precedent to the commencement of legal action against Tenant for possession of the Premises.

20.3 Additional Assurances. At any time following the occurrence of any of the defaults specified in Section 20.1, Landlord, at its option, may request that within ten (10) days of Landlord's request, Tenant shall provide current financial statements for all Guarantors of this Lease.

20.4 Landlord's Rights and Remedies. Should Tenant fail to cure any default or quit the Premises within the time periods specified in Section 20.2, Landlord may exercise any of the following rights without further notice or demand of any kind to Tenant or any other person, except as required by applicable state law. Landlord has the remedy described in California Civil Code Section 1951.4 (a lessor may continue the lease in effect after lessee's breach and abandonment

and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations); together with the following rights, which do not limit Landlord in the exercise of any other right or remedy Landlord may have on account of such default:

(a) The right of Landlord to terminate this Lease and Tenant's right to possession and to reenter the Premises, to take possession thereof and remove all persons therefrom, following which Tenant shall have no further claim thereon. A notice given in connection with unlawful detainer proceedings specifying a time within which to cure a default shall terminate Tenant's right to possession if Tenant fails to cure the default within the time specified in the notice; or

(b) The right of Landlord, without terminating this Lease, to reenter the Premises and take possession of all Improvements, additions, Alterations, equipment and fixtures therein and occupy the whole or any part thereof for and on account of Tenant and to collect any unpaid rentals and other charges, which have become payable, or which may thereafter become payable and to remove any persons in possession thereof; or

(c) The right of Landlord, even though it may have reentered the Premises, in accordance with subsection (b) of this Section, to elect to terminate this Lease and Tenant's right to possession of the Premises; or

(d) The right of Landlord to enjoin any act or omission.

If Landlord reenters the Premises under the provisions of subsection (b) above, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any rental or other charges thereafter accruing, or Tenant's liability for damages under any of the provisions hereof, by any such reentry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that it has elected to terminate this Lease. The service by Landlord of any notice pursuant to the unlawful detainer statutes of this state and the surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary by a written notice to Tenant at the time of or subsequent service of such notices) be deemed to be a termination of this Lease. If Landlord enters or takes possession of the Premises, Landlord shall have the right, but not the obligation, to remove therefrom all or any part of the personal property located therein and to place the same in storage at a public warehouse, all at the sole expense and risk of Tenant.

20.5 Landlord's Damages. If Landlord elects to terminate possession pursuant to the provisions of subsection 20.4 (a), (b) or (c) above, Landlord may recover from Tenant damages, the following:

(i) The worth at the time of award of any unpaid rental which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant'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, any costs or expenses incurred by Landlord in (a) retaking possession of the Premises, including reasonable attorneys' fees, (b) maintaining or preserving the Premises after such default, (c) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (d) leasing commissions, or (e) any other costs necessary, incidental or appropriate to relet the Premises; plus

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of this State.

As used in subsections (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the Maximum Lawful Rate. As used in subsection (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

For purposes of this Article only, the term "rental" shall be deemed to be the Minimum Monthly Rent as adjusted by Section 7.3, the average Monthly Percentage Rental payable by Tenant during the twelve months of the Term preceding Landlord's termination of this Lease, and all other sums required to be paid by Tenant pursuant to the terms of this Lease. All such sums, other than the Minimum Monthly Rent, shall, for the purpose of calculating any amount due under the provisions of subsection (iii) above, be computed on the basis of the average monthly amount thereof accruing during the immediately preceding sixty (60) month period, except that if it becomes necessary to compute such rental before such a sixty (60) month period has occurred then such rental shall be computed on the basis of the average monthly amount hereof accruing during such shorter period.

Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the rent as it becomes due under this Lease. Tenant's right to possession shall not be deemed to have been terminated by Landlord except pursuant to Section 20.4. The following do not constitute a termination of Tenant's right to possession:

(i) Acts of maintenance or preservation or efforts to relet the Premises;

(ii) The appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease.

Any sum accruing to Landlord or Tenant under the terms and provisions of this Lease

which shall not be paid when due shall bear interest at the Maximum Lawful Rate from the date when the sum becomes due and payable by the terms and provisions hereof until paid.

20.6 Fixtures and Personal Property. Without limiting Landlord's rights under Article 13, in the event of default, all of Tenant's Removable Trade Fixtures, furniture, equipment, Improvements, additions, alterations, and other personal property shall remain on the Premises and in that event, and continuing during the length of said default, Landlord shall have the right, subject to the superior rights of any third party owners, lessors or lienholders of such property, to take the exclusive possession of same and to use the same, rent or charge free, until all defaults are cured or, at its option, at any time during the Term, to require Tenant to remove the same.

20.7 No Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, or of any right of Landlord to a forfeiture of the Lease by reason of such breach, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No term, covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord.

Notwithstanding any other provision of this Article, any written notice, other than as specifically set forth in this Article, required by any statute or law now or hereafter in force is hereby waived by Tenant to the fullest extent waivable under law.

The rights and remedies given to Landlord in this Article shall be in addition and supplemental to all other rights or remedies which Landlord may have under laws then in force.

20.8 Termination and Surrender of Possession. Upon any termination of this Lease, whether by expiration of the term hereunder, cancellation pursuant to an election provided for herein, forfeiture, or otherwise, Tenant shall immediately cease doing business in the Premises and peaceably quit and immediately surrender possession of the Premises to Landlord, with all Improvements, apparatus, fixtures and alterations (except trade fixtures and furniture) in a good operating condition and in the same condition of order and repair in which they were required by the provisions of this Lease to be kept throughout the term, subject to ordinary wear and tear after the last required repair or maintenance, and shall be the property of Landlord without payment therefor. Tenant shall repair at its own expense any damage and defacement to the Premises caused by its removal of its trade fixtures, furniture and equipment.

Notwithstanding anything in this Lease to the contrary, any of Tenant's trade fixtures, furniture and equipment which are not removed from the Premises by the time herein required shall become the property of Landlord and Landlord may thereafter either (i) retain all or any part of the same as Landlord's property without payment therefor to Tenant, or (ii) cause all or any part of the same to be removed from the Premises and disposed of, but the cost of any such removal and disposition and the cost of repairing any damage caused by such removal shall be borne by Tenant.

20.9 Self Help. If Tenant shall default in the performance of any covenant on its part to be performed by virtue of any provisions of this Lease, Landlord may, at Landlord's option, after any notice and the expiration of any period with respect thereto as required pursuant to the applicable provisions of this Lease, perform the covenant for the account of Tenant, and the costs incurred by Landlord shall be immediately due and payable by Tenant to Landlord, on demand, as Additional Rent. If Landlord, at any time, is compelled to pay or elects to pay any sum of money or do any acts which would require the payment of any sum of money by reason of the failure of Tenant to comply with any provision of this Lease, after any notice and the expiration of any grace period with respect thereto as required pursuant to the applicable provisions of this Lease, or if Landlord is compelled to incur any expense, or elects to incur any expense, including reasonable attorneys' fees, in enforcing or attempting to enforce the terms of this Lease, whether or not judicial or other action is actually instituted or in instituting, prosecuting or defending any action or proceeding, including non-judicial proceedings such as arbitration or mediation, instituted by reason of any default of Tenant hereunder, the sum or sums so paid by Landlord with all interest, costs, and damages shall be immediately due and payable by Tenant to Landlord, on demand, as Additional Rent.

20.10 Limitation on Setoffs, Counterclaims. Minimum Monthly Rent, Monthly Percentage Rent and Additional Rent due to Landlord hereunder shall be absolutely net to Landlord, so that this Lease shall yield to Landlord the full amount of the installments of Minimum Monthly Rent, Monthly Percentage Rent and Additional Rent throughout the Term, and shall be paid without assertion of any counterclaim, set off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to make any payment of any kind whatsoever or be under any obligation or liability hereunder, except as herein expressly set forth. Except as otherwise expressly provided herein, this Lease shall continue in full force and effect, and the obligations of Tenant hereunder shall not be released, discharged or otherwise affected, by reason of: (a) any restriction or prevention of or interference with any use of the Premises or the Boardwalk Retail/Restaurant Area or any part thereof; (b) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other proceeding relating to Landlord, or any action taken with respect to this Lease by any trustee or receiver of Landlord with respect to this Lease by any trustee or receiver of Landlord, or by any court, in any proceeding; (c) any claim which Tenant has or might have against Landlord; (d) any failure on the part of Landlord to perform or comply with any of the terms hereof or of any other agreement with Tenant; or (e) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, in each case, whether or not Tenant shall have notice or knowledge of any of the foregoing. Except as otherwise expressly provided in this Lease, the obligations of Tenant shall be independent covenants and agreements separate from and not conditioned on the covenants and agreements of Landlord. Tenant hereby waives, to the full extent permitted by applicable law, all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or the Premises or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of Minimum Monthly Rent, Monthly Percentage Rent or Additional Rent.

20.11 Interest. Any amounts or sums due Landlord under this Lease not paid when due shall bear interest from such date until the date actually paid at the Maximum Lawful Rate.

ARTICLE 21 DEFAULTS BY LANDLORD; REMEDIES

If Landlord shall neglect or fail to perform or observe any of the terms, covenants, or conditions contained in this Lease within 60 days after written notice of default or, if more than 60 days are required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after written notice thereof, then Landlord shall be liable to Tenant for any and all damages sustained by Tenant as a result of Landlord's breach. Notwithstanding the foregoing, it is expressly understood and agreed that (a) any money judgment resulting from any default or other claim arising under this Lease shall be satisfied only out of the current rents, issues, profits and other income Landlord receives from its operation of the Boardwalk Retail/Restaurant Area, net of all current operating expenses, liabilities, reserves and debt service associated with said operation ("Net Income" for purposes of this Article 21 only), (b) no other real, personal or mixed property of Landlord, wherever located, shall be subject to levy on any such judgment obtained against Landlord, (c) if such Net Income is insufficient to satisfy such judgment, Tenant will not institute any further action, suit, claim or demand, in law or in equity, against Landlord for such deficiency, and (d) such neglect or failure shall not constitute consent by Landlord for Tenant to perform or observe such terms, covenants or conditions at Landlord's expense. Tenant hereby waives, to the extent permitted under law, any right to satisfy said money judgment against Landlord except from Net Income.

If this Lease or the rentals due from Tenant hereunder are assigned to any Lender, and Tenant is given written notice thereof, including the post office address of the Lender, then Tenant shall give written notice to the Lender, specifying the default in reasonable detail, and affording the Lender a reasonable opportunity to make performance for and on behalf of Landlord. If and when the Lender has made performance on behalf of Landlord, such default shall be deemed cured.

ARTICLE 22 EMINENT DOMAIN

22.1 Taking Resulting in Termination. If any of the Boardwalk Retail/Restaurant Area is taken under the power of eminent domain by any public or quasi-public authority, Landlord shall have the right to terminate this Lease as of the date Tenant is required to vacate a portion of the Premises, upon giving notice in writing of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Boardwalk Retail/Restaurant Area have been so appropriated or taken. In the event of such termination, both Landlord and Tenant shall thereupon be released from any liability thereafter accruing under this Lease. Immediately after learning of any appropriation or taking, Landlord shall give Tenant notice thereof in writing.

22.2 Award. If this Lease is terminated as provided above, Landlord shall be entitled to the entire award or compensation in the condemnation proceedings, whether for a total or partial taking or for diminution in the value of the leasehold or for the fee; but the rental and other charges for the last month of Tenant's occupancy shall be prorated as of the time that Tenant's possession under this Lease is terminated by such taking, and Landlord agrees to refund to Tenant any rent or other charges paid in advance. Tenant agrees not to make any claim for any portion of the award of compensation or damages for such taking, and Tenant hereby assigns and quitclaims to Landlord

any portion of such award, including, but not limited to, any claim Tenant has (or may claim to have) for the value of Tenant's leasehold interest which is in excess of the rent reserved to Landlord hereunder. Notwithstanding the foregoing, Tenant retains, and may assert, any claim it may have under applicable law to receive compensation or damages (provided an award based on such claim does not diminish the award or claim of Landlord): (i) for its fixtures and personal property that it is entitled to remove pursuant to this Lease, (ii) for relocation benefits or assistance or (iii) for loss of goodwill to its business.

22.3 Partial Taking. If either (i) both Landlord and Tenant elect not to terminate this Lease under Section 22.1, or (ii) none of the Premises is appropriated under the power of eminent domain by any public or quasi-public authority, then Tenant shall remain in the remaining portion of the Premises, and Landlord shall, at Landlord's cost and expense, as soon as reasonably possible, restore the Premises on the land remaining to a complete unit of like quality and character as existed prior to such appropriation or taking; provided, however, that Landlord shall have no obligation to so restore the Premises at a cost or expense in excess of the award of compensation or damages received by Landlord due to such taking. After such restoration, the Minimum Monthly Rent provided for herein shall be reduced on an equitable basis, taking into account the relative value of the portion taken as compared to the portion remaining. Tenant hereby waives any statutory rights of termination which may arise by reason of any partial taking of the Premises under the power of eminent domain.

22.4 Transfer under Threat of Taking. For the purposes of this Article only, a voluntary sale or conveyance under threat and in lieu of condemnation shall be deemed an appropriation or taking under the power of eminent domain.

ARTICLE 23 ATTORNEYS' FEES

If at any time after the date hereof either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, the unsuccessful party in such action or proceeding shall reimburse the successful party for all reasonable expenses of attorneys' fees, costs and disbursements incurred therein by the successful party, including but not limited to any such fees, costs or disbursements incurred on any appeal from such action or proceeding. All such fees, costs or disbursements shall be recoverable as items of cost by the successful party, whether or not such action proceeds to final judgment or determination.

ARTICLE 24 SALE OR MORTGAGE BY LANDLORD

24.1 Sale or Mortgage. Landlord may, at any time, without the consent of Tenant, sell, purchase, exchange, transfer, assign, lease, or convey (collectively, "Sale"), or encumber, pledge, mortgage or hypothecate an interest in Landlord, the Lease, the Premises, and/or any portion of or interest in the Boardwalk Retail/Restaurant Area.

24.2 Landlord's Successor. For the purposes of this Article, "Landlord's Successor" shall mean any person or entity that succeeds to all of Landlord's interest in the Premises, the Boardwalk Retail/Restaurant Area, or in this Lease through a Sale.

24.3 Release on Sale. Provided that Landlord's successor expressly assumes Landlord's duties and covenants under this Lease, from and after a Sale, Landlord shall be released from all liability toward Tenant and Tenant's successors and assigns arising from this Lease because of any act, occurrence or omission of Landlord occurring after such Sale.

ARTICLE 25 MASTER DOCUMENTS AND LOAN CONSIDERATIONS

25.1 Subordination. This Lease is and shall be subordinate to the Master Documents and to any encumbrance now of record or recorded after the date of this Lease affecting the Boardwalk Retail/Restaurant Area or any part thereof and/or the land upon which the Boardwalk Retail/Restaurant Area is constructed. Such subordination is effective without any further action of Tenant. On Tenant's behalf and on behalf of all persons claiming through and under Tenant, Tenant agrees that Tenant shall from time to time on request from Landlord execute and deliver any documents or instruments that may be required by Landlord's Lender to effectuate any subordination. If Tenant fails to execute and deliver any such documents or instruments, Tenant irrevocably constitutes and appoints Landlord as Tenant's special attorney-in-fact to execute and deliver any such documents or instruments on Tenant's behalf.

25.2 Attornment. If Landlord conveys in a Sale all of its rights and duties in and to the Lease, the Premises, and/or the Boardwalk Retail/Restaurant Area, or if an interest in Landlord or Landlord's equity of redemption or other interest in the Lease, the Premises and the Boardwalk Retail/Restaurant Area under a mortgage, deed of trust, pledge or security agreement is foreclosed judicially or nonjudicially, upon the request of Landlord's lawful successor, Tenant shall at the election of Landlord's successor attorn to said successor, provided said successor accepts the Premises subject to this Lease. The foregoing notwithstanding, in accepting the Premises subject to this Lease, said successor shall not be bound by (i) any prepayment of more than one month's rental (except for payments under Section 31.1) or (ii) any amendment of this Lease made after the later of the Commencement Date or such date as the successor's lien or interest first arose, unless said successor shall have consented to such amendment, and shall not be liable for any act or omission of the prior Landlord or have any liability for any security deposits unless it shall have been physically delivered to the new Landlord, or be subject to any offset which shall theretofore have accrued to Tenant from the prior Landlord. Tenant shall upon request of any purchaser, mortgagee or other person acquiring an interest in the Boardwalk Retail/Restaurant Area execute and deliver an instrument or instruments confirming its attornment. Notwithstanding the foregoing, upon the request of the holder of any encumbrance, this Lease shall be prior and superior to the lien of any specified encumbrance. With respect to any encumbrance granted or entered into after the date of this Lease, Tenant's obligation to attorn to any purchaser, whether upon foreclosure of any encumbrance or otherwise, and to recognize such purchaser as Landlord under this Lease is conditioned upon such purchaser upon the foreclosure of the encumbrance agreeing to recognize this Lease if Tenant is not in default in the performance of any of the terms and conditions on Tenant's part to be kept and performed under this Lease.

25.3 Notice to Holder of Encumbrance. Tenant agrees that, provided the holder of any Encumbrance shall have notified Tenant in writing of its address, Tenant will give such holder, by

certified mail, a copy of any notice of default given by Landlord.

25.4 Recordation. The parties agree to record a short form memorandum of this Lease, in the form of Exhibit I attached, pursuant to Government Code Section 37393.

25.5 Estoppel Certificate. At any time and from time to time on not more than ten (10) days' written notice from Landlord, Tenant shall execute and deliver to Landlord a Tenant's Estoppel Certificate substantially in form as attached hereto as Exhibit D. Unless Tenant shall have notified Landlord in writing within said ten-day period of any qualifications tenant may have to the statements in the Tenant's Estoppel Certificate ("Tenant's Qualification Notice"), anyone participating with Landlord in any transaction referred to in Section 24.1 shall have the right to rely on the accuracy of such statements. If Landlord shall not have received Tenant's Qualification Notice, Tenant's failure to execute and deliver the Tenant's Estoppel Certificate within said ten-day period shall be deemed to make conclusive and binding upon Tenant (for the benefit of Landlord and anyone participating with Landlord in any such transaction) the statements contained in the Tenant's Estoppel Certificate as true and correct, without exception and Landlord is hereby appointed attorney-in-fact to execute and deliver the Tenant's Estoppel Certificate without exception on behalf of Tenant.

ARTICLE 26 QUIET POSSESSION

Landlord agrees that Tenant, upon paying the rental and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the Term without hindrance by Landlord or by anyone claiming by, through or under Landlord, subject, however, to the provisions of Article 16, and subject to any mortgages, master leases, reciprocal easement agreements, other agreements and encumbrances to which this Lease is subordinate.

ARTICLE 27 TENANT'S ASSOCIATION SHARE FOR ADVERTISING AND PROMOTION.

Tenant acknowledges that Landlord is a member of an association of owners and ground lessees organized and operating for the purpose of carrying out such common or general advertising or promotional activities or programs for the benefit of the waterfront and pier areas, including the Boardwalk Area of which the Boardwalk Retail/Restaurant Area is a part (the "Association"), and that as such a member of the Association, Landlord is required to contribute to the Association an amount equal to 2/10ths of one percent (0.2%) of the gross sales of the Boardwalk Retail/Restaurant Area ("Landlord's Association Share"). Tenant agrees to pay Monthly to Landlord an amount equal to 0.2% of Gross Sales of Tenant ("Tenant's Association Share") in addition to payments to Landlord on account of Minimum Monthly Rent, Monthly Percentage Rent and Tenant's Monthly Expense Share. Landlord agrees that Landlord shall remit all payments of Tenant's Association Share to the Association as part of Landlord's Association Share, and that Landlord shall not retain any of Tenant's Association Share for its own account. In the event that Landlord shall no longer be a required or agree to pay Landlord's Association Share, the obligation of Tenant to pay Tenant's Association Share shall cease (or during the period of any suspension of Landlord's Association Share, shall be suspended). Likewise, should the contribution to the Association change from its current 0.2% of gross sales, Tenant's obligation to

pay Tenant's Association Share shall change in an equal manner. Tenant's Association Share for each Month during the Term shall be due and payable on the date that the Monthly Statement for that Month is required to be submitted to Landlord (i.e., on the 10th day of the Month for the Gross Sales of the preceding Month; see Article 7). If Tenant fails to submit the pertinent Monthly Statement, Gross Sales for the pertinent Month shall be equivalent to the Gross Sales used to calculate Default Monthly Percentage Rent for the purposes of Article 7, and subject to increases as also provided in that Article.

ARTICLE 28 CAPTIONS AND TERMS

The captions contained in this Lease are for convenience only, are not a part of this Lease and do not in any way limit or amplify the actual terms and provisions of this Lease.

If more than one (1) person or entity is named in and executes this Lease as Tenant, then the word "Tenant" wherever used in this Lease is intended to refer to all such persons or corporations, and the liability of such persons or entities for compliance with and performance of all the terms, covenants and provisions of this Lease shall be joint and several. The masculine pronoun used herein shall include the feminine or the neuter as the case may be, and the use of the singular shall include the plural.

ARTICLE 29 NOTICES

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to this Lease upon the other, such notice or demand shall be in writing and shall be deemed to have been duly given three business days after being mailed by certified or registered mail, postage prepaid, immediately upon personal service, or on the next business day if delivered by FedEx or another reputable overnight delivery service, and addressed to the parties at the addresses provided in the Summary.

Either party may change the address for such notices by giving written notice thereof to the other party in the manner specified above. The foregoing method of service or personal service of notice upon the addressee shall be exclusive and Tenant hereby waives, to the fullest extent allowed by law, the right to any other method of service required by any statute or law now or hereafter in force.

Notwithstanding anything to the contrary contained within this Article 29, any notices Landlord is required or authorized to deliver to Tenant in order to advise Tenant of alleged violations of Tenant's covenants contained in Article 12 (with respect to improper advertising media and/or signs), Article 16 (failure of Tenant to properly repair and/or maintain the Premises), and/or Article 18 (improper parking of Tenant and Tenant's employees' automobiles) must be in writing but shall be deemed to have been duly given or served upon Tenant by delivering a copy of such notice to one (1) of Tenant's managing employees at the Premises during normal business hours and by delivery of a copy of such notice to Tenant in the manner specified above.

ARTICLE 30 OBLIGATIONS OF SUCCESSORS

The parties hereto agree that, except as otherwise specified, all of the provisions hereof shall bind and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

ARTICLE 31 SECURITY DEPOSIT

31.1 Payment. Upon execution of this Lease, Tenant shall deposit with Landlord the Security Deposit, which shall be held by Landlord without liability or interest as security for the faithful performance by Tenant of all of its obligations under this Lease. The Security Deposit shall not be considered an advance payment of rent or of any other sum due hereunder or as a measure of damages in case of a default by Tenant. The Security Deposit shall not be considered as a trust fund, and Tenant expressly acknowledges and agrees that Landlord is not acting as a trustee or in any fiduciary capacity in controlling or using Tenant's Security Deposit. Landlord, at its option, may maintain the Security Deposit separate and apart from Landlord's general and/or other funds, or may commingle the Security Deposit with Landlord's general and/or other funds. The Security Deposit shall not be mortgaged, assigned, transferred or encumbered by Tenant without the prior written consent of Landlord and any such act on the part of Tenant shall be without force and effect and shall not be binding upon Landlord. Concurrently with any adjustment to Minimum Monthly Rental, Tenant shall add to the Security Deposit held by Landlord so that the Security Deposit shall always be equal to the Minimum Monthly Rental.

31.2 Application. If any of the rental herein reserved or any other sum payable by Tenant to Landlord shall be overdue and unpaid or paid by Landlord on behalf of Tenant, or if Tenant shall fail to perform any of its obligations under this Lease, then Landlord may, at its option and without prejudice to any other remedy which Landlord may have under this Lease, use and apply the entire Security Deposit, or so much thereof as may be necessary, to compensate or reimburse Landlord for Minimum Monthly Rent, Additional Rent, loss or damage or expense sustained by Landlord, and Tenant shall immediately upon demand restore said Security Deposit to the original sum deposited. If Tenant complies with all obligations and promptly pays all rentals and all other sums payable by Tenant to Landlord as and when due, said Security Deposit (or any balance thereof) shall be refunded in full to Tenant without interest at the expiration or termination of the Lease Term and after the removal of Tenant and surrender of possession of the Premises to Landlord.

In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of rental and other charges due Landlord for the earliest periods prior to the filing of such proceedings.

31.3 Transfer of Landlord's Interest. If Landlord transfers Landlord's interest in the Premises, Landlord may deliver the funds deposited by Tenant under this Article to Landlord's transferee or assignee, and in such event, Landlord shall be discharged from any further liability with respect to such Security Deposit. This Section shall also apply equally to any subsequent transfer of Landlord's interest in the Premises.

ARTICLE 32 BROKERS

Landlord and Tenant each represent and warrant to the other that no real estate broker or finder other than the Broker(s) specified in the Summary has been involved in this transaction. Tenant agrees to indemnify and hold Landlord harmless from any claim, liability, loss or expense for any broker's commission, finder's fee, acquisition fee or like payment asserted against Landlord or Tenant by virtue of a contract or agreement made by Tenant. If no Broker is identified in the Summary, there shall be no obligation on the part of Landlord hereunder to pay any fees or commissions to a broker.

ARTICLE 33 MISCELLANEOUS

33.1 Relationship of the Parties. Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant or any other party.

33.2 Severability. If any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

33.3 Warranty of Authority. If Tenant hereunder is a corporation or partnership, the persons executing this Lease on behalf of Tenant hereby covenant and warrant that (i) their execution of this Lease is duly authorized by all necessary corporate or partnership proceedings; (ii) Tenant is a valid and subsisting corporation or partnership, duly formed under the laws of its state of formation and is duly qualified to do business in this state, (iii) all franchise, corporate and/or partnership taxes have been paid to date, and (iv) Tenant will file when due all future tax returns, forms, reports, fees and other documents necessary to comply with applicable laws.

33.4 Entire Agreement. This Lease contains all conditions, covenants and agreements between Landlord and Tenant relating in any manner to the Boardwalk Retail/Restaurant Area and to the rental, use and occupancy of the Premises and the other matters set forth in this Lease. No prior or contemporaneous agreement or understanding pertaining to the Boardwalk Retail/Restaurant Area or the Premises shall be valid or of any force or effect, and the conditions, covenants and agreements of this Lease cannot be altered, changed, modified, or added to, except in writing signed by Landlord and Tenant. Landlord and Tenant intend that this Lease supersedes all such prior or contemporaneous agreements and that this Lease constitutes the final, exclusive and complete embodiment of their agreement. This Lease shall supersede the Prior Lease, if any, which shall be terminated and of no further force or effect after the Commencement Date of this Lease, except for such provisions which survive the expiration or termination of the Prior Lease. No representation, inducement, understanding or anything of any nature whatsoever, made, stated or represented on Landlord's behalf, either orally or in writing (except this Lease), has induced Tenant to enter into this Lease. Specifically, but without limitation, Tenant acknowledges that Tenant has relied solely on its own investigation and business judgment in its determination to enter into this Lease, that any statements which may have been made by any representative of

Landlord concerning the success of Tenant's business and/or the Boardwalk Retail/Restaurant Area and/or the extent of Tenant's sales or profits are based upon that representative's expectations and are not to be considered as promises, covenants or guarantees of success, that the success of Tenant's business and the Boardwalk Retail/Restaurant Area are based upon many factors, including certain factors not within the control of Landlord and certain factors which are within the control of Tenant and that Tenant is not in any way entitled to the benefits of any agreements between Landlord and other tenants which agreements may differ from the terms of this Lease.

33.5 Construction. All of the provisions hereof shall be construed as covenants and not as conditions. Although the printed provisions of this Lease were drawn by Landlord, the parties hereto agree that this circumstance alone shall not create any presumption, canon of construction or implication favoring the position of either Landlord or Tenant. The parties agree that any deletion of language from this Lease prior to its mutual execution by Landlord and Tenant shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including but not limited to any implication that the parties intended thereby to state the converse or opposite of the deleted language.

33.6 Right to Lease. Landlord reserves the absolute right to create such other tenancies in the Boardwalk Retail/Restaurant Area as Landlord, in the exercise of its sole discretion, shall determine. Tenant does not rely on the fact, nor does Landlord represent, that there shall be any specific occupants or number of occupants of space in the Boardwalk Retail/Restaurant Area after the Commencement Date.

33.7 Governing Law. The laws of the state of California shall govern the validity, performance and enforcement of this Lease.

33.8 Waiver or Consent Limitation. No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver, and then only for the time and to the extent therein stated. The acceptance by Landlord of rent or other payments with knowledge of the breach of any of the covenants of this Lease by Tenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term or condition shall not be construed to be a waiver of any other covenant, terms or conditions, or a waiver of further breach of the same covenants, terms or conditions.

33.9 Force Majeure. For purposes of this Lease, neither Landlord nor Tenant as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations to construct, improve, repair, restore or make other physical improvements under this Lease as a result of the enforced delay in the performance of such obligations where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; government restrictions or priority; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any public or governmental agency or entity; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement

of the cause if notice by the party claiming such extension is given to the other party within thirty (30) days after the commencement of the cause and shall continue for a reasonable period, not to exceed 6 months, during which time the party suffering such delay shall exert its best efforts to cure or eliminate the cause of such delay or prevention. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Nothing contained herein shall be construed to permit delay in the payment of rents or other monetary obligations, or in the submission of notices, plans, Monthly Statements, Annual Statements or other documentation as may otherwise be required.

33.10 Waiver of Rights of Redemption. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event Tenant is evicted or dispossessed for any cause or in the event Landlord obtains possession of the Premises by reason of the violation by Tenant of any of the terms, covenants and conditions of this Lease or otherwise. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise.

33.11 Labor Disputes. Tenant shall perform or cause Tenant's contractor to perform all work in the making and/or installation of any repairs, alterations or Improvements in a manner so as to avoid any labor dispute which causes or is likely to cause stoppage or impairment of work or delivery services in the Boardwalk Retail/Restaurant Area. In the event there shall be any such stoppage or impairment as the result of any such labor dispute or potential labor disputes, Tenant shall immediately undertake such action as may be necessary to eliminate such dispute or potential dispute, including but not limited to: (i) removing all parties in dispute from the job site until such time as the labor dispute no longer exists, (ii) seeking an injunction to remove such parties from the Boardwalk Retail/Restaurant Area, and (iii) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute.

33.12 Additional Assurances. Each of the parties agrees that it will execute such other documents or instruments as may be necessary to carry out and effectuate the purpose and terms of this Lease.

33.13 Gender and Person. Whenever the context of this Lease requires, the neuter, masculine or feminine genders shall each include the others; the singular shall include the plural and the plural shall include the singular; the conjunctive shall include the disjunctive and the disjunctive shall include the conjunctive.

33.14 Counterparts. This Lease and the documents, instruments and agreements executed in connection herewith may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

33.15 Time of Essence. Time is of the essence in the performance of this Lease.

33.16 Franchise. If Tenant is to operate a franchise location, Tenant shall, at the request of Landlord, supply Landlord with any and all information related to Tenant's relationship to franchisor; including, but not limited to, any financial reports required by franchisor, and a copy

of Tenant's franchise license or other document displaying the ability to use franchisor's name, product, logo, etc. Tenant shall also furnish Landlord with the appropriate information to contact a representative at the office of franchisor with respect to any issue. Landlord may request this information to be supplied prior to signing this Lease.

33.17 Exhibits Incorporated. All exhibits attached hereto and referred to herein are incorporated in this Lease and are expressly made a part hereof.

33.18 Nondiscrimination. Tenant shall not discriminate against any person or class of persons by reason of sex, race, color, creed, ancestry, national origin, age, physical handicap, or medical condition, and shall make its accommodations and services available to all persons on a nondiscriminatory basis. Tenant hereby agrees that in all matters affecting this Lease, it will comply with all applicable federal, state and local laws and regulations prohibiting discrimination of any kind.

33.19 Independent Contractor. This Lease is by and between Landlord and Tenant and is not intended and shall not be construed to create the relationship of agent, servant, employee, or representative of Landlord by Tenant.

33.20 No Conflict of Interest. No member, official, officer, employee, agent, or representative of Landlord shall be personally liable to Tenant, or any successor in interest, in the event of any default or breach by Landlord or for any amount which may become due to Tenant or successor or on any obligations under the terms of this Lease. No member, official or employee of City shall have any personal interest, direct or indirect, in this Lease nor shall any such member, official or employee participate in any decision relating to the Lease which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. Tenant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Lease.

33.30 Acknowledgment, Release and Waiver

TENANT HEREBY ACKNOWLEDGES that the subject Premises located at 142 and 144 International Boardwalk Redondo Beach, California 90277 are subject to pending lawsuits ("Pending Lawsuits") filed against the City that may invalidate or modify this Lease without advance notice. If the lease is invalidated or modified as the result of the Pending Lawsuits, Tenant shall not be entitled to seek damages, equitable relief, or any other type of relief from the City. Notwithstanding the above, Tenant agrees to enter into this Lease.

TENANT HEREBY RELEASES, WAIVES, DISCHARGES AND CONVENANTS NOT TO SUE the City of Redondo Beach, its officials, employees and agents with regard to any and all liability or potential liability to Tenant, its owners, directors, officers, employees, agents, assigns, heirs, and next of kin for any loss or damage, and any claims or demands of any kind resulting from the Pending Lawsuits or any impact or potential impact the lawsuits may have on Tenant or this Lease.

TENANT FURTHER EXPRESSLY AGREES THAT THE FOREGOING

ACKNOWLEDGEMENT, RELEASE and WAIVER is intended to be as broad and inclusive as is permitted by the law of the State of California and that if any portion thereof is held invalid, it is agreed that the remaining terms shall, notwithstanding, continue in full legal force and effect.

IN WITNESS WHEREOF, Landlord has by motion duly adopted by the City Council, caused this Lease to be signed by its Mayor and attested by its City Clerk, and by Tenant caused these presents to be subscribed and have duly executed this Lease, all on the day and year first above written.

"LANDLORD":
CITY OF REDONDO BEACH,
a chartered municipal corporation

William C. Brand
Mayor

"TENANT":

KM INC. DBA TRADEWINDS, a California Corporation

By:
Title:

If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice-president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, a certified copy of the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

ATTEST:

APPROVED AS TO FORM:

Eleanor Manzano
City Clerk

Michael W. Webb
City Attorney

EXHIBIT A

**PREMISES FLOOR PLAN AND SITE PLAN OF BOARDWALK
RETAIL/RESTAURANT AREA
(Attached)**

EXHIBIT B

DESCRIPTION OF PREMISES, TRADE NAME AND USE OF PREMISES

Description of Premises: Spaces located at 142 International Boardwalk, Redondo Beach, CA 90277, consisting of approximately 1200 rentable square feet and 144 International Boardwalk, Redondo Beach, CA 90277 consisting of approximately 210 rentable square feet for a total of 1410 square feet.

Trade Name: KM INC. DBA TRADEWINDS

Use of Premises: Retail storefront, provided Tenant, if applicable, procures all necessary and proper licenses, permits and permissions from all appropriate government agencies.

EXHIBIT C

LEASE GUARANTY

THIS LEASE GUARANTY ("Guaranty") is made by Guarantor John Kukawsky, in favor of the CITY OF REDONDO BEACH, a chartered city and municipal corporation ("Landlord"), in connection with that certain lease dated as of February 16, 2021 (the "Lease") pursuant to which Landlord is to lease to KM Inc. DBA Tradewinds ("Tenant") those premises generally referred to as 142 and 144 International Boardwalk, Redondo Beach, California 90277 (the "Premises").

A. Landlord requires this Guaranty as a condition to its execution of the Lease and the performance of the obligations to be performed under the Lease by Landlord.

B. Guarantor has agreed to provide this Guaranty to induce Landlord to enter into the Lease with Tenant and perform its obligations under the Lease.

In consideration of Landlord's agreement to execute the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor does hereby agree with Landlord as follows:

1. The Lease is hereby incorporated into and made a part of this Guaranty by this reference.
2. Guarantor hereby unconditionally guarantees, as a primary obligor and not as a surety, without deduction by reason of setoff, defense or counterclaim, the full and punctual payment of all sums of rent and other amounts payable under the Lease and the full and punctual performance of all terms, covenants and conditions in the Lease to be kept, performed and/or observed by Tenant. Guarantor's obligations under this Guaranty are continuing and unconditional.
3. Guarantor hereby agrees that, without the consent of or notice to Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) the Lease may be extended and any other term, covenant or condition of the Lease may be amended, compromised, released or otherwise altered by Landlord and Tenant, and Guarantor does guarantee and promise to perform all the obligations of Tenant under the Lease as so extended, amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease may be exercised, not exercised, impaired, modified, limited, destroyed, or suspended; (d) Landlord or any other person may deal in any manner with Tenant, any guarantor, any party to the Lease or any other person; (e) Landlord may permit Tenant to holdover the Premises beyond the Lease Term; and (f) all or any part of the Premises or of Tenant's rights or liabilities under the Lease may be sublet, assigned or assumed. Without in any way limiting the foregoing, Guarantor agrees not to unreasonably withhold its consent to any sublease, assignment of the Lease or other modification of the Lease which is agreed to by Landlord and Tenant.
4. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Landlord to proceed against Tenant, or any other guarantor or person or to pursue any other security or remedy before proceeding against Guarantor; (b) any defense based on the genuineness,

validity, regularity or enforceability of the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant or any other person; and (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of Tenant, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Tenant for reimbursement. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Sections 2809, 2810 and 2845 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

5. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of any adverse change in the financial status of Tenant, notices of any other facts which increase the risk to Guarantor, notices of non performance and notices of acceptance of this Guaranty) and protests of each and every kind; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense based on a lack of diligence or failure or delay by Landlord in enforcing its rights under this Guaranty or the Lease.

6. Guarantor hereby waives and agrees not to assert or take advantage of any right to (a) exoneration if Landlord's actions shall impair any security or collateral of Guarantor; (b) any security or collateral held by Landlord; (c) require Landlord to proceed against or exhaust any security or collateral before proceeding against Guarantor; (d) require Landlord to pursue any right or remedy for the benefit of Guarantor. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Sections 2819, 2849 and 2850 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

7. Guarantor shall not, without the prior written consent of Landlord, commence, or join with any other person in commencing, any bankruptcy, reorganization or insolvency proceeding against Tenant. Guarantor's obligations under this Guaranty shall in no way be affected by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee of Tenant or by any disaffirmance or abandonment of the Lease or any payment under this Guaranty by a trustee of Tenant in any bankruptcy proceeding including, without limitation, any impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provision of any federal or state bankruptcy or insolvency law or other statute or from the decision of any court. Guarantor shall file in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law all claims which Guarantor may have against Tenant relating to any indebtedness of Tenant to Guarantor and will assign to Landlord all rights of Guarantor thereunder. Landlord shall have the sole right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Landlord the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to Landlord all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled; provided, however, that Guarantor's obligations hereunder shall not be satisfied except to the extent that Landlord receives cash by reason of any such payment or distribution. If Landlord receives

anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guaranty.

8. Until all the Tenant's obligations under the Lease are fully performed, Guarantor: (a) shall have no right of subrogation or reimbursement against the Tenant by reason of any payments or acts of performance by Guarantor under this Guaranty; (b) subordinates any liability or indebtedness of the Tenant now or hereafter held by Guarantor to the obligations of the Tenant under, arising out of or related to the Lease or Tenant's use of the Premises; and (c) acknowledges that the actions of Landlord may affect or eliminate any rights of subrogation or reimbursement of Guarantor as against Tenant without any liability or recourse against Landlord. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Section 2848 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

9. Prior to the execution of this Guaranty and at any time during the Term of the Lease upon ten (10) days prior written notice from Landlord, Guarantor agrees to provide Landlord with a current financial statement for Guarantor and financial statements for Guarantor for the two (2) years prior to the current financial statement year to the extent not previously delivered to Landlord. Guarantor's financial statements are to be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Guarantor, audited by an independent certified public accountant. Guarantor represents and warrants that all such financial statements shall be true and correct statements of Guarantor's financial condition.

10. The liability of Guarantor and all rights, powers and remedies of Landlord hereunder and under any other agreement now or at any time hereafter in force between Landlord and Guarantor relating to the Lease shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Landlord by law.

11. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. This Guaranty may be assigned by Landlord voluntarily or by operation of law.

12. This Guaranty shall constitute the entire agreement between Guarantor and the Landlord with respect to the subject matter hereof. No provision of this Guaranty or right of Landlord hereunder may be waived nor may any guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director or trustee of Landlord. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof. No course of dealing between Landlord and Tenant shall alter or affect the enforceability of this Guaranty or Guarantor's obligations hereunder.

13. Guarantor hereby agrees to indemnify, protect, defend and hold Landlord harmless from and against, all losses, costs and expenses including, without limitation, all interest, default interest, post petition bankruptcy interest and other post petition obligations, late charges, court costs and attorneys' fees, which may be suffered or incurred by Landlord in enforcing or compromising any rights under this Guaranty or in enforcing or compromising the performance of Tenant's obligations under the Lease.

14. The term "Landlord" whenever hereinabove used refers to and means the Landlord in the foregoing Lease specifically named and also any assignee of said Landlord, whether by outright assignment or by assignment for security, and also any successor to the interest of said Landlord or of any assignee of such Lease or any part thereof, whether by assignment or otherwise. The term "Tenant" whenever hereinabove used refers to and means the Tenant in the foregoing Lease specifically named and also any assignee or subtenant of said Lease and also any successor to the interests of said Tenant, assignee or sublessee of such Lease or any part thereof, whether by assignment, sublease or otherwise including, without limitation, any trustee in bankruptcy and any bankruptcy estate of Tenant, Tenant's assignee or sublessee.

15. If any or all Guarantors shall become bankrupt or insolvent, or any application shall be made to have any or all Guarantors declared bankrupt or insolvent, or any or all Guarantors shall make an assignment for the benefit of creditors, or any or all Guarantors shall enter into a proceeding for the dissolution of marriage, or in the event of death of any or all Guarantors, notice of such occurrence or event shall be promptly furnished to Landlord by such Guarantor or such Guarantor's fiduciary. This Guarantee shall extend to and be binding upon each Guarantor's successors and assigns, including, but not limited to, trustees in bankruptcy and Guarantor's estate.

16. Any notice, request, demand, instruction or other communication to be given to any party hereunder shall be in writing and sent by registered or certified mail, return receipt requested in accordance with the notice provisions of the Lease. The Tenant shall be deemed Guarantor's agent for service of process and notice to Guarantor delivered to the Tenant at the address set forth in the Lease shall constitute proper notice to Guarantor for all purposes. Notices to Landlord shall be delivered to Landlord's address set forth in the Lease. Landlord, at its election, may provide an additional notice to Guarantor at the address provided under Guarantor's signature below.

17. If either party hereto participates in an action against the other party arising out of or in connection with this Guaranty, the prevailing party shall be entitled to have and recover from the other party reasonable attorneys' fees, collection costs and other costs incurred in and in preparation for the action. Guarantor hereby waives any right to trial by jury and further waives and agrees not to assert or take advantage of any defense based on any claim that any arbitration decision binding upon Landlord and Tenant is not binding upon Guarantor.

18. Guarantor agrees that all questions with respect to this Guaranty shall be governed by, and decided in accordance with, the laws of the State of California.

19. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

20. Time is strictly of the essence under this Guaranty and any amendment, modification or revision hereof.

21. If more than one person signs this Guaranty, each such person shall be deemed a guarantor and the obligation of all such guarantors shall be joint and several. When the context and construction so requires, all words used in the singular herein shall be deemed to have been used

22. If Guarantor is a corporation, each individual executing this Guaranty on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Guaranty on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the by laws of said corporation, and that this Guaranty is binding upon said corporation in accordance with its terms. If Guarantor is a corporation, Landlord, at its option, may require Guarantor to concurrently, with the execution of this Guaranty, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Guaranty.

Executed on this day of , 2021.

John Kukawsky

*A.If the person(s) signing this Lease on behalf of Tenant [is/are] [an] officers] of a corporation that is incorporated in California, then one of the following conditions must be satisfied: (i) This Lease must be signed by two officers, one being the Chairman of the Board, the Owner or a Vice Owner, and the other one being the Secretary, an Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer; or (ii) if clause (i) above is not satisfied, or if this Lease is signed by one person acting in two capacities, then Tenant shall have delivered to Landlord a certified copy of a corporate resolution in form acceptable to Landlord authorizing the signatory(ies) to execute this Lease.

325

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Lease (the "Lease"), made and entered into as of February 16, 2021, by and between City of Redondo Beach, a chartered city and municipal corporation, as "Landlord," and the undersigned, as "Tenant," for the Premises outlined on Exhibit A attached to this Certificate and incorporated in it by this reference, which Premises are commonly known as Tenant Space numbers 142 and 144 International Boardwalk, Redondo Beach, California, certifies as follows:

1. The undersigned has commenced occupancy of the Premises described in the Lease. The Commencement Date under the Lease is February 9, 2021. All space and improvements leased by Tenant have been completed in accordance with the provisions of the Lease, and Tenant has accepted and taken possession of the Premises. If any, all contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full.

2. The Lease is in full force and effect as of the date of this Certificate and has not been modified, supplemented, or amended in any way except as follows:

_____.

3. The Lease represents the entire agreement between the parties as to the Premises.

4. Minimum Monthly Rent became payable on February 16, 2021.

5. The Term began on February 16, 2021, and expires on February 15, 2024.

6. Except as indicated in paragraph 7 below, no rent has been paid in advance and no security deposit has been deposited with Landlord, except for the Security Deposit in the amount of \$1,750.00 deposited with Landlord in accordance with the Lease. There are no setoffs or credits against any rent payable under the Lease. No free periods or rental abatements, rebates, or concessions have been granted to Tenant, except as follows:

_____.

7. Minimum Monthly Rent in the sum of \$_____ per month has been paid through the month of _____, 20___. Monthly Percentage Rent in the sum of \$_____ per month has been paid through the month of _____, 20___. Tenant's Monthly Expense Share in the sum of \$_____ per month has been paid through the month of _____, 20___. Tenant's Association Share in the sum of \$_____ per month has been paid through the month of _____, 20___. Additional Rent in the sum of \$_____ has been paid through _____, 20___ for the following:

_____.

8. As of the date of this Certificate, the undersigned has no defenses or offsets against any of Tenant's obligations under the Lease and there are no uncured defaults of Landlord or any events

that (with or without the giving of notice, the lapse of time, or both) constitute a default of Landlord or Tenant under the Lease, except _____.

9. The undersigned has no rights of first refusal or options to (a) purchase all or any portion of the Premises or the International Boardwalk; or (b) renew or extend the Term, except as provided in the Lease.

10. The undersigned has not received nor is it aware of any notification from the Department of Building and Safety, the Health Department, or any other city, county, or state authority having jurisdiction that work is required to be done to the improvements constituting the Premises or the International Boardwalk or that the existing improvements in any way violate existing laws, ordinances, or regulations. Tenant has no actual or constructive knowledge of any processing, use, storage, disposal, release, or treatment of any hazardous or toxic material or substance on the Premises except as follows: _____.

11. The undersigned has no knowledge of any actions, suits, material claims, legal proceedings, or any other proceedings, including threatened or pending eminent domain proceedings, affecting the Premises, at law or in equity, before any court or governmental agency, domestic or foreign. There are no pending actions, voluntary or involuntary, under any bankruptcy or insolvency laws of the United States or any state against Tenant or any guarantor of Tenant's obligations under the Lease.

12. The undersigned has not assigned, sublet, encumbered, pledged, hypothecated, transferred, or conveyed (or suffered any of the preceding) any interest in the Lease or the Premises.

13. The undersigned represents and warrants that to the best of its knowledge all statements contained in this Certificate are true and correct.

14. The undersigned acknowledges that this Certificate may be delivered to any proposed mortgagee, trust deed beneficiary, lessor, lessee, purchaser, or successor-in-interest to Landlord, of all or any portion of the Premises or the Boardwalk. The undersigned acknowledges that it recognizes that if the same is done, the proposed mortgagee, trust deed beneficiary, lessor, lessee, purchaser, or successor-in-interest will be relying on the statements contained in this Certificate in making the lease, purchase, or loan (or in accepting an assignment of the Lease as collateral security), and that receipt by it of this Certificate is a condition of the making of such lease, purchase, or loan. Tenant will be estopped from denying that the statements made in this Certificate by Tenant are true.

15. The undersigned representative of Tenant hereby certifies that they are duly authorized to execute and deliver this Certificate on behalf of Tenant.

Executed at _____ on _____, 20____.
TENANT: KM INC. DBA TRADEWINDS

By: _____ Title: _____

EXHIBIT E

SIGN CRITERIA

These criteria have been established for the purpose of assuring an outstanding shopping experience and for the mutual benefit of all tenants. Conformance will be strictly enforced; and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the tenant. All criteria contained herein shall conform to all resolutions, ordinances, general policies and rules of the city of Redondo Beach and the city of Redondo Beach Harbor Department (the City's ordinances, resolutions, etc. shall rule in the event of any conflict).

GENERAL REQUIREMENTS

1. Each Tenant shall submit or cause to be submitted to the Landlord for approval before fabrication at least four copies of detailed drawings indicating the location, size, layout, design and color of the proposed signs, including all lettering and/or graphics.
2. All permits for signs and their installation shall be obtained by the tenant or tenant representative prior to installation which have not been done by owner previously
3. Tenant shall be responsible for the fulfillment of all requirements and specifications.
4. All signs shall be constructed and installed at tenant's expense.
5. All signs shall be reviewed by the Landlord and his designated Project Architect for conformance with this criteria and overall design quality. Approval or disapproval of sign submittal based on esthetics of design shall remain the sole right of the Landlord.
6. Tenant sign contractors to be responsible to obtain all required city and county approvals and permits, including Regional Planning and Building & Safety Division.
7. All Tenants' sign Contractors to be State licensed and shall carry appropriate insurance.

GENERAL SPECIFICATIONS

1. No projections above or below the sign panel will be permitted. Sign must be within dimensioned limits as indicated on the attached drawings.
2. Sign cabinets shall be grey non-illuminated w/white pales face 2'6" x 6" smallest 2'6" x 20" largest. Sizes are determined by store frontage. Tenant is allowed 8" of sign width for every 12" of storefront Typical 15' storefront would have a sign 2'6" x 10'.
3. Letter style will be Century ultra italic (vivid). No florescent colors.
4. Tenant shall be responsible for the cost of installation and maintenance of all signs.

5.The width of the Tenant fascia sign shall not exceed 70% of storefront. The maximum height of the tenant fascia sign shall be 30". Sign shall center on store unless prior approvals are obtained from the Landlord/Developer

6.Tenants sign contractor shall repair any damages to the premises caused by his work.

CONSTRUCTION REQUIREMENTS

1.Signs fastening and clips are to be concealed and be of galvanized, stainless aluminum, brass or bronze metals.

2.No labels will be permitted on the exposed surface of signs, except those required by local ordinance which shall be placed in an Inconspicuous location.

3.Tenants shall have identification signs designed in a manner compatible with and complimentary to adjacent and facing storefront and the overall concept of the center.

4.Signs may be illuminated at the tenant's expense to run electrical for the signs. These signs would still meet criteria for size, lettering and color.

MISCELLANEOUS REQUIREMENTS

1.Each tenant shall be permitted to place upon each entrance of its demised premises not more than 200 square inches of decal application lettering not to exceed 6" inches in height indicating hours of business, emergency telephone numbers & etc.

2.Except as proved herein, no advertising placards, banners, pennants names, insignias, trademarks, or other descriptive material, shall be affixed or maintained upon the glass panes and supports of the show windows and doors, or upon the exterior walls of the buildings without the written previous approval of the Landlord.

3.Each tenant who has a non-customer door for receiving merchandise may apply his name on said door in 4" high block letters and in a location as directed by the Project Architect. Letters shall be placed in the middle of the said door. Where more than one tenant uses the same door, each name and address may be applied. Color of letters shall be black. Letter style shall be Century ultra italic, all capital letters. No other rear entry signs will be permitted.

4.All directory lettering will be provided by Landlord.

Landlord's Initials: _____

Tenant's Initials: _____

EXHIBIT F

PARKING FEE SCHEDULE

Per paragraph 18.4 of the lease and Landlords standard parking rates in effect at the time and adjustable from time-to-time.

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, elevators, escalators and stairways of the Building shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no agent, employee, contractor, invitee or licensee of any tenant shall go upon the roof of the Building. Landlord shall have the right at any time, without the same constituting an actual or constructive eviction and without incurring any liability to any tenant therefor, to change the arrangement or location of entrances or passageways, doors or doorways, corridors, elevators, stairs, toilets and other common areas of the Building.

2. No sign, placard, picture, name, advertisement or notice visible from the exterior of any tenant's premises shall be inscribed, painted, affixed or otherwise displayed by any tenant on any part of the Building without the prior written consent of Landlord except that Tenant shall have the right, at its sole cost, to place its name on the door of the Premises. Landlord will adopt and furnish to tenants general guidelines relating to signs inside the Building. Tenants shall conform to such guidelines. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of any such tenant by a person approved by Landlord. Material visible from outside the Building will not be permitted.

3. The premises shall not be used for lodging. No cooking shall be done or permitted on the premises except that private use by any tenant of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages, for preparation of meals by employees of any such tenant in a manner customary for an employee lounge or lunchroom, and for catering to serve food in connection with meetings or receptions will be permitted, provided that such use is in accordance with all applicable federal, state and municipal laws, codes, ordinances, rules and regulations.

4. No tenant shall employ any person or persons other than the janitor of Landlord for the purpose of cleaning its premises unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. No tenant shall cause any unnecessary labor by reason of such tenant's carelessness or indifference in the preservation of

good order and cleanliness. Landlord shall not be responsible to any tenant for any loss of property on the premises, however occurring, or for any damage done to the effects of any tenant by the janitor or any other employee or any other person. Tenant shall pay to Landlord the cost of removal of any of tenant's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of tenant's premises as offices. Janitor service will not be furnished on nights when rooms are occupied after 9:00 P.M. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.

5. Landlord will furnish each tenant without charge with two (2) keys to each door lock provided in the premises by Landlord. Landlord may make a reasonable charge for any additional keys. No tenant shall have any such keys copied or any keys made. No tenant shall alter any lock or install a new or additional lock or any bolt on any door of its premises. Each tenant, upon the termination of its lease, shall deliver to Landlord all keys to doors in the Building.

6. Landlord shall designate appropriate entrances and a freight elevator for deliveries or other movement to or from the premises of equipment, materials, supplies, furniture or other property, and tenants shall not use any other entrances or elevators for such purposes. The freight elevator shall be available for use by all tenants in the Building subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. All persons employed and means or methods used to move equipment, materials, supplies, furniture or other property in or out of the Building must be approved by Landlord prior to any such movement. Landlord shall have the right to prescribe the maximum weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on a platform of such thickness as is necessary properly to distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property shall be repaired at the expense of tenants.

7. No tenant shall use or keep in the premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material other than limited quantities thereof reasonably necessary for the operation or maintenance of office equipment. No tenant shall use any method of heating or air conditioning other than that supplied by Landlord. No tenant shall use or keep or permit to be used or kept any foul or noxious gas or substance in the premises, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, or interfere in any way with other tenants or those having business in the Building, nor shall any animals or birds be brought or kept in the premises or the Building. All materials stored in the Premises by Tenant shall be stored in compliance with all applicable laws and shall not exceed the maximum floor load for the Premises as reasonably determined by Landlord.

8. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name or street address of the Building.

9. Except as expressly set forth in the Lease, Landlord establishes the hours of 8 A.M. to 6 P.M. Monday through Friday, and Saturday 9:00 A.M. to 1:00 P.M., except legal holidays, as reasonable and usual business hours. If during any other hours or any other days, tenant desires to have any

services or utilities supplied to tenant, and if Landlord is able to provide the same, tenant shall pay Landlord such charge as Landlord shall establish from time to time for providing such services or utilities during such hours. Any such charges which such tenant is obligated to pay shall be deemed to be additional rent under such tenant's lease.

10. The Building's air conditioning system achieves maximum cooling when the drapes and windows are closed. Landlord shall not be responsible for the room temperature if tenant does not keep all drapes and windows in the premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord and to abide by all regulations and requirements which Landlord may prescribe for the proper functioning and protection of said air conditioning system. Tenant agrees not to connect any apparatus device, conduit or pipe to the Building chilled and hot water conditioning supply lines. Tenant further agrees that neither tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.

11. Electric current is furnished as required by the Building standard office lighting and fractional horsepower office business machines in the amount of approximately four (4) watts per square foot. The tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond normal business hours, to reimburse Landlord monthly for the measured consumption under the terms, classifications and rates charged to similar consumers by said public utilities serving in the neighborhood in which the Building is located. If a separate meter is not installed at tenant's cost, such excess cost will be established by an estimate agreed upon by Landlord and tenant, and if the parties fail to agree, as established by an independent licensed engineer. Tenant agrees not to use any apparatus or device in, or upon, or about the premises which will in any way increase the amount of such services usually furnished or supplied to said premises, and tenant further agrees not to connect any apparatus or device or wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should tenant use the same to excess, the refusal on the part of tenant to pay, upon demand of Landlord, the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay rent current under tenant's lease and shall entitle Landlord to the rights therein granted for such breach. At all times tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation.

12. Water will be available in public areas for drinking and lavatory purposes only, but if tenant requests, uses or consumes water for any purpose in addition to ordinary drinking and lavatory purposes, of which fact tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of tenant's occupancy, tenant shall keep said meter installation equipment in good working order and repair at tenant's own cost and expense, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof from tenant. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons

or purposes hereinabove stated shall be deemed to be additional rent, payable by tenant, and collectible by Landlord as such.

13. Landlord reserves the right to stop service of the elevator, plumbing, ventilating, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to support elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from doing so by strike or accident or by any cause beyond Landlord's reasonable control or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supplied or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of tenant's lease or to perform any act or thing for the benefit of tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's control.

14. Landlord reserves the right to exclude from the Building between the hours of 6 P.M. and 8 A.M. Monday through Friday and at all hours on Saturdays, Sundays and legal holidays all persons who do not present identification acceptable to Landlord. Each tenant shall provide Landlord with a list of all persons authorized by such tenant to enter its premises and shall be liable to Landlord for all acts of such persons. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's opinion, Landlord reserves the right to prevent access to the Building during the continuance of the same by such action as Landlord may deem appropriate, including closing doors.

15. The directory of the Building will be provided for the display of the name and location of tenants and the principal officers and employees of tenants (not to exceed two (2) names per one thousand (1,000) rentable feet in the Premises) at the expense of such tenant. Periodic revisions and updating shall be provided by Landlord without charge.

16. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without the prior written consent of Landlord. In any event, with the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenants shall keep window coverings closed when the effect of sunlight (or the lack thereof) would impose unnecessary loads on the Building's heating or air conditioning system.

17. No tenant shall obtain for use in the premises ice, drinking water, food, beverage, towel or other similar services, except at such reasonable hours and under such reasonable regulations as may be established by Landlord.

18. Each tenant shall ensure that the doors of its premises are closed and locked and that all water

faucets, water apparatus and utilities are shut off before such tenant or such tenant's employees leave the premises so as to prevent waste or damage, and for any default or carelessness in this regard, such tenant shall compensate for all injuries sustained by other tenants or occupants of the Building or Landlord. On multiple-tenancy floors, all tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress.

19. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be paid by the tenant who, or whose agent, employee, contractor, invitee or licensee, caused it.

20. Except with the prior written consent of Landlord, no tenant shall sell at retail newspapers, magazines, periodicals, theater or travel tickets or any other goods or merchandise to the general public in or on the premises, nor shall any tenant carry on or permit or allow any employee or other person to carry on the business of stenography, typewriting, printing or photocopying or any similar business in or from the premises for the service or accommodation of occupants of any other portion of the Building, nor shall the premises of any tenant be used for manufacturing of any kind, or any business activity other than that specifically provided for in the tenant's lease.

21. No tenant shall install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Building. No television or radio or recorder shall be played in such a manner as to cause a nuisance to any other tenant.

22. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord approves. No other vehicles of any kind shall be brought by any tenant into the Building or kept in or about its premises.

23. Each tenant shall store all its trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of office building trash and garbage in the vicinity of the Building, without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

24. Canvassing, soliciting, distribution of handbills or any other written material and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

25. The requirements of tenants will be attended to only upon application in writing at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

26. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter

enforcing any such Rules and Regulations against any or all of the tenants of the Building.

27. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions and provisions of any lease of premises in the Building.

28. Landlord reserves the right to make such other rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building and for the preservation of good order therein.

29. All construction projects and tenant improvement work must conform to the General Construction and Building Rules.

30. Tenant agrees that all employees will park on the lower levels of the parking structure and that the surface level parking spaces are to be reserved for customers and service providers.

31. Tenant agrees to limit the sale of Beer and Alcohol to:

No alcohol sales.

32. Tenant shall display signage indicating that a “no shirt, no shoes, no service” policy is in effect.

EXHIBIT G

LEASE RIDER
(not applicable)

EXHIBIT H
LEASE CONFIRMATION

TO: Tenant

DATED: February 16, 2021

Re: Lease dated February 16, 2021 by and between CITY OF REDONDO BEACH a chartered city and municipal corporation as Landlord, and KM INC. DBA TRADEWINDS, a California Corporation as Tenant (the "Lease") for those premises generally referred to as 142 and 144 International Boardwalk, Redondo Beach, CA 90277 (the "Premises").

Please acknowledge that the Commencement Date of the Lease is February 16, 2021 and that the Expiration Date of the Lease is February 15, 2024.

Very truly yours,

Agent for "Landlord"

Tenant hereby confirms the information set forth above, and further acknowledges that Landlord has fulfilled its obligations under the above-referenced Lease.

By:
Title:

EXHIBIT I

Recording requested by
and when recorded return to:

CITY OF REDONDO BEACH
415 Diamond Street
Redondo Beach, CA 90277
Attn: City Clerk

No Recording Fee
Exempt pursuant to Government Code § 6103

MEMORANDUM OF LEASE

This Memorandum of Lease (“Memorandum”) is made and entered into as of February 16, 2021, by and between the CITY OF REDONDO BEACH, a chartered municipal corporation, hereinafter referred to as the “Landlord” and KM INC. DBA TRADEWINDS, a California Corporation, hereinafter referred to as “Tenant.”

RECITALS

A. Landlord and Tenant have entered in a Lease (hereinafter, "Lease") dated February 16, 2021, for certain premises which are located on real property which is legally described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"). Copies of the Lease and Addendum are available for public inspection at Landlord's office at 415 Diamond Street, Redondo Beach, CA 90277.

B. The Lease, as amended, provides that a short form memorandum of the Lease shall be executed and recorded in the Official Records of Los Angeles County, California.

NOW, THEREFORE, the parties hereto certify as follows:

1. Landlord, pursuant to the Lease, has leased the Premises to the Tenant upon the terms and conditions provided for therein, generally for the purposes of general restaurant use.
2. Unless earlier terminated, the term of the Lease shall expire on February 15, 2024.
3. This Memorandum is not a complete summary of the Lease, and shall not be used to interpret the provisions of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant caused these presents to be subscribed, all as of the day and year first above written.

CITY OF REDONDO BEACH

William C. Brand
Mayor

ATTEST:

Eleanor Manzano
City Clerk

APPROVED AS TO FORM:

Michael W. Webb
City Attorney

KM INC. DBA TRADEWINDS, a California Corporation

By:
Title:

State of California }
 } ss.
County of Los Angeles }

On _____, 20__, before me, _____, a 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

(seal)

State of California }
 } ss.
County of Los Angeles }

On _____, 20__, before me, _____, a 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

(seal)



Administrative Report

H.8., File # 21-2086

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: KEITH KAUFFMAN, CHIEF OF POLICE

TITLE

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2102-015, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A 2020-2021 FISCAL YEAR BUDGET MODIFICATION APPROPRIATING \$130,403.00 IN 2019 STATE HOMELAND SECURITY PROGRAM GRANT FUNDS.

APPROVE SUB-RECIPIENT AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR SHSP 2019 GRANT FUNDING.

EXECUTIVE SUMMARY

The County of Los Angeles Board of Supervisors has accepted State Homeland Security Program (SHSP) 2019 grant funding from the California Governor's Office of Emergency Services (CAL OES) and has been authorized to proceed with allocation of funds to program participants. Los Angeles County has requested approval of a Subrecipient Agreement governing grant management and grant fund expenditures from the City of Redondo Beach.

BACKGROUND

The Los Angeles County Office of Emergency Management is responsible for managing the grant and overseeing grant funds distributed to specified jurisdictions within Los Angeles County, including the City of Redondo Beach.

The City of Redondo Beach Police Department is being awarded \$130,403 to purchase equipment that has been approved by the funding authority. The funds provided in this grant will increase the capabilities of the Redondo Beach Police Department and other Los Angeles County law enforcement agencies through the purchase of specified equipment that address concerns with a terrorism nexus. Identified and approved equipment and training addresses the needs of the Police Department Maritime Enforcement Unit and other Police divisions.

COORDINATION

Police Department will coordinate all grant administrative activities with the Financial Services Department in accordance with City policy. The resolution and Subrecipient Agreement have been approved as to form by the City Attorney.

FISCAL IMPACT

Funding \$130,403 2019 SHSP Grant Funds

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

RESO: Resolution to appropriate SHSP 2019 funding

AGT: Los Angeles County SHSP Sub-Recipient Agreement

RESOLUTION NO. CC-2102-015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A 2020-2021 FISCAL YEAR BUDGET MODIFICATION APPROPRIATING \$130,403.00 IN 2019 STATE HOMELAND SECURITY PROGRAM GRANT FUNDS.

WHEREAS, it is the intention of the City Council of the City of Redondo Beach to review the adopted budget from time to time; and

WHEREAS, the City of Redondo Beach ("City") adopted budget needs to be modified to appropriate monies from state grants to City funds for allowable expenditures; and

WHEREAS, the U.S. Department of Homeland Security has provided financial assistance for the State Homeland Security Program ("SHSP"); and

WHEREAS, the Governor's Office of Emergency Services ("Cal OES") provides said funds to the County of Los Angeles ("County") as its Subgrantee; and

WHEREAS, under the State Homeland Security Program Subrecipient Agreement Grant Year 2019, the City has been awarded an allocation of \$130,403.00 in grant funds from the County for the period of September 1, 2019 to February 28, 2022; and

WHEREAS, the City has approved the receipt and appropriation of past grant funding for similar police programs; and

WHEREAS, the City Police Department intends to use the monies to increase interoperability between area law enforcement agencies by purchasing equipment and training that has been approved by the funding authority for effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the amounts allocated in the budget for Fiscal Year 2020-2021 and the amounts required to meet conditions which have arisen during the budget year, require a modification in the budget appropriations; and, upon recommendation of the City Manager, the budget appropriation as adopted in Fiscal Year 2020-2021 is modified as follows:

One Hundred Thirty Thousand and Four Hundred and Three Dollars (\$130,403) in grant funds from the State Homeland Security Program Grant purchase grant approved equipment and training.

SECTION 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

SECTION 3. Pursuant to Section 11(f) of the City Charter, the City Clerk is hereby directed to correct the budget records of said City for Fiscal Year 2020-21 in accordance with the above modification.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions of said City and shall cause the action of the City Council in adopting the same to be entered in the official minutes of said City Council.

PASSED, APPROVED AND ADOPTED this 16th day of February, 2021.

William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2102-015 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 16th day of February, 2021, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

***State Homeland Security Program
Subrecipient Agreement
Grant Year 2019***

***Between the

County of Los Angeles

and the

City of Redondo Beach***

**SUBRECIPIENT AGREEMENT
BETWEEN THE
COUNTY OF LOS ANGELES
AND THE
CITY OF REDONDO BEACH**

THIS AGREEMENT ("Agreement") is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (the "County of Los Angeles"), and the City of Redondo Beach, a public agency (the "Subrecipient").

W I T N E S S E T H

WHEREAS, the U.S. Department of Homeland Security Title 2 Code of Federal Regulations (CFR) through the Office of Grants and Training (G&T), has provided financial assistance for the State Homeland Security Program (SHSP), Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number) 97.067 – Homeland Security Grant Program directly to the California Governor's Office of Emergency Services (Cal OES) for the 2019 SHSP, FAIN #EMW-2019-SS-00035, Federal Award dated September 26, 2019 with a performance period of September 1, 2019 to May 31, 2022. This Federal Award is not a R&D award; and

WHEREAS, the Cal OES provides said funds to the County of Los Angeles (DUNS #052238763) as its Subgrantee, and the Chief Executive Office (CEO) is responsible for managing and overseeing the SHSP funds that are distributed to other specified jurisdictions within Los Angeles County; and

WHEREAS, this financial assistance is being provided to the Subrecipient in order to address the unique equipment, training, organization, exercise and planning needs of the Subrecipient, and to assist the Subrecipient in building effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the County of Los Angeles as Subgrantee has obtained approval of the 2019 SHSP grant from Cal OES in the total amount of \$10,655,569.00; and

WHEREAS, the CEO now wishes to distribute 2019 SHSP grant funds to the Subrecipient in the amount of \$130,403.00, as further detailed in this Agreement; and

WHEREAS, the CEO is authorized to enter into subrecipient agreements with cities providing for re-allocation and use of these funds; and to execute all future amendments, modifications, extensions, and augmentations relative to the subrecipient agreements, as necessary; and

WHEREAS, the County of Los Angeles and Subrecipient are desirous of executing this Agreement, and the County of Los Angeles Board of Supervisors on April 7, 2020 authorized the CEO to prepare and execute this Agreement.

NOW, THEREFORE, the County of Los Angeles and Subrecipient agree as follows:

SECTION I

INTRODUCTION

§101. Parties to this Agreement

The parties to this Agreement are:

- A. County of Los Angeles, a political subdivision of the State of California, having its principal office at Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012; and
- B. City of Redondo Beach, a public agency, having its principal office at 415 Diamond Street, Redondo Beach, CA 90277.

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications must be given are as follows:
 - 1. The representative of the County of Los Angeles is, unless otherwise stated in this Agreement:

Craig Hirakawa, HSGP Grants Director
Chief Executive Office, LAC
500 West Temple Street, Room B-79-2
Los Angeles, CA 90012
Phone: (213) 974-1127
Fax: (213) 687-3765
chirakawa@ceo.lacounty.gov

Giles Quan
Chief Executive Office, LAC
500 West Temple Street, Room B-79-2
Los Angeles, CA 90012
Phone: (213) 974-2319
Fax: (213) 687-3765
gquan@ceo.lacounty.gov

2. The representative of Subrecipient is:

Name and Title:	Mayor William C. Brand
Organizational DUNS Number	074151986
Address:	415 Diamond Street
City/State/Zip:	Redondo Beach, CA, 90277
Phone:	310-937-5315 Ext. 2260
FAX:	310-379-9268
Email:	bill.brand@redondo.org

With a copy to:

Name and Title:	Chief Keith Kauffman
Address:	401 Diamond Street
City/State/Zip:	Redondo Beach
Phone:	310-379-2477 Ext 2330
FAX:	310-372-0167
Email:	keith.kauffman@redondo.org

- B. Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery, regular U.S. Postal mail service and/or e-mail. In the event of personal delivery or email, the message will be deemed communicated upon receipt by the County of Los Angeles. In the event of mail service, the message will be deemed communicated as of the date of mailing.
- C. If the name and/or title of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the County of Los Angeles. An employee of Subrecipient is not, and will not be deemed, an employee of the County of Los Angeles by virtue of this Agreement, and Subrecipient must so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient must not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the County of Los Angeles by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient must provide the following signed documents to the County of Los Angeles, unless otherwise exempted:

- A. Certification and Disclosure Regarding Lobbying, attached hereto as Exhibit A and made a part hereof, in accordance with §411.A.14 of this Agreement. Subrecipient must also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.
- B. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, attached hereto as Exhibit B and made a part hereof, as required by Executive Order 12549 in accordance with §411.A.12 of this Agreement.
- C. Certification Regarding Drug-Free Workplace, attached hereto as Exhibit C and made a part hereof, in accordance with §411.A.13 of this Agreement.
- D. Certification of Grant Assurances, attached hereto as Exhibit D and made a part hereof, in accordance with §411.C of this Agreement.

SECTION II

TERM AND SERVICES TO BE PROVIDED

§201. Performance Period

The performance period of this Agreement is from September 1, 2019 to February 28, 2022, unless the County of Los Angeles, with Cal OES approval, provides written notification to the Subrecipient that the performance period has been extended, in which case the performance period will be so extended by such written notification, as provided in §502, below.

§202. Use of Grant Funds

- A. Subrecipient and the County of Los Angeles have previously completed a mutually approved budget/expenditure plan, hereinafter "Budget," for the 2019 SHSP, which has been approved by Cal OES. This information is contained in a copy of the Final Grant Award Letter and Project Worksheet, attached hereto as Exhibit E.

Any request by Subrecipient to modify the Budget must be made in writing with the appropriate justification and submitted to CEO for approval. If during the County of Los Angeles review process, additional information or documentation is required, the Subrecipient will have ten (10) business days to comply with the request. If the Subrecipient does not comply with the request, CEO will issue written notification indicating that the requested modification will not be processed. Modifications must be approved in writing by the County of Los Angeles and Cal OES during the term of this Agreement. Upon approval, all other terms of this Agreement will remain in effect.

Subrecipient must utilize grant funds in accordance with all Federal regulations and State Guidelines.

- B. Subrecipient agrees that grant funds awarded will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds.
- C. Subrecipient must review the Federal Debarment Listing at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf> prior to the purchase of equipment or services to ensure the intended vendor is not listed and also maintain documentation that the list was verified.
- D. Prior to the purchase of equipment or services utilizing a sole source contract or the receipt of single bid response of \$250,000.00 or more, justification must be presented to CEO, who upon review will request approval from Cal OES. Such approval in writing must be obtained prior to the commitment of funds.
- E. Subrecipient must provide any certifications or reports requested by the County of Los Angeles to the CEO indicating Subrecipient's performance under this Agreement, including progress on meeting program goals. Reports must be in the form requested by the County of Los Angeles, and must be provided by the fifteenth (15th) of the following month. Subrecipient is required to complete any survey requests requested by the County of Los Angeles. Subrecipient must also submit completed Project Claims for reimbursement immediately or a minimum on a quarterly basis, and no later than the date stated in §201, above.
- F. Subrecipient must provide an electronic copy of their Annual Single Audit Report, as required by 2 CFR Part 200, to CEO no later than March 31st (fiscal year ending June 30) or June 30th (fiscal year ending September 30) of the year following the reporting period.

- G. Subrecipient may be monitored by the County of Los Angeles on an annual basis to ensure compliance with Cal OES grant program requirements. The County of Los Angeles anticipates that said monitoring may include, at a minimum, one on-site visit during the term of this Agreement. Monitoring will utilize a Review Instrument (sample attached hereto as Exhibit H, and subject to periodic revisions) to evaluate compliance.
- H. Subrecipient must provide Corrective Action Plan(s) to CEO within thirty (30) days of any audit finding.
- I. Subrecipient use of the Los Angeles Regional Interoperable Communication System's Motorola Solutions, Incorporated Land Mobile Radio System Contract to purchase equipment is unallowable unless the Subrecipient can clearly demonstrate to CEO it meets one of the four federal exceptions to necessitate a noncompetitive procurement before issuance of any contract, amendment, or purchase order.
- J. Subrecipient shall not use grant funds to purchase, extend, or renew any Telecommunications and Video Surveillance services and equipment as substantial or essential component of any system, or as critical technology as part of any system which the Secretary of Defense, in consultation with Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an owned, controlled by, or connected to the People's Republic of China such as and not limited to Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); or Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- K. Any equipment acquired pursuant to this Agreement must be authorized in the G&T Authorized Equipment List (AEL) available online at <https://www.fema.gov/authorized-equipment-list> and the Funding Guidelines of the 2019 SHSP Notice of Funding Opportunity, incorporated by reference, and attached hereto as Exhibit F. Subrecipient must provide the CEO a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet or exceed the minimum Federal requirements and any added Cal OES requirements. Federal procurement requirements for the 2019 SHSP can be found at Title 2 CFR Part 200.313.

Any equipment acquired or obtained with Grant Funds:

- 1. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;

2. Will be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that plan;
 3. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
- L. Equipment acquired pursuant to this Agreement will be subject to the requirements of Title 2 CFR Part 200.313. For the purposes of this subsection, "Equipment" is defined as tangible nonexpendable property, having a useful life of more than one year which costs \$5,000.00 or more per unit. Items costing less than \$5,000.00, but acquired under the "Equipment" category of the Grant must also be listed on any required Equipment Listing.
1. Equipment must be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
 2. Subrecipient must make Equipment available for use on other like projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the awarding agency.
 3. An Equipment Listing must be maintained listing each item of Equipment acquired with SHSP funds. The Equipment Listing must be kept up to date at all times. Any changes must be recorded in the Listing within ten (10) business days and the updated Listing is to be forwarded to the County of Los Angeles Auditor-Controller (A-C) Shared Services Division. The Equipment Property Records must be maintained that include: (a) a description of the property, (b) a serial number or other identification number, (c) the source of property, (d) who holds title, (e) the acquisition date, (f) and cost of the property, (g) percentage of Federal participation in the cost of the property, (h) the location, (i) use and condition of the property, (j) and any ultimate disposition data including the date of disposal and sale price of the property. Records must be retained by the subrecipient pursuant to Title 2, Part 200.313 (d) (1) of the CFR.
 4. All Equipment obtained under this Agreement must have an appropriate identification decal affixed to it, and, when practical, must be affixed where it is readily visible.

5. A physical inventory of the Equipment must be taken by the Subrecipient and the results reconciled with the Equipment Listing at least once every two years or prior to any site visit by State or Federal auditors or County of Los Angeles monitors. The Subrecipient is required to have on file a letter certifying as to the accuracy of the Equipment Listing in the frequency as above, and provide to the CEO when requested.
- M. Any Planning paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F or subsequent grant year programs.
- N. Any Organization activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- O. Any Training paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F, and must be first submitted to CEO and then pre-authorized by Cal OES. A catalog of federally approved and sponsored training courses is available at <https://www.firstrespondertraining.gov/frts/>.
- P. Any Exercise paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <https://www.fema.gov/hseep>.
- Q. Any Personnel activities paid pursuant to this Agreement must conform to the guidelines as listed in Exhibit F.
- R. Subrecipient must provide to CEO a spending plan detailing the required steps and timeframes required to complete the approved projects within the grant timeframe. Subrecipient must submit the spending plan to CEO prior to final execution of the Agreement.
- S. Pursuant to this Agreement, indirect costs are not reimbursable.

SECTION III

PAYMENT

§301. Payment of Grant Funds and Method of Payment

- A. The County of Los Angeles will reimburse Subrecipient up to the maximum grant amount of \$130,403.00 as expenditures are incurred and paid by Subrecipient and all documentation is reviewed and approved by County of Los Angeles. All expenditures must be for the purchase of equipment, exercises, training, organization, and planning as described in Section II of this Agreement. The grant amount represents the amount allocated to Subrecipient in the 2019 SHSP Grant Award Letter from Cal OES.

- B. Subrecipient must submit reimbursement requests to the County of Los Angeles A-C Shared Services Division requesting payment as soon as a Project is completed and expenses are incurred and paid with the required supporting documentation; submission can be sent immediately or at a minimum on a quarterly basis, and no later than the date stated in §201, above. Each reimbursement request must be accompanied by the Reimbursement Form (sample attached hereto as Exhibit G, and subject to periodic revisions). All appropriate back-up documentation must be attached to the reimbursement form, including the method of procurement, bid documentation, purchase orders, invoices, report of goods received, and proof of payment.

For Training reimbursements, Subrecipient must include a copy of the class roster verifying training attendees, proof that prior approval was obtained from Cal OES and that a Cal OES Feedback number has been assigned to the course, and timesheets and payroll registers for all training attendees.

For Exercise reimbursements, Subrecipient must enter the After Action Report (AAR) and Improvement Plan on the State Office of Domestic Preparedness secure portal within sixty (60) days following completion of the exercise and submit proof of prior State approval of the AAR with the reimbursement request.

For Planning reimbursements, Subrecipient must include a copy of the final tangible product.

- C. The County of Los Angeles may, at its discretion, reallocate unexpended grant funds to another subrecipient. Said reallocation may occur upon approval by the County of Los Angeles of a Subrecipient reimbursement submission, inquiry from the County of Los Angeles to the Subrecipient regarding fund utilization, or by written notification from the Subrecipient to the County of Los Angeles that a portion of the grant funds identified in §301.A., above, will not be utilized. As provided in §502, below, any increase or decrease in the grant amount specified in §301.A., above, may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.
- D. Payment of reimbursement request will be withheld by the County of Los Angeles until the County of Los Angeles has determined that Subrecipient has turned in all supporting documentation and completed the requirements of this Agreement.
- E. It is understood that the County of Los Angeles makes no commitment to fund this Agreement beyond the terms set forth herein.
- F. 1. Funding for all periods of this Agreement is subject to continuing Federal appropriation of grant funds for this program. In the event of a loss or reduction of Federal appropriation of grant funds for this program, the Agreement may be terminated, or appropriately amended, immediately upon notice to Subrecipient of such loss or reduction of Federal grant funds.

2. County of Los Angeles will make a good-faith effort to notify Subrecipient, in writing, of such non-appropriation at the earliest time.

SECTION IV

STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and do not, and will not be deemed to, affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder must comply with all applicable laws of the United States of America, the State of California, and the County of Los Angeles. This Agreement will be enforced and interpreted, as applicable, under the laws of the United States of America, the State of California and the County of Los Angeles.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remainder of the Agreement will not be affected thereby.

Applicable Federal or State requirements that are more restrictive will be followed.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Breach

If any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in all events, no party may recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§405. Prohibition Against Assignment or Delegation

Subrecipient may not do any of the following, unless it has first obtained the written permission of the County of Los Angeles:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§406. Permits

Subrecipient and its officers, agents and employees must obtain and maintain all permits and licenses necessary for Subrecipient's performance hereunder and must pay any fees required therefor. Subrecipient further certifies that it will immediately notify the County of Los Angeles of any suspension, termination, lapse, non-renewal or restriction of licenses, certificates, or other documents.

§407. Nondiscrimination and Affirmative Action

Subrecipient must comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, Subrecipient must not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. Subrecipient must comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

If required, Subrecipient must submit an Equal Employment Opportunity Plan to the Department of Justice Office of Civil Rights in accordance with guidelines listed at <https://www.justice.gov/crt>.

Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this §407 of this Agreement.

§408. Indemnification

Each of the parties to this Agreement is a public entity. This indemnity provision is written in contemplation of the provisions of Section 895.2 of the Government Code of the State of California, which impose certain tort liability jointly upon public entities, solely by reason of such entities being parties to an agreement, and the parties agree that this indemnity provision will apply and will be enforceable regardless of whether Section 895 et seq. is deemed to apply to this Agreement. The parties hereto, as between themselves, consistent with the

authorization contained in Government Code Sections 895.4 and 895.6 agree to each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party agrees to indemnify and hold harmless the other party for any liability arising out of its own negligent acts or omissions in the performance of this Agreement (i.e., the Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for liability arising out of the Subrecipient's negligent or wrongful acts or omissions and the County of Los Angeles agrees to indemnify and hold harmless the Subrecipient for liability arising out of the County of Los Angeles' negligent or wrongful acts or omissions). Each party further agrees to indemnify and hold harmless the other party for liability that is imposed on the other party solely by virtue of Government Code Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein. Subrecipient certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

§409. Conflict of Interest

A. The Subrecipient covenants that none of its directors, officers, employees, or agents may participate in selecting, or administering, any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" means domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
2. The term "financial or other interest" means:

- a. Any direct or indirect financial interest in the specific contract, including but not limited to, a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The Subrecipient further covenants that no officer, director, employee, or agent may solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The Subrecipient may not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Subrecipient.
- E. Prior to obtaining the County of Los Angeles' approval of any subcontract, the Subrecipient must disclose to the County of Los Angeles any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references are made to the guidelines, rules, and laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- G. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The Subrecipient covenants that no member, officer or employee of Subrecipient may have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- I. The Subrecipient must incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this grant and must substitute the term "subcontractor" for the term "Subrecipient" and "sub subcontractor" for "Subcontractor".

§410. Restriction on Disclosures

Any reports, analyses, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).

§411. Statutes and Regulations Applicable To All Grant Contracts

- A. Subrecipient must comply with all applicable requirements of State, Federal, and County of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. CFR

Subrecipient must comply with Title 2 CFR Part 200.

2. Single Audit Act

Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), 2 CFR Part 200 and any administrative regulation or field memos implementing the Act.

3. Americans with Disabilities Act

Subrecipient hereby certifies that, as applicable, it will comply with the Americans with Disabilities Act 42, USC §§12101 et seq., and its implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by Subrecipient, relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither may any funds provided under this Agreement be used for

any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement may be used for any sectarian purpose or to support or benefit any sectarian activity.

Subrecipient must file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient must require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as either the County of Los Angeles, the U.S. Comptroller General or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County of Los Angeles, the U.S. Comptroller General and the Auditor General of the State of California have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's method of procurement, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

Subrecipient agrees to provide any reports requested by the County of Los Angeles regarding performance of this Agreement.

6. Records Maintenance

Records, in their original form, must be maintained in accordance with requirements prescribed by the County of Los Angeles with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The County of Los Angeles may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the County of Los Angeles.

7. Subcontracts and Procurement

Subrecipient must, as applicable, comply with the Federal, State and County of Los Angeles standards in the award of any subcontracts. For

purposes of this Agreement, subcontracts include but are not limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

Subrecipient must, as applicable, ensure that the terms of this Agreement with the County of Los Angeles are incorporated into all Subcontractor agreements. The Subrecipient must submit all Subcontractor agreements to the County of Los Angeles for review prior to the release of any funds to the Subcontractor. The Subrecipient must withhold funds to any Subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor agreement.

8. Labor

Subrecipient must, as applicable, comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 CFR 900, Subpart F).

Subrecipient must, as applicable, comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874); the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements; and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

Subrecipient must, as applicable, comply with the Federal Fair Labor Standards Act (29 U.S.C. §201) regarding wages and hours of employment.

None of the funds may be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

9. Civil Rights

Subrecipient must, as applicable, comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive

Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) that may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

Subrecipient must, as applicable, comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Subrecipient must, as applicable, comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

Subrecipient must, as applicable, comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Subrecipient must, as applicable, comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the

use of lead-based paint in construction or rehabilitation of residence structures.

Subrecipient must, as applicable, comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

Subrecipient must, as applicable, ensure that the facilities under its ownership, lease or supervision that are utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, Subrecipient warrants and represents that it will, as applicable, comply with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq.

Subrecipient must, as applicable, comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

Subrecipient must, as applicable, comply with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 U.S.C. 3501 et. seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

Subrecipient must, as applicable, comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. Suspension, Debarment, Ineligibility and Voluntary Exclusion

Subrecipient must, as applicable, comply with Title 2 CFR Part §3000, regarding Suspension and Debarment, and Subrecipient must submit a Certification Regarding Debarment, attached hereto as Exhibit B, required by Executive Order 12549 and any amendment thereto. Said Certification must be submitted to the County of Los Angeles concurrent with the execution of this Agreement and must certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department head or agency. Subrecipient must require that the language of this Certification be included in the

award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

13. Drug-Free Workplace

Subrecipient must, as applicable, comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, Title 44 Code of Federal Regulations (CFR) Part §17; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§8350-8357, and Subrecipient must complete the Certification Regarding Drug-Free Workplace Requirements, attached hereto as Exhibit C, and incorporated herein by reference. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

14. Lobbying Activities

Subrecipient must, as applicable, comply with 31 U.S.C.1352 and complete the Disclosure of Lobbying Activities, (OMB 0038-0046), attached hereto as Exhibit A, and incorporated herein by reference.

15. Miscellaneous

Subrecipient must, as applicable, comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et seq.).

B. Statutes and Regulations Applicable To This Particular Grant Agreement

Subrecipient must comply with all applicable requirements of State and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Subrecipient must, as applicable, comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

Title 2 CFR Part 200; EO 12372; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic Preparedness, ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, §8607.1(e) and CCR Title 19, §§2445-2448.

Provisions of Title 2, 6, 28, 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems

Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to Federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable Federal laws, orders, circulars, or regulations.

1. Travel Expenses

Subrecipient, as provided herein, will be compensated for Subrecipient's reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient's total travel for in-State and/or out-of-State and per diem costs must be included in the contract budget(s). All travel, including out-of-State travel, that is not included in the budget(s) will not be reimbursed without prior written authorization from the County of Los Angeles.

Subrecipient's administrative-related travel and per diem reimbursement costs will not be reimbursed. For programmatic-related travel costs, Subrecipient's reimbursement rates may not exceed the amounts established under the grant.

C. Compliance With Grant Requirements

To obtain the grant funds, the State required an authorized representative of the County of Los Angeles to sign certain promises regarding the way the grant funds would be spent. These requirements are included in Exhibit F and in the State's "Grant Assurances". By signing these Grant Assurances and accepting Exhibit F, the County of Los Angeles became liable to the State for any funds that are used in violation of the grant requirements. The State's Grant Assurances are incorporated into this Agreement through Exhibit D. Subrecipient will be liable to the Grantor for any funds the State determines the Subrecipient used in violation of these Grant Assurances.

Pursuant to this Agreement, Subrecipient shall execute the 2019 Certification of Grant Assurances in Exhibit D, accepting and agreeing to abide by all provisions, assurances, and requirements therein. Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for any sums the State or Federal government determines Subrecipient used in violation of the Grant Assurances.

To the extent Exhibit D conflicts with language or provisions contained in this Agreement, or contains more restrictive requirements under Federal and State law, Exhibit D shall control.

D. Noncompliance With Grant Requirements

Subrecipient understands that failure to comply with any of the above assurances and requirements, including Exhibit D, may result in suspension, termination or reduction of grant funds, and repayment by the Subrecipient to the County of Los Angeles of any unauthorized expenditures.

§412. Federal, State and Local Taxes

Federal, State and local taxes are the responsibility of the Subrecipient as an independent party and not of the County of Los Angeles and must be paid prior to requesting reimbursement. However, these taxes are an allowable expense under the grant program.

§413. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Subrecipient must report the fact and disclose the Invention promptly and fully to the County of Los Angeles. The County of Los Angeles will report the fact and disclose the Invention to the State. Unless there is a prior agreement between the County of Los Angeles and the State, the State will determine whether to seek protection on the Invention. The State will determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, Title 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, Title 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, Title 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

As applicable, County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the State or the terms of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the County of Los Angeles, at its discretion, may copyright the Material. If the County of Los Angeles declines to copyright the Material, the County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The State will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. Subrecipient must comply with Title 24 CFR 85.34.

D. Rights to Data

The State and the County of Los Angeles will have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, *distribute* copies to the public, and perform and display publicly, or permit others to do so; as required by Title 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the State acquires the data under a copyright license as set forth in Title 48 CFR 27.404(f)(2) instead of unlimited rights. (Title 48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

Subrecipient must require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§414. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient must, as applicable, comply with California Family Code Section 5230 et seq.

§415. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the County of Los Angeles to provide Minority Business Enterprises, Women Business Enterprises and all other business enterprises an equal opportunity to participate in the performance of all Subrecipient's contracts, including procurement, construction and personal services. This policy applies to all of the Subrecipient's contractors and sub-contractors.

§416. Compliance with Fair Chance Employment Practices

Subrecipient shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Subrecipient's violation of this paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County of Los Angeles may, in its sole discretion, terminate the Agreement.

§417. Method of Payment and Required Information

The County of Los Angeles may, at its sole discretion, determine the most appropriate, efficient, secure, and timely form of payment provided under this Agreement. Subrecipient further agrees that the default form of payment shall be Electronic Funds Transfer (EFT) or Direct Deposit, unless an alternative method of payment is deemed appropriate by the A-C.

Subrecipient shall provide the A-C with electronic banking and related information for the Subrecipient and/or any other payee that the Subrecipient designates to receive payment pursuant to this Agreement at <https://directdeposit.lacounty.gov/>. Such electronic banking and related information includes, but is not limited to: bank account number and routing number, legal business name, valid taxpayer identification number or TIN, a working e-mail address capable of receiving remittance advices and other payment related correspondence, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or Direct Deposit shall supersede this requirement with respect to those payments. At any time during the duration of this Agreement, the Subrecipient may submit a written request for an exemption to this requirement and must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with CEO, shall decide whether to approve exemption requests.

SECTION V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should either party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

§502. Termination

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County of Los Angeles, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Subrecipient specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

§503. Amendments

Except as otherwise provided in this paragraph, any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient, that are agreed to by the Subrecipient and the County of Los Angeles must be incorporated into this Agreement by a written amendment properly signed by persons who are authorized to bind the parties. Notwithstanding the foregoing, any increase or decrease of the grant amount specified in §301.A., above, or any extension of the performance period specified in §201, above, does not require a written amendment, but may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

SECTION VI

ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation or other communication with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement may be executed utilizing wet, scanned digital, and electronic signatures, each of which is deemed to be an original. This Agreement includes (26) pages and (8) Exhibits which constitute the entire understanding and agreement of the parties.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Subrecipient and County of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF LOS ANGELES

BY _____
FESIA A. DAVENPORT
Chief Executive Officer

_____ Date

BY _____
CELIA ZAVALA
Executive Officer, Board of Supervisors

BY _____
ARLENE BARRERA
Auditor-Controller

APPROVED AS TO FORM

RODRIGO A. CASTRO-SILVA
County Counsel

BY _____
Deputy County Counsel

BY _____
City Representative/Title (Signature) (Print Name) Date

APPROVED AS TO FORM

BY _____
City Attorney (Signature) (Print Name) Date

ATTEST

BY _____
City Clerk (Signature) (Print Name) Date

EXHIBITS

Exhibit A	Certification and Disclosure Regarding Lobbying
Exhibit B	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit C	Certification Regarding Drug-Free Workplace
Exhibit D	Certification of Grant Assurances
Exhibit E	Final Grant Award Letter and Project Worksheet
Exhibit F	2019 Notice of Funding Opportunity
Exhibit G	Reimbursement Form and Instructions
Exhibit H	Review Instrument

SAMPLE COPY
FOR AGENCIES WITH NO LOBBYING ACTIVITIES

EXHIBIT A

Cal OES 2-232
Approved by OMB 0348-0046

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action: <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">b</div> <ul style="list-style-type: none">a. contractb. grantc. cooperative agreementd. loane. loan guaranteef. loan insurance		2. Status of Federal Action: <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">b</div> <ul style="list-style-type: none">a. bid/offer/applicationb. initial awardc. post-award		3. Report Type: <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">a</div> <ul style="list-style-type: none">a. initial filingb. material change For Material Change Only: Year _____ Quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: City of Grantland, 111 Accuracy Ln., Los Angeles, CA 90001		5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: County of Los Angeles Chief Executive Office 500 W. Temple St., Rm. B-79-2 Los Angeles, CA 90012			
<div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Prime</div><div><input checked="" type="checkbox"/> Subawardee</div></div> <p style="text-align: center;">Tier, if known: _____</p> <p>Congressional District, if known: _____</p>					
6. Federal Department/Agency: Department of Homeland Security		7. Federal Program Name/Description: Homeland Security Grant Program CFDA Number, if applicable: 97.067			
8. Federal Action Number, if known: _____		9. Award Amount, if known: _____			
10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI): (attach Continuation Sheet(s) SF-LLL-A, if necessary) N/A		b. Individuals Performing Services (last name, first name, MI - include address if different from 10a) N/A			
11. Amount of Payment (check all that apply) : _____ <div style="display: flex; justify-content: space-around;"><div><input type="checkbox"/> Actual</div><div><input type="checkbox"/> Planned</div></div>		13. Type of Payment (check all that apply): <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> a. retainer</div><div><input type="checkbox"/> b. one-time fee</div><div><input type="checkbox"/> c. commission</div><div><input type="checkbox"/> d. contingent fee</div><div><input type="checkbox"/> e. deferred</div><div><input type="checkbox"/> f. other; specify: _____</div></div> <div style="text-align: right; margin-top: 10px;">N/A</div>			
12. Form of Payment (check all that apply): <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> a. cash</div><div><input type="checkbox"/> b. in-kind; specify: _____</div></div> <p style="text-align: center;">nature _____ value _____</p>					
14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in item 11: (attach Continuation Sheet(s) SF-LLL-A, if necessary) N/A					
15. Continuation Sheet(s) SF-LLL-A attached: <input checked="" type="radio"/> Yes <input type="radio"/> No					
16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: <u>John Doe</u> Name: <u>John Doe</u> Title: <u>City Manager</u> Telephone: <u>(213) 555-5555</u> (area code) Date: <u>12/30/2019</u>		
Federal Use Only:			Authorized for Local Reproduction Standard Form - LLL		

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to *Title 31 U.S.C. Section 1352*. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; sub-grant announcement number; the contract, subgrant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a.) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b.) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

1. Type of Federal Action: <div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">B</div> a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Action: <div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">B</div> a. bid/offer/application b. initial award c. post-award	3. Report Type: <div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">A</div> a. initial filing b. material change For Material Change Only: Year _____ Quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;"> <input type="checkbox"/> Prime </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Subawardee </div> </div> <p style="text-align: center; margin-top: 5px;">Tier, If known: _____</p> <p>Congressional District, if known: <u>33</u></p>		5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: County of Los Angeles Chief Executive Office - HSGA 500 West Temple Street, Room B-79-2 Los Angeles, CA 90012 Congressional District, if known: _____
6. Federal Department/Agency: Department of Homeland Security	7. Federal Program Name/Description: Homeland Security Grant Program CFDA Number, if applicable: <u>97.067</u>	
8. Federal Action Number, if known: _____	9. Award Amount, if known: _____	
10. a. Name and Address of Lobbying Entity <small>(if individual, last name, first name, MI):</small> <small>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</small> David Turch, 517 2nd St. NE, Washington DC 2002 Michael J. Arnold, 1127 11th St. Ste. 820, Sacramento, CA 95814	b. Individuals Performing Services <small>(last name, first name, MI - include address if different from 10a)</small>	
11. Amount of Payment (check all that apply) : <u>\$25,000/\$47,000</u> <input checked="" type="checkbox"/> Actual <input checked="" type="checkbox"/> Planned	13. Type of Payment (check all that apply): <input checked="" type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other; specify: _____	
12. Form of Payment (check all that apply): <input checked="" type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: _____ <div style="display: flex; justify-content: space-between; margin-top: 10px;"> nature _____ value _____ </div>		
14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in item 11: <small>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</small>		
15. Continuation Sheet(s) SF-LLL-A attached: <input type="radio"/> Yes <input checked="" type="radio"/> No		
16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		Signature: _____ Name: _____ Title: _____ Telephone: _____ Date: _____ <small>(area code)</small>
Federal Use Only:		Authorized for Local Reproduction Standard Form – LLL

DISCLOSURE OF LOBBYING ACTIVITIES CONCONTINUATION SHEET

Continuation of 10 a-b: additional sheets may be added if necessary

Reporting Entity:

Last Name	First Name	MI
Address	City	Zip
Last Name	First Name	MI
Address	City	Zip
Last Name	First Name	MI
Address	City	Zip
Last Name	First Name	MI
Address	City	Zip

Continuation of 14: (additional sheets may be added if necessary)

Brief Description of Services and Payments indicated in item 11:

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Standard Form – LLL-A

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 24 CFR Part 24 Section 24.510, Participants' responsibilities.

**(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE
COMPLETING)**

1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

AGREEMENT NUMBER

City of Redondo Beach

CONTRACTOR/BORROWER/AGENCY

Mayor William C. Brand

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation on this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

STATE OF CALIFORNIA

DRUG-FREE WORKPLACE CERTIFICATION

STD. 21

COMPANY/ORGANIZATION NAME: City of Redondo Beach

The contractor or grant recipient named above hereby certifies compliance with *Government Code Section 8355* in matters relating to providing a drug-free workplace. The above-named contractor or recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by *Government Code Section 8355(a)*.
2. Establish a Drug-Free Awareness Program as required by *Government Code Section 8355(b)*, to inform employees about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The person's or organization's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by *Government Code Section 8355(c)*, that every employee who works on the proposed contract or subgrant:
 - (a) Will receive a copy of the company's drug-free policy statement, and
 - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or subgrant.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or Recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

William C. Brand

OFFICIAL'S NAME

DATE EXECUTED

Los Angeles

EXECUTED IN THE COUNTY OF

CONTRACTOR or RECEIPEINT SIGNATURE

Mayor

TITLE

95-6000813

FEDERAL I.D. NUMBER



STATEMENT ON THE DRUG-FREE WORKPLACE

To comply with the enactment of Senate Bill 1120, (*Chapter 1170, Statutes of 1990*), which established the Drug-Free Workplace Act of 1990, the _____
(*your agency*)
accordingly provides this statement of compliance.

In order to maintain funding eligibility, state agencies, along with those in receipt of grant and contractual awards, must certify that they provide drug-free workplaces and have issued drug-free workplace statements to their employees [*Section 8355(a) of the Government Code*]. Consequently, in accordance with this directive, this statement is issued to meet this requirement.

The _____ (*your agency*), an agency within the State of California has adopted this statement in compliance with legislation which addresses issues to avoid the dangers arising from drug and alcohol abuse in the workplace. These dangers include death and injury to the employee, co-workers, or the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferes with the job performance of employees who do not use illegal or unauthorized substances. [*Section 8355(b)(1)*]

California law prohibits the unlawful manufacture, dispensation, possession, or illegal use of a controlled substance. That prohibition extends to all places and includes the worksite of California state employees. [*Section 8355(a)*]

Employees convicted of a violation of criminal drug statute, when the violation occurred at an employee's worksite, shall report the conviction to the granting and monitoring State agency upon conviction. [*Section 8356(a)(1)(2)*]

In the event of the unlawful manufacture, distribution, dispensation, possession or illegal use of a controlled substance at a State worksite, the State may take disciplinary action pursuant to the law and/or require the satisfactory completion of a drug abuse assistance or rehabilitation program. [*Section 8355(b)(4)*]

The Employee Assistance Program (EAP) provides drug problem assessment and referral to appropriate counseling and rehabilitation services. The EAP is available to all agency employees. Procedures exist to ensure the confidentiality of EAP records. Contact your personnel office for further information.

It is the intent of the _____ (*your agency*) to ensure by execution of this statement of compliance that each employee shall abide by the terms of this drug-free workplace statement. [*Section 8355(c)*]



Standard Assurances For All Cal OES Federal Grant Programs

As the duly authorized representative of the Applicant, I hereby certify that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management, and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) Federal Preparedness Grants Manual;
- (d) California Supplement to the NOFO; and
- (e) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements, and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the [Office of Management and Budget \(OMB\)](http://www.whitehouse.gov/omb/) and can be found at <http://www.whitehouse.gov/omb/>.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board, or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required;
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board, or authorized body;
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board, or authorized body; and
- (d) The official executing this agreement is, in fact, authorized to do so.



Standard Assurances For All Cal OES Federal Grant Programs

This Proof of Authority must be maintained on file and readily available upon request.

2. Period of Performance

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

3. Lobbying and Political Activities

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan, or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

4. Debarment and Suspension

As required by Executive Orders 12549 and 12689, and 2 C.F.R. § 200.213 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principals, recipients, or subrecipients:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:



Standard Assurances

For All Cal OES Federal Grant Programs

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. § 2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101-12213);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd—2), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)— be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201);
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification or national origin;
- (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (j) California Public Contract Code § 10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;



Standard Assurances For All Cal OES Federal Grant Programs

- (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
- (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
- (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. Drug-Free Workplace

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. Environmental Standards

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000- 21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000- 15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;



Standard Assurances For All Cal OES Federal Grant Programs

- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.



Standard Assurances For All Cal OES Federal Grant Programs

8. Audits

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records

In accordance with 2 C.F.R. § 200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management

False Claims for Payment - The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no subrecipient, recipient, or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

13. Whistleblower Protections

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.



Standard Assurances For All Cal OES Federal Grant Programs

14. Human Trafficking

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

15. Labor Standards

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts, and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

16. Worker's Compensation

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

17. Property-Related

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;



Standard Assurances

For All Cal OES Federal Grant Programs

- (c) Assist the awarding agency in assuring compliance with Section 106 of the
- (d) National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.); and
- (e) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

18. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

19. Use of Cellular Device While Driving is Prohibited

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.



Standard Assurances For All Cal OES Federal Grant Programs

20. California Public Records Act and Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

HOMELAND SECURITY GRANT PROGRAM (HSGP) – PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS

21. Reporting Accusations and Findings of Discrimination

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at CRCL@hq.dhs.gov or by mail at U.S. Department of Homeland Security, Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

In the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

22. Acknowledgment of Federal Funding from DHS

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.



Standard Assurances For All Cal OES Federal Grant Programs

23. Activities Conducted Abroad

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

24. Best Practices for Collection and Use of Personally Identifiable Information (PII)

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

25. Copyright

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

26. Duplication of Benefits

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

27. Energy Policy and Conservation Act

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

28. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.



Standard Assurances

For All Cal OES Federal Grant Programs

29. Fly America Act of 1974

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

30. Hotel and Motel Fire Safety Act of 1990

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all Applicants must ensure that all conference, meeting, convention, or training space funded in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

31. Non-supplanting Requirement

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

32. Patents and Intellectual Property Rights

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

33. SAFECOM

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.



Standard Assurances For All Cal OES Federal Grant Programs

34. Terrorist Financing

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

35. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

36. USA Patriot Act of 2001

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

37. Use of DHS Seal, Logo, and Flags

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



Standard Assurances For All Cal OES Federal Grant Programs

IMPORTANT

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the [Department of Homeland Security Standard Terms and Conditions 2018, Version 8.1](#), hereby incorporated by reference, which can be found at: <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized to enter into this agreement for and on behalf of the Applicant.

Subrecipient: _____ Complete next page

Signature of Authorized Agent: _____ Complete next page

Printed Name of Authorized Agent: _____ Complete next page

Title: _____ Complete next page Date: _____ Complete next page

EXHIBIT D

COUNTY OF LOS ANGELES

2019 CERTIFICATION OF GRANT ASSURANCES

As the duly authorized representative of the Subrecipient, I hereby certify Subrecipient's complete acceptance of Exhibit D, and agreement to abide by all provisions, assurances, conditions and requirements of the Grant Assurances therein.

BY _____
City Representative/Title (Signature) (Print Name) Date

APPROVED AS TO FORM

BY _____
City Attorney (Signature) (Print Name) Date

ATTEST

BY _____
City Clerk (Signature) (Print Name) Date



September 26, 2019

Sachi A. Hamai
Chief Executive Officer
Los Angeles County
500 West Temple Street, Room 713
Los Angeles, CA 90012-0000

RECEIVED
2019 OCT -3 PM 2:47
CHIEF EXECUTIVE OFFICE

SUBJECT: **NOTIFICATION OF SUBRECIPIENT AWARD APPROVAL**
Fiscal Year (FY) 2019 Homeland Security Grant Program (HSGP)
Subaward #2019-0035, Cal OES ID#037-00000
Subaward Period of Performance: 09/01/2019-05/31/2022

Dear Ms. Hamai:

The California Governor's Office of Emergency Services (Cal OES) approved your FY 2019 HSGP subaward in the amount of \$10,655,569. Once the completed application is received and approved, reimbursement of eligible subaward expenditures may be requested using the Cal OES Financial Management Forms Workbook. Failure to provide documentation in a timely manner could result in a hold on funding, pursuant to 2 CFR §§ 200.338(a) and 200.207(b)(1)-(2).

This subaward is subject to requirements in Title 2, Code of Federal Regulations (CFR), Part 200, including the Notice of Funding Opportunities (NOFO), the Preparedness Grants Manual, California Supplement to the NOFO, and all applicable federal, state, and local requirements. All activities funded with this subaward must be completed within the subaward period of performance.

Subrecipients must obtain additional written approval **prior** to incurring costs for activities such as aviation, watercraft, allowability request logs, noncompetitive procurement, and projects requiring Environmental Planning and Historic Preservation review.



Sachi A. Hamai
 September 26, 2019
 Page 2 of 2

Your organization will be required to prepare and submit the Biannual Strategy Implementation Report to Cal OES via the Federal Emergency Management Agency's Grants Reporting Tool (GRT) semi-annually for the duration of the subaward period of performance or until all activities are completed and the subaward is formally closed. Failure to submit required reports could result in subaward reduction, suspension, or termination. Throughout the subaward cycle, milestones set in the GRT will be used as indicators of project feasibility, performance, and grant management capacity. This information may also be used in assessing proposals in future grant opportunities.

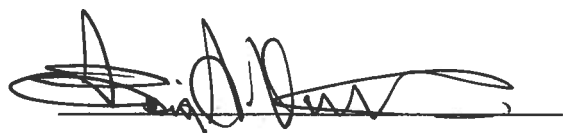
A Special Condition is placed on this subaward for any funds passed-through to any Los Angeles County governmental entity. Additional information specifying the conditions will be sent at a later time.

Your dated signature is required on this letter. Please sign and return the original to your Cal OES Program Representative within 20 calendar days upon receipt and keep a copy for your records. For further assistance, please contact your Cal OES Program Representative.

Sincerely,

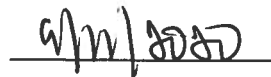


MARK S. GHILARDUCCI
 Director



~~Sachi A. Hamai~~
 Los Angeles County

Fesia A. Davenport, Acting CEO



Date

City of Redondo Beach
2019 SHSP Projects

Project #	Project Title	Funding Source	Discipline	Solution Area	Total Budgeted
026	Redondo Beach Sonar Imaging and Forward Looking Infrared Equipment	HSGP-SHSP	LE	Equipment	\$ 62,063
041	LE Towing Vehicle	HSGP-SHSP	LE	Equipment	\$ 50,191
071	Redondo Beach Maritime Regional Terrorism Training	HSGP-SHSP	LE	Training	\$ 18,149

Totals \$ 130,403

Project #	Equipment Description & (Quantity)	AEL #	AEL Title	SAFECOM Consult	Funding Source	Discipline	Solution Area Sub-Category	Deployable / Shareable	Part of a Procurement over \$150K	Sole Source Involved	Hold Trigger	Budgeted Cost
026.00	Sonar Imaging Equipment	03WA-02-SONR	Sonar, Imaging	N/A	HSGP-SHSP	LE	Detection	Deployable	No	No	EHP / Aviation or Watercraft	\$ 32,060
026.10	Forward Looking Infrared	03OE-02-TILA	Optics, Thermal Imaging	N/A	HSGP-SHSP	LE	Detection	Deployable	No	No	No Hold Indicated	\$ 30,003
041.00	1 Towing Vehicle	12TR-00-MOVR	Mover, Prime, for Equipment/Water Trailers	N/A	HSGP-SHSP	LE	Other Authorized Equipment	Deployable	No	No	No Hold Indicated	\$ 50,191

Project #	Course Name	Funding Source	Discipline	Solution Area Sub-Category	Expenditure Category	Feedback Number	Training Activity	Total # Trainee(s)	Identified Host	EHP Approval Date	Part of a Procurement over \$150K	Sole Source Involved	Budgeted Cost
071.00	Maritime Regional Terrorism Training	HSGP-SHSP	LE	Staff Expenses	OT/Backfill		Field-Based Attendee		Redondo Beach	Yes	No		\$ 18,149

**The Department of Homeland Security (DHS)
Notice of Funding Opportunity (NOFO)
Fiscal Year 2019 Homeland Security Grant Program (HSGP)**

NOTE: If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: <http://www.grants.gov/web/grants/register.html>.

A. Program Description

Issued By

Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA),
Grant Programs Directorate (GPD)

Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number)
97.067

Assistance Listings Title (formerly CFDA Title)
Homeland Security Grant Program

Notice of Funding Opportunity Title
Homeland Security Grant Program

- State Homeland Security Program
- Urban Area Security Initiative
- Operation Stonegarden

NOFO Number
DHS-19-GPD-067-00-02

Authorizing Authority for Program
Section 2002 of the *Homeland Security Act of 2002* (Pub. L. No. 107-296, as amended)
(6 U.S.C. § 603)

Appropriation Authority for Program
Department of Homeland Security Appropriations Act, 2019 (Pub. L. No. 116-6)

Program Type
New

Program Overview, Objectives and Priorities

Overview

One of the core missions of DHS/FEMA is to enhance the ability of state, territory, local, and tribal governments to prevent, protect against, respond to, and recover from terrorist attacks and other disasters. DHS/FEMA's comprehensive suite of grant programs are an important part of the Administration's larger, coordinated effort to strengthen homeland security preparedness. The Homeland Security Grant Program (HSGP) is one tool among a comprehensive set of initiatives authorized by Congress and implemented by the Administration to help strengthen the Nation against risks associated with potential terrorist attacks.

The [2018-2022 FEMA Strategic Plan](#) creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The HSGP supports the goal of Ready the Nation for Catastrophic Disasters. We invite all our stakeholders and partners to also adopt these priorities and join us in building a more prepared and resilient Nation.

Objectives

Within this broader construct, the objective of the FY 2019 HSGP is to provide funds to eligible entities to support state, local, tribal, and territorial efforts to prevent terrorism and other catastrophic events and to prepare the Nation for the threats and hazards that pose the greatest risk to the security of the United States.

State Homeland Security Program (SHSP): The SHSP supports state, local, tribal, and territorial preparedness activities that address high priority preparedness gaps across all core capabilities that support terrorism preparedness.

Urban Area Security Initiative (UASI): The UASI Program assists high-threat, high-density Urban Areas in efforts to build, sustain, and deliver the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.

Operation Stonegarden (OPSG): OPSG supports enhanced cooperation and coordination among Customs and Border Protection (CBP), United States Border Patrol (USBP), and federal, state, local, tribal, and territorial law enforcement agencies. OPSG provides funding to support joint efforts to secure the United States' borders along routes of ingress from international borders to include travel corridors in states bordering Mexico and Canada as well as states and territories with international water borders.

Performance Metrics

Performance metrics for this program are as follows:

SHSP and UASI:

- Percent improvement in Stakeholder Preparedness Review (SPR) capabilities against Threat and Hazard Identification and Risk Assessment (THIRA) targets; and
- Percent of states and territories with a Threat and Hazard Identification and Risk Assessment (THIRA) and SPR that meet current DHS/FEMA guidance.

OPSG:

- Percent of funding that provides intelligence-based operational support; and
- Percent of funding that provides force multiplier activities across two or more state, local, or tribal law enforcement agencies.

For purposes of the SHSP and UASI program, DHS/FEMA requires states, territories, and high-risk urban areas to complete a THIRA/SPR and to prioritize grant funding to support closing capability gaps or sustaining capabilities identified in this process. Additional information on the THIRA/SPR process, including other National Preparedness System (NPS) tools and resources, can be found at <https://www.fema.gov/national-preparedness-system>.

Priorities

DHS/FEMA continually assesses changes to the threat landscape to further the National Preparedness Goal (the Goal) of a secure and resilient nation. This analysis provides a perspective on critical preparedness trends for whole community partners to use to inform program priorities, allocate resources, and communicate with stakeholders about issues of shared concern. DHS/FEMA have identified the following as national priority areas:

- Emerging Threats, including Cybersecurity
- Lifelines (more information found in this [fact sheet](#) and [toolkit](#))
 - Safety and Security
 - Food, Water, Sheltering
 - Health and Medical
 - Energy
 - Communications
 - Transportation
 - Hazardous Material

In addition to addressing gaps identified by SPRs, recipients should consider funding projects that address the above priorities of DHS/FEMA.

B. Federal Award Information

Award Amounts, Important Dates, and Extensions

Available Funding for the HSGP NOFO: \$1,095,000,000

HSGP Programs	FY 2019 Allocation
State Homeland Security Program	\$415,000,000
Urban Area Security Initiative	\$590,000,000
Operation Stonegarden	\$90,000,000
Total	\$1,095,000,000

FY 2019 SHSP ALLOCATIONS

State/Territory	FY 2019 Allocation	State/Territory	FY 2019 Allocation
Alabama	\$4,077,500	Montana	\$4,077,500
Alaska	\$4,077,500	Nebraska	\$4,077,500
American Samoa	\$1,000,000	Nevada	\$4,077,500
Arizona	\$4,077,500	New Hampshire	\$4,077,500
Arkansas	\$4,077,500	New Jersey	\$8,000,000
California	\$62,011,000	New Mexico	\$4,077,500
Colorado	\$4,077,500	New York	\$76,930,000
Connecticut	\$4,077,500	North Carolina	\$5,750,000
Delaware	\$4,077,500	North Dakota	\$4,077,500
District of Columbia	\$5,750,000	Northern Mariana	\$1,000,000
Florida	\$10,566,000	Ohio	\$7,000,000
Georgia	\$5,750,000	Oklahoma	\$4,077,500
Guam	\$1,000,000	Oregon	\$4,077,500
Hawaii	\$4,077,500	Pennsylvania	\$9,200,000
Idaho	\$4,077,500	Puerto Rico	\$4,077,500
Illinois	\$15,712,000	Rhode Island	\$4,077,500
Indiana	\$4,077,500	South Carolina	\$4,077,500
Iowa	\$4,077,500	South Dakota	\$4,077,500
Kansas	\$4,077,500	Tennessee	\$4,077,500
Kentucky	\$4,077,500	Texas	\$20,591,000
Louisiana	\$4,077,500	U.S. Virgin Islands	\$1,000,000
Maine	\$4,077,500	Utah	\$4,077,500
Maryland	\$8,000,000	Vermont	\$4,077,500
Massachusetts	\$7,000,000	Virginia	\$9,200,000
Michigan	\$5,750,000	Washington	\$7,000,000
Minnesota	\$4,077,500	West Virginia	\$4,077,500
Mississippi	\$4,077,500	Wisconsin	\$4,077,500
Missouri	\$4,077,500	Wyoming	\$4,077,500
Total			\$415,000,000

FY 2019 UASI ALLOCATIONS

State/Territory	Funded Urban Area	FY 2019 UASI Allocation
Arizona	Phoenix Area	\$4,000,000
California	Anaheim/Santa Ana Area	\$5,000,000
	Bay Area	\$27,500,000
	Los Angeles/Long Beach Area	\$68,000,000
	Riverside Area	\$3,250,000
	Sacramento Area	\$3,250,000
	San Diego Area	\$16,900,000
Colorado	Denver Area	\$3,250,000
District of Columbia	National Capital Region	\$52,750,000
Florida	Miami/Fort Lauderdale Area	\$7,000,000
	Orlando Area	\$3,250,000
	Tampa Area	\$3,250,000
Georgia	Atlanta Area	\$6,000,000
Hawaii	Honolulu Area	\$3,250,000
Illinois	Chicago Area	\$68,000,000
Maryland	Baltimore Area	\$4,000,000
Massachusetts	Boston Area	\$16,900,000
Michigan	Detroit Area	\$5,000,000
Minnesota	Twin Cities Area	\$5,000,000
Missouri	St. Louis Area	\$3,250,000
Nevada	Las Vegas Area	\$5,000,000
New Jersey	Jersey City/Newark Area	\$20,050,000
New York	New York City Area	\$178,750,000
Oregon	Portland Area	\$3,250,000
Pennsylvania	Philadelphia Area	\$16,900,000
	Pittsburgh Area	\$3,250,000
Texas	Dallas/Fort Worth/Arlington Area	\$16,900,000
	Houston Area	\$24,600,000
	San Antonio Area	\$3,250,000
Virginia	Hampton Roads Area	\$3,250,000
Washington	Seattle Area	\$6,000,000
Total		\$590,000,000

Period of Performance: 36 months

Extensions to the Period of Performance (PoP) are allowed. For additional information on PoP extensions, refer to the [Preparedness Grants Manual](#).

Projected Period of Performance Start Date: September 1, 2019

Projected Period of Performance End Date: August 31, 2022

Funding Instrument: Grant

C. Eligibility Information

Eligible Applicants

The State Administrative Agency (SAA) is the only entity eligible to submit HSGP applications to DHS/FEMA, including those applications submitted on behalf of UASI and OPSG applicants. All 56 states and territories, including any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, are eligible to apply for SHSP funds. Tribal governments may not apply directly for HSGP funding; however, funding may be available to tribes under the SHSP and OPSG through the SAA.

Eligibility Criteria

Eligible high-risk urban areas for the FY 2019 UASI program have been determined through an analysis of relative risk of terrorism faced by the 100 most populous Metropolitan Statistical Areas (MSAs) in the United States. Subawards will be made by the SAAs to the designated high-risk urban areas.

Eligible subrecipients under FY 2019 OPSG are local units of government at the county level or equivalent level of government and federally-recognized tribal governments in states bordering Canada or Mexico and states and territories with international water borders. All applicants must have active ongoing USBP operations coordinated through a CBP sector office to be eligible for OPSG funding.

Under FY 2019 OPSG, subrecipients eligible to apply for and receive a subaward directly from the SAAs are divided into three Tiers. Tier 1 entities are local units of government at the county level or equivalent and federally recognized tribal governments that are on a physical border in states bordering Canada, states bordering Mexico, and states and territories with international water borders. Tier 2 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 1 county. Tier 3 eligible subrecipients are those not located on the physical border or international water but are contiguous to a Tier 2 eligible subrecipient. Tier 2 and Tier 3 eligible subrecipients may be eligible to receive funding based on border security risk as determined by the USBP.

Other Eligibility Criteria

National Incident Management System (NIMS) Implementation

Prior to allocation of any federal preparedness awards in FY 2019, recipients must ensure and maintain adoption and implementation of NIMS. Detailed information on NIMS requirements are in the [Preparedness Grants Manual](#).

Emergency Management Assistance Compact (EMAC) Membership

In support of the Goal, recipients must belong to, be in, or act as a temporary member of EMAC, except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time. All assets supported in part or entirely with FY 2019 HSGP funding must be readily deployable and NIMS-typed when possible to support emergency or disaster operations per existing EMAC agreements. In addition, funding may be used for the sustainment of core capabilities that, while they may not be physically deployable, support national response capabilities such as Geographic/Geospatial Information Systems (GIS), interoperable communications systems, capabilities as defined under the mitigation mission area of the Goal, and fusion centers.

Law Enforcement Terrorism Prevention Activities (LETPA)

Per section 2006 of the *Homeland Security Act of 2002*, as amended (6 U.S.C. § 607), DHS/FEMA is required to ensure that at least 25 percent of grant funding appropriated for grants awarded under HSGP's authorizing statute are used for law enforcement terrorism prevention activities. DHS/FEMA meets this requirement, in part, by requiring all recipients allocate at least 25 percent of the combined HSGP funds allocated under SHSP and UASI towards law enforcement terrorism prevention activities, as defined in 6 U.S.C. § 607. The LETPA allocation can be from SHSP, UASI, or both. The 25 percent LETPA allocation is in addition to the 80 percent pass through requirement to local units of government and tribes, referenced below.

FY 2019 LETPA Allocations

State/Territory	Funded Urban Area(s)	UASI Allocation	Total UASI Allocation	SHSP Allocation	Total Allocation by State	LETPA
Alabama				\$4,077,500	\$4,077,500	\$1,019,375
Alaska				\$4,077,500	\$4,077,500	\$1,019,375
American Samoa				\$1,000,000	\$1,000,000	\$250,000
Arizona	Phoenix Area	\$4,000,000	\$4,000,000	\$4,077,500	\$8,077,500	\$2,019,375
Arkansas				\$4,077,500	\$4,077,500	\$1,019,375
California	Anaheim/Santa Ana Area	\$5,000,000	\$123,900,000	\$62,011,000	\$185,911,000	\$46,477,750
	Bay Area	\$27,500,000				
	Los Angeles/Long Beach Area	\$68,000,000				
	Riverside Area	\$3,250,000				
	Sacramento Area	\$3,250,000				
	San Diego Area	\$16,900,000				
Colorado	Denver Area	\$3,250,000	\$3,250,000	\$4,077,500	\$7,327,500	\$1,831,875
Connecticut				\$4,077,500	\$4,077,500	\$1,019,375
Delaware				\$4,077,500	\$4,077,500	\$1,019,375
District of Columbia	National Capital Region	\$52,750,000	\$52,750,000	\$5,750,000	\$58,500,000	\$14,625,000
Florida	Miami/Fort Lauderdale Area	\$7,000,000	\$13,500,000	\$10,566,000	\$24,066,000	\$6,016,500
	Orlando Area	\$3,250,000				
	Tampa Area	\$3,250,000				

State/Territory	Funded Urban Area(s)	UASI Allocation	Total UASI Allocation	SHSP Allocation	Total Allocation by State	LETPA
Georgia	Atlanta Area	\$6,000,000	\$6,000,000	\$5,750,000	\$11,750,000	\$2,937,500
Guam				\$1,000,000	\$1,000,000	\$250,000
Hawaii	Honolulu Area	\$3,250,000	\$3,250,000	\$4,077,500	\$7,327,500	\$1,831,875
Idaho				\$4,077,500	\$4,077,500	\$1,019,375
Illinois	Chicago Area	\$68,000,000	\$68,000,000	\$15,712,000	\$83,712,000	\$20,928,000
Indiana				\$4,077,500	\$4,077,500	\$1,019,375
Iowa				\$4,077,500	\$4,077,500	\$1,019,375
Kansas				\$4,077,500	\$4,077,500	\$1,019,375
Kentucky				\$4,077,500	\$4,077,500	\$1,019,375
Louisiana				\$4,077,500	\$4,077,500	\$1,019,375
Maine				\$4,077,500	\$4,077,500	\$1,019,375
Maryland	Baltimore Area	\$4,000,000	\$4,000,000	\$8,000,000	\$12,000,000	\$3,000,000
Massachusetts	Boston Area	\$16,900,000	\$16,900,000	\$7,000,000	\$23,900,000	\$5,975,000
Michigan	Detroit Area	\$5,000,000	\$5,000,000	\$5,750,000	\$10,750,000	\$2,687,500
Minnesota	Twin Cities Area	\$5,000,000	\$5,000,000	\$4,077,500	\$9,077,500	\$2,269,375
Mississippi				\$4,077,500	\$4,077,500	\$1,019,375
Missouri	St. Louis Area	\$3,250,000	\$3,250,000	\$4,077,500	\$7,327,500	\$1,831,875
Montana				\$4,077,500	\$4,077,500	\$1,019,375
Nebraska				\$4,077,500	\$4,077,500	\$1,019,375
Nevada	Las Vegas Area	\$5,000,000	\$5,000,000	\$4,077,500	\$9,077,500	\$2,269,375
New Hampshire				\$4,077,500	\$4,077,500	\$1,019,375
New Jersey	Jersey City/Newark Area	\$20,050,000	\$20,050,000	\$8,000,000	\$28,050,000	\$7,012,500
New Mexico				\$4,077,500	\$4,077,500	\$1,019,375
New York	New York City Area	\$178,750,000	\$178,750,000	\$76,930,000	\$255,680,000	\$63,920,000
North Carolina				\$5,750,000	\$5,750,000	\$1,437,500
North Dakota				\$4,077,500	\$4,077,500	\$1,019,375
Northern Mariana Islands				\$1,000,000	\$1,000,000	\$250,000
Ohio				\$7,000,000	\$7,000,000	\$1,750,000
Oklahoma				\$4,077,500	\$4,077,500	\$1,019,375
Oregon	Portland Area	\$3,250,000	\$3,250,000	\$4,077,500	\$7,327,500	\$1,831,875
Pennsylvania	Philadelphia Area	\$16,900,000	\$20,150,000	\$9,200,000	\$29,350,000	\$7,337,500
	Pittsburgh Area	\$3,250,000				
Puerto Rico				\$4,077,500	\$4,077,500	\$1,019,375
Rhode Island				\$4,077,500	\$4,077,500	\$1,019,375
South Carolina				\$4,077,500	\$4,077,500	\$1,019,375
South Dakota				\$4,077,500	\$4,077,500	\$1,019,375
Tennessee				\$4,077,500	\$4,077,500	\$1,019,375
Texas	Dallas/Fort Worth/Arlington Area	\$16,900,000	\$44,750,000	\$20,591,000	\$65,341,000	\$16,335,250
	Houston Area	\$24,600,000				

State/Territory	Funded Urban Area(s)	UASI Allocation	Total UASI Allocation	SHSP Allocation	Total Allocation by State	LETPA
	San Antonio Area	\$3,250,000				
U.S. Virgin Islands				\$1,000,000	\$1,000,000	\$250,000
Utah				\$4,077,500	\$4,077,500	\$1,019,375
Vermont				\$4,077,500	\$4,077,500	\$1,019,375
Virginia	Hampton Roads Area	\$3,250,000	\$3,250,000	\$9,200,000	\$12,450,000	\$3,112,500
Washington	Seattle Area	\$6,000,000	\$6,000,000	\$7,000,000	\$13,000,000	\$3,250,000
West Virginia				\$4,077,500	\$4,077,500	\$1,019,375
Wisconsin				\$4,077,500	\$4,077,500	\$1,019,375
Wyoming				\$4,077,500	\$4,077,500	\$1,019,375
Total		\$590,000,000	\$590,000,000	\$415,000,000	\$1,005,000,000	\$251,250,000

The National Prevention Framework describes those activities that should be executed upon the discovery of intelligence or information regarding an imminent threat to the homeland, to thwart an initial or follow-on terrorist attack and provides guidance to ensure the Nation is prepared to prevent, avoid, or stop a threatened or actual act of terrorism. Activities outlined in the National Prevention Framework are eligible for use as LETPA-focused funds. Also, where capabilities are shared with the protection mission area, the National Protection Framework activities are also eligible. Other terrorism prevention activities proposed for funding under LETPA must be approved by the FEMA Administrator.

Cost Share or Match

There is no cost share or match requirement for the FY 2019 HSGP.

D. Application and Submission Information

Key Dates and Times

Date Posted to [Grants.gov](https://www.grants.gov):

April 12, 2019

Application Submission Deadline:

May 29, 2019 at 5:00 p.m. ET

All applications **must** be received by the established deadline. The Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of the full application. **DHS/FEMA will not review applications that are received after the deadline or consider them for funding.** DHS/FEMA may, however, extend the application deadline on request for an applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances.

Applicants experiencing technical issues must notify the FEMA Headquarters (HQ) Program Analyst prior to the application deadline. If applicants do not know their FEMA HQ Program Analyst or if there are programmatic questions or concerns, please contact the

Centralized Scheduling and Information Desk (CSID) by phone at (800) 368-6498 or by e-mail at askcsid@fema.dhs.gov, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

Anticipated Funding Selection Date: August 2, 2019

Anticipated Award Date: No later than September 30, 2019

Other Key Dates

Event	Suggested Deadline For Completion
Obtain DUNS Number	May 1, 2019
Obtain a valid Employer Identification Number (EIN)	May 1, 2019
Update SAM registration	May 1, 2019
Submit the initial application in Grants.gov	May 22, 2019
Submit the final application in ND Grants	May 29, 2019, No later than 5:00 p.m. ET

Agreeing to Terms and Conditions of the Award

By submitting an application, applicants agree to comply with the requirements of this NOFO and the terms and conditions of the award, should they receive an award.

Address to Request Application Package

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

Content and Form of Application Submission

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

Electronic Delivery

DHS/FEMA is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. DHS/FEMA requires applicants to submit their initial applications online through [Grants.gov](#) and to submit final applications through [ND Grants](#).

How to Register to Apply through [Grants.gov](#)

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

How to Submit an Initial Application to DHS/FEMA via Grants.gov

See the [Preparedness Grants Manual](#) for information on requesting and submitting an application.

Timely Receipt Requirements and Proof of Timely Submission

As application submission is a two-step process, the applicant with the Authorized Organizational Representative (AOR) role who submitted the application will also receive an acknowledgement of receipt, a tracking number (GRANTXXXXXXXXX) from Grants.gov, and an Agency Tracking

Number (EMX-2019-XX-XXXX) with the successful transmission of the initial application. This notification does **not** serve as proof of timely submission, as the application is not complete until it is submitted in ND Grants. All applications must be received in ND Grants by 5:00 p.m. ET on May 29, 2019. Proof of timely submission is automatically recorded by ND Grants. An electronic date/time stamp is generated within the system when the application is successfully received by ND Grants. Additionally, the applicant(s) listed as contacts on the application will receive a system-generated email to confirm receipt.

Submitting the Final Application in Non-Disaster Grants System (ND Grants)

After submitting the initial application in [Grants.gov](https://www.grants.gov), eligible applicants will be notified by DHS/FEMA and asked to proceed with submitting their complete application package in [ND Grants](https://www.ndgrants.gov). Applicants can register early with ND Grants and are encouraged to begin their ND Grants registration at the time of this announcement but no later than **seven days before the application deadline**. Early registration will allow applicants to have adequate time to start and complete their application.

In [ND Grants](https://www.ndgrants.gov) applicants will be prompted to submit all of the information contained in the following forms. Applicants should review these forms before applying to ensure they have all the information required:

- Standard Form 424A, Budget Information (Non-construction);
- Standard Form 424B, Standard Assurances (Non-construction); and
- Standard Form LLL, Disclosure of Lobbying Activities.

In addition, applicants must submit copies of the following in [ND Grants](https://www.ndgrants.gov):

- Investment Justification (the Investment Justification Template may be found in the Related Documents Tab of the [Grants.gov](https://www.grants.gov) posting and used as a preparation tool; responses to questions in the Template are entered into the GRT);
- List of Urban Area Working Group (UAWG) and Senior Advisory Committee (SAC) members;
- SAC charter;
- UAWG charter; and
- Indirect Cost Agreement, if requesting indirect costs. If there is no current indirect cost agreement, then the applicant must contact the Federal Cognizant Agency to negotiate a rate and notify the relevant HQ Program Analyst or Grants Management Specialist.

Applicants must submit copies of the following in ND Grants if applying for construction projects. The forms may be accessed in the Forms tab under SF-424 Family on [Grants.gov](https://www.grants.gov):

- Standard Form 424C, Budget Information (Construction); and
- Standard Form 424D, Standard Assurances (Construction).

Applicants needing assistance registering for the ND Grants system should contact ndgrants@fema.gov or (800) 865-4076.

HSGP Specific Application Instructions

Development of the Investment Justification (SHSP and UASI)

As part of the FY 2019 HSGP application process for SHSP and UASI funds, applicants must develop formal investment justifications (IJs) that address the proposed investments.

Each IJ must *demonstrate* how proposed investments:

- Support terrorism preparedness;
- Support closing capability gaps or sustaining capabilities identified in the community's THIRA/SPR process; and
- Engage and/or impact the whole community, including children, older adults, pregnant women, and individuals with limited English proficiency, individuals with disabilities and others with access and functional needs, and ensure the protection of civil rights in the building, sustainment, and delivery of core capabilities.

Each IJ must *explain* how the proposed investments will support the applicant's efforts to:

- Prevent a threatened or an actual act of terrorism;
- Prepare for all hazards and threats, while explaining the nexus to terrorism preparedness;
- Protect citizens, residents, visitors, and assets against the greatest threats and hazards, relating to acts of terrorism; and/or
- Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of an act of terrorism or other catastrophic incidents.

Development of Investments and Projects (SHSP)

- Applicants must propose at least two and may include up to ten investments.
- Within each investment in their IJ, applicants must propose at least one project to describe the activities they plan to implement with SHSP funds. There is no limit to the number of projects that may be submitted.
- Any projects funded with SHSP funds that are not included in the application must subsequently be included in the first Biannual Strategy Implementation Report (BSIR). For further information on the BSIR, see the [Preparedness Grants Manual](#).
- Of the proposed SHSP-funded investments, one single investment must be in support of a designated fusion center. Recipients must coordinate with the fusion center when developing a fusion center investment prior to submission. See additional information on how to develop fusion center investments below.
- Of the proposed SHSP-funded investments, as introduced in FY 2018, at least one investment must be in support of the state or territory's cybersecurity efforts. Consistent with the terms of this NOFO and the Preparedness Grants Manual, Recipients and subrecipients must ensure SHSP funds for cybersecurity projects achieve target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism. Such projects may simultaneously support enhanced preparedness for other hazards unrelated to acts of terrorism. Recipients and subrecipients of FY 2019 grant awards will be required to complete the 2019 [Nationwide Cybersecurity Review](#) (NCSR), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The Chief Information

Officer (CIO), Chief Information Security Officer (CISO), or equivalent for each recipient and subrecipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2-3 hours to complete. The 2019 NCSR will be open from October – December 2019. Although this is only a requirement for recipients and subrecipients of FY 2019 SHSP funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the 2019 NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see Information Bulletin 439.

- The name of the cybersecurity IJ must include the word “Cybersecurity” to easily identify the required cybersecurity investment.
- All emergency communications investments must describe how such activities align with their Statewide Communication Interoperable Plan (SCIP). Recipients must coordinate with their Statewide Interoperability Coordinator (SWIC) and/or Statewide Interoperability Governance Body (SIGB) when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words “emergency communications” to easily identify any emergency communications investments.
- Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process.
- All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including the name of the project, the project description, the name of the subrecipient, if applicable, the recipient type (e.g., state or local), the project location (zip code of the primary location of the project), the primary core capability the project supports, and whether the project activities are shareable and deployable.

Development of Investments and Projects (UASI)

- Applicants must propose at least two and may include up to ten investments.
- Within each investment in their IJ, Urban Areas must propose at least one project to describe the activities they are planning to implement with UASI funds. There is no limit to the number of projects that may be submitted. Any projects funded with UASI funds that are not included in the application must subsequently be included in the first BSIR. For further information on the BSIR, see the [Preparedness Grants Manual](#).
- Of the proposed 10 investments, Urban Areas are required to propose one single investment in support of a designated fusion center within the Urban Area, if applicable. Recipients must coordinate with the fusion center when developing a fusion center investment prior to submission. See additional information on how to develop fusion center investments below.
- Of the proposed UASI-funded investments, at least one investment must be in support of the urban area’s cybersecurity efforts. Cybersecurity investments must support the security and functioning of critical infrastructure and core capabilities as they relate to

achieving target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism. Recipients and subrecipients of FY 2019 grant awards will be required to complete the 2019 [Nationwide Cybersecurity Review](#) (NCSR), enabling agencies to benchmark and measure progress of improving their cybersecurity posture. The CIO, CISO or equivalent for each recipient should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. The NCSR is available at no cost to the user and takes approximately 2-3 hours to complete. The 2019 NCSR will be open from October – December 2019. Although this is only a requirement for recipients and subrecipients of FY 2019 UASI funds, all SLTT agencies with preparedness responsibilities are highly encouraged to participate and complete the 2019 NCSR to evaluate their cybersecurity posture. For detailed information and background on the NCSR, please see Information Bulletin 439.

- If UASI funds are used by the state in support of the Urban Area, the SAA must, as part of the list of proposed investments, describe how those funds will directly support the Urban Area.
- All emergency communications investments must describe how such activities align to the SCIP. Recipients must coordinate with the SWIC and/or SIGB when developing an emergency communications investment prior to submission to ensure the project supports the statewide strategy to improve emergency communications and is compatible and interoperable with surrounding systems. The investment name must include the words “emergency communications” to easily identify any emergency communications investments.
- Projects should describe how the proposed investment supports closing capability gaps or sustaining capabilities identified in the THIRA/SPR process. Applicants that completed the THIRA/SPR in 2018 should refer to that assessment to identify gaps and sustainment needs related to Response, Recovery, and cross-cutting capabilities. They should refer to their 2017 THIRA/SPR for gaps and sustainment needs related to the other core capabilities. Applicants that did not complete the THIRA/SPR in 2018 should refer to their most recent THIRA/SPR.
- All requested funding must be associated with specific projects. For each project, several pieces of information must be provided to submit the project for consideration in the application, including the name of the project, the project description, the name of the subrecipient, if applicable, the recipient type (e.g., state or local), the project location (zip code of the primary location of the project), the primary core capability the project supports, and whether the project activities are shareable and deployable.

Development of Fusion Center Investments (SHSP and UASI)

If applicable, each IJ must include and identify a fusion center investment that will:

- Indicate alignment to a designated Fusion Center.
- Provide both a brief narrative description and funding itemization of the project activities relating to the proposed resources that directly support the designated Fusion Center. This descriptive narrative should align with both the financial itemization and improvement or sustainment of performance measures because of receiving the proposed funding. If the project description and funding itemization do not directly support the fusion center and the relationship to the fusion center is not identified, then the

investment may be conditionally approved until a Fusion Center Addendum is submitted and approved. Note: A sample project description and funding itemization are below.

- Identify the expected improvement or sustainment of performance measures because of receiving the proposed funding for the itemized projects.
- Effectively address performance measures identified in each fusion center's individual assessment data found in the HSIN-Intel Fusion Center Profile. A list of the 2019 Performance Measures can be found in the [Preparedness Grants Manual](#).

Sample Fusion Center Project Description

The following is an example of a sample fusion center project description that could be included in a SHSP or UASI investment:

The X Fusion enhancement project will fund salaries, benefits, and training for X number of Fusion Center intelligence analysts, maintenance and support for the center's enabling systems, travel costs associated with training, and the replacement of X computer monitors within the Fusion Center. The project will directly sustain the Center's achieved abilities and work to close the gap of any current capabilities through the sustained funding of its current analytical staff and enabling systems. This project directly aligns with performance measures 2019.1-2019.23. We anticipate seeing an improvement of the quality and quantity of reporting as a direct result of the funding of this project.

Sample Fusion Center Funding Itemization

The funding itemization for a fusion center investment should include the amount and percent of each relevant solution area. As an example:

<i>Solution Area and Amount of Proposed Funding</i>		<i>Percent of Proposed Funding</i>
<i>Planning:</i>	<i>\$10,000.00</i>	<i>2%</i>
<i>Organization:</i>	<i>\$200,000</i>	<i>48%</i>
<i>Equipment:</i>	<i>\$200,000</i>	<i>48%</i>
<i>Training:</i>	<i>\$10,000</i>	<i>2%</i>
<i>Exercises:</i>	<i>\$0</i>	<i>0%</i>
<i>Total:</i>	<i>\$420,000</i>	<i>100%</i>

Completing IJs in the Grant Reporting Tool (GRT) (SHSP and UASI)

In the Related Documents section of the [Grants.gov](#) posting, applicants can find the IJ template and instructions for collecting the required information for investments and projects. Additionally, applicants should utilize the Project Worksheet located in [Grants.gov](#) posting to assemble the information required for each project, which will facilitate the input of that information into the GRT.

Development of Concept of Operations for OPSG

As part of the FY 2019 OPSG application process, each eligible local unit of government at the county or federally-recognized tribal government level must develop a strategic plan called a Concept of Operations (CONOP)/Application, which is a formal proposal of action to address a

specific situation and forms the basis for Operations Orders, in coordination with state and federal law enforcement agencies, to include, but not limited to CBP/USBP. CONOPs that are developed at the county level should be inclusive of city, county, tribal, and other local law enforcement agencies that are eligible to participate in OPSG operational activities, and the CONOP/Application should describe participating agencies in the Executive Summary. CONOP/Application details should include the names of the agencies, points of contact, and individual funding requests. All CONOPs/Applications must be developed in collaboration with the local USBP sector office, the SAA and the local unit of government. Requests for funding in CONOPs/Applications must be based on risks and the operational enforcement support requirements of its corresponding USBP Sector. Sector offices will forward the CONOPs to USBP Headquarters for vetting and coordination. Applicants will forward corresponding OPSG Applications to the SAA for submission to FEMA. USBP Headquarters will reconcile all submitted CONOPs with the OPSG Applications.

Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their state's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372. See <https://www.archives.gov/federal-register/codification/executive-order/12372.html>; <https://www.whitehouse.gov/wp-content/uploads/2017/11/SPOC-Feb.-2018.pdf>.

Funding Restrictions

Federal funds made available through this award may be used for the purpose set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal awards, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. See the [Preparedness Grants Manual](#) for more information on funding restrictions.

Environmental Planning and Historic Preservation (EHP) Compliance

See the [Preparedness Grants Manual](#) for information on EHP Compliance.

Emergency Communications Investments

If an entity uses HSGP funding to support emergency communications investments, the following requirements shall apply to all such grant-funded communications investments in support of the emergency communications priorities and recognized best practices:

- Applicants must describe in the investment how proposed communications investments align to needs identified in their SCIP. Effective project alignment will require advance coordination with the SWIC and consultation with governing bodies such as the SIGB or Statewide Interoperability Executive Committee (SIEC), as they serve as the primary steering group for the statewide interoperability strategy. Additionally, recipients should consult subject matter experts serving on governance bodies such as broadband experts, chief information officers, representatives from utilities, or legal and financial experts when developing proposals.
- The signatory authority for the SAA must certify in writing to DHS/FEMA their compliance with the *SAFECOM Guidance*. The certification letter should be coordinated with the SWIC for each state and must be uploaded to [ND Grants](#) at the

- time of the first Program Performance Report (PPR) submission.
- All states and territories must designate a full-time SWIC who has the authority and resources to actively improve interoperability with emergency management and response agencies across all levels of government, to include establishing statewide plans, policies, and procedures, and coordinating decisions on communications investments funded through federal grants. Note that the designated full-time SWIC may also be the state's or territory's cybersecurity point of contact. SWIC status information will be maintained by the DHS Office of Emergency Communications and will be verified by FEMA GPD through programmatic monitoring activities.
- By the period of performance end date, all states and territories must update their SCIP, with a focus on communications resilience/continuity, to include assessment and mitigation of all potential risks identified in the SCIP: natural disasters, accidental damage (human failures), intentional damage (sabotage, terrorism), cybersecurity, etc. Following the initial update, the SCIP should be updated on an annual basis. SCIP status information will be maintained by the DHS Office of Emergency Communications and will be verified by FEMA GPD through programmatic monitoring activities.

All states and territories must test their emergency communications capabilities and procedures (as outlined in their operational communications plans) in conjunction with regularly planned exercises (separate/addition emergency communications exercises are not required) and must submit an After Action Report/Improvement Plan (AAR/IP) to the Homeland Security Exercise and Evaluation Program's (HSEEP) electronic message inbox at hseep@fema.gov within 90 days of exercise completion. Exercises should be used to both demonstrate and validate skills learned in training and to identify gaps in capabilities. Resilience and continuity of communications should be tested during training and exercises to the greatest extent possible. Further, exercises should include participants from multiple jurisdictions, disciplines, and levels of government and include emergency management, emergency medical services, law enforcement, interoperability coordinators, public health officials, hospital officials, officials from colleges and universities, and other disciplines and private sector entities, as appropriate. Findings from exercises should be used to update programs to address gaps in emergency communications as well as emerging technologies, policies, and partners. Recipients are encouraged to increase awareness and availability of emergency communications exercise opportunities across all levels of government. States, territories, and other eligible grant recipients are advised that HSGP funding may be used to support communications planning (including the cost of hiring a SWIC, participation in governance bodies and requirements delineated [above](#)), training, exercises, and equipment costs. Costs for transitioning to the FirstNet network may also be eligible. More information regarding FirstNet can be found in the [Preparedness Grants Manual](#).

Funds Transfer Restriction

The recipient is prohibited from transferring funds between programs (includes the SHSP, the UASI, and OPSG). Recipients can submit an investment/project where funds come from multiple funding sources (e.g., the SHSP and UASI), however, recipients are not allowed to divert funding from one program to another due to the risk-based funding allocations, which were made at the

discretion of DHS/FEMA.

Pre-Award Costs

Pre-award costs are allowable only with the prior written approval of DHS/FEMA and as included in the award agreement. To request pre-award costs, a written request must be included with the application, signed by the Authorized Representative of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval.

Cost Principles

Costs charged to this award must be consistent with the Cost Principles for Federal Awards located at 2 C.F.R. Part 200, Subpart E. For more information on 2 C.F.R. Part 200, please refer to FEMA GPD Information Bulletin 400, [FEMA's Implementation of 2 C.F.R. Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) ("Super Circular" or "Omni Circular").

Direct Costs

Planning

Planning costs are allowed under this program.

Organization

Organization costs are allowed under this program.

Equipment

Equipment costs are allowed under this program.

Training

Training costs are allowed under this program.

Exercises

Exercise costs are allowed under this program.

Personnel

Personnel hiring, overtime, and backfill expenses are permitted under this grant to perform allowable HSGP planning, organization, training, exercise, and equipment activities. Under OPSG, overtime costs are allowable only in so far as they meet the intent of the program. All recipients and subrecipients of HSGP funds, including SHSP, UASI, and OPSG allocations, may not use more than 50 percent of their awards to pay for personnel activities unless a waiver is approved by FEMA. For more information on the 50 percent personnel cap, please see FEMA Information Bulletin (IB) 421, *Clarification on the Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (Public Law 110-412) – the PRICE Act.

Operational Overtime

Operational Overtime costs are allowed under this program. Prior to use of funds for operational overtime, recipients must receive approval from DHS/FEMA.

Travel

Domestic travel costs are allowed under this program, as provided for in this NOFO. International travel is not an allowable cost under this program unless approved in advance by DHS/FEMA.

Construction and Renovation

Construction and renovation costs to achieve capability targets related to preventing, preparing for, protecting against, or responding to acts of terrorism are allowed under this program. For construction and renovation costs to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any program funds. Applicants must use the EHP approval process. Limits on the total amount of grant funding that may be used for construction or renovation may apply. Additionally, recipients are required to submit [Standard Form 424C](#).

Maintenance and Sustainment

Maintenance and Sustainment related costs, such as maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable as described in FP 205-402-125-1, Maintenance Contracts and Warranty Coverage Funded by Preparedness Grants Policy (<http://www.fema.gov/media-library/assets/documents/32474>).

Management and Administration (M&A) Costs

Management and administration (M&A) activities are those directly relating to the management and administration of HSGP funds, such as financial management and monitoring. A maximum of up to five percent of HSGP funds awarded may be retained by the state, and any funds retained are to be used solely for M&A purposes associated with the HSGP award. Subrecipients may also retain a maximum of up to 5 percent of the funding passed through by the state solely for M&A purposes associated with the HSGP award.

A state's HSGP funds for M&A calculation purposes includes the total of its SHSP, UASI, and OPSG awards. While the SAA may retain up to 5 percent of this total for M&A, the state must still ensure that all subrecipient award amounts meet the mandatory minimum pass-through requirements that are applicable to each HSGP program. To meet this requirement, the percentage of SHSP and UASI funds passed through to local or tribal jurisdictions must be based on the state's total HSGP award prior to withholding any M&A.

In retaining these funds, states may retain a maximum of 2.5 percent of the OPSG allocation, which must be withheld from the pass-through to each subrecipient county or tribe in an equal percentage. The SAA may also retain additional funding from its SHSP award to manage and

administer the OPSG award, but that additional amount is also capped at an amount equal to 2.5 percent of the OPSG award. Examples applying this principle:

SAA 1:

SHSP: \$1,000,000

OPSG: \$2,500,000

UASI: \$2,500,000

M&A Maximum: \$300,000 (5 percent of \$6,000,000)

Maximum M&A for SHSP = \$50,000

Maximum M&A for OPSG = \$125,000. Of that amount, \$62,500 (2.5 percent) may be retained from the OPSG allocation, and the other \$62,500 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$50,000 available to manage the SHSP allocation.

SAA 2:

SHSP: \$3,500,000

OPSG: \$1,000,000

M&A Maximum: \$225,000 (5 percent of \$4,500,000)

Maximum M&A for SHSP: \$175,000

Maximum M&A for OPSG = \$50,000. Of that amount, \$25,000 (2.5 percent) may be retained from the OPSG allocation, and the other \$25,000 would come from the SHSP allocation. Any amount used to manage and administer OPSG that is charged to SHSP may be above and beyond the \$175,000 available to manage the SHSP allocation.

Please note, [Information Bulletin \(IB\) 365: Management and Administration Costs in the Homeland Security](#) and DHS/FEMA Policy 207-087-1, which can be found at <http://www.fema.gov/library/viewRecord.do?id=7837>, **do not apply to awards made in FY 2019 under this NOFO.** The IB and Policy remain in effect for all previous awards.

Critical Emergency Supplies

Critical emergency supplies are allowed under this program.

Secure Identification

Secure Identification costs are allowed under this program.

Indirect (Facilities & Administrative [F&A]) Costs

Indirect costs are allowable under this program as described in 2 C.F.R. § 200.414. Except for recipients who have never received a negotiated indirect cost rate as described in 2 C.F.R. § 200.414(f), recipients must have an approved indirect cost rate agreement with their cognizant federal agency to charge indirect costs to this award. A copy of the approved rate (a fully executed, agreement negotiated with the applicant's cognizant federal agency) is required at the time of application and must be provided to DHS/FEMA before indirect costs are charged to the award.

General Purpose Equipment

HSGP allows expenditures on general purpose equipment if it aligns to and supports one or more core capabilities identified in the Goal and has a nexus to terrorism preparedness. General purpose equipment, like all equipment funded under the HSGP, must be sharable through the Emergency Management Assistance Compact (EMAC)¹ and allowable under 6 U.S.C. § 609, and any other applicable provision of the *Homeland Security Act of 2002*, as amended. Examples of such general purpose equipment may include:

- Law enforcement vehicles;

¹ Except for American Samoa and the Commonwealth of the Northern Mariana Islands, which are not required to belong to EMAC at this time.

- Emergency medical services (EMS) equipment and vehicles;
- Fire service equipment and vehicles, to include hose, pump accessories, and foam concentrate for specialized chemical, biological, radiological, nuclear, and explosives (CBRNE) response; and
- Office equipment for staff² engaged in homeland security program activity.

Equipment allowability is based on the [Authorized Equipment List \(AEL\)](#) but exceptions may be considered on a case-by-case basis if (1) the equipment identified to be purchased directly maps to a core capability contained within the Goal, and (2) the equipment's purpose (when operational) falls under the permitted use of funds in accordance with 6 U.S.C. § 609, and any other applicable provision of the *Homeland Security Act of 2002*, as amended.

Allowable Cost Matrix

The following matrix provides allowable cost activities that fall under each of the cost categories noted above. Recipients and subrecipients must follow all applicable requirements in 2 C.F.R. Part 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*).

This list is not exhaustive, therefore, if there are any questions regarding allowable costs, please contact the appropriate HQ GPD Program Analyst. For additional information on allowable costs, see the [Preparedness Grants Manual](#).

Allowable Program Activities	SHSP	UASI	OPSG
Allowable Planning Costs			
Developing hazard/threat-specific annexes	Y	Y	N
Developing and implementing homeland security support programs and adopting ongoing DHS/FEMA national initiatives	Y	Y	N
Developing related terrorism and other catastrophic event prevention activities	Y	Y	N
Developing and enhancing plans and protocols	Y	Y	N
Developing or conducting assessments	Y	Y	N
Hiring of full- or part-time staff or contract/consultants to assist with planning activities	Y	Y	N
Materials required to conduct planning activities	Y	Y	N
Travel/per diem related to planning activities	Y	Y	Y
Overtime and backfill costs (in accordance with operational Cost Guidance)	Y	Y	Y
Issuance of WHTI-compliant Tribal identification cards	Y	N	N
Activities to achieve planning inclusive of people with disabilities and others with access and functional needs and limited English proficiency.	Y	Y	N
Coordination with Citizen Corps Councils for public information/education and development of volunteer programs	Y	Y	N
Update governance structures and processes and plans for emergency communications	Y	Y	N
Development, and review and revision of continuity of operations plans	Y	Y	N
Development, and review and revision of the THIRA/SPR continuity of operations plans	Y	Y	N

² This applies to all homeland security personnel and is not limited to management and administration staff, and costs are to be captured outside the cap on management and administration costs.

Allowable Organizational Activities			
Note: Personnel hiring, overtime, and backfill expenses are permitted under this grant only to the extent that such expenses are for the allowable activities within the scope of the grant.			
Program management	Y	Y	N
Development of whole community partnerships	Y	Y	N
Structures and mechanisms for information sharing between the public and private sector	Y	Y	N
Implementing models, programs, and workforce enhancement initiatives	Y	Y	N
Tools, resources, and activities that facilitate shared situational awareness between the public and private sectors	Y	Y	N
Operational support	Y	Y	N
Utilization of standardized resource management concepts	Y	Y	N
Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS), or needs in resulting from a National Special Security Event	Y	Y	N
Reimbursement for select operational expenses associated with increased security measures at critical infrastructure sites incurred (up to 50 percent of the allocation)	Y	Y	Y
Overtime for information, investigative, and intelligence sharing activities (up to 50 percent of the allocation)	Y	Y	Y
Hiring of new staff positions/contractors/consultants for participation in information/intelligence analysis and sharing groups or fusion center activities (up to 50 percent of the allocation).	Y	Y	N
Allowable Equipment Categories			
Personal Protective Equipment	Y	Y	Y
Allowable Equipment Categories			
Explosive Device Mitigation and Remediation Equipment	Y	Y	N
CBRNE Operational Search and Rescue Equipment	Y	Y	N
Information Technology	Y	Y	Y
Cybersecurity Enhancement Equipment	Y	Y	N
Interoperable Communications Equipment	Y	Y	Y
Detection	Y	Y	Y
Decontamination	Y	Y	N
Medical countermeasures	Y	Y	Y
Power (e.g., generators, batteries, power cells)	Y	Y	Y
CBRNE Reference Materials	Y	Y	N
CBRNE Incident Response Vehicles	Y	Y	N
Terrorism Incident Prevention Equipment	Y	Y	Y
Physical Security Enhancement Equipment	Y	Y	Y
Inspection and Screening Systems	Y	Y	Y
Animal Care and Foreign Animal Disease	Y	Y	N
CBRNE Prevention and Response Watercraft	Y	Y	N
CBRNE Prevention and Response Unmanned Aircraft	Y	Y	N
CBRNE Aviation Equipment	Y	Y	N
CBRNE Logistical Support Equipment	Y	Y	N
Intervention Equipment (e.g., tactical entry, crime scene processing)	Y	Y	Y
Critical emergency supplies	Y	Y	N
Vehicle rentals	N	N	Y
Other Authorized Equipment	Y	Y	Y
Allowable Training Costs			
Overtime and backfill for emergency preparedness and response personnel attending DHS/FEMA-sponsored and approved training classes	Y	Y	Y
Overtime and backfill expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA training	Y	Y	Y

Training workshops and conferences	Y	Y	Y
Activities to achieve training inclusive of people with disabilities and others with access and functional needs and limited English proficiency	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	Y
Travel	Y	Y	Y
Supplies	Y	Y	N
Instructor certification/re-certification	Y	Y	N
Coordination with Citizen Corps Councils in conducting training exercises	Y	Y	N
Interoperable communications training	Y	Y	N
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
Immigration enforcement training	Y	Y	Y
Allowable Exercise Related Costs			
Design, Develop, Conduct, and Evaluate an Exercise	Y	Y	N
Full- or part-time staff or contractors/consultants	Y	Y	N
Overtime and backfill costs, including expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA exercises	Y	Y	N
Implementation of HSEEP	Y	Y	N
Activities to achieve exercises inclusive of people with disabilities and others with access and functional needs	Y	Y	N
Travel	Y	Y	N
Supplies	Y	Y	N
Interoperable communications exercises	Y	Y	N
Allowable Exercise Related Costs			
Activities to achieve planning inclusive of people with limited English proficiency	Y	Y	N
Allowable Management & Administrative Costs			
Hiring of full- or part-time staff or contractors/consultants to assist with the management of the respective grant program, application requirements, and compliance with reporting and data collection requirements	Y	Y	Y
Development of operating plans for information collection and processing necessary to respond to DHS/FEMA data calls	Y	Y	Y
Overtime and backfill costs	Y	Y	Y
Travel	Y	Y	Y
Meeting related expenses	Y	Y	Y
Authorized office equipment	Y	Y	N
Recurring expenses such as those associated with cell phones and faxes during the PoP of the grant program	Y	Y	N
Leasing or renting of space for newly hired personnel during the PoP of the grant program	Y	Y	N
Law Enforcement Terrorism Prevention Activities (LETPA) Costs			
Maturation and enhancement of designated state and major Urban Area fusion centers	Y	Y	N
Coordination between fusion centers and other analytical and investigative efforts	Y	Y	N
Implementation and maintenance of the Nationwide SAR Initiative	Y	Y	N
Implementation of the "If You See Something, Say Something®" campaign	Y	Y	N
Increase physical security, through law enforcement personnel and other protective measures, by implementing preventive and protective measures at critical	Y	Y	N
Building and sustaining preventive radiological and nuclear detection capabilities	Y	Y	N

E. Application Review Information

Allocations

Risk Methodology

The risk methodology determines the relative risk of terrorism faced by a given area considering the potential risk of terrorism to people, critical infrastructure, and economic security. The analysis includes threats from violent domestic extremists, international terrorist groups, and individuals inspired by terrorists abroad. See the [Preparedness Grants Manual](#) for additional information on risk methodology.

NOTE: The THIRA/SPR process is separate from the risk methodology, and its results do not affect grant allocations.

SHSP Allocations

FY 2019 SHSP funds will be allocated based on two factors: minimum amounts as legislatively mandated, and DHS/FEMA's risk methodology. THIRA/SPR results do not impact grant allocation or award.

Each state and territory will receive a minimum allocation under the SHSP using thresholds established in the *Homeland Security Act of 2002*, as amended. All 50 States, the District of Columbia, and the Commonwealth of Puerto Rico will receive 0.35 percent of the total funds allocated for grants under Section 2003 and Section 2004 of the *Homeland Security Act of 2002*, as amended. Each of the four territories (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) will receive a minimum allocation of 0.08 percent of the total funds allocated for grants under Section 2003 and 2004 of the *Homeland Security Act of 2002*, as amended.

UASI Allocations

FY 2019 UASI funds will be allocated based on DHS/FEMA's risk methodology. THIRA/SPR results do not impact grant allocation or award.

Eligible candidates for the FY 2019 UASI program have been determined through an analysis of relative risk of terrorism faced by the 100 most populous Metropolitan Statistical Areas (MSAs) in the United States, in accordance with the *Homeland Security Act of 2002*, as amended. Detailed information on MSAs is publicly available from the United States Census Bureau at <https://www.census.gov/programs-surveys/metro-micro.html>.

OPSG Allocations

The FY 2019 OPSG Risk Assessment is designed to identify the risk to border security and to assist with the distribution of funds for the grant program. Funding under OPSG is distributed based on the risk to the security of the border. Entities eligible for funding are the state, local and tribal law enforcement agencies that are located along the border of the United States. The THIRA/SPR process is not required for OPSG.

For the purposes of OPSG, the risk is defined as the potential for an adverse outcome assessed as a function of threats, vulnerabilities, and consequences associated with an incident, event, or occurrence.

Based upon ongoing intelligence analysis and extensive security reviews, DHS/CBP continues to focus the bulk of OPSG funds based upon risk analyses. The risk model used to allocate OPSG funds considers the potential risk that certain threats pose to border security and estimate the relative risk faced by a given area. In evaluating risk, DHS/CBP considers intelligence, situational awareness, criminal trends, and statistical data specific to each of the border sectors, and the potential impacts that these threats pose to the security of the border area. For vulnerability and consequence, DHS/CBP considers the expected impact and consequences of successful border events occurring in specific areas.

Threat and vulnerability are evaluated based on specific operational data from DHS/CBP. Threat components present in each of the sectors are used to determine the overall threat score. These components are terrorism, criminal aliens, drug trafficking organizations, and alien smuggling organizations.

Application Evaluation Criteria

FEMA will evaluate the FY 2019 HSGP applications for completeness, adherence to programmatic guidelines, and anticipated effectiveness of the proposed investments. FEMA's review will include verification that each IJ or project:

- Aligns with at least one core capability identified in the Goal;
- Demonstrates how investments support closing capability gaps or sustaining capabilities identified in the THIRA/SPR process; and
- Supports a NIMS-typed resource and whether those assets are deployable/shareable to support emergency or disaster operations per existing EMAC agreements.

In addition to the above, FEMA will evaluate whether proposed projects are: 1) both feasible and effective at reducing the risks for which the project was designed; and 2) able to be fully completed within the three-year PoP. FEMA will use the information provided in the application and after the submission of the first BSIR to determine the feasibility and effectiveness of a grant project. To that end, IJs should include:

- An explanation of how the proposed project will achieve objectives as identified in the SPR, including expected long-term impact where applicable, and which core capability gap(s) it helps to close and how;
- A summary of the status of planning and design efforts accomplished to date (e.g., included in a capital improvement plan); and
- A project schedule with clear milestones.

Recipients are expected to conform, as applicable, with accepted engineering practices, established codes, standards, modeling techniques, and best practices, and participate in the development of case studies demonstrating the effective use of grant funds, as requested.

Review and Selection Process (SHSP and UASI)

To ensure the effectiveness of proposed investments and projects, all applications will undergo a federal review. The federal review will be conducted by FEMA HQ Program Analysts. FEMA HQ Program Analysts will use a checklist to verify compliance with all administrative and eligibility criteria identified in the NOFO. Recipients must be able to demonstrate how

investments support closing capability gaps or sustaining capabilities identified in the THIRA/SPR process. IJs will be reviewed at both the investment and project level. A program hold may be placed on any investment which is found to be noncompliant.

Fusion center investments will be jointly reviewed by FEMA and the DHS Office of Intelligence and Analysis (I&A) for compliance with HSGP NOFO requirements to prioritize the alignment of requests with results from the annual Fusion Center Assessment Program. If a fusion center investment does not meet the requirements, a Fusion Center Addendum must be completed and submitted for review and approval prior to expending funds allocated to fusion center activities. Emergency communications investments will be jointly reviewed by FEMA and the DHS Office of Emergency Communications (OEC) to verify compliance with SAFECOM guidance. FEMA and OEC will coordinate directly with the recipient on any compliance concerns and will provide technical assistance as necessary to help ensure full compliance.

Review and Selection Process (OPSG)

Applications will be reviewed by the SAA and USBP Sector Headquarters for completeness and adherence to programmatic guidelines and evaluated for anticipated feasibility, need, and impact of the Operations Orders. For more information on Operations Orders and other requirements of OPSG, see the [Preparedness Grants Manual](#).

DHS/FEMA will verify compliance with all administrative and eligibility criteria identified in the NOFO and required submission of Operations Orders and Inventory of Operations Orders by the established due dates. DHS/FEMA and USBP will use the results of both the risk analysis and the federal review by DHS/FEMA to make recommendations for funding to the Secretary of Homeland Security.

FY 2019 OPSG funds will be allocated competitively based on risk-based prioritization using the OPSG Risk Assessment described above. Final funding allocations are determined by the Secretary, who may consider information and input from various law enforcement offices or subject-matter experts within the Department. Factors considered include, but are not limited to threat, vulnerability, miles of the border, and other border-specific law enforcement intelligence, as well as the feasibility of FY 2019 Operations Orders to designated localities within border states and territories.

Financial Integrity Criteria

Prior to making a Federal award, DHS/FEMA is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information. Application evaluation criteria may include the following risk-based considerations of the applicant:

1. Financial stability;
2. Quality of management systems and ability to meet management standards;
3. History of performance in managing Federal awards;
4. Reports and findings from audits; and
5. Ability to effectively implement statutory, regulatory, or other requirements.

Supplemental Financial Integrity Review

Prior to making a Federal award where the anticipated Federal share of a Federal award will be greater than the simplified acquisition threshold, currently \$250,000 (*see* Section 805 of the National Defense Authorization Act for Fiscal Year 2008, Pub. L. No. 115-91, OMB Memorandum M-18-18 at <https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>; *see also* [FEMA GPD Information Bulletin No. 434, Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds](#)):

- DHS/FEMA is required to review and consider any information about the applicant in the designated integrity and performance system accessible through the System for Award Management (SAM), which is currently the [Federal Awardee Performance and Integrity Information System](#) (FAPIIS) and is also accessible through the [SAM](#) website.
- An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a Federal awarding agency previously entered.
- DHS/FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants, as described in 2 C.F.R. § 200.205.

F. Federal Award Administration Information

Notice of Award

See the [Preparedness Grants Manual](#) for information on Notice of Award.

Administrative and National Policy Requirements

See the [Preparedness Grants Manual](#) for information on Administrative and National Policy requirements.

SHSP and UASI Pass-Through Requirements

Awards made to the SAA for HSGP carry additional pass-through requirements. Pass-through is defined as an obligation on the part of the SAA to make funds available to local units of government, combinations of local units, tribal governments, or other specific groups or organizations. Four requirements must be met to pass-through grant funds:

- The SAA must make a firm written commitment to passing through grant funds to subrecipients;
- The SAA's commitment must be unconditional (i.e., no contingencies for the availability of SAA funds);
- There must be documentary evidence (i.e., award document, terms, and conditions) of the commitment; and
- The award terms must be communicated to the subrecipient.

Timing and Amount

The SAA must pass-through at least 80 percent of the funds awarded under the SHSP and UASI to local or tribal units of government within 45 calendar days of receipt of the funds. "Receipt of the funds" occurs either when the SAA accepts the award or 15 calendar days after the SAA receives notice of the award, whichever is earlier.

SAAAs are sent notification of HSGP awards via the GPD's ND Grants system. If an SAA accepts its award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will start on the date the SAA accepted the award. Should an SAA not accept the HSGP award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will begin 15 calendar days after the award notification is sent to the SAA via the ND Grants system.

It is important to note that the PoP start date does not directly affect the start of the 45-calendar days pass-through period. For example, an SAA may receive notice of the HSGP award on August 20, 2019, while the PoP dates for that award are September 1, 2019, through August 31, 2022. In this example, the 45-day pass-through period will begin on the date the SAA accepts the HSGP award or September 4, 2019 (15 calendar days after the SAA was notified of the award), whichever date occurs first. The PoP start date of September 1, 2019, would not affect the timing of meeting the 45-calendar day pass-through requirement.

Other SHSP and UASI Pass-Through Requirements

The signatory authority of the SAA must certify in writing to DHS/FEMA that pass-through requirements have been met. A letter of intent (or equivalent) to distribute funds is not considered sufficient. The pass-through requirement does not apply to SHSP awards made to the District of Columbia, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. The Commonwealth of Puerto Rico is required to comply with the pass-through requirement, and its SAA must also obligate at least 80 percent of the funds to local units of government within 45 calendar days of receipt of the funds.

Under SHSP, the SAA may retain more than 20 percent of funding for expenditures made by the state on behalf of the local unit(s) of government. This may occur only with the written consent of the local unit of government, specifying the amount of funds to be retained and the intended use of funds. States shall review their written consent agreements yearly and ensure that they are still valid. If a written consent agreement is already in place from previous fiscal years, DHS/FEMA will continue to recognize it for FY 2019, unless the written consent review

indicates the local government is no longer in agreement. If modifications to the existing agreement are necessary, the SAA should contact their assigned FEMA HQ Program Analyst.

Additional OPSG Requirements

The recipient is prohibited from obligating or expending funds provided through this award until each unique and specific county-level or equivalent Operational Order/Fragmentary Operations Order budget has been reviewed and approved through an official electronic mail notice issued by DHS/FEMA removing this special programmatic condition.

Reporting

See the [Preparedness Grants Manual](#) for information on reporting requirements.

Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) Process

See the [Preparedness Grants Manual](#) for information on the THIRA and SPR process.

Supplemental Information Reporting Systems

In addition to ND Grants, the following information systems are used for the submission of required reports:

Grant Reporting Tool (GRT)

Information on the GRT can be found in the [Preparedness Grants Manual](#).

Unified Reporting Tool (URT)

See the [Preparedness Grants Manual](#) for information on the URT.

Closeout Reporting Requirements

See the [Preparedness Grants Manual](#) for information on closeout reporting requirements.

Disclosing Information per 2 C.F.R. § 180.335

See the [Preparedness Grants Manual](#) for information on disclosing information.

G. DHS/FEMA Awarding Agency Contact Information

Contact and Resource Information

Centralized Scheduling and Information Desk (CSID)

CSID is a non-emergency comprehensive management and information resource developed by DHS/FEMA for grant stakeholders. CSID provides general information on all DHS/FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the federal, state, and local levels. When necessary, recipients will be directed to a Federal point of contact who can answer specific programmatic questions or concerns. CSID can be reached by phone at (800) 368-6498 or by e-mail at askcsid@fema.gov, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

GPD Grant Operations Division

GPD's Grant Operations Division Business Office provides support regarding financial matters and budgetary, technical assistance. Additional guidance and information can be obtained by contacting the FEMA Call Center at 866-927-5646 or via e-mail to ASK-GMD@fema.gov.

FEMA Regional Offices

FEMA Regional Offices may also provide fiscal support, including pre- and post-award administration and technical assistance such as conducting cash analysis, financial monitoring, and audit resolution for the grant programs included in this solicitation. GPD will provide programmatic support and technical assistance. FEMA Regional Office contact information is available [here](#).

GPD Environmental Planning and Historic Preservation (EHP)

The DHS/FEMA GPD EHP Team provides guidance and information about the EHP review process to recipients and subrecipients. All inquiries and communications about GPD projects

or the EHP review process, including the submittal of EHP review materials, should be sent to gpdehpinfo@fema.dhs.gov. EHP Technical Assistance, including the EHP Screening Form, can be found online at <https://www.fema.gov/media-library/assets/documents/90195>.

Systems Information

Grants.gov

For technical assistance with [Grants.gov](https://www.grants.gov), call the customer support hotline 24 hours per day, 7 days per week (except Federal holidays) at (800) 518-4726 or e-mail at support@grants.gov.

Non-Disaster (ND) Grants

For technical assistance with the ND Grants system, please contact the ND Grants Helpdesk at ndgrants@fema.gov or (800) 865-4076, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

Payment and Reporting System (PARS)

DHS/FEMA uses the [Payment and Reporting System \(PARS\)](#) for financial reporting, invoicing and tracking payments. DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to recipients. To enroll in the DD/EFT, recipients must complete a Standard Form 119A, Direct Deposit Form.

H. Additional Information

GPD has developed the [Preparedness Grants Manual](#) to guide applicants and recipients of grant funding on how to manage their grants and other resources. Recipients seeking guidance on policies and procedures for managing preparedness grants should reference the Manual for further information. Examples of information contained in the [Preparedness Grants Manual](#) include:

- Conflicts of Interest in the Administration of Federal Awards and Subawards;
- Extensions;
- Monitoring;
- Procurement Integrity; and
- Other Post-Award Requirements.

In response to recent disasters, FEMA has introduced a new lifelines construct, in order to enable the continuous operation of government functions and critical business essential to human health, safety, or economic security during and after a disaster. To learn more about lifelines, please refer to the [Preparedness Grants Manual](#), or visit <http://www.fema.gov/national-planning-frameworks>.



LOS ANGELES COUNTY/DEPARTMENT OF AUDITOR-CONTROLLER

SHARED SERVICES DIVISION

GRANT PAYMENT REQUEST

SECTION A: SUBMITTING YOUR REQUEST

Please submit Grant Payment Request Form along with **legible** supporting documents to:

Grants@auditor.lacounty.gov

In the event e-mail is not available, you can mail your Grant payment request to (please do **not** fax or send duplicates):

Department of Auditor-Controller
Shared Services Division / Attn: Grants Unit
3470 Wilshire Blvd., Suite 812
Los Angeles, CA 90010

1. Grant Name & Year:

SECTION B: SUB-RECIPIENT'S INFORMATION

1. Sub-recipient's Name: (reimbursement check will be made payable to a payee entered below)	3. Taxpayer ID #:	4. Contact's Name:
2. Mailing Address (please let us know where you want your check delivered, including attention line if necessary):		4. Contact's phone:
		4. Contact's e-mail:

SECTION C: DETAIL PAYMENT REQUEST INFORMATION

1. SOLUTION AREA (e.g. equipment, training, planning, exercise, organization)	2. PROJECT # (e.g. 011.22)	4. EHP required? (Environmental & Historic Preservation)		5. VENDOR'S INVOICE # (Maximum of 5 invoices)	6. PURCHASE METHOD (including Training)			7. CLAIM AMOUNT (indicate the amount per each line)
		No	Yes (attach State Approval)		If Competitive, indicate the # of bids.	Non-Competitive Bid	Sole Source	
8. TOTAL \$								-

SECTION D: SUB-RECIPIENT'S CERTIFICATION

I certify that (please use the checkbox):

- ☐ 1. I am the duly authorized officer of the claimant herein and this claim is in all respect true and correct. All expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances.
- ☐ 2. All instructions for this form were followed and all the supporting documentation (per instructions) is included with this claim.

3. _____
AUTHORIZED SIGNATURE

DATE

4. _____
AUTHORIZED PRINTED NAME

AUTHORIZED TITLE

5. AUTHORIZED CONTACT INFORMATION (If different from Section B):

PHONE # _____

E-MAIL: _____

SECTION E: FOR SSD USE ONLY

STAMP WITH RECEIVED DATE HERE:

ASSIGNED INVOICE NO.:

NOTE: This Form is intended for Internal SSD review purpose only.

Revised on December 2019

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER / SHARED SERVICES DIVISION

INSTRUCTIONS TO COMPLETE THE GRANT PAYMENT REQUEST

Purpose of these instructions:

To assist sub-recipients in completing the Grant Payment Request. We appreciate your participation in this program, for questions or suggestions please use our e-mail below to contact us. **Please do not send these instructions to us, they are to be used for your guidance only.**

SECTION A: GENERAL INSTRUCTIONS FOR SUBMISSION OF GRANT PAYMENT REQUEST

In numeral **1** of this section, please enter the name and year of the grant program that you are submitting for payment. In addition, please help us expedite the process of your Homeland Security claims by:

- Completing the Grant payment request correctly and according to these instructions.
- Submitting your Grant payment request using our e-mail --> **Grants@auditor.lacounty.gov** (please do **not** fax documents).
- Sending your Grant payment request only once (we do not require original documents and duplicates will slow down our process).
- Using the checkboxes to ensure all the required supporting documents and files accompany your Grant payment request. Supporting documents are flagged for your convenience with a checkbox within the corresponding areas.
- Ensuring that all documents attached to your Grant payment requests are legible.
- Submitting Grant payment request timely. We do **not** guarantee the process of Grant payment requests that are submitted late or too close to the final due date. Reimbursable expenditures need to be charged within the performance period of the grant and submitted to us as soon as they are incurred.

SECTION B: SUB-RECIPIENT'S INFORMATION

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please enter the name of the agency requesting for payment. The name of the agency should be typed according to its signed agreement and as you need it to appear in the payee line of the reimbursement check.
2. Please enter the complete address (street number and name, city, zip code) and attention line where you will need to receive the reimbursement check. Please note that this is not necessary for L.A. County departments.
3. Please enter the tax ID of the governmental entity requesting payment. Please leave blank for L.A. County departments.
4. Please enter the information of the person that can assist us with detail claim questions.

SECTION C: DETAIL PAYMENT REQUEST INFORMATION:

In order to expedite your Grant payment request, in this area's grid, include a **maximum of five (5) invoices or reimbursements charges (one charge or one invoice per line)**. The invoices or charges need to share the same solution area, project #.

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Enter the solution area corresponding to the claim. This information is found in the latest budget of the grant. Examples of solution areas are: equipment, training, planning or exercise.
2. Enter the project # corresponding to the claim. This information is found in the latest budget of the grant. An example of Item # is 17.020.
4. Check with an X under either yes or no according to the claim's Environmental & Historical Preservation (EHP) requirements from the State. EHP approval needs to be obtained from the State **prior** to the start of the project on certain equipment items (see AEL description) or training/exercise projects. Please attach the following:
 - a) ☐ **State EHP Approval:** if required by the state for your claim.

SECTION C: (Continued)

5. If the expenditures that you are claiming were purchased thru a vendor or contractor, please enter the invoice # in the grid area. Please note that you are responsible for following acceptable purchasing policies and for documenting your procurement process. Additionally please include the following documentation with your claim:
- a) ☐ **Copy of the invoice:** Please attach an invoice that provides sufficient information to be used as a cross reference with the items described in your grant line item and AEL #. When the invoice includes items that are not being claimed or that belong to different claims or grants, please circle and designate on the invoice the items that you are requesting for reimbursement. Each item circled must have a project #, a funding source, and a total. Purchase orders and price quotes will not be accepted in the place of the invoice.
 - b) ☐ **Copy of the purchase order**
 - c) ☐ **Print out of the corresponding AEL # (Authorized Equipment List number).** The AEL listing can be found at:
https://www.rkb.us/fema_grants.cfm
 - d) ☐ **Proof of payment of the invoice:** The proof of payment for L.A. County Departments is the printout from e-CAPS showing that the check cleared the bank. The proof of payment for **other** than L.A. County Department is the corresponding copy of the bank's cleared check .
 - e) ☐ **Calculations for use tax paid:** When use tax is paid, clearly show the calculations of the use tax in the invoice included in your claim.
 - f) ☐ **Proof of payment of the use tax:** Please provide official documents which authenticate the remittance of the use tax to the state, the amount and the reference to the invoice being claimed.
 - g) ☐ **Federal Debarment Listing:** Please provide a screen print out of the queried Federal Debarment Listing at <http://www.sam.gov/portal/public/SAM>. (you will need a username and a password; if you don't please create an account) . The listing needs to be queried **prior** to the selection of the vendor.
6. If you are claiming services, supplies, training related costs, or any other type of items purchased thru a vendor or contractor or government agency, please indicate with an X the method that you used to acquire the items (do **not** leave blank or mark more than one). Please note that competitive bid, non-competitive bid or sole source are the only valid purchasing methods.
- a) ☐ **Competitive Bid:** for projects that received more than one bid. Please indicate number of bids received (must be more than one).
 - b) ☐ **Non-Competitive Bid:** for single bid purchases of \$250,000 or more (effective June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
 - c) ☐ **Sole Source:** for non-bid purchases of \$250,000 or more effective (June 21, 2018) to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State **prior** to the start of the project.
7. Enter the amount of your claim after you verify that your budget is sufficient to cover your request. When the amount of the budget is not sufficient, please let your Program Coordinator know of the possible need for budget modification.
8. Enter the "Total Amount" by adding the subtotal claims included in each line.

SECTION D: SUB-RECIPIENT'S CERTIFICATION

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please read and check the box provided if you are an authorized signor.
2. Please read and check the box provided if you are an authorized signor.
3. Please sign the Grant payment request if you are an authorized signor of your agency.
- 4 & 5. When the authorized person is the same as the contact person in Section B you do not need to enter the authorized contact information. If the authorized person and the contact person in Section B are different, please enter all the fields in this area as requested.

ADDITIONAL ITEMS THAT YOU NEED TO ATTACH TO YOUR GRANT PAYMENT REQUEST:

For Equipment Claims:

- a) ☐ **Equipment Inventory Listing (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits. If there is no serial # for your equipment please assign a valid ID tag, or write "Consumable" (if it applies) or write N/A. please do NOT leave the corresponding space blank. ^{*1} Please refer to the **Instructions to Equip Inty Tab for completion procedures of Equipment Inventory.**

Additionally, please enter the appropriate CBRNE Mission (Chemical, Biological, Radiological, Nuclear, or Explosive) in the column titled "Equipment Description & Quantity". This only applies to vehicles with AEL # 12VE-00-MISS (Vehicle Specialized Mission: CBRNE).

You need to inform us of any changes on the items above ^{*1}. This applies to each piece of equipment added in the Inventory Listing, including when the items are disposed and/or no longer useful. We will update the master inventory listing (per grant requirement) according to the information you give us. Please make sure that you include all the attachments that are necessary to provide us with the requested information.

For Training Claims:

- a) ☐ **State Sole Source Approval:** If you are claiming training related costs thru a Non-Competitive Bid or Sole Source training provider, regardless the purchased amount, please attach the State's approval (effective December 03, 2018). The approval needs to be requested from the State prior to the start of the project.
- b) ☐ **State-Sponsored Training Reporting Form (with the tracking request #):** Please add this form along with the Training Request Form Training Officer (POC), which you completed at the website, to the claim's backup documentation. All the backup documentation submitted for the training claim needs to agree with the training period and the detail description on the Training Reporting Form and the line item of the Grant. Training request #'s must be obtained from the State prior to the start of the project.
- c) ☐ **Receipts and paid invoices:** please include the complete copy of the receipts and paid invoices with your claim for itemized costs such as air plane tickets, hotel stays, instructor's fees, workshop cost, facilities fees, consulting services, etc. Additionally, you will need to include the documents requested in numeral 5 under Section C.

If you are including **personnel cost** with your training claim, please add the following:

- d) ☐ **Personnel List (Print out & Excel File):** Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits.
- e) ☐ **Documents that certify completion of the training:** please attach supporting documents that show the class name, dates of training, # of hours of the training class, printed name and signature of individual taking the class and approval signature from supervisor or trainer (attach the information for backfilled positions also). Examples of documents that certify completion of training are:
- Attendance sheets (signed by employee and instructor)
 - Sign in sheets (same as above)
 - Signed training certificates
- f) ☐ **Summary Listing of Charges:** Please use the **Training Summary Sheet** form provided in this claim packet that **clearly** shows the breakdown of the training charges per employee and that match the total claimed. This form includes the following: employee name, assignment, job title, date, salary, hours claimed, regular rate, overtime rate, employee benefits rate, claim amount per employee, clear calculations of amount claimed per employee and total (equal to the amount claimed).

Please ensure that the Training Summary Sheet is verified/approved by an authorized signatory, with printed name and title, and dated.

- g) ☐ **Backup for the Benefits Rate:** If you are adding benefits to your claim, please make sure that you include the official calculation for the rate used.
- h) ☐ **Timecards:** Include a printout of the corresponding timecards. Manual timecards need to indicate the # of hours charged per day to the grant, supervisor's signature, employee name and signature. Automatic system generated timecards need to be approved and include the name of the employee and hours charged per day to the grant.
- i) ☐ **Explanation of timekeeping codes:** When the supporting documentation (timesheet, payroll register, etc.) includes timekeeping codes please provide a printout with the explanation of the usage as detailed as possible.

- j) ☐ **Payroll register:** The payroll register needs to clearly support and explain the amount claimed per employee. It also needs to show the salary, hourly rate, employee benefits and overtime rate.
- k) ☐ **Roster of backfilled positions:** When you are claiming overtime for a backfilled position, please attach the backfilled roster to your claim. The roster needs to include the name of the backfilling employees, a short description of duties performed, the corresponding employee whose duties were covered and the dates accordingly. Please make sure that the roster is signed and that you include documentation corresponding to the employee covered by the backfilling position.

For Planning Claims:

- a) ☐ **Deliverable (or final product):** Please include with your claim the final product of the planning activity (deliverable) that was identified in the grant award.
- b) ☐ **Signed Certificate of Completion:** The certificate of completion can be an e-mail confirming that the planning activity was completed.
- c) ☐ **Invoices:** If your planning claim includes charges invoiced by vendors, please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- d) ☐ **Supporting Documentation for Personnel Cost:** When your planning claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Exercise Claims:

- a) ☐ **Proof of State Approval of After Action Report (AAR):** In order for your AAR to be approved you have to submit it to the State using the ODP Portal (see link below), within 90 days after completion of the exercise. You need to notify the State when the AAR is uploaded so they can proceed with the approval process.

https://hseep.dhs.gov/DHS_SSO/

- b) ☐ **Invoices:** If your exercise claim includes charges invoiced by vendors please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).
- c) ☐ **Supporting Documentation for Personnel Cost:** When your exercise claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Organization Claims: Please see above b) and c) under Exercise Claims

GRANT PROPERTY AND EQUIPMENT INVENTORY LISTING

GRANT NAME: _____
SUB-RECIPIENT: _____
DATE OF REPORT: _____

P. ____ of ____

[illegible]

N:Grants/Subrecipient Monitoring/Forms/Property & Equipment Inventory Listing
Revised 12/2019

Equipment Inventory Listing Procedures for Completion

OBJECTIVE: To provide an equipment inventory listing that links the State Homeland Security Workbook, to the Equipment Ledger and to the Equipment Listing to simplify the tracking and accountability; and to eliminate duplication and confusion.

<u>Field</u>	<u>Date Element</u>	<u>Procedure</u>
(1)	Grant Name	SHSP or EMPG
(2)	Sub-Recipient	Name of your agency
(3)	Date of Report	Date report completed {1}
(4)	Grant Year	Grant Year of funds used to purchase equipment
(5)	Project #	Project Number (from Grant Workbook Project Sheets)
(7)	AEL No.	Authorized Equip Listing No (from Grant Workbook)
(8)	Description	Description of the equipment
(9)	Serial # or Other ID #	Serial # or Other identification # used
(10)	Safecom consult	Fill out either by Yes, No, or N/A
(11)	Source of Property	Funding source, i.e, SHSP, EMPG, etc.
(12)	Title Holder	Name of agency (City/Department)
(13)	Vendor Name	Name of the vendor
(14)	Invoice Number	Invoice number
(15)	Acquisition Date	Date equipment acquired
(16)	Acquisition Cost	Cost of the individual equipment item
(17)	% of Fed Part	Fed participation in the cost of equipment
(18)	Location	Location of equipment
(19)	Use & Condition	Use & condition {2}
(20)	Disposition data	Date of disposition
(21)	Sale Price	Sale price, If applicable, or N/A for not applicable

The Equipment Inventory Listing must be completed in its entirety to meet the objective of the form.

Note {1}: This date should be the date the physical inventory of equipment was taken and the results reconciled with the equipment records (at least once every two years).

{2} Indicate: N = New, D = Deployed, O = Out of Service, L = Lost & S = Stolen

Distribution

Copy maintained in sub-recipient file

Copy forwarded to Shared Services Division

Grant Name _____
Jurisdiction Name: _____
Training Provider: _____
OHS Approved Course Title: _____
Non-SLGP Course Title & OHS Tracking No. _____
 (requires pre-approval thru OEM)
Date of Course: _____
Class/ Exercise Duration/Hours: _____

Approved by: _____
Authorized Signature

Print Name and Title

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

PLANNING ROSTER

[illegible]

Approved by:

Authorized Signature

Print Name and Title

Date _____

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

EXERCISE ROSTER

[illegible]

Approved by:

Authorized Signature

Print Name and Title

Date _____

8. Notes on Personnel Cost:

In general, costs associated with:

- ☐ Work performed under contract for a specific deliverable DOES NOT count against the personnel cap, however,
- ☐ Work performed under contract for an undefined period, such as for personnel costs supporting operational activities, including general planning, training or exercise activities DO count against the personnel cap; and
- ☐ Work performed by all non-contractor personnel, including for full- or part-time staff and operational overtime DO count against the personnel cap.

The following examples would not count towards the personnel cap:

- ☐ Vendor installation of a radio tower;
- ☐ Vendor training on new equipment purchased;
- ☐ Contractor hired to create an Emergency Operations Plan;
- ☐ Contractor hired to provide deliveries of ICS 400; and
- ☐ Contractor hired to assist with planning, training, evaluating, and reporting the effectiveness of a specific exercise.

The following examples would count towards the personnel cap:

- ☐ Contractor hired to be the State's WMD training instructor with no specific deliverables under contract;
- ☐ Contractor hired to facilitate unidentified number of exercises throughout the performance period;
- ☐ Contractor hired to be the part-time auditor of Homeland Security Grants throughout the year; and
- ☐ Contractor hired to be an intelligence analyst.

CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES (Cal OES)

[illegible]

*Work Order No. 8-61B
Sub-Recipient Monitoring Instrument*

*Attachment D
Page 21 of 54*

Sub-Recipient Monitoring Instrument

Project Title

Los Angeles County Homeland Security Grant
Monitoring Reports for Fiscal Years 2016-17 and 2017-18

A. TRAINING

Objective

To determine that the Training expenditures were appropriately documented and the activities aligned with the project's goals and objectives. If the Training activities involved using consultants or contractors, determine if the Sub-Recipient followed the appropriate procurement policies. Use Work Sheets 1 and 3. (See Attachment E – Sub-Recipient Monitoring Worksheets.)

Verification	Yes	No	Comment
1. Did the Sub-Recipient receive funding for training expenditures? (If yes, then continue.)			
2. Did the Sub-Recipient receive prior approval from the State either via email or other documentation and did it include the training course name and number?			
3. Did the project require an Environmental, Historical, Preservation (EHP) approval? If so, did the Sub-Recipient receive prior approval from the State before conducting the training?			
4. Did the Sub-Recipient appropriately document the Training expenditures using employee timecards, sign-in sheets, and certificates of training?			
5. If the Training expenditures relate to the use of consultants/contractors, did the Sub-Recipient follow proper procurement procedures to hire the consultants or contractors?			
6. Did the Sub-Recipient accurately report the Training expenditures in their accounting records?			
7. If the project included overtime expenditures for training answer 7.a and 7.b.			
a) Did the Sub-Recipient maintain employee timecards to appropriately document the overtime expenditures?			
b) Did the Sub-Recipient accurately report the overtime expenditures in their accounting records?			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 22 of 54

8. If the project included backfill expenditures for training, answer 8.a and 8.b.			
a) Did the Sub-Recipient appropriately document the backfill expenditures using employee timecards, sign-in sheets?			
b) Did the Sub-Recipient accurately report the expenditures in their accounting records?			
9. Were the employee timecards utilized in training activities signed and dated by a direct supervisor?			
10. Were the training expenditures consistent with the State approved grant award and/or post award modification(s) as identified on Attachment G –Sub Recipient Expenditures?			
11. Ensure that Sub-Recipient corrected areas of non-compliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA.			
a) If the project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b) If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Sub-Recipient is doing to resolve the prior year finding and indicate such in the current report.			

B. PLANNING

Objective

To determine that the Planning expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Planning activities involved using consultants or contractors, determine if the Sub-Recipient followed the appropriate procurement policies. Use Worksheets 1 and 3. (See Attachment E – Sub-Recipient Monitoring Worksheets.)

Verification	Yes	No	Comment
1. Did the Sub-Recipient receive funding for Planning expenditures? (If yes, then continue.)			
2. Did the Sub-Recipient appropriately document the Planning expenditures providing copies of the support documentation that indicated the efforts made to produce the final product and a copy of the product produced?			
3. If the Planning expenditures relate to the use of consultants or contractors, did the Sub-Recipient follow proper procurement procedures to hire the			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 23 of 54

consultants or contractors?			
4. Did the Sub-Recipient accurately report the Planning expenditures in their accounting records?			
5. If the project included overtime expenditures for planning, answer 5.a and 5.b.			
a) Did the Sub-Recipient maintain employee timecards to appropriately document the overtime expenditures?			
b) Did the Sub-Recipient accurately report the overtime expenditures in their accounting records?			
6. If the project included backfill expenditures for planning, answer 6.a and 6.b.			
a) Did the Sub-Recipient maintain employee timecards to appropriately document the backfill expenditures?			
b) Did the Sub-Recipient accurately report the expenditures in their accounting records?			
7. Were the employee timecards, utilized in Planning activities signed and dated by a direct supervisor?			
8. Were the Planning expenditures consistent with the State approved grant award and/or post award modification(s) as identified on Attachment G - Sub-Recipient Expenditures?			
9. Ensure that Sub-Recipient corrected areas of non-compliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA.			
a) If the project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b) If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Sub-Recipient is doing to resolve the prior year finding and indicate such in the current report.			

C. EXERCISES

Objective

To determine that the Exercise activities were appropriately documented and were aligned with the project's goals and objectives. If the Exercise activities involved using consultants or contractors, determine if the Sub-Recipient followed the appropriate procurement policies. Use Worksheets 1 and 3. (See Attachment E – Sub-Recipient Monitoring Worksheets.)

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 24 of 54

Verification	Yes	No	Comment
1. Did the Sub-Recipient receive funding for Exercise expenditures? (If yes, then continue.)			
2. Did the Sub-Recipient appropriately document the Exercise expenditures by submitting an After Action Report (AAR) to the HSEEP for the exercise activities? (Only copy of e-mail from Cal OES is required for approval of the AAR.)			
3. Did the project require an Environmental, Historical, Preservation (EHP) approval? If so, did the Sub-Recipient receive prior approval from the State before conducting the exercise?			
4. If the Exercise expenditures related to the use of consultants or contractors, did the Sub-Recipient follow proper procurement procedures to hire the consultants or contractors?			
5. Did the Sub-Recipient accurately report the Exercise expenditures in their accounting records?			
6. If the project included overtime expenditures for exercises answer 6.a and 6.b.			
a) Did the Sub-Recipient appropriately document the overtime expenditures using employee timecards?			
b) Did the Sub-Recipient accurately report the overtime expenditures in their accounting records?			
7. If the project included backfill expenditures for exercises, answer 7.a and 7.b.			
a) Did the Sub-Recipient appropriately document the backfill expenditures using employee timecards?			
b) Did the Sub-Recipient accurately report the expenditures in their accounting records?			
8. Were the employee timecards utilized in exercise activities signed and dated by a direct supervisor?			
9. Did the Sub-Recipient enter the AAR and Improvement Plan on the State Office of Domestic Preparedness secure portal within 60 days following completion of the exercise?			
10. Were the exercise expenditures consistent with the State approved grant award and/or post			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 25 of 54

award modification(s) as identified on Attachment G – Sub-Recipient Expenditures?			
11. Ensure that Sub-Recipient corrected areas of non-compliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA.			
a) If the project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b) If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Sub-Recipient is doing to resolve the prior year finding and indicate such in the current report.			

D. EQUIPMENT

Objective

To determine that the Equipment expenditures are supported by invoices and that a listing of equipment/property is maintained by the Sub-Recipient. To determine that the purchases aligned with the project's goals and objectives. Use Worksheets 2 and 3. (See Attachment E – Sub-Recipient Monitoring Worksheets.)

Verification	Yes	No	Comment
1. Did the Sub-Recipient receive funding for Equipment expenditures? (If yes, then continue.)			
2. Did the project require an Aviation, Environmental, Historical, Preservation, Sole Source or Watercraft approval? If so, did the Sub-Recipient receive prior approval from the State before purchasing the equipment?			
3. Did the Sub-Recipient maintain invoices to support the Equipment expenditure(s)?			
4. Did the Sub-Recipient follow proper procurement procedures to purchase the equipment and were the items listed in the Federal "Authorized Equipment List" (AEL)?			
5. Did the Sub-Recipient accurately report the Equipment expenditure(s) in their accounting records (including a copy of the cancelled check or equivalent)?			
6. Did the Sub-Recipient maintain an equipment inventory that listed the following?			
a) Description of equipment			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 26 of 54

b) Serial Number/Equipment Number			
c) AEL No.			
d) Fund source/Grant year			
e) Title holder			
f) 100 percent of federal participation. If no, then identify percentage.			
g) Acquisition date			
h) Acquisition cost			
i) Equipment location (as of a specific date)			
j) Use and Condition of equipment (as of a specific date, useful life, etc.)			
k) Disposition data including date & sale price, (if applicable)			
7. Did the Sub-Recipient conduct an inventory of equipment purchased with Cal OES grant funds <u>at least</u> once every two years?			
8. Was the equipment physically inspected to ensure:			
a) The equipment existed and agreed to inventory listing.			
b) The equipment worked and that adequate trained staff are available to operate the equipment.			
9. Did the Sub-Recipient maintain the equipment in a secure location?			
10. For property other than equipment (i.e., supplies), did the Sub-Recipient have controls and accountability to safeguard and ensure that the items are used solely for authorized purposes?			
11. Did the Sub-Recipient dispose of the equipment? If yes, answer 11.a and 11.b.			
a) Was the disposition consistent with federal regulations?			
b) What is the status of the proceeds received from the disposal?			
12. Did the Sub-Recipient have a policy for damaged, destroyed, lost or stolen equipment including but not limited to informing the County/Cal OES, steps to replace the equipment and an			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 27 of 54

investigative process?			
13. Were the equipment expenditures consistent with the State approved grant award and/or post award modification(s) as identified on Attachment G – Sub- Recipient Expenditures?			
14. Ensure that Sub-Recipient corrected areas of non-compliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA.			
a) If the project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b) If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Sub-Recipient is doing to resolve the prior year finding and indicate such in the current report.			

E. ORGANIZATION

Objective

To determine that the Organization expenditures were appropriately documented and that the activities aligned with the project's goals and objectives. If the Organization activities involved using consultants or contractors, determine if the Sub-Recipient followed the appropriate procurement policies. Use Worksheets 1 and 3. (See Attachment E – Sub-Recipient Monitoring Worksheets.)

Verification	Yes	No	Comment
1. Did the Sub-Recipient receive funding for Organization expenditures? (If yes, then continue.)			
2. Did the Sub-Recipient appropriately document the Organization expenditures providing copies of the support documentation that substantiated expense?			
3. If the Organization expenditures relate to the use of consultants or contractors, did the Sub-Recipient follow proper procurement procedures to hire the consultants or contractors?			
4. Did the Sub-Recipient accurately report the Organization expenditures in their accounting records?			
5. If the project included overtime expenditures for Organization, answer 5.a and 5.b.			
a) Did the Sub-Recipient maintain employee timecards to appropriately document the overtime expenditures?			
b) Did the Sub-Recipient accurately report the overtime expenditures in their accounting records?			
6. If the project included backfill expenditures for Organization, answer 6.a and 6.b.			
a) Did the Sub-Recipient maintain employee			

Work Order No. 8-61B
Sub-Recipient Monitoring Instrument

Attachment D
Page 28 of 54

timecards to appropriately document the backfill expenditures?			
b) Did the Sub-Recipient accurately report the expenditures in their accounting records?			
7. Were the employee timecards, utilized in Organization activities signed and dated by a direct supervisor?			
8. Were the Organization expenditures consistent with the State approved grant award and/or post award modification(s) as identified on Attachment G - Sub - Recipient Expenditures?			
9. Ensure that Sub-Recipient corrected areas of non-compliance that remain outstanding and were reported as findings in prior Grant Year monitoring reports maintained by HSGA.			
a) If the project prior Grant Year monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.			
b) If the project prior Grant Year monitoring report finding is not resolved, indicate why it has not been resolved and what the Sub-Recipient is doing to resolve the prior year finding and indicate such in the current report.			



Administrative Report

H.9., File # 21-2087

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

**From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT
DIRECTOR**

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2102-016, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO HOLIDAY CARPET AND FLOOR COVERING, INC., A CALIFORNIA CORPORATION

APPROVE A LEASE WITH HOLIDAY CARPET AND FLOOR COVERING, INC. FOR THE PREMISES AT 115 W. TORRANCE BLVD. FOR A MONTHLY AMOUNT OF \$1,775.25 FOR THE TERM FEBRUARY 16, 2021 - FEBRUARY 16, 2022

EXECUTIVE SUMMARY

In March 2012, the City purchased the Pier Plaza leasehold and began the process of direct leasing to various tenants. Pier Plaza is comprised of several buildings totaling approximately 75,000 square feet of office and retail uses. The proposed lease with Holiday Carpet and Floor Covering is for the space at 115 W. Torrance Boulevard, Suite 200 ("Premises") which is approximately 789 square feet.

The proposed lease is for a two-year term with the City retaining the option to terminate the lease with a twelve (12) month prior written notice. Rental revenue to the City's Harbor Uplands Fund will be \$1,775.25. or approximately \$2.25 per square foot with a 3% annual increase each year of the lease.

BACKGROUND

In March 2012, the City purchased the Pier Plaza leasehold and began the process of entering into direct leases with various tenants. The Pier Plaza leasehold is comprised of buildings 103 to 131 West Torrance Boulevard (on the top level of the Pier Parking Structure) and totals approximately 75,000 square feet of space. The property is prepared almost entirely for office uses; with the lone exception being a restaurant use of less than 4,000 square feet. The proposed lease with Holiday Carpet and Floor Covering is for the space at 115 W. Torrance Boulevard, Suite 200 which is approximately 789 square feet. The last tenant to occupy the space was Simmons Media Group, LLC - who vacated the space on April 30, 2017. It has remained empty since then.

Holiday Carpet & Floor Covering, Inc.'s corporate office is located in Van Nuys, CA, and the company has been in business since 1957. One of the company's employees, Mr. Dan Aitken who joined the company in 2001, has been working out of his home office in Torrance for the last five years and is

interested in securing a local office from which he can conduct business affairs for the company.

The proposed lease carries a two-year term with a monthly rent of \$1,775.25, or approximately \$2.25 per square foot, which is consistent with other similar retail leases in the waterfront and broader market. The Lease contains a provision that escalates the rent at 3% per year. As the landlord, the City will make standard tenant improvements to the space comprised of painting and new carpeting for a not to exceed total of \$2,367.00 or \$3 per square foot. The City will retain the right to terminate the lease with a twelve-month written notice. Mr. Dan Aitken serves as the personal guarantor on the lease.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office on this report. The City Attorney's Office has approved the document as to form.

FISCAL IMPACT

Lease revenue from the property will accrue to the City's Harbor Uplands Fund. The proposed lease will result in a monthly rent of \$1,775.25 with an annual total of \$21,303. Over the two-year term of the lease, revenue to the Uplands Fund will be \$42,606.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

- Resolution No. CC-2102-016
- Lease Between the City of Redondo Beach and Holiday Carpet and Floor Covering, Inc.

RESOLUTION NO. CC-2102-016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO HOLIDAY CARPET & FLOOR COVERING, INC., A CALIFORNIA CORPORATION

WHEREAS, Section 2-21.01, Chapter 21, Title 2, of the Redondo Beach Municipal Code provides that any lease of public land owned or controlled by the City of Redondo Beach, or by any department or subdivision of the City, shall be administratively approved by resolution; and

WHEREAS, the City Council shall approve the subject lease only upon the making of certain findings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of Redondo Beach approves the lease with Holiday Carpet & Floor Covering, Inc., a California Corporation ("Lease") for the property commonly located at 115 W. Torrance Blvd., Suite 200 Redondo Beach, CA 90277, consisting of approximately 789 rentable square feet, as further detailed in the Lease attached hereto as Exhibit "A" and incorporated herein as set forth in full.

SECTION 2. That the City Council of the City of Redondo Beach hereby finds:

1. The Lease will result in a net economic or other public benefit to the City of Redondo Beach or the general public; and
2. The granting of the Lease is consistent with and will further the fiscal, budgetary and applicable economic development, social, recreational, public safety or other applicable adopted policies of the City; and
3. The Lease, and all land uses and development authorized by the Lease, are consistent with all applicable provisions of the general plan, the Coastal Land Use Plan where applicable, and the applicable zoning ordinances of the City; and
4. The Lease and all land uses and development authorized by the Lease, are consistent with and will carry out the goals, standards and policies of any specific plan applicable to the Lease property; and
5. The Lease and its purposes are consistent with all other applicable provisions of law.

PASSED, APPROVED AND ADOPTED this 16th day of February, 2021.

William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2102-016 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 16th day of February, 2021, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

EXHIBIT “A”

OFFICE LEASE

BETWEEN

**CITY OF REDONDO BEACH,
A CHARTERED MUNICIPAL CORPORATION**

LANDLORD

AND

**HOLIDAY CARPET & FLOOR COVERING, INC.,
A CALIFORNIA CORPORATION**

TENANT

DATED AS OF

FEBRUARY 16, 2021

PIER PLAZA, REDONDO BEACH, CALIFORNIA 90277

Table of Contents

OFFICE LEASE	1
1. Parties	1
2. Summary of Basic Terms:.....	1
3. Demise and Term.	2
4. Possession.....	2
4.1 Delivery of Possession.....	2
4.2 Delays Caused by Tenant	3
5. Condition of Premises	3
5.1 Condition of Premises	3
6. Rent.....	3
6.1 Monthly Rent	3
6.2 Additional Rent	3
7. Security Deposit	4
8. Operating Expenses	4
8.1 Definitions	4
8.2 Payment for Increases in Operating Expenses.....	5
8.3 Manner of Payment	5
8.4 Final Statement	5
9. Use of Premises.....	6
9.1 Permitted	6
9.2 Restrictions on Use	6
9.3 Prohibited Uses	6
10. Compliance with Laws	6
10.1 Compliance with Laws	6
10.3 Nondiscrimination.....	7
10.4 Employment Records	7
10.5 Hazardous Materials	7
11. Alterations and Additions	9
11.1 Landlord's Consent.....	9
11.2 Ownership and Surrender of Alterations.....	10

11.3	Liens	10
11.4	Additional Requirements	10
11.5	Compliance with Applicable Prevailing Wage Requirements	11
12.	Repairs	11
12.1	Condition of Premises	11
12.2	Landlord's Obligation to Repair	12
13.	Services and Utilities	12
13.1	Landlord's Services	12
13.2	Utility Charges	12
13.3	Janitorial Services	13
13.4	Hours of Operation	13
13.5	Extra Hours	13
14.	Entry by Landlord	13
15.	Tenant's Insurance	13
15.1	Property Insurance	14
15.2	Commercial General Liability Insurance	14
15.3	Workers' Compensation Insurance	14
15.4	Policy Requirements	14
15.5	Tenant's Failure to Deliver Policies	14
16.	Damage or Destruction; Eminent Domain	15
16.1	Landlord's Restoration	15
16.2	Rent Abatement	15
16.3	Exception to Abatement	15
16.4	Election to Terminate	15
16.5	Eminent Domain	16
16.6	Business Interruption	16
16.7	Waiver	16
17.	Assignment and Subletting	16
17.1	Landlord's Consent Required	16
17.2	Consent by Landlord	17
17.3	Corporate and Partnership Tra	18
17.4	No Release of Tenant	18

17.5	Transfer Premium	18
17.6	Additional Terms	19
18.	Quiet Enjoyment	19
19.	Mortgagee Protection	20
19.1	Subordination.....	20
19.2	Mortgagee's Liability	20
19.3	Mortgagee's Right to Cure	20
20.	Estoppel Certificates	20
21.	Default.....	21
22.	Remedies for Default	22
22.1	General.....	22
22.2	Redemption.....	23
22.3	Performance by Landlord.....	23
22.4	Post-Judgment Interest.....	23
22.5	Tenant's Waiver	23
23.	Holding Over	24
24.	Indemnification and Exculpation	24
24.1	Indemnification	24
24.2	Damage to Persons or Property.....	24
24.3	Satisfaction of Remedies.....	25
25.	Rules and Regulations	25
26.	Taxes	25
27.	Brokers	26
28.	Parking.....	26
29.	Authority to Enter into Lease.....	26
30.	Relocation	27
31.	General Provisions	28
31.1	Joint Obligation	28
31.2	Marginal Headings	28
31.3	Time	28
31.4	Successors and Assigns	28
31.5	Recordation.....	28

31.6	Late Charges.....	28
31.7	Prior Agreements; Amendment, Waiver	29
31.8	Inability to Perform	29
31.9	Legal Proceedings	29
31.10	Conveyance of Premises	29
31.11	Name.....	29
31.12	Severability.....	30
31.13	Cumulative Remedies	30
31.14	Choice of Law	30
31.15	Signs	30
31.16	Landlord's Consent.....	30
31.17	Presumptions	30
31.18	Exhibits	30
31.19	Submission of Lease	30
31.20	Meaning of Terms	30
31.21	Notices	31
31.22	Lease Guaranty	31
32.	ADA and CASp Disclosure Information.....	31
33.	Acknowledgement and Waiver.....	32

List of Exhibits

Exhibit “A” - Premises Floor and Site Plans
Exhibit “B” - Lease Confirmation
Exhibit “C” - Rules and Regulations
Exhibit “D” - Parking Fee Schedule
Exhibit “E” – Guaranty
Exhibit “F” - Initial Leasehold Improvements
Exhibit “G” - Memorandum of Lease

OFFICE LEASE

1. Parties

This Office Lease Agreement ("Lease") is made and entered into by and between the **City of Redondo Beach**, a Chartered Municipal Corporation ("Landlord" or "City"), and **Holiday Carpet & Floor Covering, Inc., A California Corporation** ("Tenant") as of **February 16, 2021**.

2. Summary of Basic Terms: As used in this Lease, the following terms shall have the meanings set forth below, subject to the qualifications, adjustments and exceptions set forth elsewhere in this Lease. In the event of a conflict between the terms of this Summary and the Lease, the terms of the Lease shall prevail.

(a) **Premises:** The space located at **115 W. Torrance Blvd., Suite 200**, Redondo Beach, CA 90277 consisting of approximately **789** rentable square feet.

(b) **Building:** The office buildings located at 103-131 W. Torrance Blvd, Redondo Beach, CA 90277, including all plazas, lobbies, landscaped areas, office and commercial space.

(c) **Land:** The parcel(s) of land upon which the Building is located, including common areas. Land is herein sometimes referred to as the "Real Property".

(d) **Permitted Use:** For general Company offices and no other use without Landlord approval.

(e) **Lease Term:** **Two (2) years**, subject to Landlord's early termination right described below.

(f) **Commencement Date:** **February 16, 2021.**

(g) **Expiration Date:** **February 15, 2023**; subject to Landlord's Right to Terminate upon written notice or relocation as described in subsection (h).

(h) **Right to Terminate:** Notwithstanding any other provision of this Lease, Landlord shall have the right to immediately terminate this Lease, upon providing twelve (12) months prior written notice of the early termination date to Tenant.

(i) **Monthly Rent:** **\$1,775.25** (Approximately **\$2.25** per square foot) with an annual increase of 3%.

(j) **Rentable Area of Premises:** Approximately **789** gross square feet.

- (k) **Parking:** Parking shall be at such rates and terms set by Landlord from time to time in accordance with Article 28 and Exhibit "D".
- (l) **Operating Expense Base Year:** 2021. See Section 8 of the Lease for definitions.
- (m) **Tenant's Share of Operating Expenses:** 1.15% per Article 8 of this Lease.
- (n) **Tenant Improvements:** N/A.
- (o) **Security Deposit:** Existing on file, \$1,775.25
- (p) **Tenant's Guarantor:** Personal, Dan Aitken.
- (q) **Landlord's Address for Notices:** 107 W. Torrance Blvd, Suite #200, Redondo Beach, CA 90277, Attn: Property Manager
- (r) **Tenant's Addresses for Notices:** 115 W. Torrance Blvd., Suite 200 Redondo Beach, CA 90277, Attn: Dan Aitken
- (s) **Tenant's Affiliates:** All affiliates, directors, officers, shareholders, partners, agents, employees, invitees, customers, successors and assigns of Tenant.
- (t) **Landlord's Affiliates:** All officers, employees, elected and appointed officials, volunteers, invitees, successors, and assigns of the City.
- (u) **Liabilities:** All losses, damages, expenses, claims, demands, causes of action, lawsuits (whether at law, equity, or both), proceedings, injuries, liabilities, judgments, and costs (including, but not limited to, attorneys' fees and costs, and expert witness fees), and penalties, and liens of every nature (whether or not suit is commenced or judgment entered).
- (v) **Landlord's Broker:** BC Urban.
- (w) **Tenant's Broker:** N/A

3. **Demise and Term.** Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord, subject to all of the terms, covenants and conditions in this Lease. The Premises are leased for the Lease Term, which, subject to Article 4 below, shall commence on the Commencement Date and shall expire on the Expiration Date, unless sooner terminated pursuant to Landlord's Right to Terminate or otherwise under the provisions of this Lease.

4. **Possession.**

4.1 **Delivery of Possession.** The Premises shall be delivered to Tenant in its current "AS-IS" condition with exception to items in Exhibit "F", if applicable. If Landlord cannot deliver possession of the Premises to Tenant by the Commencement Date this Lease will not be void or voidable, nor will Landlord be liable to Tenant for any loss or damage resulting from such delay.

Notwithstanding anything to the contrary contained herein, Landlord will not be obligated to deliver possession of the Premises to Tenant until Landlord has received from Tenant all of the following: (i) a copy of this Lease fully executed by Tenant and the guaranty of Tenant's obligations under this Lease, if any, executed by the Guarantor(s); (ii) the Security Deposit, if any, and the first installment of Monthly Basic Rent; and (iii) copies of policies of insurance or certificates thereof as required under Article 15 of this Lease.

4.2 Delays Caused by Tenant. Notwithstanding anything to the contrary in Article 4.1, if Landlord's failure to deliver possession of the Premises results from Tenant and/or Tenant's Affiliates' acts or omissions (including delays caused by Tenant's failure to supply the items referred to in Article 4.1), then the Commencement Date shall be the date stated in Article 2(f) of this Lease notwithstanding the Tenant and/or Tenant's Affiliates' delay. In no event shall the Lease Term be extended by any such delay. Tenant shall owe the amount of the Monthly Rent and Additional Rent from the Commencement Date.

5. Condition of Premises.

5.1 Condition of Premises. Tenant hereby agrees and warrants that it has investigated and inspected the condition of the Premises, Building, and their suitability for Tenant's purposes, and Tenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises, the Building, or the suitability of same for Tenant's purposes. Tenant acknowledges that neither Landlord nor Landlord's Affiliates has made any representations or warranty with respect to the Premises, the Building, their condition, or with respect to the suitability for Tenant's business. Tenant hereby agrees that the Premises shall be taken "AS-IS", "with all faults" and Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof, unless provided in Article 11 below. Tenant, at its sole expense, shall keep the Premises and every part thereof in good condition and repair and shall, upon the expiration or sooner termination of the Lease Term, surrender the Premises to Landlord in good condition.

6. Rent.

6.1 Monthly Rent. Tenant shall pay to Landlord as rent for the Premises the Monthly Rent as set forth in Article 2(i). The Monthly Rent shall be payable in advance on or before the first day of the first full calendar month of the Lease Term and on or before the first day of each successive calendar month thereafter during the Lease Term, except that the Monthly Rent for the first full calendar month of the Lease term and any prorated term shall be paid upon the execution of this Lease. The Monthly Rent for any period during the Lease Term which is for less than one (1) month shall be prorated based on a thirty (30)-day month. The Monthly Rent and all other rent hereunder shall be paid without prior notice or demand, without deduction or offset in lawful money of the United States of America which shall be legal tender at the time of payment, at the office of the Building or to another person or at another place as Landlord may from time to time designate in writing.

6.2 Additional Rent. The term "**Additional Rent**" means all other amounts payable by Tenant under this Lease (whether or not designated as Additional Rent), including without

limitation Operating Expenses, taxes, insurance and repairs. The term “**Rent**” shall mean Monthly Rent and Additional Rent. Landlord shall be entitled to exercise the same rights and remedies upon default in the Additional Rent payments as Landlord is entitled to exercise with respect to defaults in Monthly Rent payments.

7. **Security Deposit.** If required, upon the execution of this Lease, Tenant shall deposit the Security Deposit with Landlord as set forth in Article 2(o) above. The Security Deposit shall be held by Landlord as security for the performance of all of Tenant's obligations during the Lease Term. Upon any default by Tenant under this Lease, Landlord may, but shall not be obligated to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent in default, or any other Liabilities which Landlord may incur as a result of or in connection with Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its previous amount. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to receive interest on the Security Deposit. If Tenant complies with all of the provisions of this Lease and is not then in default hereunder, the unused portion of the Security Deposit shall be returned to Tenant within thirty (30) days after the expiration or sooner termination of the Lease Term and surrender of the Premises to Landlord in the condition required hereunder.

8. **Operating Expenses.**

8.1 **Definitions.** As used in this Lease, the following terms have the meanings set forth below:

(a) **Comparison Year:** Each calendar year after the Base Year, all or any portion of which falls within the Lease Term.

(b) **Operating Expenses:** All costs and expenses of operating, maintaining and repairing the common areas, Building and the Land, including, but not limited to: water and sewer charges; insurance premiums for all insurance policies deemed necessary by Landlord; deductible amounts under insurance policies; janitorial services; wages of Landlord's employees engaged in the operation, maintenance or repair of the Building or the Land, including all customary employee benefits, Worker's Compensation and payroll taxes; reasonable management fees or, if no managing agent is retained for the Building, a reasonable sum in lieu thereof which is not in excess of the prevailing rate for management services charged by professional management companies for the operation of similar buildings; legal, accounting and other consulting fees; the cost of air conditioning, heating, ventilation, plumbing, electricity, water, sewer and other services and utilities serving common areas; elevator maintenance; capital improvements and replacements to all or any portion of the Building and the Land made after completion of the Building, appropriately amortized over the useful life of such improvements; all costs and expenses incurred by Landlord and interest on any funds borrowed to pay the cost of any capital improvements as a result of or in order to comply with any Laws, including, but not limited to, Laws pertaining to energy, natural resources conservation, safety, environmental protection; supplies, materials, equipment and tools; and maintenance and repair of all common areas. Operating Expenses do

not include the depreciation on the existing Building and improvements, loan payments, executive salaries, real property and other taxes (see article 26 or real estate broker's commission).

8.2 Payment for Increases in Operating Expenses. The following shall be deemed increases in Operating Expenses.

(a) Increase from Base Year. If the Operating Expenses paid or incurred by Landlord in any Comparison Year increase over the Operating Expenses paid or incurred for the Base Year, Tenant shall pay, as Additional Rent, commencing on the Commencement Date of this Lease, Tenant's Share of the increase in the manner set forth in this Article.

(b) Property at Less Than 95% Capacity. If, during any period in a Comparison Year, less than ninety-five percent (95%) of the Building is rented the Operating Expenses for that Comparison Year shall be adjusted to what the Operating Expenses would have been if ninety-five percent (95%) of the Building had been rented throughout that Comparison Year.

(c) Prorated Operating Expenses. Tenant's Share of increases in Operating Expenses shall be prorated for any partial Comparison Year which falls within the Lease Term.

8.3 Manner of Payment. Landlord shall deliver to Tenant a statement showing Landlord's reasonable estimate of the Operating Expenses for each Comparison Year and the amount of Tenant's Share of any increase in Operating Expenses based on such estimate. Commencing as of the first day of each Comparison Year, Tenant shall pay to Landlord, at the times and in the manner provided herein for the payment of Monthly Rent, the monthly portion(s) of Tenant's Share of any increases as shown by Landlord's statement. If Landlord's statement is furnished after January 1st of a Comparison Year, then on or before the first day of the first calendar month following Tenant's receipt of Landlord's statement, in addition to the monthly installment of Tenant's Share of any increases due on that date, Tenant shall pay the amount of Tenant's Share of any increases for each calendar month or fraction thereof that has already elapsed in such Comparison Year.

8.4 Final Statement. After the end of each Comparison Year (including the Comparison Year in which the Lease Term terminates), Landlord shall deliver to Tenant a reasonably detailed final statement of the actual Operating Expenses for such Comparison Year. Within ten (10) days of delivery of each final statement, Tenant shall pay Landlord the amount due for Tenant's Share of any increases in the Operating Expenses. Tenant shall have Sixty (60) days after delivery of Landlord's final statement to object in writing to the accuracy of the statement. If Tenant does not object within such Sixty (60)-day period, Landlord's final statement shall be conclusive and binding on Tenant. Objections by Tenant shall not excuse or abate Tenant's obligation to make the payments required under this Article pending the resolution of Tenant's objection. Any credit due Tenant for overpayment of Tenant's Share of any increases in the Operating Expenses shall be credited against the installments of Monthly Rent next coming due. However, overpayments for the Comparison Year in which the Lease Term terminates shall be refunded to Tenant within Sixty (60) days after the expiration of the Lease Term.

9. Use of Premises.

9.1 Permitted Use. Tenant shall use the Premises only for the Permitted Use set forth in Article 2(d) (the "Permitted Use") and for no other use or purpose, unless first approved in writing by Landlord, which approval Landlord may withhold in its sole discretion.

9.2 Restrictions on Use. Tenant agrees that it shall not cause or permit any of the following in or about the Premises

(a) Increase the existing rate of, cause the cancellation of or otherwise adversely affect any casualty or other insurance for the Building or any part thereof or any of its contents;

(b) Impair the proper and economic maintenance, operation and repair of the Building or any portion thereof;

(c) Obstruct or interfere with the rights of other tenants or occupants of the Building or injure or annoy them;

(d) Cause any nuisance in or about the Premises or the Building;

(e) Commit or allow any waste to be committed to the Premises or the Building.

Tenant shall not use or allow any part of the Premises to be used for the storage, manufacturing or sale of food or beverages, or for the manufacture or auction or merchandise of goods or property of any kind, or as a school or classroom, or for any unlawful or objectionable purpose.

9.3 Prohibited Uses. Notwithstanding Articles 2(d) and 9, in no event shall the Premises be used for any exclusive use granted by Landlord to other tenants of the Premises prior to the date of this Lease, or any prohibited use in effect for the Premises prior to or subsequent to the date of this Lease.

10. Compliance with Laws.

10.1 Compliance with Laws. Tenant shall not use the Premises or permit anything to be done in or about the Premises, the Building or the Land which will in any way conflict with any law, statute, ordinance, code, rule, regulation, requirement, license, permit, certificate, judgment, decree, order or direction of any governmental or quasi-governmental authority, agency, department, board, panel or court now in force or which may hereafter be enacted or promulgated (singularly and collectively "Laws"). Tenant shall also comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. Tenant shall, at its sole expense and cost, promptly comply with all Laws and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to or affecting the condition, use or occupancy of the Premises.

10.2 Tenant shall not be required to make structural changes to the Premises unless they arise or are required because of or in connection with Tenant's specific use of the Premises, or the type of business conducted by Tenant in the Premises, or Tenant's Alterations or Tenant's acts or omissions. Tenant shall obtain and maintain in effect during the Lease Term all licenses and permits required for the proper and lawful conduct of Tenant's business in the Premises, and shall at all times comply with such licenses and permits. The judgment of any court of competent jurisdiction or the admission of Tenant in any action or proceeding (whether Landlord is a party or not) that Tenant has violated any Laws shall be conclusive of that fact as between Landlord and Tenant.

10.3 Nondiscrimination. Tenant hereby certifies and agrees that, in all matters affecting this Lease, it will comply with all applicable federal, State, and local laws and regulations prohibiting discrimination of any kind, including but not limited to, the Federal Civil Rights Act of 1964, Unruh Civil Rights Act, Cartwright Act, State Fair Employment Practices Act, and Americans with Disabilities Act.

10.4 Employment Records. All employment records shall be open for inspection and reinspection by Landlord at any reasonable time during the term of this Lease for the purpose of verifying the practice of nondiscrimination by Tenant in the areas heretofore described.

10.5 Hazardous Materials.

(a) Tenant shall not cause or permit any Hazardous Material(s) (as defined in this Article) to be brought, kept or used in or about the Building by Tenant, Tenant's Affiliates, contractors provided Tenant may use and store normal quantities of products used for office purposes (such as toner, cleaning solvents or the like) as long as the same are used in compliance with applicable Laws. Tenant indemnifies Landlord and Landlord's Affiliates from and against any breach by Tenant of the obligations stated in the preceding sentence, and agrees to defend and hold Landlord and Landlord's Affiliates harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the Building, damages for the loss or restriction or use of rentable or usable space or of any amenity of the Building, damages arising from any adverse impact or marketing of space in the Building, and sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees) which arise or accrue during, or are attributable to, the term of this Lease as a result of such breach. This indemnification of Landlord and Landlord's Affiliates by Tenant includes without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material(s) present in the soil or ground water on or under the Building. Without limiting the foregoing, if the presence of any Hazardous Material(s) on the Building caused or permitted by Tenant and/or Tenant's Affiliates results in any contamination of the Building, Tenant shall promptly take all actions at its sole expense as are necessary to return the Building to the condition existing prior to the introduction of any such Hazardous Material(s) and the contractors to be used by Tenant must be approved by the Landlord, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Building and so long as such actions do not materially interfere with the use and enjoyment of the Building by the other tenants

thereof; provided however, Landlord shall also have the right, by notice to Tenant, to directly undertake such mitigation efforts with regard to Hazardous Material(s) in or about the Building due to Tenant's breach of its obligations pursuant to this Section, and to charge Tenant, as Additional Rent, for the costs thereof.

(b) Landlord covenants and agrees that in the event any unlawful levels of Hazardous Material(s) exist or are introduced in, on or about the Building, due to other than the actions or inaction of Tenant or Tenant's Affiliates, assignees, sublessees, licensees, or contractors, and any such Hazardous Material(s) are reasonably potentially injurious to Tenant's health, safety or welfare, or if any such unlawful levels of Hazardous Material(s) substantially interfere with Tenant's use of the Premises, Landlord shall, if required by applicable Laws, diligently commence to remove, restore, remediate or otherwise abate such Hazardous Material(s) in compliance with all Laws pertaining to Hazardous Material(s).

(c) It shall not be unreasonable for Landlord to withhold its consent to any proposed transfer under Article 17 if (i) the proposed transferee's anticipated use of the Premises involves the generation, storage, use, treatment, or disposal of Hazardous Material(s); (ii) the proposed transferee has been required by any prior landlord, lender, or governmental authority to take remedial action in connection with Hazardous Material(s) contaminating a property if the contamination resulted from such transferee's actions or use of the Property in question; or (iii) the proposed transferee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of a Hazardous Material(s).

(d) As used herein, the term "**Hazardous Material(s)**" mean any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "**Hazardous Material(s)**" include, without limitation, any material or substance which is (i) defined as "**Hazardous Waste**," "**Extremely Hazardous Waste**," or "**Restricted Hazardous Waste**" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "**Hazardous Substance**" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "**Hazardous Material**," "**Hazardous Substance**," or "**Hazardous Waste**" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as "**Hazardous Substance**" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) regulated by Section 26100 et seq. of the California Health and Safety Code, Division 20, Chapter 18 (Toxic Mold Protection Act of 2001), (viii) listed under Article 9 or defined as Hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "**Hazardous Substance**" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), or (x) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903), (xi) defined as a "**Hazardous Substance**" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

(e) As used herein, the term "**Laws**" mean any applicable federal, state or local laws, ordinances, or regulation relating to any Hazardous Material affecting the Building, including, without limitation, the laws, ordinances, and regulations referred to in Article 10.4 (d) above.

11. Alterations and Additions.

11.1 Landlord's Consent.

(a) Tenant shall not make or permit to be made any alterations, additions or improvements (singularly and collectively "**Alterations**") to the Building or the Premises or any part thereof without the prior written consent of Landlord in each instance.

(b) Landlord will not unreasonably withhold its consent to any Alterations provided and upon the condition that all of the following conditions shall be satisfied: (i) the Alterations do not affect the outside appearance of the Building; (ii) the Alterations are nonstructural and do not impair the strength of the Building or any part thereof; (iii) the Alterations are to the interior of the Premises and do not affect any part of the Building outside of the Premises; (iv) the Alterations do not affect the proper functioning of the heating, ventilating and air conditioning ("**HVAC**"), mechanical, electrical, sanitary or other utilities, systems and services of the Building, or increase the usage thereof by Tenant; (v) Landlord shall have approved the final plans and specifications for the Alterations and all contractors who will perform them; (vi) Tenant pays to Landlord (A) a fee in connection with the Alterations equal to five percent (5%) of the estimated cost of the work and the fee is sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work, and (B) the reasonable costs and expenses actually incurred by Landlord in reviewing Tenant's plans and specifications and inspecting the Alterations to determine whether they are being performed in accordance with the approved plans and specifications and in compliance with Laws, including, without limitation, the fees of any architect or engineer employed by Landlord for such purpose; (vii) before proceeding with any Alteration which will cost more than \$10,000 (exclusive of the costs of items constituting Tenant's Property, as defined in Article 11.2), Tenant obtains and delivers to Landlord, at Landlord's option, either: (C) a performance bond and a labor and materials payment bond for the benefit of Landlord, issued by a corporate surety licensed to do business in California, each in an amount equal to one hundred twenty five percent (125%) of the estimated cost of the Alterations and in form satisfactory to Landlord, or (D) such other security as shall be reasonably satisfactory to Landlord. Unless all of the foregoing conditions are satisfied, Landlord shall have the right to withhold its consent to the Alterations in Landlord's sole and absolute discretion.

(c) Not less than twenty (20) days nor more than thirty (30) days prior to commencement of any Alterations, Tenant shall notify Landlord of the work commencement date so that Landlord may post notices of non-responsibility about the Premises. All Alterations must comply with all Laws, the other terms of this Lease, and the final plans and specifications approved by Landlord, and Tenant shall fully and promptly comply with and observe the rules and regulations of Landlord then in force with respect to the making of Alterations. Landlord's review and approval of Tenant's plans and specifications are solely for Landlord's benefit. Landlord shall have no duty toward Tenant, nor shall Landlord be deemed to have made any representation or

warranty to Tenant, with respect to the safety, adequacy, correctness, efficiency or compliance with Laws of the design of the Alterations, the plans and specifications therefore, or any other matter regarding the Alterations.

11.2 Ownership and Surrender of Alterations. Upon their installation, all Alterations, including, but not limited to, wall covering, paneling and built-in cabinetry, but excluding movable furniture, trade fixtures and office equipment ("**Tenant's Property**"), shall become a part of the realty and belong to Landlord and shall be surrendered with the Premises. However, upon the expiration or sooner termination of the Lease Term, Tenant shall, upon written demand by Landlord, at Tenant's expense, immediately remove any Alterations made by Tenant which are designated by Landlord to be removed and repair any damage to the Premises caused by such removal.

11.3 Liens. Tenant shall pay when due all claims for labor, materials and services furnished by or at the request of Tenant or Tenant's Affiliates. Tenant shall keep the Premises, the Building and the Land free from all liens, security interests and encumbrances (including, without limitation, all mechanic's liens and stop notices) created as a result of or arising in connection with the Alterations or any other labor, services or materials provided for or at the request of Tenant or Tenant's Affiliates, or any other act or omission of Tenant or Tenant's Affiliates, or persons claiming through or under them. (Such liens, security interests and encumbrances singularly and collectively are herein called "**Liens.**") Tenant shall not use materials in connection with the Alterations that are subject to any Liens. Tenant shall indemnify Landlord and Landlord's Affiliates for, and hold Landlord and Landlord's Affiliates harmless from and against: (a) all Liens; (b) the removal of all Liens and any actions or proceedings related thereto; and (c) all Liabilities incurred by Landlord or Landlord's Affiliates in connection with the foregoing. If Tenant fails to keep the Premises, the Building and the Land free from Liens, then, in addition to any other rights and remedies available to Landlord, Landlord may immediately take any action necessary to discharge such Liens, including, but not limited to, payment to the claimant on whose behalf the Lien was filed, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant. Tenant shall indemnify Landlord and Landlord's Affiliates for, and hold Landlord and Landlord's Affiliates harmless from and against, all Liabilities so incurred by Landlord, without regard to any defense or offset that Tenant may have had against the claimant. Neither Landlord's curative action nor the reimbursement of Landlord by Tenant shall cure Tenant's default in failing to keep the Premises, the Building and the Land free from Liens.

11.4 Additional Requirements. Alterations shall comply with all Laws. Tenant, at its sole expense, shall obtain and provide to Landlord all necessary permits and certificates for the commencement and performance of Alterations and for final approval thereof upon completion, and shall cause the Alterations to be performed in compliance therewith and with all applicable insurance requirements, and in a good, first-class and workmanlike manner. Landlord shall have all rights to review and approve or disapprove all required submittals in accordance with the Laws, and nothing set forth in this Lease shall be construed as the Landlord's approval of any or all of the applications or plans for the Alterations. Tenant, at its sole expense, shall diligently cause the cancellation or discharge of all notices of violation arising from or otherwise connected with

Alterations, or any other work, labor, services or materials done for or supplied to Tenant or Tenant's Affiliates, or by any person claiming through or under Tenant or Tenant's Affiliates. Alterations shall be performed so as not to interfere with any other tenant in the Building, cause labor disharmony therein, or delay or impose any additional expense on Landlord in the construction, maintenance, repair or operation of the Building. Throughout the performance of the Alterations, Tenant, at its expense, shall carry, or cause to be carried the Workers' Compensation insurance described in Article 15. Tenant shall furnish Landlord with satisfactory evidence that such insurance is in effect at or before the commencement of the Alterations and, upon request, at reasonable intervals thereafter until completion of the Alterations.

11.5 Compliance with Applicable Prevailing Wage Requirements.

Landlord intends to contribute an amount not to exceed \$2,500 toward the standard paint and building standard carpet installation TI project. Landlord and Tenant acknowledge that this particular TI project is a public work to which prevailing wages apply. Landlord acknowledges that this particular TI work is a "public work," and the following requirements apply to this TI work:

To the maximum extent permitted by law, Tenant shall defend (at Tenant's expense with counsel reasonably acceptable to the Landlord), indemnify and hold harmless the Landlord and its officers, employees, elected or appointed officials, volunteers, contractors and agents from and against any and all loss, demand, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the construction of the Alterations, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Tenant or any of his subcontractors of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Tenant or any of his subcontractors to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the parties that, in connection with the construction of the Alterations, including, without limitation, any and all public works (as defined by applicable law), Tenant shall bear all risks of his and his subcontractors' payment or non-payment of prevailing wages under California law and the implementation of Labor Code Section 1781, as the same may be amended from time to time, and any other similar law. "Increased costs," as used in this Section, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Lease.

12. Repairs.

12.1 Condition of Premises. As provided in Article 5, the Premises shall be delivered to Tenant in an "AS IS" and "ALL FAULTS" condition and Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate, or paint the Premises or any part thereof either prior to or during the Lease Term except to the extent expressly provided in Section 12.3

below. By accepting possession of the Premises, Tenant shall be deemed to have acknowledged that the Premises are suitable for its purposes and in good condition and repair. Subject to Section 12.2, Tenant, at its expense, shall keep the Premises and every part thereof in good condition and repair and shall, upon the expiration or sooner termination of the Lease Term, surrender the Premises to Landlord and in good condition and repair. Tenant acknowledges and agrees that it has inspected, or prior to the Commencement Date will inspect, the Premises and that Tenant is not relying on any representations or warranties made by Landlord or Landlord's Affiliates regarding the Premises, the Building, or the Land except as may be expressly set forth herein.

12.2 Landlord's Obligation to Repair. Subject to Article 16, Landlord shall repair and maintain the common areas and the structural portions of the Building, including, but not limited to, the structural portions of the roof, the foundations, exterior load-bearing walls, and the basic HVAC, mechanical, electrical and plumbing systems installed by Landlord in the Building. However, if the repair or maintenance is caused in whole or in part by the act, neglect, fault or omission of Tenant or Tenant's Affiliates, or by Tenant's Alterations, Tenant immediately shall pay for such repair or maintenance as Additional Rent within fifteen (15) days of Tenant's receipt of invoice. Tenant shall indemnify Landlord for and hold Landlord and Landlord's Affiliates harmless from and against all other Liabilities incurred by Landlord and Landlord's Affiliates in connection therewith. Landlord shall have a reasonable time after written notice from Tenant to perform necessary repairs or maintenance. Tenant waives all rights granted under Law to make repairs at Landlord's expense.

13. Services and Utilities.

13.1 Landlord's Services. Subject to the rules and regulations of the Building, Landlord shall furnish the required water, plumbing, electrical and HVAC required in Landlord's judgment for the comfortable use and occupancy of the Premises, and janitorial services, as hereinafter provided. Landlord shall also maintain the common stairs, entries and rest rooms in the Building lighted. If Landlord shall determine, in the exercise of Landlord's sole but good faith discretion, that the Tenant's use of the utilities is in excess of that normally used by a tenant occupying similar space, then Tenant shall pay Landlord upon demand, as Additional Rent hereunder, the cost of such excess utility usage in addition to any other Rent or charge due from Tenant under this Lease.

13.2 Utility Charges.

(a) Tenant shall be solely responsible for obtaining and shall promptly pay directly to the utility supplier all fees, deposits and charges including use and/or connection fees, hookup fees, standby fees and/or penalties for discontinued or interrupted service, and the like, for electricity, gas and water used in or upon or furnished to the Premises, irrespective of whether any of the foregoing are initially paid or advanced by Landlord, or otherwise. If electricity, gas or water service is billed to Landlord and is not specifically metered to the Premises, the amount thereof shall be equitably prorated by Landlord and Tenant shall pay to Landlord within ten (10) days after Landlord's demand, as Additional Rent hereunder, an amount equal to that proportion of the total charges therefore which the number of square feet of gross floor area in the Premises bears to the total number of square feet of gross floor area covered by such combined charges. Additionally, if the Premises are not separately metered, Landlord shall have the right to install

separate meters. Since the Premises are not separately metered, Tenant shall pay the above described utilities as part of the base year component of the modified gross rent.

(b) In no event shall Landlord be liable for damages or otherwise for any interruption, reduction, disruption, curtailment or failure in the supply, quality or character of electricity, centrally conditioned cold air or any other utility or other service, or if either the quantity, quality or character thereof supplied to or by Landlord is changed or is no longer available or suitable for Tenant's requirements, nor shall any such interruption, reduction, disruption, curtailment, failure or change in quantity, quality or character constitute or be deemed to constitute constructive eviction of Tenant, or excuse or relieve Tenant from its obligations pursuant to this Lease.

13.3 Janitorial Services. The janitorial services to be provided by Landlord to Tenant shall be provided five (5) days a week, Monday through Friday (except for nationally and locally recognized holidays). Janitorial services shall be those customarily furnished for similar buildings in the general vicinity of the Building.

13.4 Hours of Operation. HVAC for the Premises shall be provided five (5) days a week, Monday through Friday, from 7:00 a.m. to 6:00 p.m. and Saturdays from 9:00 a.m. to 1:00 p.m. (excluding nationally and locally recognized holidays). Tenant shall not be entitled to any abatement of Rent or have any right to terminate this Lease in the event Landlord is unable to provide the services set forth herein.

13.5 Extra Hours. If during any hours or any days other than those specified in Article 13.4, Tenant desires to have any services or utilities supplied to the Premises which are not separately metered, and provided Landlord receives reasonable advance notice thereof, and if Landlord is able to provide the same, Tenant shall pay Landlord such charge as Landlord shall establish from time to time for providing such services and utilities, at a cost currently estimated at \$35.00 per hour, which are not separately metered to the Premises. Any such charges which Tenant is obligated to pay shall be deemed to be Additional Rent hereunder.

14. Entry by Landlord. Landlord shall have the right to enter the Premises during regular business hours in order to: inspect the Premises; post notices of non-responsibility; show the Premises to prospective purchasers, lenders or tenants; perform its obligations and exercise its rights hereunder; and make repairs, improvements, alterations or additions to the Premises or the Building or any portion thereof as Landlord deems necessary or desirable and to do all things necessary in connection therewith, including, but not limited to, erecting scaffolding and other necessary structures. Landlord shall retain (or be given by Tenant) keys to unlock all of the doors to or within the Premises, excluding doors to Tenant's vaults and files. Landlord shall have the right to use any and all means necessary to obtain entry to the Premises in an emergency. Landlord's entry to the Premises shall not, under any circumstances, be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

15. Tenant's Insurance.

15.1 Property Insurance. At all times during the Lease Term, Tenant, at its expense, shall maintain in effect policies of casualty insurance covering: (a) all alterations made by Tenant and all leasehold improvements; and (b) all of Tenant's Property and other Personal Property from time to time in, on or about the Premises, in an amount not less than their full replacement cost (without deduction for depreciation) from time to time during the term of this Lease. Such policies shall provide for protection against any perils normally included within the classification of "All Risks", and shall cover demolition and changes in Laws. Such insurance shall contain an endorsement naming the Landlord and Landlord's Mortgagee as loss payee and an endorsement waiving the insurer's right to subrogate against the Landlord or Landlord's Mortgagee.

15.2 Commercial General Liability Insurance. At all times during the Lease Term, Tenant, at its sole expense, shall maintain Commercial General Liability Insurance with respect to the ownership, maintenance, use, operation and condition of the Premises and the business conducted therein. Such insurance shall at all times have limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. At Landlord's request, these limits shall be increased from time to time during the Lease Term to such higher limits as Landlord or its insurance consultant believe are necessary to protect Landlord. Such insurance shall be primary and not contribute with any self-insurance or insurance maintained by the Landlord or Landlord's Mortgagee, and shall contain an endorsement naming Landlord and Landlord's Mortgagee, their elected and appointed officials and employees as additional insureds.

15.3 Workers' Compensation Insurance. At all times during the Lease Term, Tenant shall maintain Workers' Compensation insurance as required by California law and Employer's Liability insurance with limits not less than \$1 million (\$1,000,000) each accident. Such insurance shall contain an endorsement waiving the insurer's right to subrogate against the Landlord, the Landlord's Mortgagee or their elected or appointed officials and employees.

15.4 Policy Requirements. All insurance required to be carried by Tenant hereunder shall be issued by insurers with a current A.M. Best's rating of no less than A-VII and qualified to do business in the State of California, approved by Landlord and, if required, by Landlord's Mortgagee. Copies of all certificates and required endorsements shall be delivered to Landlord at least ten (10) days prior to Tenant's occupancy of the Premises. Each policy shall provide that it may not be canceled except after thirty (30) days' prior written notice to Landlord and Landlord's Mortgagee. Tenant shall furnish Landlord with renewal certificates or binders of each policy evidencing compliance with those requirements at least thirty (30) days prior to expiration. Tenant shall have the right to provide insurance coverage pursuant to blanket policies obtained by Tenant if the blanket policies expressly afford coverage as required by this Lease.

15.5 Tenant's Failure to Deliver Policies. Upon Landlord's request, Tenant shall deliver certified copies of all required insurance policies to the Landlord. If Tenant fails to deliver required certificates of insurance, required endorsements or requested copies of the insurance policies within the time required pursuant to Article 15.4, Landlord may, but shall not be obligated to, obtain the required insurance, and the cost thereof, shall be payable by Tenant to Landlord on demand. Nothing in this Article shall be deemed to be a waiver of any rights or remedies available to Landlord under this Lease or at law or in equity if Tenant fails to obtain and deliver the required insurance policies and evidence of payment.

16. Damage or Destruction; Eminent Domain.

16.1 Landlord's Restoration. If the Building or the Premises are partially damaged or totally destroyed by fire or other casualty, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance carried under Article 15 of this Lease. Upon Landlord's receipt of notice of the damage or destruction and substantially all of the insurance proceeds receivable, Landlord shall repair the damage and restore or rebuild the Building or the Premises (except for Tenant's Property and leasehold improvements which are above the standard of the Building). However, Landlord shall not be required to spend amounts in excess of the insurance proceeds actually received for such repair, restoration or rebuilding. Subject to Article 22, Landlord shall attempt to make any required repairs or restoration promptly and so as not to interfere unreasonably with Tenant's use and occupancy of the Premises, but Landlord shall not be obligated to perform such work on an overtime or premium-pay basis.

16.2 Rent Abatement. Subject to Article 16.3, if, in Landlord's reasonable judgment, all or part of the Premises are rendered completely or partially untenable on account of fire or other casualty, the Monthly Rent shall be abated (to the extent of Landlord's rental loss insurance carried hereunder) in the proportion that the rentable area of the untenable portion of the Premises bears to the total Area of the Premises. Such abatement shall commence on the date of the damage or destruction and shall continue until the Premises have been substantially repaired and Tenant has reasonable access to the Premises. However, if Tenant reoccupies the damaged portion of the Premises prior to the date that the Premises are substantially repaired, the Monthly Rent allocable to the reoccupied portion shall be payable by Tenant from the date of such occupancy in the proportion that the rentable area of the reoccupied portion of the Premises bears to the total Area of the Premises.

16.3 Exception to Abatement. Notwithstanding Article 16.2, if the damage is due to the fault or neglect of, including, without limitation, Tenant, Tenant's Affiliates, contractors, and guests, or Landlord is unable to collect all of the insurance proceeds (including, without limitation, rent insurance proceeds) for damage or destruction of the Premises or the Building, there shall be no abatement of Monthly Rent to Landlord (or any Landlord's Mortgagee). Provided Tenant is able to reoccupy the damaged portion of the Premises under applicable Laws and reoccupies the damaged portion of the Premises prior to the date that the Premises are substantially repaired, the Monthly Rent allocable to the reoccupied portion shall be payable by Tenant from the date of such occupancy. Landlord's collection of Monthly Rent shall not preclude Landlord from seeking damages from Tenant or exercising any other rights and remedies it under this Lease or at law or in equity.

16.4 Election to Terminate. Landlord or Tenant may terminate this Lease upon written notice to the other party if: (a) the Building or the Premises are substantially or totally destroyed or, in Landlord's sole judgment, rendered untenable by fire or other casualty or any other cause; or (b) the Building is damaged or rendered untenable (whether or not the Premises are damaged or destroyed or rendered untenable) so that its repair or restoration requires the expenditure (as estimated by a contractor or architect designated by Landlord) of more than twenty percent (20%)

of the full insurable value of the Building immediately prior to the casualty; or (c) less than two (2) years remains in the Lease Term at the time of the damage or destruction or events which render the Building or the Premises untenable and the time necessary to repair or restore the Building or the Premises would exceed ninety (90) days (as estimated by a contractor or architect designated by Landlord); or (d) Landlord would be required under Article 16.2 to abate or reduce the Monthly Rent for a period in excess of four (4) months if repairs or restoration were undertaken. If Landlord or Tenant elects to terminate this Lease, its notice of termination shall be given within sixty (60) days after the date of the damage, destruction or events causing untenability. Such notice shall include a termination date giving Tenant ninety (90) days to vacate the Premises.

16.5 Eminent Domain. Landlord may terminate this Lease upon written notice to Tenant if twenty-five percent (25%) or more of either the Premises, the Building or the Land is condemned, taken or appropriated by any public or quasi-public authority (collectively "Taking or Appropriation") under the power of eminent domain, police power or otherwise (or in the event of a sale in lieu thereof). Whether or not this Lease is so terminated, Landlord shall be entitled to any and all income, Rent, award, or interest thereon which may be paid or made in connection with the Taking or Appropriation, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. If Landlord elects to terminate this Lease, its notice of termination shall be given within sixty (60) days after the Taking or Appropriation. If such notice is not given or if Landlord notifies Tenant of Landlord's election not to terminate, this Lease shall continue in full force and effect, except that the Monthly Rent shall be reduced in the proportion that the Premises which is taken bears to the total Area of the Premises. Nothing contained in this Article shall prevent Tenant from bringing a separate action or proceeding for compensation for any of Tenant's Property taken and Tenant's moving expenses. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

16.6 Business Interruption. Landlord shall not incur any Liabilities of any type to Tenant, Tenant's Affiliates, contractors, or guests arising from or in connection with any damage or destruction of the Premises, the Building or the Land, or any Taking or Appropriation thereof, or any repairs or restoration in connection therewith, nor shall Tenant have any right to terminate this Lease as a result thereof. However, in such event, Monthly Rent shall be abated if and to the extent that abatement is allowed pursuant to this Article.

16.7 Waiver. To the extent permitted under law, Tenant waives the application of any Laws now or hereafter in effect which are contrary to the provisions of this Article in connection with any damage, destruction, Taking or Appropriation (or grant deed or other instrument in lieu) of all or any portion of the Premises, the Building, or the Land.

17. Assignment and Subletting.

17.1 Landlord's Consent Required. Tenant shall not voluntarily, involuntarily or by operation of any Laws sell, convey, mortgage, assign, sublet or otherwise transfer or encumber (collectively "Transfer") all or any part of Tenant's interest in this Lease or the Premises without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed except as otherwise provided in this Article, and any attempt to do so without this consent shall be null and void. If Tenant desires to Transfer its interest in this

Lease to all or any part of the Premises, Tenant shall notify Landlord in writing. This notice shall state and/or be accompanied by: (a) the proposed effective date of the Transfer, which shall not be less than 45 days after the date of delivery of the notice, (b) a description of the portion of the Premises to be transferred; (c) a statement setting forth the name and business of the proposed Transferee; (d) a copy of the proposed Transfer agreement (and any collateral agreements) setting forth all of the terms and the financial details of the Transfer (including, without limitation, the term, the Rent and any security deposit, "key money", calculation of "Transfer Premium" as defined in Article 17.5, and amounts payable for Tenant's Property and the common use of any personnel or equipment); (e) current financial statements of the proposed Transferee certified by an independent certified public accountant and other information requested by Landlord relating to the proposed Transferee; and (f) any other information concerning the proposed Transfer which Landlord may reasonably request. Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void, and of no effect, and constitute a default by Tenant under this Lease.

17.2 Consent by Landlord. Tenant agrees that the withholding of Landlord's consent shall be deemed reasonable if any of the following conditions are not satisfied:

(a) The proposed Transferee shall use the Premises only for the Permitted Use, and the business of the proposed Transferee is consistent with the other uses and the standards of the Building, in Landlord's reasonable judgment.

(b) On the date consent is requested, the proposed Transferee is reputable and has a net worth not less than the net worth of Tenant on the execution of this Lease, has a credit rating reasonably acceptable to Landlord, and otherwise has sufficient financial capabilities to perform all of its obligations under this Lease or the proposed sublease, in Landlord's reasonable judgment.

(c) Neither the proposed Transferee nor any person or entity that directly or indirectly controls, is controlled by, or is under common control with the proposed Transferee is an occupant of any part of the Building or has negotiated for space in the Building within a six (6) month period prior to the delivery of Tenant's written notice.

(d) The proposed Transfer would not cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would not give an occupant of the Building a right to cancel its lease.

(e) The terms of the proposed Transfer will not allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant, or occupy space leased by Tenant pursuant to any such right.

(f) Tenant is not in default and has not committed acts or omissions which with the running of time or the giving of notice or both would constitute a default under this Lease.

(g) Tenant has complied with the terms of this Article.

The conditions described above are not exclusive and shall not limit or prevent Landlord from considering additional factors in determining if it should reasonably withhold its consent.

17.3 Corporate and Partnership Transactions. If Tenant is a corporation, dissolution of the corporation or a transfer (by one or more transactions) of a majority of the voting stock of Tenant shall be deemed to be Transfer of this Lease subject to the provisions of this Article. However, these provisions shall not apply to transactions with a corporation into or with which Tenant is merged or consolidated or to which substantially all of Tenant's stock or assets are transferred or which controls, is controlled by, or is under common control with, Tenant, if a principal purpose of the merger or transfer is not the assignment of this Lease and Tenant's successor has a net worth not less than the net worth of Tenant on the execution of this Lease. Tenant shall cause reasonably satisfactory proof of such net worth to be delivered at least thirty (30) days prior to the effective date of the transaction. If Tenant is a partnership, a dissolution of the partnership (including a "technical" dissolution) or a transfer of the partnership interests to one or more partners which reduces the net worth of the partners shall be deemed an assignment of this Lease subject to the provisions of this Article, regardless of whether the transfer is made by one or more transactions.

17.4 No Release of Tenant. Notwithstanding the granting of Landlord's consent, no Transfer of this Lease or the Premises shall release or alter Tenant's primary liability to pay Rent and perform all of its other obligations hereunder. The acceptance of Rent by Landlord from any person other than Tenant shall not be a waiver by Landlord of any provision hereof. Consent to one Transfer shall not be deemed to be consent to any subsequent Transfer. If any Transferee of Tenant defaults in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without proceeding against or exhausting its remedies against the Transferee. After any Transfer, Landlord may consent to subsequent Transfers, or amendments to this Lease, without notifying Tenant or any other person, without obtaining consent thereto, and without relieving Tenant of liability under this Lease.

17.5 Transfer Premium. If Landlord consents to any Transfer, Tenant shall pay the following to Landlord as Additional Rent:

(a) Tenant shall pay to Landlord 50% of any "Transfer Premium" as defined in this Article. Transfer Premium shall mean all Rent or other consideration payable by such Transferee in excess of the Monthly Rent and Additional Rent payable by Tenant under this Lease and/or collateral agreements on a per rentable square foot basis if less than all of the Premises is transferred. Transfer Premium shall also include, but not be limited to, key money, and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee, or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The Monthly Rent used to calculate the Transfer Premium for a sublease shall be the Rent hereunder allocable to the subleased space for any period and shall be equal to the (Total Rent accruing during such period, multiplied by rentable area of the subleased space) / Total Area of the Premises.

(b) This Transfer Premium shall be paid by Tenant to Landlord as and when received by Tenant or, at Landlord's option, on written notice to the Transferee, Landlord may collect all or

any portion of this Transfer Premium directly from the Transferee. Landlord's acceptance or collection of this Additional Rent will not be deemed to be consent to any Transfer or a cure of any default under this Article or the rest of the Lease.

17.6 Additional Terms. Within ten (10) days of written demand, Tenant shall pay the reasonable attorney's fees and other costs and expenses of Landlord in connection with any request for Landlord's consent to any Transfer.

(a) A sublease will be null and void unless it complies with the rest of this Lease and provides that: (i) it is subject and subordinate to this Lease and that if there is any conflict or inconsistency between the sublease and this Lease, this Lease will prevail; (ii) Landlord may enforce all the provisions of the sublease, including the collection of Rent; (iii) it may not be modified without Landlord's prior written consent and that any modification without this consent shall be null and void; (iv) if this Lease is terminated or Landlord re-enters or repossesses the Premises, Landlord may, at its option, take over all of Tenant's right, title and interest as sublessor and, at Landlord's option, the subtenant shall attorn to Landlord, but Landlord shall not be (x) liable for any previous act or omission of Tenant under the sublease, (y) subject to any existing defense or offset against Tenant, or (z) bound by any previous modification of the sublease made without Landlord's prior written consent or by any prepayment of more than one month's Rent; and (v) it is ineffective until Landlord gives its written consent thereto.

(b) An assignment will be null and void unless it complies with the terms of this Lease and provides that: (i) the assignee assumes all of Tenant's obligations under this Lease and agrees to be bound by all of the terms of this Lease; and (ii) it is ineffective until Landlord gives its written consent thereto.

(c) The sublease or assignment otherwise must exactly match the proposed sublease or assignment initially submitted by Tenant. A sublease or assignment will not be effective until a fully executed counterpart is delivered to Landlord and Landlord delivers its written consent thereto.

(d) This Article is binding on and shall apply to any purchaser, mortgagee, pledgee, assignee, subtenant or other transferee or encumbrancer, at every level.

(e) Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee of Tenant claims that Landlord has unreasonably withheld or delayed its consent under this Article or otherwise has breached or acted unreasonably under this Article, their sole remedy shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant waives all other remedies on its own behalf and, to the extent permitted under all Laws, on behalf of Tenant's proposed Transferee.

18. Quiet Enjoyment. So long as Tenant pays all Rent and performs all of its other obligations as required hereunder, Tenant shall during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof, and the terms of any Superior Leases and Mortgages (as defined in Article 19.1), and all other agreements or matters of record or to which this Lease is subordinate without interference by any

persons lawfully claiming by or through Landlord. The foregoing covenants are in lieu of any other covenant express or implied.

19. Mortgagee Protection.

19.1 Subordination. Unless provided otherwise herein, this Lease is subject and subordinate to all present and future ground leases, lease-leaseback financing, underlying leases, mortgages, deeds of trust, or other encumbrances, renewals, modifications, consolidations, replacements, extensions thereof, or advances made thereunder, affecting all or any portion of the Premises, the Building, or the Land ("Superior Leases and Mortgages"). However, in confirmation of such subordination, Tenant shall execute, acknowledge and deliver any instrument that Landlord or the lessor, mortgagee or beneficiary under any of the Superior Leases and Mortgages may request, within ten (10) days after request. (Each of these lessors, mortgagees or beneficiaries is called a "**Landlord's Mortgagee.**") However, if Landlord, Landlord's Mortgagee or any other successor to Landlord elects in writing, this Lease shall be deemed superior to the Superior Leases and Mortgages specified, regardless of the date of recording, and Tenant will execute an agreement confirming this election on request. If Landlord's Mortgagee or its successor or any successor to Landlord succeeds to Landlord's interests under this Lease, whether voluntarily or involuntarily, Tenant shall attorn to such person and recognize such person as Landlord under this Lease. To the extent permitted under law, Tenant waives the provisions of any current or future statute, rule, or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

19.2 Mortgagee's Liability. The obligations and liabilities of each of Landlord or Landlord's Mortgagees, or their successors, under this Lease shall exist only if and for so long as each of these respective parties owns fee title to the Land and the Building or is the lessee under a ground lease therefore. No Monthly Rent or Additional Rent shall be paid more than thirty (30) days prior to the due date thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a Landlord's Mortgagee) be a nullity as against Landlord's Mortgagees or their successors and Tenant shall be liable for the amount of such payments to Landlord's Mortgagees or their successors.

19.3 Mortgagee's Right to Cure. No act or omission by Landlord which would entitle Tenant under the terms of this Lease or any Laws to be relieved of Tenant's obligations hereunder, or to terminate this Lease, shall result in a release or termination of such obligations or this Lease unless: (a) Tenant first shall have given written notice of Landlord's act or omission to Landlord and all Landlord's Mortgagees whose names and addresses shall have been furnished to Tenant; and (b) Landlord's Mortgagees, after receipt of such notice, fail to correct or cure the act or omission within a reasonable time thereafter (but in no event less than sixty (60) days). However, nothing contained in this Section shall impose any obligation on Landlord's Mortgagees to correct or cure any act or omission.

20. Estoppel Certificates. Tenant shall from time to time, within ten (10) days after request by Landlord, execute and deliver to Landlord or any other person designated by Landlord an Estoppel certificate, in form satisfactory to Landlord, which certifies: (a) that this Lease is

unmodified and in full force and effect (or, if there have been modifications, describes them); (b) the expiration date of the Lease Term and that there are no agreements with Landlord to extend or renew the Lease Term or to permit any holding over (or if there are any such agreements, describes them and specifies the periods of extension or renewal); (c) the date through which the Monthly Rent and Additional Rent have been paid; (d) that Landlord is not in default in the performance of any of its obligations under this Lease (or, if there are any such defaults, describes them); (e) that Tenant is not entitled to any credits, offsets, defenses or deductions against payment of the Rent hereunder (or, if they exist, describes them); and (f) such other information concerning this Lease or Tenant as Landlord or any other person designated by Landlord reasonably shall request. An Estoppel certificate issued by Tenant pursuant to this Article shall be a representation and warranty by Tenant which may be relied on by Landlord and by others with whom Landlord may be dealing, regardless of independent investigation. If Tenant fails to execute and deliver an Estoppel certificate as required hereunder, Landlord's representations concerning the factual matters covered by such Estoppel certificate, as described above, shall be conclusively presumed to be correct and binding on Tenant.

21. Default. The occurrence of any one or more of the following events shall be a default and breach under this Lease by Tenant:

- (a) The vacation or abandonment of all or any portion of the Premises by Tenant for ten (10) consecutive days.
- (b) The failure to accept tender of possession of the Premises or any significant portion thereof.
- (c) The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder for a period of Ten (10) days after such payment is due.
- (d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than those described in subparagraphs (b), (d), (e), (f), (g), (h) and (i) of this Article, where such failure shall continue for a period of fifteen (15) days after written notice thereof by Landlord to Tenant. However, if the nature of these defaults is such that more than fifteen (15) days are reasonably required to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within the fifteen (15) day period and thereafter diligently completes the cure within sixty (60) days.
- (e) The making by Tenant or any guarantor of this Lease of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant or any guarantor of this Lease of a petition or order for relief under any Laws relating to bankruptcy or insolvency (unless, in the case of a petition filed against Tenant or any guarantor of this Lease, the petition is dismissed within sixty (60) days); or the appointment of a trustee, custodian or receiver to take possession of substantially all of Tenant's assets or the assets of any guarantor of this Lease or of Tenant's interest in this Lease where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or judicial seizure of substantially all of Tenant's assets or of Tenant's interest in this Lease, unless discharged within thirty (30) days.

- (f) The service by Landlord of a three day notice under California Code of Civil Procedure Section 1161 on three or more occasions if the previous service of the three-day notices did not result in the termination of this Lease.
- (g) A sale, conveyance, mortgage, pledge, assignment, sublease or other transfer or encumbrance, or any attempt to do so, in violation of Article 17.
- (h) Tenant's failure to deliver the Estoppel certificate within the time required under Article 20, or any written instrument required under Article 19 within the time required.
- (i) A default under or the repudiation of any guaranty of Tenant's obligations under this Lease.
- (j) Tenant's failure to maintain the insurance policies required hereunder.
- (k) The death of Tenant or, if Tenant is comprised of more than one (1) individual, the death of any of the individuals comprising Tenant.
- (l) Tenant's failure to observe or perform according to the provisions of Articles 9, 10.4, and 11 within five (5) business days after notice from Landlord.
Except for the defaults specified in subparagraphs (c) and (d), all other defaults are not curable by Tenant.

22. Remedies for Default.

22.1 General. In the event of any default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand:

- (a) Terminate Tenant's right to possession of the Premises by any lawful means, including but not limited to terminating this Lease, barring the Tenant from reentering the Premises, and removing all persons and property therefrom, which property may be stored by Landlord at a warehouse or elsewhere at risk, expense, and for the account of Tenant. If Landlord elects to terminate this Lease, Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all Liabilities incurred by Landlord or Landlord's Affiliates by reason of Tenant's default, including but not limited to: (i) the worth at the time of the award of the unpaid Monthly Rent and Additional Rent which had been earned or was payable at the time of termination; (ii) the worth at the time of the award of the amount by which the unpaid Monthly Rent and Additional Rent which would have been earned or payable after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of the award of the amount by which the unpaid Monthly Rent and Additional Rent which would have been paid for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all Liabilities proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises, the Building and the Land after such default, the cost of recovering possession of the Premises, advertising expenses incurred, expenses of reletting, including necessary renovation or

alteration of the Premises or any portion thereof, whether for the same or different use, and any special concessions made to obtain the new tenant, Landlord's attorneys' fees and costs incurred in connection therewith, and any real estate commissions paid or payable. As used in subparts (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of eighteen percent (18%) per annum, or such lesser amount as may then be the maximum lawful rate. As used in subparagraph (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%). If Tenant abandons the Premises, Landlord shall have the option of (x) taking possession of the Premises and recovering from Tenant the amount specified in this subparagraph, or (y) proceeding under the provisions of subparagraph (b) below.

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease and at law or in equity, including the right to recover the Rent and other sums and charges as they become due hereunder.

(c) Nothing in this Article 22 shall be deemed to affect Landlord's right to indemnification for liability or liabilities arising prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.

(d) All rights, powers and remedies of Landlord hereunder and under any other agreement now or hereafter in force between Landlord and Tenant shall be in addition to all rights, powers and remedies given to Landlord by law, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy.

22.2 Redemption. Tenant waives any and all rights of redemption granted by or under any Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises by reason of the violation by Tenant of any of the terms, covenants or conditions of this Lease, or otherwise.

22.3 Performance by Landlord. If Tenant defaults under this Lease, Landlord, without waiving or curing the default, may, but shall not be obligated to, perform Tenant's obligations for the account and at the expense of Tenant. Notwithstanding Article 21(c), in the case of an emergency, Landlord need not give any notice prior to performing Tenant's obligations.

22.4 Post-Judgment Interest. The amount of any judgment obtained by Landlord against Tenant in any legal proceeding arising out of Tenant's default under this Lease shall bear interest until paid at the maximum rate allowed by law, or, if no maximum rate prevails, at the rate of twelve percent (12%) per annum. Notwithstanding anything to the contrary contained in any Laws, with respect to any damages that are certain or ascertainable by calculation, interest shall accrue from the day that the right to the damages vests in Landlord, and in the case of any unliquidated claim, interest shall accrue from the day the claim arose.

22.5 Tenant's Waiver. To the extent permitted under law, in the event of any default, breach or violation of Tenant's rights under this Lease by Landlord, Tenant's remedies shall be an

action for actual damages. Tenant hereby waives the benefit of any law granting it the right to perform Landlord's obligation.

23. Holding Over. Tenant shall not hold over in the Premises after the expiration or sooner termination of the Lease Term without the express prior written consent of Landlord. Tenant shall indemnify Landlord and Landlord's Affiliates for, and hold Landlord and Landlord's Affiliates harmless from and against, any and all Liabilities arising out of or in connection with any delay by Tenant in surrendering and vacating the Premises, including, without limitation, any claims made by any succeeding tenant based on any delay and any Liabilities arising out of or in connection with these claims. If possession of the Premises is not surrendered to Landlord on the expiration or sooner termination of the Lease Term, in addition to any other rights and remedies of Landlord hereunder or at law or in equity, Tenant shall pay to Landlord for each month or portion thereof during which Tenant holds over in the Premises a sum equal to one hundred fifty percent (150%) of the then-current Monthly Rent in addition to all other Rent payable under this Lease. If any tenancy is created by Tenant's holding over in the Premises, the tenancy shall be on all of the terms and conditions of this Lease, except that Rent shall be increased as set forth herein and the tenancy shall be a month-to-month tenancy. Nothing in this Article 23 shall be deemed to permit Tenant to retain possession of the Premises after the expiration or sooner termination of the Lease Term.

24. Indemnification and Exculpation.

24.1 Indemnification. In addition to any other indemnities required of Tenant hereunder, Tenant shall indemnify Landlord and Landlord's Affiliates for, and hold Landlord and Landlord's Affiliates harmless from, any and all Liabilities arising from or in connection with Tenant's (including Tenant's Affiliate or any person claiming under or through them), performance and obligations hereunder, or its failure to comply with any current or prospective law, except for such loss or damage caused by the sole negligence or willful misconduct of Landlord, including but not limited to, (a) the use and occupancy of the Premises by Tenant or Tenant's Affiliates; (b) the conduct of Tenant's business; (c) any breach or default by Tenant under this Lease; (d) claims by any assignee, subtenant, broker or other person if Landlord declines to consent to any assignment, sublease or other transfer or encumbrance or terminates this Lease pursuant to Article 17; and (e) any other acts or omissions of Tenant or Tenant's Affiliates or persons claiming through or under them. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

24.2 Damage to Persons or Property. Tenant assumes the risk of all Liabilities it may incur, including, but not limited to, damage or injury to persons, property and the conduct of Tenant's business (and any loss of revenue therefrom), the loss of use or occupancy of the Premises, and the items enumerated below in this Section, and waives all claims against Landlord and Landlord's Affiliates in connection therewith. Landlord and Landlord's Affiliates shall not be liable for any Liabilities incurred by Tenant or Tenant's Affiliates (including, but not limited to, the Liabilities described above in this Section) arising from or in connection with: (a) acts or omissions of any tenant of the Building or any other persons (including, but not limited to, any parking garage operators or their employees); (b) explosion, fire, steam, electricity, water, gas or rain, pollution or contamination; (c) the breakage, leakage, obstruction or other defects of

plumbing, HVAC, electrical, sanitary, safety, elevator or other utilities and systems of the Building or the failure to furnish any of the foregoing; (d) any work, maintenance, repair, rebuilding or improvement performed by or at the request of Landlord or Landlord's Affiliates for the Premises, the Building or the Land; (e) any entry by Landlord or Landlord's Affiliates on the Premises; (f) any defects in the Premises, the Building, the Land or any portions thereof; (g) any interference with light or other incorporeal hereditaments; and (h) any other acts, omissions or causes. Nothing in this Section exempts Landlord for liability caused solely by its gross negligence or willful misconduct, but Landlord shall not be liable under any circumstances for consequential or punitive damages (including, but not limited to, damage or injury to persons, property and the conduct of Tenant's business [and any loss of revenue therefrom]). Tenant immediately shall notify Landlord of any defects in the Premises or the Building or any portion thereof and of any damage or injury thereto or to persons or property in or about the Premises or the Building.

24.3 Satisfaction of Remedies. Landlord and Landlord's Affiliates shall not be personally liable for the performance of Landlord's obligations under this Lease. If Tenant or Tenant's Affiliates acquire any rights or remedies against Landlord or Landlord's Affiliates (including, but not limited to, the right to satisfy a judgment), these rights and remedies shall be satisfied solely from Landlord's estate and interest in the Land and the Building (or the proceeds therefrom) and not from any other property or assets of Landlord or Landlord's Affiliates. This Section shall be enforceable by Landlord and Landlord's Affiliates.

25. Rules and Regulations. Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate. Landlord reserves the right from time to time in its sole discretion to make all reasonable additions and modifications to the rules and regulations. Any additions and modifications to the rules and regulations shall be binding on Tenant when delivered to Tenant. Landlord shall not incur any Liabilities to Tenant or Tenant's Affiliates arising from or in connection with the nonperformance of any rules and regulations by any other tenants or occupants of the Building. Landlord's current rules and regulations are attached hereto as Exhibit "C."

26. Taxes.

26.1 Tenant shall be solely responsible for payment of any and all "Real Property Taxes" levied or assessed against the Premises or Tenant's interest under this Lease, including without limitation Tenant's Share of any taxes levied against the common areas, Land or Building. "Real Property Taxes" include, but are not limited to: any fees, including license fee, license tax, business license fee, commercial rental tax, levy, charge, assessment, penalty or tax imposed by any taxing authority against the Premises, Land or the Building; any property taxes and assessments levied on Tenant's possessory interest in the Premises, Land or Building; any tax on Landlord's right to receive, or the receipt of, rent or income from the Premises, Land or Building; any tax or charge for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Premises, Land or the Building; any tax imposed on this transaction or based on a reassessment of the Premises, Land or the Building due to a change in ownership or transfer of all or part of Landlord's interest in this Lease, the Premises, Land or the Building; and any charge or fee replacing any tax previously included within this definition. Real Property Taxes do not include Landlord's federal or state net income, franchise, inheritance, gift, or estate taxes.

26.2 In accordance with California Revenue and Taxation Code Section 107.6(a), Landlord hereby informs Tenant that by entering into this Lease a possessory interest in Tenant subject to property taxes may be created, and if so, Tenant or other party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interest. Tenant shall be solely responsible for payment of any possessory interest tax levied or assessed against the Premises, improvements on the Premises, this Lease, or Tenant's Share of the Land or Building. If at any time Tenant is not separately assessed for its possessory interest and/or improvements on the Premises, Tenant shall, as Additional Rent pay to Landlord that portion of any assessment levied against or upon the Premises, the improvements on the Premises, the Building or Landlord's interest therein that represents the value of the Tenant's leasehold interest and value of the improvements of the Premises that would have been assessed and levied upon the Premises had it been assessed as such possessory interest in the Premises.

26.3 The amount of any tax or excise payable by or assessed against Tenant or the Premises, including without limitation, Real Property Taxes shall be paid by Tenant before it becomes delinquent. Tenant shall pay, or cause to be paid, before delinquency, any and all other taxes levied or assessed against Tenant's Property, Tenant's possessory interest in the Premises, Land and Building, and any leasehold improvements in the Premises which were made for Tenant or at its request. If any or all of Tenant's Property or any of these leasehold improvements are assessed and taxed with the Building, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes.

27. **Brokers.** Landlord and Tenant represent and warrant to each other that they have had no dealings with any broker, finder, or similar person who is or might be entitled to a commission or other fee in connection with introducing Tenant to the Building or in connection with this Lease, except for Landlord's Broker and Tenant's Broker as may be named in Article 2. Landlord shall pay the commission due to Landlord's Broker and Tenant's Broker pursuant to a separate agreement between Landlord and such Brokers. Landlord and Tenant shall indemnify each other for, and hold the other harmless from and against, any and all claims that the indemnified party may have as a result of a breach of the foregoing representation.

28. **Parking.** Tenant acknowledges that no parking is provided to Tenant pursuant to this Lease. Tenant may, on a space available basis, purchase parking spaces from the City per the terms of this lease agreement. Parking rates shall be determined by Landlord at its sole discretion. Landlord at all times shall have the right to designate the particular parking area and spaces, if any, to be used by any or all of such Tenant's employees, suppliers, customers, visitors, or the like, and any such designation may be changed from time to time. Attached hereto as Exhibit "D" is a copy of the City's Parking Fee Schedule, which schedule shall be subject to change from time to time by City and/or its parking facility operator.

29. **Authority to Enter into Lease.** If Tenant is a corporation, each individual executing this Lease on behalf of the corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the by-laws of said corporation,

and that this Lease is binding on the corporation in accordance with its terms. If Tenant is a partnership, each individual executing this Lease on behalf of the partnership represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the partnership, in accordance with the partnership agreement and any statements of partnership or certificates of limited partnership of the partnership, and that this Lease is binding on the partnership in accordance with its terms. Tenant shall, within thirty (30) days of the execution of this Lease, deliver to Landlord: (a) if Tenant is a corporation, a certified copy of a resolution of the board of directors of the corporation; or (b) if Tenant is a partnership, a copy of the Statement of Partnership or Certificate of Limited Partnership of Tenant; and (c) other evidence reasonably satisfactory to Landlord authorizing or ratifying the execution of this Lease.

30. Relocation. Notwithstanding any contrary provision of this Lease, if due to excessive noise, Landlord requires the Tenant to relocate within the property or for other reasons related to Landlord's occupancy plans for the Building, then at any time during the Lease Term Landlord shall have the right, upon providing Tenant prior written notice (the "Relocation Notice"), to provide and furnish Tenant with space elsewhere in the Building or another building in the Redondo Beach Pier Plaza project comparable to the Premises and to move and place Tenant in such new space, at Landlord's sole cost and expense. Such space shall be approximately the same size as the existing Premises and shall be improved by Landlord prior to Tenant's relocation with leasehold improvements comparable to those in the existing Premises. However, if the new space does not meet with Tenant's approval, Tenant may cancel this Lease upon written notice to Landlord, which notice must be received by Landlord within ten (10) days after delivery to Tenant of the Relocation Notice, and this Lease shall terminate sixty (60) days thereafter (as if such date were the date originally provided herein for the expiration of the Lease Term) and neither party shall have any further rights or obligations hereunder. Tenant's failure to timely deliver notice to Landlord of Tenant's election to cancel this Lease shall be deemed an acceptance by Tenant of the new space set forth in the Relocation Notice, and Tenant shall vacate the Premises in accordance with said notice and/or the terms of any subsequent notice from Landlord to Tenant. Landlord shall reimburse Tenant, within thirty (30) days after Landlord's receipt of invoices and paid receipts, for the reasonable moving, telephone installation and stationery reprinting costs actually paid for by Tenant in connection with such relocation. If Landlord moves Tenant to such new space, then this Lease and each and all of the terms, covenants and conditions hereof shall remain in full force and effect and be deemed applicable to such new space except that revised Exhibit "A" showing the location of the new space shall become a part of this Lease and Landlord and Tenant shall promptly thereafter execute an amendment to this Lease containing such revised Exhibit "A" and with the Basic Terms of this Lease, as contained in Article 2, amended, if necessary, to include and state all correct data as to the new space. Notwithstanding the foregoing provisions of this Article to the contrary, if the new space contains more floor area than the original Premises, Tenant shall not be obligated to pay any more Monthly Rent or Operating Expenses than otherwise applicable to the original Premises. Landlord and Tenant agree to cooperate fully in order to minimize the inconvenience of Tenant resulting from such relocation.

Tenant understands and agrees that Tenant is not eligible to be a "displaced person" under the California Relocation Act, which provides that a "displaced person" shall not include any person whose right of possession at the time of moving arose after the date of the public entity's acquisition of the real property. Tenant understands that Tenant is a "post-acquisition tenant"

pursuant to the Relocation Assistance and Real Property Acquisition Guidelines of the California Department of Housing and Community Development, 25 Cal. Code Regs. §6000, et seq. Tenant understands that pursuant to Section 6034(b) of the California Code of Regulations, Tenant shall not be entitled to any relocation benefits or assistance if Tenant is temporarily or permanently displaced from the Premises, other than the payment which is required in the following paragraph, whether the displacement is a result of the expiration of the Term, Landlord's termination of the Lease pursuant to this Section, Landlord's pursuit of an unlawful detainer proceeding against Tenant, or for any other reason. Tenant hereby knowingly and voluntarily waives any rights Tenant may have to claim or receive any relocation assistance or benefits under state or federal law, and agrees not to file any claim or take any other action to receive such assistance or benefits.

It is strictly understood, and Tenant hereby agrees, that the Landlord reserves the unilateral right at any time, in Landlord's sole and absolute discretion, to relocate Tenant or terminate this Lease immediately if it is the opinion of the City that the parking structure is unsafe for the Tenant or the public; or upon Ninety calendar days written notice if the City intends to replace or improve the parking structure to an extent that relocation of Tenant is necessary.

31. General Provisions

31.1 Joint Obligation. If Tenant consists of more than one person or entity, the obligations of such persons or entities as Tenant shall be joint and several.

31.2 Marginal Headings. The titles to the Articles and Sections of this Lease are not a part of this Lease and shall have no effect on the construction or interpretation.

31.3 Time. Time is of the essence for the performance of each and every provision of this Lease.

31.4 Successors and Assigns. Subject to the restrictions contained in Article 17 above, this Lease binds the heirs, executors, administrators, successors and assigns of the parties hereto.

31.5 Recordation. The parties agree to record this Lease or a short form memorandum hereof pursuant to California Government Code Section 37393.

31.6 Late Charges. Tenant acknowledges that late payment of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. These costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any Superior Leases and Mortgages. Accordingly, if any installment of Monthly Rent or payment of Additional Rent due from Tenant is not received by Landlord or Landlord's designee within ten (10) days after the amount is due, Tenant shall pay to Landlord a late charge equal to six percent (6%) of the overdue amount. Acceptance of late charges by Landlord shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder or at law or in equity.

31.7 Prior Agreements; Amendment, Waiver. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. All waivers hereunder must be in writing and specify the breach, act, omission, term, covenant or condition waived, and acceptance of Rent or other acts or omissions by Landlord shall not be deemed to be a waiver. The waiver by Landlord of any breach, act, omission, term, covenant or condition of this Lease shall not be deemed to be a waiver of any other or subsequent breach, act, omission, term, covenant or condition.

31.8 Inability to Perform. Landlord shall not be in default hereunder nor shall Landlord be liable to Tenant or Tenant's Affiliates for any Liabilities if Landlord is unable to fulfill any of its obligations, or is delayed in doing so, if the inability or delay is caused by reason of accidents, breakage, strike, labor troubles, acts of God, or any other cause, whether similar or dissimilar, which is beyond the reasonable control of Landlord.

31.9 Legal Proceedings. In any action or proceeding involving or relating in any way to this Lease, the court or other person or entity having jurisdiction in such action or proceeding shall award to the party in whose favor judgment is entered the reasonable attorneys' fees and costs incurred. The party in whose favor judgment is entered may, at its election submit proof of fees and costs as an element of damages before entry of judgment or after entry of judgment in a post-judgment cost bill. Tenant also shall indemnify Landlord for, and hold Landlord harmless from and against, all Liabilities incurred by Landlord if Landlord becomes or is made a party to any proceeding or action: (a) instituted by Tenant (except to the extent resulting from Landlord's breach or material default hereunder), or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant; (b) otherwise arising out of or resulting from any act or omission of Tenant or such other person; or (c) necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding, or other proceeding under Title 11 of the United States Code, as amended. In any circumstance where Tenant is obligated to indemnify or hold harmless Landlord or Landlord's Affiliates under this Lease, Tenant also shall defend Landlord and Landlord's Affiliates with counsel acceptable to Landlord or, at Landlord's election, Landlord or Landlord's Affiliates may employ their own counsel and Tenant shall pay when due all attorneys' fees and costs therefore.

31.10 Conveyance of Premises. As used herein the term "**Landlord**" means only the current owner or owners of the fee title to the Building or the lessee under a ground lease of the Land. Upon each conveyance (whether voluntary or involuntary) of the Building, the conveying party shall be relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence or omission occurring after the date of such conveyance. Landlord may sell, assign, convey, encumber or otherwise transfer all or any portion of its interests in this Lease, the Premises, the Building or the Land.

31.11 Name. Tenant shall not use the name of the Building or of the development in which the Building is situated, if any, for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

31.12 Severability. Any provision of this Lease which shall be held invalid, void or illegal shall in no way affect, impair or invalidate any of the other provisions hereof and such other provisions shall remain in full force and effect.

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

31.14 Choice of Law. This Lease shall be governed by the laws of the State of California applicable to transactions to be performed wholly therein.

31.15 Signs. Tenant shall not place any sign on the Premises or the Building or which is visible from anywhere outside of the Premises, without Landlord's prior written consent. Landlord shall, at Landlord's cost, install one exterior sign identifying Tenant's business in the Premises above the door of the Premises (which sign shall be subject to the Rules and Regulations for the Building and Landlord's sign criteria). In addition, Tenant shall have the right to use up to two (2) lines in the Building directory to identify Tenant's business. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove all of Tenant's signage and repair any damage to the Building caused by such removal.

31.16 Landlord's Consent. Whenever Landlord's consent or approval is required hereunder, Landlord shall not unreasonably delay the granting or withholding of its consent or approval. Except where it is expressly provided that Landlord will not unreasonably withhold its consent or approval, Landlord may withhold its consent or approval arbitrarily and in its sole and absolute discretion.

31.17 Presumptions. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party drafting the document. It shall be construed neither for nor against Landlord or Tenant, but shall be given reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

31.18 Exhibits. All exhibits and any riders annexed to this Lease including, without limitation, Exhibits "A", "B", "C", "D", "E", "F", and "G," as applicable, are incorporated herein by this reference.

31.19 Submission of Lease. The submission of this Lease to Tenant or its broker, agent or attorney for review or signature does not constitute an offer to Tenant to lease the Premises or grant an option to lease the Premises. This document shall not be binding unless and until it is executed and delivered by both Landlord and Tenant.

31.20 Meaning of Terms. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular, and the masculine, feminine and neuter genders shall each include the others, and the word "person" shall include corporations, partnerships or other entities.

31.21 Notices. All notices, demands or communications required or permitted under this Lease (the "**Notices**") shall be in writing and shall be personally delivered, sent by overnight courier, or sent by certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered to the address set forth in Article 2. Notices to Landlord shall be delivered to the address set forth in Article 2, or such other address as Landlord may specify in writing to Tenant. Notices shall be effective upon receipt.

31.22 Lease Guaranty. This Lease is subject to and conditioned upon Tenant's delivery to Landlord, concurrently with Tenant's execution and delivery of this Lease, of a Lease Guaranty in the form of and upon the terms contained in Exhibit "E" attached hereto and incorporated herein by this reference, which shall be fully executed by the Guarantor(s) specified in Article 2 and Exhibit "E".

32. ADA and CASp Disclosure Information.

32.1 CASp Disclosure. It is acknowledged that California law requires building owners to disclose to prospective tenants any inspection reports obtained from a certified access specialist ("CASp") regarding compliance of the subject property with the applicable construction-related accessibility standards under state law prior to the execution of a lease agreement (see California Civil Code Section 1938, "CASp Disclosure Requirements"). The Premises [*check applicable disclosure*]

_____ have not undergone an inspection by a CASp.

_____ have undergone an inspection by a CASp and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

_____ have undergone an inspection by a CASp and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

32.2 Inspection Information. If an inspection was performed by a CASp and a report provided, Tenant hereby acknowledges receipt of the documents required to be delivered by Landlord in order to comply with the CASp Disclosure Requirements applicable to the Premises (the "CASp Information"). Tenant acknowledges and agrees that the CASp Information is provided for the sole purpose of complying with the CASp Disclosure Requirements and shall not be deemed or construed as a representation or warranty under this Lease and may not be relied upon as a representation of current or future compliance with the applicable construction-related accessibility standards under state law. Tenant further covenants and agrees to keep the CASp Information strictly confidential and shall not disclose anything contained therein to any other parties, except (i) as necessary for Tenant to complete repairs and corrections of any violations of construction-related accessibility standards, and (ii) with the express written consent of Landlord

32.3 No Inspection and Statutory Notice. If no CASp inspection was done, or no disability access inspection certificate issued as described in Civil Code Section 55.53(e), or modifications/alterations have been performed since the date of the CASp Information, then Landlord hereby advises Tenant that the existing Premises have not undergone a CASp inspection, and except to the extent expressly set forth in this Lease, Landlord shall have no liability or

responsibility to make any repairs or modifications to the Premises in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law:

“A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises.”

Tenant agrees that any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Building with regard to such inspections and shall be subject to Landlord’s prior written consent.

32.4 ADA Compliance. Landlord makes no warranty or representation as to whether or not the Premises comply with the Americans with Disabilities Act (ADA) or any similar legislation because compliance with the ADA is dependent upon Tenant's specific use of the Premises. In the event that Tenant's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Tenant agrees to make any such necessary modifications and/or additions at Tenant's sole expense subject to all approval and other requirements for improvements, including without limitation, Alterations, as set forth in this Lease.

33. Acknowledgement, Release and Waiver

TENANT HEREBY ACKNOWLEDGES that the subject Premises located at 115 W. Torrance Blvd., Suite 200 Redondo Beach, California 90277 is subject to pending lawsuits (“Pending Lawsuits”) filed against the City that may invalidate or modify this Lease without advance notice. If the lease is invalidated or modified as the result of the Pending Lawsuits, Tenant shall not be entitled to seek damages, equitable relief, or any other type of relief from the City. Notwithstanding the above, Tenant agrees to enter into this Lease.

TENANT HEREBY RELEASES, WAIVES, DISCHARGES AND CONVENANTS NOT TO SUE the City of Redondo Beach, its officials, employees and agents with regard to any and all liability or potential liability to Tenant, its owners, directors, officers, employees, agents, assigns, heirs, and next of kin for any loss or damage, and any claims or demands of any kind resulting from the Pending Lawsuits or any impact or potential impact the lawsuits may have on Tenant or this Lease.

TENANT FURTHER EXPRESSLY AGREES THAT THE FOREGOING ACKNOWLEDGEMENT, RELEASE and WAIVER is intended to be as broad and inclusive as is permitted by the law of the State of California and that if any portion thereof

is held invalid, it is agreed that the remaining terms shall, notwithstanding, continue in full legal force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease in Redondo Beach, California, as of this 16th day of February, 2021.

LANDLORD

CITY OF REDONDO BEACH

William C. Brand
Mayor

ATTEST:

Eleanor Manzano
City Clerk

APPROVED AS TO FORM:

Michael W. Webb
City Attorney

TENANT

HOLIDAY CARPET & FLOOR COVERING,
INC.

By: _____
Name: _____
Title: _____

APPROVED:

Risk Manager

EXHIBIT "A"

LEGAL DESCRIPTION/PREMISES FLOOR PLAN

EXHIBIT "B"

LEASE CONFIRMATION

TO: Tenant

DATED: February 16, 2021

Re: Office Lease (the "Lease") dated **February 16, 2021** by and between **CITY OF REDONDO BEACH**, a Chartered Municipal Corporation as Landlord, and **HOLIDAY CARPET & FLOOR COVERING INC., A CALIFORNIA CORPORATION** ("Tenant") as Tenant, for those premises generally referred to as **115 W. Torrance Blvd., Suite 200 Redondo Beach, California 90277** consisting of approximately **789** rentable square feet.

Please acknowledge that the Commencement Date of the Lease is February 16, 2021 and that the Expiration Date of the Lease is February 15, 2023, subject to Landlord's early termination right.

Very truly yours,

Agent for "Landlord"

Tenant hereby confirms the information set forth above, and further acknowledges that Landlord has fulfilled its obligations under the above-referenced Lease.

By:
Name:
Title:

EXHIBIT "C"

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, elevators, escalators and stairways of the Building shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no agent, employee, contractor, invitee or licensee of any tenant shall go upon the roof of the Building. Landlord shall have the right at any time, without the same constituting an actual or constructive eviction and without incurring any liability to any tenant therefore, to change the arrangement or location of entrances or passageways, doors or doorways, corridors, elevators, stairs, toilets and other common areas of the Building.
2. No sign, placard, picture, name, advertisement or notice visible from the exterior of any tenant's premises shall be inscribed, painted, affixed or otherwise displayed by any tenant on any part of the Building without the prior written consent of Landlord except that Tenant shall have the right, at its sole cost, to place its name on the door of the Premises. Landlord will adopt and furnish to tenants general guidelines relating to signs inside the Building. Tenants shall conform to such guidelines. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of any such tenant by a person approved by Landlord. Material visible from outside the Building will not be permitted.
3. The premises shall not be used for lodging. No cooking shall be done or permitted on the premises except that private use by any tenant of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages, for preparation of meals by employees of any such tenant in a manner customary for an employee lounge or lunchroom, and for catering to serve food in connection with meetings or receptions will be permitted, provided that such use is in accordance with all applicable federal, state and municipal laws, codes, ordinances, rules and regulations.
4. No tenant shall employ any person or persons other than the janitor of Landlord for the purpose of cleaning its premises unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. No tenant shall cause any unnecessary labor by reason of such tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to any tenant for any loss of property on the premises, however occurring, or for any damage done to the effects of any tenant by the janitor or any other employee or any other person. Tenant shall pay to Landlord the cost of removal of any of tenant's refuse and rubbish, to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of tenant's premises as offices. Janitor service will not be furnished

on nights when rooms are occupied after 9:00 P.M. unless, by agreement in writing, service is extended to a later hour for specifically designated rooms.

5. Landlord will furnish each tenant without charge with two (2) keys to each door lock provided in the premises by Landlord. Landlord may make a reasonable charge for any additional keys. No tenant shall have any such keys copied or any keys made. No tenant shall alter any lock or install a new or additional lock or any bolt on any door of its premises. Each tenant, upon the termination of its lease, shall deliver to Landlord all keys to doors in the Building.

6. Landlord shall designate appropriate entrances and a freight elevator for deliveries or other movement to or from the premises of equipment, materials, supplies, furniture or other property, and tenants shall not use any other entrances or elevators for such purposes. The freight elevator shall be available for use by all tenants in the Building subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. All persons employed and means or methods used to move equipment, materials, supplies, furniture or other property in or out of the Building must be approved by Landlord prior to any such movement. Landlord shall have the right to prescribe the maximum weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by Landlord, stand on a platform of such thickness as is necessary properly to distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, and all damage done to the Building by moving or maintaining such property shall be repaired at the expense of tenants.

7. No tenant shall use or keep in the premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material other than limited quantities thereof reasonably necessary for the operation or maintenance of office equipment. No tenant shall use any method of heating or air conditioning other than that supplied by Landlord. No tenant shall use or keep or permit to be used or kept any foul or noxious gas or substance in the premises, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, or interfere in any way with other tenants or those having business in the Building, nor shall any animals or birds be brought or kept in the premises or the Building. All materials stored in the Premises by Tenant shall be stored in compliance with all applicable laws and shall not exceed the maximum floor load for the Premises as reasonably determined by Landlord.

8. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name or street address of the Building.

9. Except as expressly set forth in the Lease, Landlord establishes the hours of 8 A.M. to 6 P.M. Monday through Friday, and Saturday 9:00 A.M. to 1:00 P.M., except legal holidays, as reasonable and usual business hours. If during any other hours or any other days, tenant desires to have any services or utilities supplied to tenant, and if Landlord is able to provide the same, tenant shall pay Landlord such charge as Landlord shall establish from time to time for providing such services or utilities during such hours. Any such charges which such tenant is obligated to pay shall be deemed to be Additional Rent under such tenant's lease.

10. The Building's air conditioning system achieves maximum cooling when the drapes and windows are closed. Landlord shall not be responsible for the room temperature if tenant does not keep all drapes and windows in the premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord and to abide by all regulations and requirements which Landlord may prescribe for the proper functioning and protection of said air conditioning system. Tenant agrees not to connect any apparatus device, conduit or pipe to the Building chilled and hot water conditioning supply lines. Tenant further agrees that neither tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.

11. Electric current is furnished as required by the Building standard office lighting and fractional horsepower office business machines in the amount of approximately four (4) watts per square foot. The tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond normal business hours, to reimburse Landlord monthly for the measured consumption under the terms, classifications and rates charged to similar consumers by said public utilities serving in the neighborhood in which the Building is located. If a separate meter is not installed at tenant's cost, such excess cost will be established by an estimate agreed upon by Landlord and tenant, and if the parties fail to agree, as established by an independent licensed engineer. Tenant agrees not to use any apparatus or device in, or upon, or about the premises which will in any way increase the amount of such services usually furnished or supplied to said premises, and tenant further agrees not to connect any apparatus or device or wires, conduits or pipes, or other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should tenant use the same to excess, the refusal on the part of tenant to pay, upon demand of Landlord, the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay Rent current under tenant's lease and shall entitle Landlord to the rights therein granted for such breach. At all times tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation.

12. Water will be available in public areas for drinking and lavatory purposes only, but if tenant requests, uses or consumes water for any purpose in addition to ordinary drinking and lavatory purposes, of which fact tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of tenant's occupancy, tenant shall keep said meter installation equipment in good working order and repair at tenant's own cost and expense, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof from tenant. Tenant agrees to pay for water consumed, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from tenant. Any such costs or expenses incurred, or payments made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be Additional Rent, payable by tenant, and collectible by Landlord as such.

13. Landlord reserves the right to stop service of the elevator, plumbing, ventilating, air conditioning and electric systems, when necessary, by reason of accident or emergency or for

repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to support elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from doing so by strike or accident or by any cause beyond Landlord's reasonable control or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supplied or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of tenant's lease or to perform any act or thing for the benefit of tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's control.

14. Landlord reserves the right to exclude from the Building between the hours of 6 P.M. and 8 A.M. Monday through Friday and at all hours on Saturdays, Sundays and legal holidays all persons who do not present identification acceptable to Landlord. Each tenant shall provide Landlord with a list of all persons authorized by such tenant to enter its premises and shall be liable to Landlord for all acts of such persons. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's opinion, Landlord reserves the right to prevent access to the Building during the continuance of the same by such action as Landlord may deem appropriate, including closing doors.

15. The directory of the Building will be provided for the display of the name and location of tenants and the principal officers and employees of tenants (not to exceed two (2) names per one thousand (1,000) rentable feet in the Premises) at the expense of such tenant. Periodic revisions and updating shall be provided by Landlord without charge.

16. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without the prior written consent of Landlord. In any event, with the prior written consent of Landlord, such items shall be installed on the office side of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. Tenants shall keep window coverings closed when the effect of sunlight (or the lack thereof) would impose unnecessary loads on the Building's heating or air conditioning system.

17. No tenant shall obtain for use in the premises ice, drinking water, food, beverage, towel or other similar services, except at such reasonable hours and under such reasonable regulations as may be established by Landlord.

18. Each tenant shall ensure that the doors of its premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before such tenant or such tenant's employees leave the premises so as to prevent waste or damage, and for any default or carelessness in this regard, such tenant shall compensate for all injuries sustained by other tenants or occupants

of the Building or Landlord. On multiple-tenancy floors, all tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress.

19. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be paid by the tenant who, or whose agent, employee, contractor, invitee or licensee, caused it.

20. Except with the prior written consent of Landlord, no tenant shall sell at retail newspapers, magazines, periodicals, theater or travel tickets or any other goods or merchandise to the general public in or on the premises, nor shall any tenant carry on or permit or allow any employee or other person to carry on the business of stenography, typewriting, printing or photocopying or any similar business in or from the premises for the service or accommodation of occupants of any other portion of the Building, nor shall the premises of any tenant be used for manufacturing of any kind, or any business activity other than that specifically provided for in the tenant's lease.

21. No tenant shall install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Building. No television or radio or recorder shall be played in such a manner as to cause a nuisance to any other tenant.

22. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord approves. No other vehicles of any kind shall be brought by any tenant into the Building or kept in or about its premises.

23. Each tenant shall store all its trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of office building trash and garbage in the vicinity of the Building, without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

24. Canvassing, soliciting, distribution of handbills or any other written material and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

25. The requirements of tenants will be attended to only upon application in writing at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

26. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

27. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions and provisions of any lease of premises in the Building.

28. Landlord reserves the right to make such other rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building and for the preservation of good order therein.

29. All construction projects and tenant improvement work must conform to the General Construction and Building Rules.

30. Tenant agrees that all employees will park on the lower levels of the parking structure and that the surface level parking spaces are to be reserved for customers and service providers.

EXHIBIT “D”

PARKING FEE SCHEDULE

Public parking rates are set by Landlord and are subject to change from time to time.
The current parking rates are as follows:

DAILY RATE

\$2.00 each hour/24 hrs. per day/7 days per week

PARKING FOR THE DISABLED

Free with approved placards or license plates.

PIER/BOARDWALK EMPLOYEE MONTHLY AND YEARLY PASSES

Passes are to be purchased by business owners/managers to satisfy employment verification; parking spaces are occupied on a first-come, first-served basis; passes do not guarantee a parking space.

Annual Employee Passes (January 1 – December 31):

- a. Full-Access Annual Pass – 7 days/week in Pier Parking Structure or Plaza Parking Structure: \$280.00. (Purchases after January 31 will be prorated at the rate of \$35/month times the number of months remaining in the year.)
- b. Limited Access Annual Pass - 7 days/week in the Plaza Parking Structure, also allowed in Pier Parking Structure on non-holiday weekdays: \$120.00 (Purchases after January 31 will be prorated at the rate of \$10/month times the number of months remaining in the year.)

Summer Season Employee Passes (May 1 – September 30):

- a. Full-Access Summer Pass - 7 days/week in Pier Parking Structure or Plaza Parking Structure: \$120.00 (Purchases after May 31 will be prorated at the rate of \$35/month times the number of months remaining in the summer.)
- b. Limited Access Summer Pass - 7 days/week in the Plaza Parking Structure, also allowed in Pier Parking Structure on non-holiday weekdays: \$50.00 (Purchases after May 31 will be prorated at the rate of \$10/month times the number of months remaining in the summer season.)

EXHIBIT "E"

LEASE GUARANTY

THIS LEASE GUARANTY ("Guaranty") is made by **DAN AITKEN** (referred to as "Guarantor"), in favor of the CITY OF REDONDO BEACH, a Chartered Municipal Corporation ("Landlord"), in connection with that certain lease dated as of February 16, 2021 (the "Lease") pursuant to which Landlord is to lease to **HOLIDAY CARPET & FLOOR COVERING INC., A CALIFORNIA CORPORATION** ("Tenant") those premises generally referred to as **115 W. Torrance Blvd., Suite 200**, Redondo Beach, CA 90277 (the "Premises").

A. Landlord requires this Guaranty as a condition to its execution of the Lease and the performance of the obligations to be performed under the Lease by Landlord.

B. Guarantor has agreed to provide this Guaranty to induce Landlord to enter into the Lease with Tenant and perform its obligations under the Lease.

In consideration of Landlord's agreement to execute the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor does hereby agree with Landlord as follows:

1. The Lease is hereby incorporated into and made a part of this Guaranty by this reference.
2. Guarantor hereby unconditionally guarantees, as a primary obligor and not as a surety, without deduction by reason of setoff, defense or counterclaim, the full and punctual payment of all sums of rent and other amounts payable under the Lease and the full and punctual performance of all terms, covenants and conditions in the Lease to be kept, performed and/or observed by Tenant. Guarantor's obligations under this Guaranty are continuing and unconditional.
3. Guarantor hereby agrees that, without the consent of or notice to Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) the Lease may be extended and any other term, covenant or condition of the Lease may be amended, compromised, released or otherwise altered by Landlord and Tenant, and Guarantor does guarantee and promise to perform all the obligations of Tenant under the Lease as so extended, amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease may be exercised, not exercised, impaired, modified, limited, destroyed, or suspended; (d) Landlord or any other person may deal in any manner with Tenant, any guarantor, any party to the Lease or any other person; (e) Landlord may permit Tenant to holdover the Premises beyond the Lease Term; and (f) all or any part of the Premises or of Tenant's rights or liabilities under the Lease may be sublet, assigned or assumed. Without in any way limiting the foregoing, Guarantor agrees not to unreasonably withhold its consent to any sublease, assignment of the Lease or other modification of the Lease which is agreed to by Landlord and Tenant.
4. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Landlord to proceed against Tenant, or any other guarantor or person or to pursue any

other security or remedy before proceeding against Guarantor; (b) any defense based on the genuineness, validity, regularity or enforceability of the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant or any other person; and (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies, or otherwise) of the liability of Tenant, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Tenant for reimbursement. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Sections 2809, 2810 and 2845 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

5. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of any adverse change in the financial status of Tenant, notices of any other facts which increase the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each and every kind; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense based on a lack of diligence or failure or delay by Landlord in enforcing its rights under this Guaranty or the Lease.

6. Guarantor hereby waives and agrees not to assert or take advantage of any right to (a) exoneration if Landlord's actions shall impair any security or collateral of Guarantor; (b) any security or collateral held by Landlord; (c) require Landlord to proceed against or exhaust any security or collateral before proceeding against Guarantor; (d) require Landlord to pursue any right or remedy for the benefit of Guarantor. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Sections 2819, 2849 and 2850 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

7. Guarantor shall not, without the prior written consent of Landlord, commence, or join with any other person in commencing, any bankruptcy, reorganization or insolvency proceeding against Tenant. Guarantor's obligations under this Guaranty shall in no way be affected by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee of Tenant or by any disaffirmance or abandonment of the Lease or any payment under this Guaranty by a trustee of Tenant in any bankruptcy proceeding including, without limitation, any impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provision of any federal or state bankruptcy or insolvency law or other statute or from the decision of any court. Guarantor shall file in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law all claims which Guarantor may have against Tenant relating to any indebtedness of Tenant to Guarantor and will assign to Landlord all rights of Guarantor thereunder. Landlord shall have the sole right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Landlord the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to Landlord all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled; provided, however, that Guarantor's obligations

hereunder shall not be satisfied except to the extent that Landlord receives cash by reason of any such payment or distribution. If Landlord receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guaranty.

8. Until all the Tenant's obligations under the Lease are fully performed, Guarantor: (a) shall have no right of subrogation or reimbursement against the Tenant by reason of any payments or acts of performance by Guarantor under this Guaranty; (b) subordinates any liability or indebtedness of the Tenant now or hereafter held by Guarantor to the obligations of the Tenant under, arising out of or related to the Lease or Tenant's use of the Premises; and (c) acknowledges that the actions of Landlord may affect or eliminate any rights of subrogation or reimbursement of Guarantor as against Tenant without any liability or recourse against Landlord. Without limiting the generality of the foregoing, Guarantor hereby waives any and all benefits of the provisions of Section 2848 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.

9. Prior to the execution of this Guaranty and at any time during the Term of the Lease upon ten (10) days prior written notice from Landlord, Guarantor agrees to provide Landlord with a current financial statement for Guarantor and financial statements for Guarantor for the two (2) years prior to the current financial statement year to the extent not previously delivered to Landlord. Guarantor's financial statements are to be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Guarantor, audited by an independent certified public accountant. Guarantor represents and warrants that all such financial statements shall be true and correct statements of Guarantor's financial condition.

10. The liability of Guarantor and all rights, powers and remedies of Landlord hereunder and under any other agreement now or at any time hereafter in force between Landlord and Guarantor relating to the Lease shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Landlord by law.

11. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. This Guaranty may be assigned by Landlord voluntarily or by operation of law.

12. This Guaranty shall constitute the entire agreement between Guarantor and the Landlord with respect to the subject matter hereof. No provision of this Guaranty or right of Landlord hereunder may be waived nor may any guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director or trustee of Landlord. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof. No course of dealing between Landlord and Tenant shall alter or affect the enforceability of this Guaranty or Guarantor's obligations hereunder.

13. Guarantor hereby agrees to indemnify, protect, defend and hold Landlord and Landlord's Affiliates harmless from and against, all losses, costs and expenses including, without limitation, all interest, default interest, post-petition bankruptcy interest and other post-petition obligations, late charges, court costs and attorneys' fees, which may be suffered or incurred by Landlord in enforcing or compromising any rights under this Guaranty or in enforcing or compromising the performance of Tenant's obligations under the Lease.

14. The term "Landlord" whenever hereinabove used refers to and means the Landlord in the foregoing Lease specifically named and also any assignee of said Landlord, whether by outright assignment or by assignment for security, and also any successor to the interest of said Landlord or of any assignee of such Lease or any part thereof, whether by assignment or otherwise. The term "Tenant" whenever hereinabove used refers to and means the Tenant in the foregoing Lease specifically named and also any Transferee of said Lease and also any successor to the interests of said Tenant, assignee or sublessee of such Lease or any part thereof, whether by assignment, sublease or otherwise including, without limitation, any trustee in bankruptcy and any bankruptcy estate of Tenant, Tenant's assignee or sublessee.

15. If any or all Guarantors shall become bankrupt or insolvent, or any application shall be made to have any or all Guarantors declared bankrupt or insolvent, or any or all Guarantors shall make an assignment for the benefit of creditors, or any or all Guarantors shall enter into a proceeding for the dissolution of marriage, or in the event of death of any or all Guarantors, notice of such occurrence or event shall be promptly furnished to Landlord by such Guarantor or such Guarantor's fiduciary. This Guarantee shall extend to and be binding upon each Guarantor's successors and assigns, including, but not limited to, trustees in bankruptcy and Guarantor's estate.

16. Any notice, request, demand, instruction or other communication to be given to any party hereunder shall be in writing and sent by registered or certified mail, return receipt requested in accordance with the notice provisions of the Lease. The Tenant shall be deemed Guarantor's agent for service of process and notice to Guarantor delivered to the Tenant at the address set forth in the Lease shall constitute proper notice to Guarantor for all purposes. Notices to Landlord shall be delivered to Landlord's address set forth in the Lease. Landlord, at its election, may provide an additional notice to Guarantor at the address provided under Guarantor's signature below.

17. If either party hereto participates in an action against the other party arising out of or in connection with this Guaranty, the prevailing party shall be entitled to have and recover from the other party reasonable attorneys' fees, collection costs and other costs incurred in and in preparation for the action. Guarantor hereby waives any right to trial by jury and further waives and agrees not to assert or take advantage of any defense based on any claim that any arbitration decision binding upon Landlord and Tenant is not binding upon Guarantor.

18. Guarantor agrees that all questions with respect to this Guaranty shall be governed by, and decided in accordance with, the laws of the State of California.

19. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

20. Time is strictly of the essence under this Guaranty and any amendment, modification or revision hereof.

21. If more than one person signs this Guaranty, each such person shall be deemed a guarantor and the obligation of all such guarantors shall be joint and several. When the context and construction so requires, all words used in the singular herein shall be deemed to have been used

in the plural. The word "person" as used herein shall include an individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

22. If Guarantor is a corporation, each individual executing this Guaranty on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Guaranty on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the bylaws of said corporation, and that this Guaranty is binding upon said corporation in accordance with its terms. If Guarantor is a corporation, Landlord, at its option, may require Guarantor to concurrently, with the execution of this Guaranty, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Guaranty.

THE UNDERSIGNED HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS CONTAINED IN THIS GUARANTY INCLUDING, WITHOUT LIMITATION, ALL WAIVERS CONTAINED IN THIS GUARANTY.

Executed on this ____ day of _____, 2021.

[If Guarantor is a married individual, Guarantor's spouse must sign this Guaranty]

Spouse (if applicable)

Address of Guarantor: _____

Attn: _____

*A. If the person(s) signing this Lease on behalf of Tenant [is/are] [an] officers] of a corporation that is incorporated in California, then one of the following conditions must be satisfied: (i) This Lease must be signed by two officers, one being the Chairman of the Board, the Owner or a Vice Owner, and the other one being the Secretary, an Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer; or (ii) if clause (i) above is not satisfied, or if this Lease is signed by one person acting in two capacities, then Tenant shall have delivered to Landlord a certified copy of a corporate resolution in form acceptable to Landlord authorizing the signatory(ies) to execute this Lease.

B. If the person(s) signing this Lease on behalf of Tenant [is/are] [an] officers] of a corporation that is incorporated in a state other than California, then Tenant shall have delivered to Landlord a certified copy of a corporate resolution in form acceptable to Landlord authorizing the signatory(ies) to execute this Lease.

EXHIBIT “F”

INITIAL LEASEHOLD IMPROVEMENTS

Standard painting and carpet replacement in an amount not to exceed \$2,367.

EXHIBIT “G”

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

CITY OF REDONDO BEACH
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Clerk

No Recording Fee
Exempt pursuant to Government Code § 6103

MEMORANDUM OF LEASE

This Memorandum of Lease (“Memorandum”) is made and entered into as of February 16, 2021, by and between the CITY OF REDONDO BEACH, a Chartered Municipal Corporation, hereinafter referred to as “Landlord” and HOLIDAY CARPET & FLOOR COVERING INC., a California Corporation hereinafter referred to as “Tenant.”

A. Landlord and Tenant have entered in a Lease (hereinafter, “Lease”) dated as of February 16, 2021, for certain premises which are located on real property which is commonly described in **Exhibit A** of the Lease and incorporated herein by reference (the “Premises”). Copies of the Lease and Addendum are available for public inspection at Landlord’s office at 415 Diamond Street, Redondo Beach, CA 90277.

B. The Lease provides that a short form Memorandum shall be executed and recorded in the official Records of Los Angeles County, California.

NOW, THEREFORE, the parties hereto certify as follows:

1. Purpose of Memorandum of Lease. This Memorandum is prepared for recordation purposes only and it in no way modifies the terms, conditions, provisions and covenants of the Lease. In the event of any inconsistency between the terms, conditions, provisions and covenants of this Memorandum and the Lease, the terms, conditions, provisions, and covenants of the Lease shall prevail.

2. Term. This Lease commences **February 16, 2021 and expires February 15, 2023**, subject to Landlord’s termination rights.

3. Counterparts. This Memorandum may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Landlord and Tenant hereto have executed this Memorandum of Lease in Redondo Beach, California, as of this _____ day of February, 2021.

LANDLORD

CITY OF REDONDO BEACH

William C. Brand
Mayor

TENANT

HOLIDAY CARPET & FLOOR
COVERING INC.

By: _____
Name: _____
Title: _____

ATTEST:

Eleanor Manzano
City Clerk

APPROVED AS TO FORM:

Michael W. Webb
City Attorney



Administrative Report

J.1., File # 21-2076

Meeting Date: 2/16/2021

TITLE

For eComments and Emails Received from the Public



Administrative Report

L.1., File # 21-2080

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

From: BRANDY FORBES, Community Development Director &
TED SEMAAN, Public Works Director

TITLE

PUBLIC HEARING TO CONSIDER AMENDING TITLE 9, CHAPTER 12 OF THE MUNICIPAL CODE PERTAINING TO THE FLOOD DAMAGE PREVENTION REGULATIONS

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3212-21, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING FLOOD DAMAGE PREVENTION REGULATIONS IN TITLE 9, CHAPTER 12, SECTIONS 9-12.201, 9-12.501, AND 9-12.507, FOR INTRODUCTION AND FIRST READING

PROCEDURES:

- a. Open Public Hearing, take testimony; and
- b. Close Public Hearing; and
- c. Introduce Ordinance 3212-21 by title only

EXECUTIVE SUMMARY

The proposed Ordinance will amend the Redondo Beach Municipal Code (RBMC), which is necessary to keep the City in compliance with revised Federal Emergency Management Agency (FEMA) standards and eligible for the National Flood Insurance Program (NFIP). The NFIP is a crucial program to ensure marketability of real properties located in a flood zone. A property located in a flood zone is almost impossible to finance without insuring that property against flood. The City's compliance with FEMA requirements allows those properties to qualify for a special flood insurance rate from the NFIP.

BACKGROUND

Redondo Beach is currently a part of the NFIP, which allows Redondo Beach property owners to purchase subsidized flood insurance. As a condition of NFIP participation, the City needs to adopt, from time to time, revised floodplain management regulations and maps that comply with NFIP and State standards. After an extensive review and appeal period, FEMA issued a letter of final determination to the County on October 21, 2020, stating that a new Flood Insurance Study and set of Flood Insurance Rate Maps (FIRMs) were set to become effective on April 21, 2021. As such, the City is required to adopt the updated FIRMs and make all necessary code changes prior to the map effective date of April 21, 2021 to continue participation in the NFIP.

As part of the flood management program, FEMA designates flood hazard zones on the FIRMs that apply to Redondo Beach's Floodway Zone and Floodplain Overlay Zone as follows:

- AE zone: A "coastal high hazard" Special Flood Hazard Area relating to the 1- percent annual chance flood and lesser wave hazards with a designated base flood elevation. Subject to mandatory flood insurance for federally backed loans.
- VE zone: A "coastal high hazard" Special Flood Hazard Area relating to the 1- percent annual chance flood and ocean flooding with additional wave-induced hazards with a designated base flood elevation. Subject to mandatory flood insurance for federally backed loans.
- Zone X: Flood hazard area inundated by 0.2 percent annual chance flood (or less than 1 foot for the 1-percent annual chance flood) and areas of minimal risk.

FEMA's latest coastal flood hazard study accounted for total water levels, dune erosion, wave set up, wave run-up, seawall overtopping, and overland wave propagation. FEMA's new map accounts for flooding from waves that can overtop coastal barriers (i.e. seawalls, revetments, breakwater), which was not accounted for on the prior FIRM map that was mapped in the early 1980s. The FIRM maps are based on historical statistical analysis and do not account for potential future conditions associated with sea level rise.

On October 21, 2020, FEMA issued their letter of final determination of flood hazards on the new FIRM map. In accordance with local and federal regulations, the new FIRM map will automatically become effective in six months. This means that on April 21, 2021, the new map will become effective, thereby making all effected properties in Redondo Beach subject to the regulations of the Floodplain Overlay Zone on that date.

As part of their work to update the FIRMs, the Region IX Mitigation Division of FEMA conducted a technical review of the City of Redondo Beach's Flood Damage Prevention Ordinance to ensure compliance with the NFIP and consistent with the land management and use requirements of Title 44, Code of Federal Regulations (44 CFR), Chapter I, Subchapter B, Parts 59 and 60, specifically 44 CFR § 60.3(e) and provided recommended revisions to be adopted to the City's Flood Damage Prevention Ordinance by April 21, 2021 to stay in compliance. The FEMA technical review is included as Attachment A. The FEMA findings include:

- corrections to the referenced first date of adoption of the City of Redondo Beach's floodplain management regulations via Ordinance 3026-08;
- an additional reference to FEMA's effective Flood Insurance Rate Map to determine the special flood hazard areas; and
- the inclusion of one foot of freeboard as required by the City's Building Code.

The proposed updates to the Redondo Beach Municipal codes are intended to facilitate continued compliance with the NFIP and include revisions to the following sections of the Redondo Beach municipal code:

- Title 9, Chapter 12 Article 5, Section 9-12.201
- Title 9, Chapter 12 Article 5, Section 9-12.501 Standards of construction.
- Proposed Changes to Title 9, Chapter 12 Article 5, Section 9-12.507 Subsection (a) - Coastal high hazard areas.

The new FIRM maps are available for viewing on the "Counter Services" section of the City's Engineering Division webpage (URL shown below) and copies are on file in the office of the City Engineer.

(<https://www.redondo.org/depts/public_works/engineering/counter_services.asp>)

COORDINATION

The Engineering Services Division and Planning Division have collaborated with FEMA to determine the necessary changes to the municipal code. The Ordinance has been reviewed and approved as to form by FEMA and the Redondo Beach City Attorney's Office.

FISCAL IMPACT

The cost for preparing this activity is included within the Public Works Department's FY 2020-21 adopted Annual Budget and is part of the department's annual work program.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

1. Attachment A - FEMA Technical Review Document identifying Redondo Beach Municipal Code Amendments
2. Ordinance 3212-21
3. Public Hearing Notice

Municipal Code – Redondo Beach, City of							
Up	Previous	Next	Main	Collapse	Search	Print	No Frames
Title 9 BUILDING REGULATIONS							

Chapter 12 FLOOD DAMAGE PREVENTION

Article 1. Statutory Authorization, Findings of Fact, Purpose, and Methods

9-12.101 Statutory authorization.

The Legislature of the State, in Sections 65302, 65560, and 65800 of the Government Code of the State, has conferred upon local governments the authority to adopt regulations designed to promote the public health, safety, and general welfare of their citizenry. Therefore, the Council does hereby adopt the following floodplain management regulations. These regulations shall take precedence over any less restrictive conflicting local laws, ordinances and codes. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.102 Findings of fact.

(a) The flood hazard areas of the City are subject to periodic inundation which results in loss of life and property, health and safety hazards, the disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief and impairment of the tax base, all of which adversely affect the public health, safety and general welfare.

(b) These flood losses are caused by uses that are inadequately elevated, floodproofed or protected from flood damage. The cumulative effect of obstructions in areas of special flood hazards which increase flood heights and velocities also contributes to flood losses. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.103 Statement of purpose.

It is the purpose of this chapter to promote the public health, safety, and general welfare and to minimize public and private losses due to flood conditions in specific areas by legally enforceable regulations applied uniformly throughout the community to all publicly and privately owned land within flood prone, mudslide [i.e. mudflow] or flood related erosion areas. These regulations are designed to:

- (a) Protect human life and health;
- (b) Minimize the expenditure of public money for costly flood control projects;
- (c) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (d) Minimize prolonged business interruptions;

- (e) Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, and streets, and bridges located in the areas of special flood hazard;
- (f) Help maintain a stable tax base by providing for the sound use and development of areas of special flood hazard so as to minimize future blighted areas caused by flood damage;
- (g) Ensure that potential buyers are notified that property is in an area of special flood hazard; and
- (h) Ensure that those who occupy the areas of special flood hazard assume responsibility for their actions. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.104 Methods of reducing flood losses.

In order to accomplish its purposes, this chapter includes regulations to:

- (a) Restrict or prohibit uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or flood heights or velocities;
- (b) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (c) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel floodwaters;
- (d) Control filling, grading, dredging, and other development which may increase flood damage; and
- (e) Prevent or regulate the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards in other areas. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

Article 2. Definitions

9-12.201 Definitions.

Unless specifically defined below, words or phrases used in this chapter shall be interpreted so as to give them the meaning they have in common usage and to give this chapter its most reasonable application.

“Accessory structure” shall have the meaning set forth in Section 10-2.402(a)(4) of the Redondo Beach Municipal Code.

“Accessory use” shall have the meaning set forth in Section 10-2.402(a)(5) of the Redondo Beach Municipal Code.

“Appeal” means a request for a review of the Floodplain Administrator’s interpretation of any provision of this chapter.

“Base flood” means a flood which has a one percent chance of being equaled or exceeded in any given year (also called the “100 year flood”).

“Base flood elevation (BFE)” means the elevation shown on the Flood Insurance Rate Map for Zones AE, AH, A1-30, VE and V1-V30 that indicates the water surface elevation resulting from a flood that has a one percent or greater chance of being equaled or exceeded in any given year.

“Basement” means any area of the building having its floor subgrade (i.e., below ground level) on all sides.

“Breakaway walls” are any type of walls, whether solid or lattice, and whether constructed of concrete, masonry, wood, metal, plastic or any other suitable building material which is not part of the structural support of the building and which is designed to break away under abnormally high tides or wave action without causing any damage to the structural integrity of the building on which they are used or any buildings to which they might be carried by flood waters. A breakaway wall shall have a safe design loading resistance of not less than ten (10) and no more than twenty (20) pounds per square foot. Use of breakaway walls must be certified by a registered engineer or architect and shall meet the following conditions:

(1) Breakaway wall collapse shall result from a water load less than that which would occur during the base flood; and

(2) The elevated portion of the building shall not incur any structural damage due to the effects of wind and water loads acting simultaneously in the event of the base flood.

“Building” see “Structure.”

“Coastal high hazard area” means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. It is an area subject to high velocity waters, including coastal and tidal inundation or tsunamis. The area is designated on a Flood Insurance Rate Map (FIRM) as Zone V1 V30, VE, or V.

“Development” means any man made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation, drilling operations or storage of equipment or materials.

“Encroachment” means the advance or infringement of uses, plant growth, fill, excavation, buildings, permanent structures or development into a floodplain which may impede or alter the flow capacity of a floodplain.

“Existing manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the City’s first adopted floodplain management regulations dated September 16, 2008.

“Expansion to an existing manufactured home park or subdivision” means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

“FEMA” means the Federal Emergency Management Agency.

“Flood, flooding, or flood water” means:

(1) A general and temporary condition of partial or complete inundation of normally dry land areas from the overflow of inland or tidal waters; the unusual and rapid accumulation or runoff of surface waters from any source; and/or mudslides (i.e., mudflows); and

- (2) The condition resulting from flood related erosion.

“Flood Boundary and Floodway Map (FBFM)” means the official map on which the Federal Emergency Management Agency or Federal Insurance Administration has delineated both the areas of special flood hazards and the floodway.

“Flood Insurance Rate Map (FIRM)” means the official map on which the Federal Emergency Management Agency or Federal Insurance Administration has delineated both the areas of special flood hazard and the risk premium zones applicable to the community.

“Flood Insurance Study (FIS)” means the official report provided by the Federal Insurance Administration that includes flood profiles, the Flood Insurance Rate Map, the Flood Boundary and Floodway Map, and the water surface elevation of the base flood.

“Floodplain or flood prone area” means any land area susceptible to being inundated by water from any source—see “Flooding.”

“Floodplain Administrator” is the community official designated by title to administer and enforce the floodplain management regulations.

“Floodplain management” means the operation of an overall program of corrective and preventive measures for reducing flood damage and preserving and enhancing, where possible, natural resources in the floodplain, including but not limited to emergency preparedness plans, flood control works, floodplain management regulations, and open space plans.

“Floodplain management regulations” means this chapter and other zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as grading and erosion control) and other application of police power which control development in flood prone areas. This term describes federal, state or local regulations in any combination thereof which provide standards for preventing and reducing flood loss and damage.

“Floodproofing” means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures, and their contents. For guidelines on dry and wet floodproofing, see FEMA Technical Bulletins TB 1-93, TB 3-93, and TB 7-93.

“Floodway” means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot. Also, referred to as “Regulatory floodway.”

“Fraud and victimization” as related to Article 6 of this chapter, means that the variance granted must not cause fraud on or victimization of the public. In examining this requirement, the Council shall consider the fact that every newly constructed building adds to government responsibilities and remains a part of the community for fifty (50) to 100 years. Buildings that are permitted to be constructed below the base flood elevation are subject during all those years to increased risk of damage from floods, while future owners of the property and the community as a whole are subject to all the costs, inconvenience, danger, and suffering that those increased flood damages bring. In addition, future owners may purchase the property, unaware that it is subject to potential flood damage, and can be insured only at very high flood insurance rates.

“Functionally dependent use” means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, and does not include long term storage or related manufacturing facilities.

“Governing body” is the local governing unit, i.e. county or municipality that is empowered to adopt and implement regulations to provide for the public health, safety and general welfare of its citizenry.

“Hardship” as related to Article 6 of this chapter means the exceptional hardship that would result from a failure to grant the requested variance. The Council shall require that the variance be exceptional, unusual, and peculiar to the property involved. Mere economic or financial hardship alone is not exceptional. Inconvenience, aesthetic considerations, physical handicaps, personal preferences, or the disapproval of one’s neighbors likewise cannot, as a rule, qualify as an exceptional hardship. All of these problems can be resolved through other means without granting a variance, even if the alternative is more expensive, or requires the property owner to build elsewhere or put the parcel to a different use than originally intended.

“Highest adjacent grade” means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

“Historic structure” means any structure that is:

- (1) Listed individually in the National Register of Historic Places (a listing maintained by the United States Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (2) Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district;
- (3) Individually listed on a state inventory of historic places in states with historic preservation programs which have been approved by the Secretary of the Interior; or
- (4) Individually listed by the Redondo Beach Historical Commission as a historic building, structure, site, place or district within the City of Redondo Beach.

“Levee” means a man made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control or divert the flow of water so as to provide protection from temporary flooding.

“Lowest floor” means the lowest floor of the lowest enclosed area, including a basement. An unfinished or flood resistant enclosure below the lowest floor that is usable solely for parking of vehicles, building access or storage in an area other than a basement area, is not considered a building’s lowest floor provided it conforms to applicable non-elevation design requirements, including, but not limited to:

- (1) The flood openings standard set forth in Section 9-12.501(c)(3) of this chapter;
 - (2) The anchoring standards set forth in Section 9-12.501(a) of this chapter;
 - (3) The construction materials and methods standards set forth in Section 9-12.501(b) of this chapter;
- and
- (4) The standards for utilities set forth in Section 9-12.502 of this chapter.

“Manufactured home” means a structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term “manufactured home” does not include a “recreational vehicle.”

“Manufactured home park or subdivision” means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

“Market value” shall be an amount determined by estimating the cost to replace the structure in new condition and adjusting that cost figure by the amount of depreciation which has accrued since the structure was constructed. In connection with any calculation of market value:

(1) The cost of replacement of the structure shall be based on a square foot cost factor determined by reference to a building cost estimating guide recognized by the building construction industry.

(2) The amount of depreciation shall be determined by taking into account the age and physical deterioration of the structure and functional obsolescence as approved by the Floodplain Administrator, but shall not include economic or other forms of external obsolescence.

Use of replacement costs or accrued depreciation factors different from those contained in recognized building cost estimating guides may be considered only if such factors are included in a report prepared by an independent professional appraiser and supported by a written explanation of the differences.

“Mean sea level” means, for purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929, North American Vertical Datum (NAVD) of 1988, or other datum, to which base flood elevations shown on a community’s Flood Insurance Rate Map are referenced.

“New construction,” for floodplain management purposes, means structures for which the “start of construction” commenced on or after the City’s first adopted floodplain management regulations dated September 16, 2008, and includes any subsequent improvements to such structures.

“New manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the City’s first adopted floodplain management regulations dated September 16, 2008.

“Obstruction” includes, but is not limited to, any dam, wall, wharf, embankment, levee, dike, pile, abutment, protection, excavation, channelization, bridge, conduit, culvert, building, wire, fence, rock, gravel, refuse, fill, structure, vegetation or other material in, along, across or projecting into any watercourse which may alter, impede, retard or change the direction and/or velocity of the flow of water, or due to its location, its propensity to snare or collect debris carried by the flow of water, or its likelihood of being carried downstream.

“Public safety nuisance” as related to Article 6 of this chapter, means that the granting of a variance must not result in anything which is injurious to safety or health of an entire community or neighborhood, or any considerable number of persons, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin.

“Recreational vehicle” means a vehicle which is:

- (1) Built on a single chassis;
- (2) 400 square feet or less when measured at the largest horizontal projection;
- (3) Designed to be self propelled or permanently tow-able by a light duty truck; and
- (4) Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

“Regulatory floodway” means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot.

“Remedy a violation” means to bring the structure or other development into compliance with the State or local floodplain management regulations, or if this is not possible, to reduce the impacts of its noncompliance. Ways that impacts may be reduced include protecting the structure or other affected development from flood damages, implementing the enforcement provisions of the chapter or otherwise deterring future similar violations, or reducing State or Federal financial exposure with regard to the structure or other development.

“Riverine” means relating to, formed by, or resembling a river (including tributaries), stream, brook, etc.

“Sand dunes” mean naturally occurring accumulations of sand in ridges or mounds landward of the beach.

“Special flood hazard area (SFHA)” means an area in the floodplain subject to a one percent or greater chance of flooding in any given year. It is shown on an FHBM or FIRM as Zone A, AO, A1 A30, AE, A99, AH, V1 V30, VE or V.

“Start of construction” of substantial improvement and other proposed new development means the date the building permit was issued, provided that the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days from the date of the permit. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufacture home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

“Structure” means a walled and roofed building that is principally above ground; this includes a gas or liquid storage tank or a manufactured home.

“Substantial damage” means:

(1) Damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred; or

(2) Flood-related damages sustained by a structure on two (2) separate occasions during a ten (10) year period for which the cost of repairs at the time of each such event, on the average, equals or exceeds twenty-five (25%) percent of the market value of the structure before the damage occurred.

“Substantial improvement” means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty (50%) percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred “substantial damage,” regardless of the actual repair work performed. The term does not, however, include either:

(1) Any project for improvement of a structure to correct existing violations or state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or

(2) Any alteration of a “historic structure,” provided that the alteration will not preclude the structure’s continued designation as a “historic structure.”

“Variance” means a grant of relief from the requirements of this chapter which permits construction in a manner that would otherwise be prohibited by this chapter.

“Violation” means the failure of a structure or other development to be fully compliant with the provisions of this chapter. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in this chapter is presumed to be in violation until such time as that documentation is provided.

“Water surface elevation” means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929, North American Vertical Datum (NAVD) of 1988, or other datum, of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

“Watercourse” means a lake, river, creek, stream, wash, arroyo, channel or other topographic feature on or over which waters flow at least periodically. Watercourse includes specifically designated areas in which substantial flood damage may occur. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

Article 3. General Provisions

9-12.301 Lands to which this chapter applies.

This chapter shall apply to all areas of special flood hazard within the jurisdiction of the City. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.302 Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in the “Flood Insurance Study for the City of Redondo Beach,” dated March 15, 1983, with an accompanying Flood Insurance Rate Map, dated September 15, 1983, and all subsequent amendments and/or revisions is hereby adopted by reference and declared to be a part of this chapter. This FIS and attendant mapping is the minimum area of applicability of this chapter and may be supplemented by studies for other areas which allow the implementation of this chapter and which are recommended to the City Council by the Floodplain Administrator. The FIS and accompanying FIRM are on file at the Department of Engineering and Building Services, City of Redondo Beach, 415 Diamond Street, Redondo Beach, California 90277. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.303 Compliance.

No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this chapter and other applicable regulations. Violation of the provisions of this chapter by failure to comply with any of its requirements (including violations of conditions and safeguards) shall constitute a misdemeanor. Nothing set forth in this chapter shall prevent the City Council from taking such lawful action as is necessary to prevent or remedy any violation. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.304 Abrogation and greater restrictions.

This chapter is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this chapter and another provision of law, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.305 Interpretation.

In the interpretation and application of this chapter, all provisions shall be:

- (a) Considered as minimum requirements;
- (b) Liberally construed in favor of the governing body; and
- (c) Deemed neither to limit nor repeal any other powers granted under State statutes. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.306 Warning and disclaimer of liability.

The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by man-made or natural causes. This chapter does not imply that land outside the areas of special flood hazard or uses permitted within such areas will be free from flooding or flood damages. This chapter shall not create liability on the part of the City, or any officer or employee thereof, the State, or the Federal Emergency Management Agency, for any flood damages that result from reliance on this chapter or any administrative decision lawfully made hereunder. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.307 Severability.

This chapter and the various parts thereof are hereby declared to be severable. Should any section of this chapter be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the chapter as a whole, or any portion thereof other than the section so declared to be unconstitutional or invalid. (§ 1, Ord. 3026 c.s., eff. October 16, 2008)

Article 4. Administration

9-12.401 Designation of the Floodplain Administrator.

The City Engineer is hereby designated as the Floodplain Administrator and appointed to administer, implement, and enforce this chapter by granting or denying development permits in accordance with its provisions.

(§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 2692 c.s., eff. May 20, 1993, and § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.402 Duties and responsibilities of the Floodplain Administrator.

The duties and responsibilities of the Floodplain Administrator shall include, but not be limited to the following:

- (a) Permit review. Review all development permits to determine that:
 - (1) All permit requirements of this chapter have been satisfied, including determination of substantial improvement and substantial damage of existing structures;
 - (2) All other required State and Federal permits have been obtained;
 - (3) The site is reasonably safe from flooding;
 - (4) The proposed development does not adversely affect the carrying capacity of areas where base flood elevations have been determined but a floodway has not been designated. For purposes of this chapter, “adversely affects” means that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the City; and
 - (5) All Letters of Map Revision for flood control projects are approved prior to the issuance of building permits. Building Permits must not be issued based on Conditional Letters of Map Revision.
- (b) Development of substantial improvement and substantial damage procedures.
 - (1) Using FEMA publication FEMA 213, “Answers to Questions about Substantially Damaged Buildings,” develop detailed procedures for identifying and administering requirements for substantial improvement and substantial damage, to include defining “market value.”
 - (2) Assure procedures are coordinated with other departments/divisions and implemented by community staff.
- (c) Review, use and development of other base flood data. When base flood elevation data has not been provided in accordance with Section 9-12.302 of Article 3 of this chapter, the Floodplain Administrator shall obtain, review, and reasonably utilize any base flood elevation and floodway data available from a Federal or State agency, or other source, in order to administer Article 5 of this chapter. A base flood elevation shall be obtained using one of two (2) methods from the FEMA publication, FEMA 265, “Managing Floodplain Development in Approximate Zone A Areas—A Guide for Obtaining and Developing Base (100-year) Flood Elevations” dated July 1995.
- (d) Notification of other agencies.
 - (1) Whenever a watercourse is to be altered or relocated:
 - (a) Notify adjacent communities and the State Department of Water Resources prior to alteration or relocation;

- (b) Submit evidence of such notification to the Federal Emergency Management Agency; and
- (c) Require that the flood carrying capacity within the altered or relocated portion of said watercourse is maintained.

(2) Base flood elevation changes due to physical alterations:

(a) Within six (6) months of information becoming available or project completion, whichever comes first, the Floodplain Administrator shall submit or require that the permit applicant submits technical or scientific data to FEMA for a Letter of Map Revision.

(b) All Letters of Map Revision for flood control projects are approved prior to the issuance of building permits. Building Permits must not be issued based on Conditional Letters of Map Revision.

Such submissions are necessary so that upon confirmation of those physical changes affecting flooding conditions, risk premium rates and floodplain management requirements are based on current data.

(3) Changes in City boundaries: Notify FEMA in writing whenever the City's boundaries have been modified by annexation or other means and include a copy of a map of the community clearly delineating the new City limits.

(e) Documentation of floodplain development. Obtain and maintain for public inspection and make available as needed the following:

(1) Certification required by Sections 9-12.501(c)(1) and 9-12.504 of this chapter (lowest floor elevations);

(2) Certification required by Section 9-12.501(c)(2) of this chapter (elevation or floodproofing of nonresidential structures);

(3) Certification required by Section 9-12.501(c)(3) of this chapter (wet floodproofing standard);

(4) Certification of elevation required by Section 9-12.503(a)(3) of this chapter (subdivisions and other proposed development standards);

(5) Certification required by Section 9-12.506(b) of this chapter (floodway encroachments);

(6) Information required by Section 9-12.507(f) of this chapter (coastal construction standards); and

(7) Biennial Reports required to be completed and submitted to FEMA.

(8) Records of all variance actions, including justification for their issuance, required to be included in the biennial report submitted to FEMA.

(f) Map determination. Make interpretations where needed, as to the exact location of the boundaries of the areas of special flood hazard, where there appears to be a conflict between a mapped boundary and actual field conditions. The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in Section 9-12.404 of this chapter.

(g) Remedial action. Take action to remedy violations of this chapter as specified in Section 9-12.303 of this chapter.

(h) Planning. Assure community's General Plan is consistent with floodplain management objectives herein.

(i) Non-conversion of enclosed areas below the lowest floor. To ensure that the areas below the BFE shall be used solely for parking vehicles, limited storage, or access to the building and not be finished for use as human habitation without first becoming fully compliant with the provisions of this chapter, the Floodplain Administrator shall:

(1) Determine which applicants for new construction and/or substantial improvements have fully enclosed areas below the lowest floor that are five (5) feet or higher; and

(2) Enter into a "Non-Conversion Agreement for Construction Within Flood Hazard Areas" or equivalent with the City of Redondo Beach. The agreement shall be recorded with the office of the Los Angeles County Recorder as a deed restriction. The non-conversion agreement shall be in a form acceptable to the Floodplain Administrator after inspecting any area of a structure below the base flood elevation to ensure compliance upon prior notice of at least seventy-two (72) hours. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.403 Development permit.

A development permit shall be obtained before any construction or other development, including manufactured homes, within any area of special flood hazard established in Section 9-12.302 of this chapter. Application for a development permit shall be made on forms furnished by the City of Redondo Beach. The applicant shall provide the following minimum information:

- (a) Plans in duplicate, drawn to scale, showing:
- (1) Location, dimensions, and elevation of the area in question, existing or proposed structures, storage of materials and equipment and their location;
 - (2) Proposed locations of water supply, sanitary sewer, and other utilities;
 - (3) Grading information showing existing and proposed contours, any proposed fill, and drainage facilities;
 - (4) Location of the regulatory floodway when applicable;
 - (5) Base flood elevation information as specified in Sections 9-12.302 and 9-12.402(c) of this chapter;
 - (6) Proposed elevation in relation to mean sea level, of the lowest floor (including basement) of all structures; and
 - (7) Proposed elevation in relation to mean sea level to which any nonresidential structure will be floodproofed, as required in Section 9-12.501(c)(2) of this chapter and detailed in FEMA Technical Bulletin TB 3-93.
- (b) Certification from a registered civil engineer or architect that the nonresidential floodproofed building meets the floodproofing criteria in Section 9-12.501(c)(2) of this chapter.

(c) For a crawl-space foundation, location and total net area of foundation openings as required in Section 9-12.501(c)(3) of this chapter and detailed in FEMA Technical Bulletins 1-93 and 7-93.

(d) Description of the extent to which any watercourse will be altered or relocated as a result of proposed development.

(e) All appropriate certifications listed in Section 9-12.402(e) of this chapter. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.404 Appeals.

The Council shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this chapter. (§ 1, Ord. 3026 c.s., eff. October 16, 2008)

Article 5. Provisions for Flood Hazard Reduction

9-12.501 Standards of construction.

In all areas of special flood hazard on FEMA's effective Flood Insurance Rate Map the following standards are required:

(a) Anchoring. All new construction and substantial improvements of structures, including manufactured homes, shall be adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.

(b) Construction materials and methods. All new construction and substantial improvements of structures, including manufactured homes, shall be constructed:

(1) With flood resistant materials, and utility equipment resistant to flood damage for areas below the base flood elevation;

(2) Using methods and practices that minimize flood damage;

(3) With electrical, heating, ventilation, plumbing and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding; and

(4) Within Zones AH or AO, and with adequate drainage paths around structures on slopes to guide flood waters around and away from proposed structures.

(C) Elevation and floodproofing.

(1) Residential construction. All new construction or substantial improvements of residential structures shall have the lowest floor, including basement:

(a) In AE, AH, A1-30 Zones, elevated two (2) feet above the base flood elevation.

(b) In an AO zone, elevated above the highest adjacent grade to a height two (2) feet above the depth number specified in feet on the FIRM, or elevated at least four (4) feet above the highest adjacent grade if no depth number is specified.

(c) In an A zone, without BFEs specified on the FIRM [unnumbered A zone], elevated 2 feet above the base flood elevation; as determined under Section 9-12.402(c) of this chapter.

Upon the completion of the structure, the elevation of the lowest floor, including basement, shall be certified by a registered civil engineer or licensed land surveyor, and verified by the community building inspector to be properly elevated. Such certification and verification shall be provided to the Floodplain Administrator.

(2) Nonresidential construction. All new construction or substantial improvements of nonresidential structures shall either be elevated to conform with Section 9-12.501(c)(1) of this chapter or:

(a) Be floodproofed, together with attendant utility and sanitary facilities, below the elevation recommended under Section 9-12.501 of this chapter, so that the structure is watertight with walls substantially impermeable to the passage of water;

(b) Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy; and

(c) Be certified by a registered civil engineer or architect that the standards of Sections 9-12.501(c)(2)(a) and (b) of this chapter are satisfied. Such certification shall be provided to the Floodplain Administrator.

(3) Flood openings. All new construction and substantial improvements of structures with fully enclosed areas below the lowest floor (excluding basements) that are usable solely for parking of vehicles, building access or storage, and which are subject to flooding, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwater. Designs for meeting this requirement must meet the following minimum criteria:

(a) For nonengineered openings:

(1) Have a minimum of two (2) openings on different sides having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding;

(2) The bottom of all openings shall be no higher than one foot above grade;

(3) Openings may be equipped with screens, louvers, valves or other coverings or devices provided that they permit the automatic entry and exit of floodwater; and

(4) Buildings with more than one enclosed area must have openings on exterior walls for each area to allow flood water to directly enter; or

(b) Be certified by a registered civil engineer or architect.

(4) Manufactured homes. Manufactured homes shall also meet the standards set forth in Section 9-12.504 of this chapter.

(5) Garages and accessory structures.

(a) Attached garages.

(1) A garage attached to a residential structure, constructed with the garage floor slab below the BFE, must be designed to allow for the automatic entry of flood waters. See Section 9-12.501(c)(3) of this chapter. Areas of the garage below the BFE must be constructed with flood resistant materials. See Section 9-12.501(b) of this chapter.

(2) A garage attached to a nonresidential structure must meet the requirements of this chapter or be dry floodproofed. For guidance on below grade parking areas, see FEMA Technical Bulletin TB-6.

(b) Detached garages and accessory structures.

(1) An accessory structure used solely for parking or limited storage may be constructed in such a manner that its floor is below the base flood elevation (BFE), provided that the structure is designed and constructed in accordance with the following requirements:

(a) Use of the accessory structure must be limited to parking or limited storage;

(b) The portions of the accessory structure located below the BFE must be built using flood-resistant materials;

(c) The accessory structure must be adequately anchored to prevent flotation, collapse and lateral movement;

(d) Any mechanical and utility equipment in the accessory structure must be elevated or floodproofed to or above the BFE;

(e) The accessory structure must comply with floodplain encroachment provisions in Section 9-12.506 of this chapter; and

(f) The accessory structure must be designed to allow for the automatic entry of flood waters in accordance with Section 9-12.501(c)(3) of this chapter.

(2) Detached garages and accessory structures not meeting the standards set forth in Section 9-12.501(c)(5)(b)(1) above must be constructed above the base flood elevation in accordance with all applicable standards set forth in this chapter.

(6) Crawlspace construction. This subsection applies to buildings with crawl spaces up to two (2) feet below grade. Below-grade crawl space construction in accordance with the requirements listed below will not be considered basements.

(a) The building must be designed and adequately anchored to resist flotation, collapse, and lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy. Crawl space construction is not allowed in areas with flood velocities greater than five (5) feet per second unless the design is reviewed by a qualified design professional, such as a registered architect or professional engineer;

(b) The crawl space is an enclosed area below the BFE and, as such, must have openings that equalize hydrostatic pressures by allowing for the automatic entry and exit of floodwaters. For guidance on flood openings, see FEMA Technical Bulletin 1-93;

(c) Crawl space construction is not permitted in V zones. Open pile or column foundations that withstand storm surge and wave forces are required in V zones;

(d) Portions of the building below the BFE must be constructed with materials resistant to flood damage. This includes not only the foundation walls of the crawl space used to elevate the building, but also any joists, insulation, or other materials that extend below the BFE;

(e) Any building utility systems within the crawl space must be elevated above BFE or designed so that floodwaters cannot enter or accumulate within the system components during flood conditions; and

(f) Requirements for all below-grade crawl space construction, in addition to the above requirements, to include the following:

(1) The interior grade of a crawl space below the BFE must not be more than two (2) feet below the lowest adjacent exterior grade (LAG), shown as D in figure 3 of FEMA Technical Bulletin 11-01;

(2) The height of the below-grade crawl space, measured from the interior grade of the crawl space to the top of the crawl space foundation wall must not exceed four (4) feet (shown as L in figure 3 of FEMA Technical Bulletin 11-01) at any point;

(3) There must be an adequate drainage system that removes floodwaters from the interior area of the crawl space within a reasonable period of time after a flood event, not to exceed seventy-two (72) hours; and

(4) The velocity of floodwaters at the site should not exceed five (5) feet per second for any crawl space. For velocities in excess of five (5) feet per second, other foundation types should be used. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.502 Standards for utilities.

(a) All new and replacement water supply and sanitary sewage systems shall be designed to minimize or eliminate:

(1) Infiltration of flood waters into the systems; and

(2) Discharge from the systems into flood waters.

(b) On site waste disposal systems shall be located to avoid impairment to them, or contamination from them during flooding. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.503 Standards for subdivisions and other proposed development.

(a) All new subdivisions proposals and other proposed development, including proposals for manufactured home parks and subdivisions, greater than either fifty (50) lots or five (5) acres, shall:

(1) Identify the special flood hazard areas (SFHA) and base flood elevations (BFE).

(2) Identify the elevations of lowest floors of all proposed structures and pads on the final plans.

(3) If the site is filled above the base flood elevation, the following as-built information for each structure shall be certified by a registered civil engineer or licensed land surveyor and provided as part of an application for a Letter of Map Revision based on fill to the Floodplain Administrator:

- a. Lowest floor elevation.
- b. Pad elevation.
- c. Lowest adjacent grade.

(b) All subdivision proposals and other proposed development shall be consistent with the need to minimize flood damage.

(c) All subdivision proposals and other proposed development shall have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize flood damage.

(d) All subdivisions and other proposed development shall provide adequate drainage to reduce exposure to flood hazards. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.504 Standards for manufactured homes.

(a) All manufactured homes that are placed or substantially improved, on sites located: (1) outside of a manufactured home park or subdivision; (2) in a new manufactured home park or subdivision; (3) in an expansion to an existing manufactured home park or subdivision; or (4) in an existing manufactured home park or subdivision upon which a manufactured home has incurred “substantial damage” as the result of a flood, shall:

(1) Within Zones A1-30, AH, and AE on the community’s Flood Insurance Rate Map, be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated two (2) feet above the base flood elevation and be securely fastened to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(2) Within Zones V1-30, V, and VE on the community’s Flood Insurance Rate Map, meet the requirements of Section 9-12.507 of this chapter.

(b) All manufactured homes to be placed or substantially improved on sites in an existing manufactured home park or subdivision within Zones A1-30, AH, AE, V1-30, V, and VE on the community’s Flood Insurance Rate Map that are not subject to the provisions of Section 9-12.504(a) will be securely fastened to an adequately anchored foundation system to resist flotation, collapse, and lateral movement, and be elevated so that either the:

- (1) Lowest floor of the manufactured home is elevated two (2) feet above the base flood elevation; or
- (2) Manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than thirty-six (36) inches in height above grade.

Upon the completion of the structure, the elevation of the lowest floor including basement shall be certified by a registered civil engineer or licensed land surveyor, and verified by the community building inspector to be

properly elevated. Such certification and verification shall be provided to the Floodplain Administrator. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.505 Standards for recreational vehicles.

- (a) All recreational vehicles placed in Zones A1-30, AH, AE, V1-30 and VE shall either:
 - (1) Be on the site for fewer than 180 consecutive days; or
 - (2) Be fully licensed and ready for highway use. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions; or
 - (3) Meet the permit requirements of Section 9-12.403 of this chapter and the elevation and anchoring requirements for manufactured homes in Section 9-12.504 of this chapter.
- (b) Recreational vehicles placed on sites within Zones V1-30, V, and VE on the community's Flood Insurance Rate Map shall meet the requirements of Section 9-12.505(a) and Section 9-12.507. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.506 Floodways.

Since floodways are an extremely hazardous area due to the velocity of flood waters which carry debris, potential projectiles, and erosion potential, the following provisions shall apply:

- (a) Until a regulatory floodway is adopted, no new construction, substantial development, or other development (including fill) shall be permitted within Zones A1-30 and AE, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other development, will not increase the water surface elevation of the base flood more than one foot at any point within the City.
- (b) Within an adopted regulatory floodway, the City shall prohibit encroachments, including fill, new construction, substantial improvements, and other development, unless certification by a registered civil engineer is provided demonstrating that the proposed encroachment shall not result in any increase in flood levels during the occurrence of the base flood discharge.
- (c) If Sections 9-12.506(a) and (b) are satisfied, all new construction, substantial improvement, and other proposed new development shall comply with all other provisions of this article. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.507 Coastal high hazard areas.

Within coastal high hazard areas, Zones V, V1-30, and VE, as established under Section 9-12.302 of this chapter, the following standards shall apply:

(a) All new residential and nonresidential construction, including substantial improvement/damage, shall be elevated on adequately anchored pilings or columns and securely anchored to such pilings or columns so that the bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated to or above the base flood level plus one foot of freeboard as required in the City's Building Code. The pile or column foundation and structure attached thereto is anchored to resist flotation, collapse, and lateral movement due to the effects of wind and water loads acting simultaneously on all building components. Water loading values used shall be those associated with the base flood. Wind loading values used shall be those required by applicable state or local building standards.

(b) All new construction and other development shall be located on the landward side of the reach of mean high tide.

(c) All new construction and substantial improvement shall have the space below the lowest floor free of obstructions or constructed with breakaway walls as defined in Section 9-12.201 of this chapter. Such enclosed space shall not be used for human habitation and will be usable solely for parking of vehicles, building access or storage.

(d) Fill shall not be used for structural support of buildings.

(e) Man made alteration of sand dunes which would increase potential flood damage is prohibited.

(f) The Floodplain Administrator shall obtain and maintain the following records:

(1) Certification by a registered engineer or architect that a proposed structure complies with Section 9-12.507(a) of this chapter; and

(2) The elevation (in relation to mean sea level) of the bottom of the lowest horizontal structural member of the lowest floor (excluding pilings or columns) of all new and substantially improved structures, and whether such structures contain a basement. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

Article 6. Variance Procedure

9-12.601 Nature of variances.

The issuance of a variance pursuant to this Section 9-12.601 shall be for floodplain management purposes only. Insurance premium rates are determined by statute according to actuarial risk and will not be modified by the granting of a variance.

The variance criteria set forth in this article are based on the general principle of zoning law that variances pertain to a piece of property and are not personal in nature. A variance may be granted for a parcel of property with physical characteristics so unusual that complying with the requirements of this chapter would create an exceptional hardship to the applicant or the surrounding property owners. The characteristics must be unique to the property and not be shared by adjacent parcels. The unique characteristic must pertain to the land itself, not to the structure, its inhabitants, or the property owners.

It is the duty of the Council to help protect its citizens from flooding. This need is so compelling and the implications of the cost of insuring a structure built below flood level are so serious that variances from the flood elevation or from other requirements set forth in this chapter are quite rare. The long term goal of preventing and reducing flood loss and damage can only be met if variances are strictly limited. Therefore, the variance guidelines provided in this chapter are more detailed and contain multiple provisions that must be met before a variance can be

properly granted. The criteria are designed to screen out those situations in which alternatives other than a variance are more appropriate. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.602 Conditions for variances.

(a) Generally, variances may be issued for new construction, substantial improvement, and other proposed new development to be erected on a lot of one half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing that the procedures of Articles 4 and 5 of this chapter have been fully considered. As the lot size increases beyond one half acre, the technical justification required for issuing the variance increases.

(b) Variances may be issued for the repair or rehabilitation of “historic structures” (as defined in Article 2 of this chapter) upon a determination that the proposed repair or rehabilitation will not preclude the structure’s continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(c) Variances shall not be issued within any mapped regulatory floodway if any increase in flood levels during the base flood discharge would result.

(d) Variances shall only be issued upon a determination that the variance is the “minimum necessary” considering the flood hazard, to afford relief. For purposes of this chapter, the term “minimum necessary” means to afford relief with a minimum of deviation from the requirements of this chapter. For example, in the case of variances to an elevation requirement, this means the Council need not grant permission for the applicant to build at grade, or even to whatever elevation the applicant proposes, but only to that elevation which the Council believes will both provide relief and preserve the integrity of this chapter.

(e) Any applicant to whom a variance is granted shall be given written notice from the Floodplain Administrator that:

(1) The issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance coverage; and

(2) Such construction below the base flood level increases risks to life and property. It is recommended that a copy of the notice shall be recorded by the Floodplain Administrator in the Office of the Los Angeles County Recorder and shall be recorded in a manner so that it appears in the chain of title of the affected parcel of land.

(f) The Floodplain Administrator will maintain a record of all variance actions, including justification for their issuance, and report such variances issued in its biennial report submitted to the Federal Emergency Management Agency. (§ 1, Ord. 2512 c.s., eff. September 15, 1988, as amended by § 1, Ord. 3026 c.s., eff. October 16, 2008)

9-12.603 Appeal board.

(a) In passing upon requests for variances, the Council shall consider all technical evaluations, all relevant factors, standards specified in other sections of this chapter, and the:

(1) Danger that materials may be swept onto other lands to the injury of others;

- (2) Danger of life and property due to flooding or erosion damage;
 - (3) Susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the existing individual owner and future owners of the property;
 - (4) Importance of the services provided by the proposed facility to the community;
 - (5) Necessity to the facility of a waterfront location, where applicable;
 - (6) Availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
 - (7) Compatibility of the proposed use with existing and anticipated development;
 - (8) Relationship of the proposed use to the comprehensive plan and floodplain management program for that area;
 - (9) Safety of access to the property in time of flood for ordinary and emergency vehicles;
 - (10) Expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters expected at the site; and
 - (11) Costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water system, and streets and bridges.
- (b) Variances shall only be issued upon a:
 - (1) Showing of good and sufficient cause;
 - (2) Determination that failure to grant the variance would result in exceptional hardship to the applicant; and
 - (3) Determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, or extraordinary public expense, create a public safety nuisance, cause fraud and victimization of the public, or conflict with existing local laws or ordinances.
 - (c) Variances may be issued for new construction, substantial improvement, and other proposed new development necessary for the conduct of a functionally dependent use provided that the provisions of Sections 9-12.603(a) through (d) of this chapter are satisfied and that the structure or other development is protected by methods that minimize flood damages during the base flood and do not result in additional threats to public safety and do not create a public nuisance.
 - (d) Upon consideration of the factors set forth in Section 9-12.602(a) and the purposes of this chapter, the Council may attach such conditions to the granting of variances as it deems necessary to further the purposes of this chapter. (§ 1, Ord. 3026 c.s., eff. October 16, 2008)

ORDINANCE NO. 3212-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING FLOOD DAMAGE PREVENTION REGULATIONS IN TITLE 9, CHAPTER 12, SECTIONS 9-12.201, 9-12.501, AND 9- 12.507

WHEREAS, the National Flood Insurance Program (NFIP) is managed by the Federal Emergency Management Agency (FEMA) to provide insurance to help reduce the socio-economic impact of floods; and

WHEREAS, for a municipality to be eligible for the NFIP, it must adopt a floodplain management ordinance that meets or exceeds the minimum NFIP requirements as directed by FEMA; and

WHEREAS, the City of Redondo Beach first adopted floodplain management regulations on July 15, 1988, then amended those provisions on September 16, 2008 when the Council approved the changes via urgency ordinance; and

WHEREAS, when a community receives updated flood maps from FEMA, FEMA is required to conduct a technical review of the community's floodplain management regulations to ensure continued compliance with the NFIP; and

WHEREAS, the City of Redondo Beach received updated Flood Insurance Rate Maps (FIRM) from FEMA; and

WHEREAS, a municipality has six (6) months from the issuance of the FEMA Letter of Final Determination (LFD) to adopt floodplain management regulations that are compliant with the NFIP to avoid suspension from the NFIP; and

WHEREAS, FEMA notified the City of Redondo Beach of FEMA's LFD on October 21, 2020; and

WHEREAS, the Region IX Mitigation Division of FEMA conducted a technical review of the City's current Flood Damage Prevention Ordinance to ensure compliance with the NFIP and consistency with the land management and use requirements of Title 44, Code of Federal Regulations (44 CFR), Chapter I, Subchapter B, Parts 59 and 60—and more specifically, 44 CFR § 60.3(e), and presented findings to the City to adopt a revised floodplain ordinance; and

WHEREAS, the City must adopt a FEMA compliant floodplain ordinance no later than April 21, 2021; and

AMENDING SECTIONS 9-12.201, 9-12.501 AND 9-12.507
OF THE REDONDO BEACH MUNICIPAL CODE TO
COMPLY WITH FEMA GUIDELINES

WHEREAS, the FEMA technical review findings include corrections to the referenced first date of adoption of the City of Redondo Beach floodplain management regulations via Ordinance 3026-08, an additional reference to FEMA's effective Flood Insurance Rate Map to determine the special flood hazard areas, and the inclusion of one foot of freeboard as required by the City's Building Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT OF CODE. Title 9, Chapter 12, Article 2, Section 9-12.201 of the Redondo Beach Municipal Code is hereby amended to read as follows:

“ “Existing manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the City's first adopted floodplain management regulations dated September 16, 2008.

“New construction,” for floodplain management purposes, means structures for which the “start of construction” commenced on or after the City's first adopted floodplain management regulations dated September 16, 2008, and includes any subsequent improvements to such structures.

“New manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the City's first adopted floodplain management regulations dated September 16, 2008.”

SECTION 2. AMENDMENT OF CODE. The first line of Title 9, Chapter 12, Article 5, Section 9-12.501 of the Redondo Beach Municipal Code is hereby amended to read as follows:

“9-12.501 Standards of construction.

In all areas of special flood hazard on FEMA’s effective Flood Insurance Rate Map the following standards are required:”

SECTION 3. AMENDMENT OF CODE. Title 9, Chapter 12, Article 5, Section 9-12.507 Subsection (a) of the Redondo Beach Municipal Code is hereby amended to read as follows:

“9-12.507 Coastal high hazard areas.

Within coastal high hazard areas, Zones V, V1-30, and VE, as established under Section 9-12.302 of this chapter, the following standards shall apply:

- (a) All new residential and nonresidential construction, including substantial improvement/damage, shall be elevated on adequately anchored pilings or columns and securely anchored to such pilings or columns so that the bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated to or above the base flood level plus one foot of freeboard as required in the City’s Building Code. The pile or column foundation and structure attached thereto is anchored to resist flotation, collapse, and lateral movement due to the effects of wind and water loads acting simultaneously on all building components. Water loading values used shall be those associated with the base flood. Wind loading values used shall be those required by applicable state or local building standards.”

SECTION 4. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would

ORDINANCE NO. 3212-21
AMENDING SECTIONS 9-12.201, 9-12.501 AND 9-12.507
OF THE REDONDO BEACH MUNICIPAL CODE TO
COMPLY WITH FEMA GUIDELINES

PAGE NO. 3

have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. This ordinance shall be published by one insertion in the official newspaper of said city, and same shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

PASSED, APPROVED AND ADOPTED this 9th day of March, 2021.

Mayor William C. Brand

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of Redondo Beach, California, do hereby certify that the foregoing Ordinance No. 3212-21 was duly introduced at a regular meeting of the City Council held on the 16th day of February, 2021, and was duly approved and adopted at a regular meeting of said City Council held on the 9th day of March, 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

ORDINANCE NO. 3212-21
AMENDING SECTIONS 9-12.201, 9-12.501 AND 9-12.507
OF THE REDONDO BEACH MUNICIPAL CODE TO
COMPLY WITH FEMA GUIDELINES

PAGE NO. 5



NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING WILL BE HELD BEFORE THE CITY COUNCIL OF THE CITY OF REDONDO BEACH ON THE FOLLOWING MATTER. ANY AND ALL INTERESTED PERSONS MAY APPEAR AND BE HEARD

SUBJECT OF HEARING: Public hearing to consider introduction and first reading of an ordinance to amend Title 9 Building Regulations, Chapter 12 Flood Damage Prevention to update floodplain management regulations to be compliant with new requirements from the Federal Emergency Management Agency (FEMA) National Flood Insurance Prevention Program (NFIP). Amendments include revision to the first adoption date of the ordinance, additional reference to FEMA's effective Flood Insurance Rate Map to determine flood hazard areas, and inclusion of one foot of freeboard as required by the City's Building Code.

PUBLIC HEARING: The public hearing on this matter will take place before the City Council on **Tuesday, February 16th, 2021 at 6:00 p.m.**, or as soon thereafter as possible, by Virtual Meeting pursuant to Executive Order N-29-20 issued by Governor Newsom. All City Council members and City staff will participate by teleconference/virtual meeting. The meeting will be livestreamed on the City's website at www.redondo.org/RBTV and broadcast live through Spectrum Channel 8 and Frontier Communications Channel 41. Members of the public may participate during the meeting by eComment or participate live as outlined below.

PUBLIC COMMENT: Public testimony will be taken during the public hearing by eComment through the City's agenda webpage at <https://redondo.legistar.com/Calendar.aspx>. Specific instructions for eComment will be provided on the agenda cover page when it is released at least 72 hours prior to the public hearing. eComments will be read out loud by City staff during the public hearing and are limited to 3 minutes in length. Only one eComment per person.

Oral public testimony can be provided in-person live by joining the virtual meeting online or by telephone. Specific instructions for joining live will be provided on the agenda cover page when it is released at least 72 hours prior to the public hearing. Each speaker can speak only once and speakers are limited to 3 minutes.

A person may either comment live or submit an eComment, but cannot do both.

For those that cannot participate during the public hearing, written comments for the City Council may be submitted by email to RedondoEngineering@redondo.org. Written comments will be accepted up to 2:00 p.m. the day of the public hearing, February 16, 2021, to allow time for distribution to the City Council as a Blue Folder item.

ADDITIONAL INFORMATION: The City Council agenda and administrative report will be available for review at least 72 hours prior to the public hearing, in accordance with state law and local ordinance, on the City's website at the following link: <https://redondo.legistar.com/Calendar.aspx>. Select the February 16, 2021 City Council meeting.

For additional information or questions, contact the City of Redondo Beach Engineering Division by email at RedondoEngineering@redondo.org. A staff person will assist you.

If you challenge this matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

CITY OF REDONDO BEACH, CALIFORNIA
Eleanor Manzano

City Clerk of the City of Redondo Beach



Administrative Report

N.1., File # 21-2090

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

From: JOE HOEFGEN, CITY MANAGER

TITLE

DISCUSSION AND CONSIDERATION OF PRESENTATION FROM REPRESENTATIVES OF THE U.S. POSTAL SERVICE RELATED TO MAIL DELIVERY IN REDONDO BEACH

EXECUTIVE SUMMARY

At the City Council meeting of December 8, 2020, a City Council referral to staff was to invite representatives of the U.S. Postal Service to attend a future meeting of the City Council to address the issue of the reliability of mail delivery in Redondo Beach. Through follow-up communications and with the active involvement and assistance of Ms. Janet Turner, Field Supervisor from Congressman Ted Lieu's office, we made the invitation and received confirmation that representatives of the U.S. Postal Service will attend the meeting of February 16, 2021. Individuals anticipated to attend the February 16, 2021 City Council meeting, in addition to Ms. Turner, include:

- Ms. Kimmisha Boone, Postmaster of the Redondo Beach Post Office
- Mr. Ernesto Rodriguez, Manager of Post Office Operations

This agenda item presents an opportunity for members of the public and for the Mayor and City Council to share their observations and experiences concerning mail delivery in Redondo Beach and to hear from U.S. Postal Service representatives in attendance.



Administrative Report

N.2., File # 21-1969

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

From: Ted Semaan, Public Works Director

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING THE STATUS OF TRANSIENT VESSEL MOORINGS IN KING HARBOR AND APPROVAL OF MODIFICATIONS TO THE MOORING SERVICE SCHEDULE TO REDUCE ANNUAL MAINTENANCE COSTS BY APPROXIMATELY \$30,000

EXECUTIVE SUMMARY

Approval of the recommended action would keep all 25 sets of transient vessel moorings in place in the main harbor channel and direct staff to rotate moorings out of service in order to reduce maintenance costs. Per the City Council's request, staff looked into the possibility of removing some of the underutilized moorings and found that if moorings were removed, the California Department of Boating and Waterways would require the City to refund a substantial amount of the grant money provided to install them in 2014. Both staff and the Harbor Commission concluded that a better option is to rotate moorings service schedule and reduce annual maintenance costs by roughly \$30,000 per year.

BACKGROUND

During the FY 2020/21 City of Redondo Beach budget process, Budget Response Report #15 (copy attached) provided maintenance cost and utilization information for the transient vessel moorings located in the main harbor channel. The City Council directed staff to contact the California Department of Boating and Waterways ("DBAW") to determine the feasibility of removing some of the moorings. The 25 moorings were installed in the channel in 2014, utilizing a \$188,000 grant from DBAW. Although the use of the moorings has been increasing following the transition of operations to the Redondo Beach Marina, the moorings are still underutilized and expensive to maintain. Since the installation of the moorings was funded by a grant from DBAW, approval from DBAW would be needed to remove any of the 25 units.

Staff initially contacted DBAW in June 2020 to discuss the feasibility of removing moorings. It took repeated attempts to obtain the desired information as DBAW was very slow to respond. Removing 15 sets of moorings and leaving 10 in place was proposed, although it was emphasized that the City was flexible on the number to be removed. DBAW responded on October 19, 2020 and indicated that it would allow some or all of the moorings to be removed. However, removal of the moorings would require the City to refund a prorated amount of grant funding based on the portion of the 20-year grant period the moorings were not maintained in place. For the purpose of calculating the required

reimbursement amount, DBAW would place a value on each mooring based on the initial grant amount (\$188,000) divided by the number of moorings (25). It would then divide the per-mooring value into a per-month value based on the 240-month (20-year) grant term. Therefore, each mooring has an annual value of \$7,520 and a monthly value of \$31.33. There are 165 months remaining in the 240-month grant term.

If the City were to remove 15 of the moorings, it would have to reimburse \$77,541.75 in grant funds to DBAW, as follows:

Number of moorings removed:	15
Mooring value per month:	\$31.33
Grant term months remaining:	165
15 x \$31.33 x 165 =	\$77,541.75

Usage/Revenue

Since June 2017, transient moorings rentals have been administered by Leonardo Management, the property management company used by the City to oversee the Redondo Beach Marina leasehold. Although usage levels have been increasing, the overall usage remains extremely low, as follows:

	# of Moorings	Mooring Days Available	Mooring Days Used	Percentage Used
2018	25	9,125	342	3.7%
2019	25	9,125	672	7.4%
2020 (Jan-Nov)	25	8,375	719	8.6%

Total revenue collected for mooring rentals for calendar years 2018, 2019 and 2020 through November was as follows:

2018	\$9,036
2019	\$17,556
2020 (Jan-Nov)	\$18,618

Maintenance/Expense

As Public Works staff does not have the expertise or resources needed to perform the specialized maintenance the moorings require, maintenance is provided through an outside contract. Maintenance activities are provided on a quarterly, bi-annual and annual basis, and include the following:

- Cleaning buoys and removing marine growth;
- Monitoring sand lines and bow/stern lines for wear and tear and replacing as needed;
- Inspecting underwater mooring hardware and replacing as needed;
- Providing photographs to document the condition and deterioration of underwater mooring hardware.

In July 2016, the City Council awarded a five-year contract to Marine Tech Engineering. The initial

annual not to exceed cost was \$101,789. Beginning with the 2018/2019 budget year, the not to exceed annual cost was reduced to \$60,000. Staff has evaluated alternatives for reducing the cost of maintaining the moorings and concluded that the level of maintenance performed could be significantly reduced. The current maintenance program follows the specifications recommended by the mooring manufacturer and is more elaborate than necessary.

Staff, in collaboration with Marine Tech, feels the frequency of maintenance activities could be reduced by roughly 50%, while keeping the moorings in safe and usable condition and remaining in compliance with grant requirements. This would result in annual cost savings of roughly \$30,000. Further, in conversations with Marine Tech, should the need arise for additional inspection and maintenance be required in advance of an upcoming special event such as the Beach Life Festival, Marine Tech can inspect and ready moorings within a two-week period in advance of the event.

The current cost to maintain the 25 transient vessel moorings through an outside contract is roughly \$60,000 per year and over the remaining 14 years of the grant is approximately \$840,000. Reducing the frequency of maintenance services could reduce annual costs by about \$30,000, resulting in a cost of approximately \$420,000 over the remaining term of the grant. A portion of these costs can be offset with revenues from the moorings which generate approximately \$19,000 per year, or approximately \$266,000 over the remaining 14-year term of the grant. This results in an operational shortfall of approximately \$154,000. When this operational shortfall is compared to the cost of removing the moorings (both the grant reimbursement to the DBAW and the physical cost to remove the mooring), the costs over the term of the grant agreement are virtually the same - approximately \$154,000 versus \$129,000 plus removal cost. Thus, if the maintenance program can be reduced - the long-term fiscal impact to the City can be mitigated.

Grant Requirements

The DBAW Grant Agreement includes a 20-year performance period (term of the contract) from the date of acceptance, which was 10/7/2014. There is an audit provision under which the State may review the City's records associated with the management of the moorings.

The Grant Agreement with the State requires that "The Grantee shall ensure the facilities will continue to serve their intended purposes throughout their useful life (20 years). Facilities constructed or improved with Federal Aid Funds must continue to serve the purpose for which acquired or constructed by the Grantee." The Agreement goes on to state that failure to comply with the requirements of the provision of the grant is a breach of contract for which DBAW may require repayment of the grant on a prorated unexpired term basis as determined by the Department. During the contract term the City is required to do the following:

- Ensure that the moorings continue to serve their intended purpose;
- Allow reasonable access to the moorings during their useful life;
- Maintain and repair the moorings in safe and usable condition.

Harbor Commission Review

The Harbor Commission reviewed the status of the transient vessel moorings at their meeting on January 11, 2021. The draft minutes from the meeting are attached. The Commission voted

unanimously to recommend the following:

- Not permanently removing any moorings
- Not be in position to refund grant moneys
- Direct staff to hibernate moorings, or rotate service as appropriate to reduce maintenance expenses, per staff's discretion.

COORDINATION

The Public Works Department coordinated this item along with the Waterfront and Economic Development Department.

FISCAL IMPACT

The recommended action of rotating moorings out of service would reduce annual maintenance costs from \$60,000 to approximately \$30,000.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Budget Response Report #15
Harbor Commission Administrative Report
Harbor Commission draft minutes - 1/11/21

CITY OF REDONDO BEACH

Budget Response Report #15

June 9, 2020

Question:

What is the cost of maintenance for the Harbor moorings and what has been the utilization rate?

Response:

In 2011 the Fire Department obtained two grants, one from the United States Fish and Wildlife Service ("USFWS") and the other from the California Department of Boating and Waterways ("DBAW") (with a 15% match fronted by the City), to create a field of transient vessel moorings in the main channel of Redondo Beach Harbor. Installation of the 25 moorings was completed in 2014. The moorings provide a recreational opportunity for boaters and also provide a safe haven for vessels caught in severe weather conditions.

The DBAW Grant Agreement includes a 20-year performance period (term of the contract) from the date of acceptance which was 11/16/2011. There is an audit provision under which the State may review the City's records associated with the management of the moorings.

Maintenance

As Public Works staff does not have the expertise or resources needed to perform the specialized maintenance the moorings require, maintenance is provided through an outside contract. Maintenance activities are provided on a quarterly, bi-annual and annual basis, and include the following:

- Cleaning buoys and removing marine growth
- Monitoring sand lines and bow/stern lines for wear and tear and replacing as needed
- Inspecting underwater mooring hardware and replacing as needed
- Providing photographs to document the condition and deterioration of underwater mooring hardware

On July 19, 2016, the City Council awarded a five-year contract to Marine Tech Engineering. Initially, the annual not to exceed cost was \$101,789. Beginning with the 2018/2019 budget year, the not to exceed cost was reduced to \$60,000.

Usage

Since June 2017, transient moorings rentals have been administered by Leonardo Management, the property management company used by the City to oversee the

Redondo Beach Marina leasehold. Based on information provided by Leonardo Management, usage levels have been as follows:

	# of Moorings	Mooring Days Available	Mooring Days Used	Percentage Used
2018	25	9,125	342	3.7%
2019	25	9,125	672	7.4%
2020 (Jan-May)	25	3,880	53	1.4%

Revenue

Total revenue collected for mooring rentals for calendar years 2018, 2019 and 2020 through May was as follows:

2018	\$9,036
2019	\$17,556
2020 (Jan-May)	\$1,446

Grant Requirements

It is important to note that the Grant Agreement with the State requires that "The Grantee shall ensure the facilities will continue to serve their intended purposes throughout their useful life (20 years). Facilities constructed or improved with Federal Aid Funds must continue to serve the purpose for which acquired or constructed by the Grantee." The Agreement goes on to state that failure to comply with the requirements of the provision of the grant are a breach of contract for which DBAW may require repayment of the grant on a prorated unexpired term basis as determined by the Department. During the contract term the City is required to do the following:

- Ensure that the moorings continue to serve their intended purpose
- Allow reasonable access to the moorings during their useful life
- Maintain and repair the moorings in safe and usable condition

Staff will explore potential maintenance modification options that may result in annual expenditure savings of \$25,000 or more, while remaining in compliance with grant requirements. Since usage of the moorings is very low, the City could also seek authorization from the State to remove a certain percentage of them, which would further reduce maintenance costs.



Administrative Report

J.2., File # HC21-1898

Meeting Date: 1/11/2021

TO: HARBOR COMMISSION

FROM: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING THE STATUS OF TRANSIENT VESSEL MOORINGS IN THE MAIN HARBOR CHANNEL

RECOMMENDATION

1. Receive and File the report regarding transient vessel moorings in King Harbor.
2. Provide appropriate direction to staff.

BACKGROUND

During the FY 2020/21 City of Redondo Beach budget process, the City Council directed staff to contact the California Department of Boating and Waterways ("DBAW") to determine the feasibility of removing transient vessel moorings from the main harbor channel. The 25 moorings were installed in the channel in 2014 utilizing a \$188,000 grant from DBAW. Although the use of the moorings has been increasing following the transition of operations to the Redondo Beach Marina, the moorings are still underutilized and expensive to maintain. Since the installation of the moorings was funded by a grant from DBAW, approval from DBAW would be needed to remove any of the 25 units.

Staff initially contacted DBAW in June 2020 to discuss the feasibility of removing moorings. Removing 15 sets of moorings and leaving 10 in place was proposed, although it was emphasized that the City was flexible on the number to be removed. DBAW responded on October 19, 2020 and they indicated that they would allow some or all of the moorings to be removed. However, removal of the moorings would require the City to refund a prorated amount of grant funding based on the portion of the 20-year grant period the moorings were not maintained in place. For the purpose of calculating the required reimbursement amount, DBAW would place a value on each mooring based on the initial grant amount (\$188,000) divided by the number of moorings (25). It would then divide the per-mooring value into a per-month value based on the 240-month (20-year) grant term. Therefore, each mooring has an annual value of \$7,520 and a monthly value of \$31.33. There are 165 months remaining in the 240-month grant term.

If the City were to remove 15 of the moorings, it would have to reimburse \$77,541.75 in grant funds to DBAW, as follows.

Number of moorings removed:	15
Mooring value per month:	\$31.33
Grant term months remaining:	165

$15 \times \$31.33 \times 165 = \$77,541.75$

If the City were to remove all 25 of the moorings, it would have to reimburse \$129,236.25 in grant funds to DBAW, as follows.

Number of moorings removed:	25
Mooring value per month:	\$31.33
Grant term months remaining:	165

$$25 \times \$31.33 \times 165 = \$129,236.25$$

Usage/Revenue

Since June 2017, transient moorings rentals have been administered by Leonardo Management, the property management company used by the City to oversee the Redondo Beach Marina leasehold. Although usage levels have been increasing, the overall usage remains extremely low, as follows:

	# of Moorings	Mooring Days Available	Mooring Days Used	Percentage Used
2018	25	9,125	342	3.7%
2019	25	9,125	672	7.4%
2020 (Jan-Nov)	25	8,375	719	8.6%

Total revenue collected for mooring rentals for calendar years 2018, 2019 and 2020 through November was as follows:

2018	\$9,036
2019	\$17,556
2020 (Jan-Nov)	\$18,618

Maintenance/Expense

As Public Works staff does not have the expertise or resources needed to perform the specialized maintenance the moorings require, maintenance is provided through an outside contract. Maintenance activities are provided on a quarterly, bi-annual and annual basis, and include the following:

- Cleaning buoys and removing marine growth;
- Monitoring sand lines and bow/stern lines for wear and tear and replacing as needed;
- Inspecting underwater mooring hardware and replacing as needed;
- Providing photographs to document the condition and deterioration of underwater mooring hardware.

In July 2016, the City Council awarded a five-year contract to Marine Tech Engineering. The initial annual not to exceed cost was \$101,789. Beginning with the 2018/2019 budget year, the not to exceed annual cost was reduced to \$60,000. Staff has evaluated alternatives for reducing the cost of maintaining the moorings and concluded that the level of maintenance performed could be significantly reduced. The current maintenance program follows the specifications recommended by the mooring manufacturer and is more elaborate than necessary. Staff, in collaboration with Marine Tech, feels the frequency of maintenance activities could be reduced by roughly 50%, while keeping the moorings in safe and usable condition and remaining in compliance with grant requirements. This would result in annual cost savings of roughly \$30,000.

Grant Requirements

The DBAW Grant Agreement includes a 20-year performance period (term of the contract) from the date of acceptance, which was 10/7/2014. There is an audit provision under which the State may review the City's

records associated with the management of the moorings.

The Grant Agreement with the State requires that "The Grantee shall ensure the facilities will continue to serve their intended purposes throughout their useful life (20 years). Facilities constructed or improved with Federal Aid Funds must continue to serve the purpose for which acquired or constructed by the Grantee." The Agreement goes on to state that failure to comply with the requirements of the provision of the grant is a breach of contract for which DBAW may require repayment of the grant on a prorated unexpired term basis as determined by the Department. During the contract term the City is required to do the following:

- Ensure that the moorings continue to serve their intended purpose;
- Allow reasonable access to the moorings during their useful life;
- Maintain and repair the moorings in safe and usable condition.

Fiscal Considerations

The current cost to maintain the 25 transient vessel moorings through an outside contract is roughly \$60,000 per year and over the remaining 14 years of the grant is approximately \$840,000. Reducing the frequency of maintenance services could reduce annual costs by about \$30,000, resulting in a cost of approximately \$420,000 over the remaining term of the grant. A portion of these costs can be offset with revenues from the moorings which generate approximately \$19,000 per year, or approximately \$266,000 over the remaining 14-year term of the grant. This results in an operational shortfall of approximately \$154,000. When this operational shortfall is compared to the cost of removing the moorings (both the grant reimbursement to the DBAW and the physical cost to remove the mooring), the costs over the term of the grant agreement are virtually the same - approximately \$154,000 versus \$129,000 plus removal cost. Thus, if the maintenance program can be reduced - the long-term fiscal impact to the City can be mitigated.

ATTACHMENTS

2020 Mooring Report

2019-2020 RB TRANSIENT VESSEL MOORING STATISTICS

	A MOORINGS		B MOORINGS		C MOORINGS		MONTH TOTALS		QUARTER TOTALS	
	Under 40'		40' - 49'		50' - 60'		2019	2020	2019	2020
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
JANUARY	25	4	0	7	0	9	25	20		
FEBRUARY	16	27	11	4	0	0	27	31		
MARCH	21	2	10	0	4	0	35	2	87	53
APRIL	25	36	9	17	2	2	36	55		
MAY	111	30	22	19	10	0	143	49		
JUNE	27	66	10	0	0	3	37	69	216	173
JULY	78	110	18	11	13	14	109	135		
AUGUST	46	83	19	18	2	16	67	117		
SEPTEMBER	30	91	8	10	6	4	44	105	220	357
OCTOBER	47	65	19	32	1	2	67	99		
NOVEMBER	27	28	20	9	1	0	48	37		
DECEMBER	25	0	4	0	5	0	34	0	50	136
									573	719
TOTALS	225	542	62	127	16	50	303	719		

Mooring management transferred to RB Marina on June 1, 2017.

May 2019 and 202 stats reflect increased mooring activity due to Beach Life Festival

Mooring Revenue Q1	2019: A Moorings	2020: A Moorings	2019: B Moorings	2020: B Moorings	2019: C Moorings	2020: C Moorings	Total Mooring Revenue	
	\$1,488	\$792	\$630	\$330	\$144	\$324	2019	\$2,262
							2020	\$1,446
Mooring Revenue Q2	2019: A Moorings	2020: A Moorings	2019: B Moorings	2020: B Moorings	2019: C Moorings	2020: C Moorings	Total Mooring Revenue	
	\$3912	\$3,168	\$1,230	\$1,080	\$432	\$180	2019	\$5574
							2020	\$4,428
Mooring Revenue Q3	2019: A Moorings	2020: A Moorings	2019: B Moorings	2020: B Moorings	2019: C Moorings	2020: C Moorings	Total Mooring Revenue	
	\$3696	\$6,816	\$1,350	\$1,170	\$756	\$1224	2019	\$5802
							2020	\$9,210
Mooring Revenue Q4	2019: A Moorings	2020: A Moorings	2019: B Moorings	2020: B Moorings	2019: C Moorings	2020: C Moorings	Total Mooring Revenue	
	\$2,376	\$2,232	\$1,290	\$1,230	\$252	\$72	2019	\$3,918
							2020	\$3,534

Commissioner Callahan agreed with Commissioner Callahan and commended the Police Department and Harbor Patrol for dealing with the situation.

Commissioner Chrzan agreed; reiterated that education may resolve the matter and urged the City to take a proactive approach.

Chair Kilroy commended on the need for residents to feel responsible and be accountable.

Commissioner Bauer spoke positively regarding the issuance of permits and streamlining the process to be user-friendly; discussed the need to disseminate the rules and recommended taking a proactive approach.

Commissioner Kilroy agreed with Commissioner Callahan's comments and suggested leaving the item in the hands of public safety personnel to resolve.

Chief Metzger noted music on the water qualifies as a special event and the City already has a process in place to address them. He added that the value of the permitting process in reviewing the application describing the event noted it is a clear process.

Lieutenant Mendence reiterated the Fire Department would issue a crime report regarding the violation(s) to the City Attorney's office for review and actions.

Chief Metzger added the permit process identifies a responsible party through whom violations would be addressed.

Motion by Commissioner Kilroy, seconded by Commissioner Callahan, to receive and file the Quarterly Public Safety Reports. Motion carried, without objection.

W.E.D. Director Proud announced Chief Metzger will be leaving the City and thanked him for all his support and work and wished him well in his new endeavors.

J.2. DISCUSSION AND POSSIBLE ACTION REGARDING THE STATUS OF TRANSIENT VESSEL MOORINGS IN THE MAIN HARBOR CHANNEL

W.E.D. Director Proud presented an overview of the item; addressed direction from City Council to staff to explore removal of all or a portion of the moorings to reduce maintenance expenses; provided background; spoke about requirements in the agreement pertaining to reimbursement of funds on a pro-rata basis for moorings that might be removed; talked about the formula used to determine the value of moorings; listed reimbursement amounts for removal of 15 and 25 moorings; discussed mooring maintenance, costs, revenues and retaining versus removing moorings and presented recommendations.

Discussion followed regarding the impact on maintenance costs by reducing moorings by 50%, the possibility of rotating disabled moorings back into service, continual monitoring and adjustments, steps to take to avoid triggering repayment of the grant, the present mooring percent occupancy, availability of peak-season mooring statistics, assessing opportunities to increase mooring usage and quarterly cleanings and annual underwater inspections.

Commissioner Kilroy asked about total costs to install the 25 moorings; agreed with hibernating a set number of moorings but keeping the mooring field alive and well; suggested cutting maintenance in proportion to the number of operational moorings; talked about the number of moorings needed to

accommodate demand and noted the need to consider mooring hibernating costs. He suggested adjusting the number of available moorings on a quarterly basis.

Commissioner Chrzan commented on the need for flexibility; asked about pass-through of revenues and decrease in revenues in past years. W.E.D. Director Proud reported a decrease in revenues occurred when the harbor was being operated by the Harbor Patrol Division.

Commissioner Carlson agreed with previous comments; noted this is a good time to save money and asked about Beach Life paying for a lot of the mooring field. RB Marina Manager Stanton noted there was a spike from the Beach Life Festival in 2019 and addressed the policy for use of the dingy dock. Commissioner Carlson commented in favor of keeping mooring buoys as they serve as a feature or barriers for stand-up paddle boarders.

Commissioner Callahan stated one of the reason moorings are not used is due to the lack of amenities in the harbor; spoke in support of hibernating moorings rather than removing them and asked about plans for the mooring during dredging. W.E.D. Director Proud reported he would need to review whether there are any conflicts relative to disposition of the dredge materials versus the mooring field.

Commissioner Bauer spoke about increasing the utilization of moorings and asked why utilization increased when the marina took over. RB Marina Manager Stanton suggested they were more accessible than the Harbor Patrol. W.E.D. Director Proud added the City increased outreach and advertising and increased presence/awareness in various locations.

Brief discussion followed regarding the moorings to be hibernated and recommended actions.

W.E.D. Director Proud announced there were no public, eComments or emails received from the public on this item.

Motion by Commissioner Kilroy, seconded by Commissioner Callahan, that the Harbor Commission recommend to the City Council not to permanently remove any moorings, not to be in a position to refund grant moneys, and let staff determine how many moorings to hibernate in any given quarter to reduce maintenance expenses. Motion carried, unanimously, by roll call vote.

Motion by Commissioner Kilroy, seconded by Commissioner Callahan, to receive and file the report. Motion carried, without objection.

J.3. DIRECTOR'S REPORT

Previous Council Items

- City Council considered consents to amendments for subleases on Redondo Beach Landing leaseholds
- Discussed the Skate Park at pad ten
- Held a strategic plan meeting and discussed a public amenity plan
- Moved forward with the Kingsdale site for the pallet shelter program
- Approved free holiday parking for the pier garage
- Received an annual report from the Redondo Beach Tourism Management District

Upcoming Council Items

- City Council will consider development of a Public Amenities Master Plan

MINUTES – HARBOR COMMISSION
MONDAY,
JANUARY 11, 2021



Administrative Report

N.3., File # 21-2032

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING FY 2020-21 MIDYEAR BUDGET REPORT

RECEIVE AND FILE THE FY 2020-21 MIDYEAR BUDGET REPORT AND THE PRESENTATION OF THE FY 2020-21 CAPITAL IMPROVEMENT BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2102-017, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, MODIFYING THE BUDGET FOR FISCAL YEAR 2020-21

EXECUTIVE SUMMARY

In June, the City Council adopted the FY 2020-21 operating budget. The City Council adopted a balanced budget which allocates funding for the provision of core municipal service to the residents, businesses, and visitors of Redondo Beach.

This report reviews the City's budget and financial condition at the midyear point of FY 2020-21. Financial challenges from significant and continuing revenue losses as a result of the global pandemic (particularly in the recreation program and facility rental revenue categories) have led to a projected current fiscal year General Fund shortfall of \$1.4 million dollars.

Decision packages to bring the budget back in balance and to maintain the City's operational effectiveness and financial health are proposed for consideration. Additionally, Budget Response Reports are included as attachments for City Council's consideration and in anticipation of, or in direct response to, questions regarding the midyear budget. Finally, a status report on the Capital Improvement Program will be provided at the City Council meeting.

BACKGROUND

Where are the revised estimated ending fund balance summaries shown with proposed midyear FY 2020-21 revenues and expenditures?

Attachment 1 provides details of the revised estimated ending fund balances as shown on the Proposed Midyear FY 2020-21 Summary that arise in consideration of Decision Packages, adjustments to appropriations, and adjustments to revenue projections.

What was the remaining amount of the General Fund balance at FY 2019-20 year-end after completing the June 30, 2020 Comprehensive Annual Financial Report (CAFR) that becomes the FY 2020-21 beginning fund balance?

The remaining General Fund balance was calculated as follows by excluding fund balance assignments made in November for fiscal year end 2019-20 which are not available to pay for FY 2020-21 expenditures.

\$10,973,833	Total General Fund balance before assignments and transfers (June 30, 2020 ending fund balance)
-7,585,231	Committed fund balance for 8.33% General Fund reserve (contingency reserve required by the City Council's Financial Principles)
-23,262	Nonspendable fund balance for notes and loans (loans to employees for computer purchases pursuant to labor agreements)
-770,942	Fund balance assignment for compensated absences (provision for vacation cashouts upon retirement/termination funded at 30% of employee balances as of June 30, 2020)
-10,800	Fund balance assignment for petty cash (small cash funds held by departments for cash register change drawer or reimbursement of expenses in the amount of \$50 or less)
<hr/>	
\$2,583,598	General Fund remaining fund balance

The remaining General Fund balance can also be calculated as follows by including fund balance assignments made in November for fiscal year end 2019-20 which are available to pay for FY 2020-21 expenditures.

\$704,067 Unassigned/unallocated fund balance (after all other fund balance assignments)

84,435	Nonspendable fund balance (payments made in FY 2019-20 for FY 2020-21 expenditures)
--------	-------------------------------------------------------------------------------------

1,292,166	Fund balance assignment for encumbrances (open purchase orders as of June 30, 2020 for contracted goods or services not yet received)
502,930	Fund balance assignment for carryovers (unspent FY 2019-20 funds to be used for FY 2020-21 departmental, donation, grant and capital improvement project expenditures)
<hr/>	
\$2,583,598	General Fund remaining fund balance

The beginning fund balances of the other funds are calculated similarly with capital assets and net pension and OPEB liabilities excluded from those of the Enterprise and Internal Service Funds.

What additional items adjust the beginning fund balances to their estimated ending fund balances?

In addition to the General Fund adopted revenues and transfers in and the adopted appropriations and transfers out, the following items adjust the beginning fund balance to the estimated ending fund balance.

\$2,583,598	General Fund beginning fund balance for FY 2020-21
93,566,545	Adopted revenues and transfers in
-93,566,545	Adopted appropriations and transfers out
-1,292,166	Prior year encumbrances (finalized open purchase orders as of June 30, 2020 for which a fund balance assignment is included in the beginning fund balance - see above)
-502,930	Carryover appropriations and transfers out (re-budgeted departmental carryover requests for which a fund balance assignment is included in the beginning fund balance - see above)
-194,322	Other Council-approved appropriations and transfers out (budget modifications approved by City Council resolutions with a 4/5 affirmative vote during
<hr/>	
\$594,180	Estimated General Fund ending fund balance for FY 2020-21

The estimated ending fund balances of the other funds are calculated similarly.

What midyear revenue adjustments to the estimated fund balances are recommended?

At this point in the fiscal year, staff has reviewed revenues received to date and revised the adopted revenue estimates as necessary. The revised revenue estimates are shown in Exhibit B with General Fund revenues anticipated to finish \$2.8 million lower than projected at budget adoption.

As projected in the first quarter budget update, revised tax revenue estimates reflect an increase from the adopted budget. The largest increase is from property tax which continues to remain strong, despite the pandemic. The same cannot be said for transient occupancy tax revenue estimates, which were drastically reduced at budget adoption and now must be revised even lower due to prolonged restrictions on travel and large gatherings.

The overall increase in general tax revenue projections however is unfortunately more than offset by significantly lower estimates for recreation facility and program related revenues. The impacts of the COVID-19 public health emergency have extended beyond projections reflected in the adopted budget. Current estimates for facility rental income and recreation users pay revenue now assume restrictions and closures through the end of the fiscal year. Those facilities and programs impacted include the Redondo Beach Performing Arts Center, the Aviation Gym and Sports Field, events catered by Spectrum Catering at Veterans Park, and various user pay recreation activities which in total reflect an anticipated revenue loss of \$3.2 million.

What midyear adjustments to appropriations are recommended?

The adjustments on the Midyear Adjustments to Appropriations schedule (Exhibit C) reflect the annual update to the internal service fund/overhead allocations (described in the Midyear Budget Response Report) as well as anticipated departmental maintenance and operations savings.

Midyear changes to the adopted budget are also considered by the City Council through supplemental requests called Decision Packages. Decision Packages can be related to policy, operational or financial matters. The following Decision Packages are recommended to address issues at midyear.

Decision Package #1. Retiree Medical Insurance. An increased appropriation is needed for the payment of rising retiree medical insurance premiums costs as well as an offsetting increased revenue estimate for the drawdown from the City's Internal Revenue Service Section 115 trust fund for other post-employment employment benefits (OPEB). Recommended is an ongoing appropriation and offsetting revenue estimate of \$200,000 to the General Fund.

Decision Package #2. Personnel Adjustments. As detailed in Budget Response Report #7, personnel adjustments are needed (primarily as a result of COVID-related restrictions and closures) to recognize savings from vacancies (both current and projected for the remainder of the fiscal year), adjustments for changes in vacation usage/cashout behaviors, full funding of 2021 employee health insurance cash in lieu payments due to MOU approved benefit modifications, and restoration of the Financial Services Department's Office Specialist III position as the expected retirement did not

occur. Recommended is the personnel change, one-time reduced appropriations to the General Fund of \$1,142,378, one-time reduced appropriations to other funds of \$261,123, and one-time reduced revenue estimates to other funds of \$12,115.

Decision Package #3. Fire Department Alerting System. As a result of the new Mark 43 computer aided dispatch (CAD) system implementation, the Fire station alerting systems and relays must be replaced in order to ensure system interoperability with WestNet. The current alerting system has been in use beyond its recommended service life. Recommended is a one-time appropriation in the amount of \$100,000 to the Emergency Communications Fund in order to maintain this critical operational need.

Decision Package #4. Fire Department SCBA Compressed Air Fill System. During working fire responses, Redondo Beach firefighters don required self-contained breathing apparatus (SCBA) to protect responders from inhaling super-heated air, smoke and other toxic gases. Following each use, SCBAs are filled to appropriate pressures and are placed back in service for the next response. In order to fill these high-pressure devices, compressed air fill stations are required. The recommended replacement schedule for a compressed air fill system is 15 years. The Redondo Beach Fire Department fill station located on Support 62 has reached the end of its service life and can no longer meet operational needs. Recommended is a one-time Vehicle Replacement Fund appropriation in the amount of \$35,000 to replace a fixed replacement air fill station located at Fire Station 2.

Decision Package #5. Solid Waste Fund Adjustment. The Solid Waste Fund needs to be adjusted to account for the residential and household hazardous waste pass through payments. Residents are charged for refuse service on their property tax assessment and the City in turn pays Athens Services on a monthly basis. Each year the Solid Waste Fund is adjusted at budget time to account for the new approved solid waste rates. However, the count of the number of households is not always known before the budget is adopted. Therefore, in order to account for the increase in residential accounts, an increase to the maintenance agreement is needed. Recommended is an ongoing appropriation and offsetting revenue estimate of \$10,585 to the Solid Waste Fund.

Decision Package #6. Torrance Boulevard Resurfacing. The current Capital Improvement Program (CIP) includes the Torrance Boulevard Resurfacing Project from PCH to Prospect, Job No. 41230. Design plans for the project are currently at approximately 50 %. In order to complete improvements to the street in the most cost-effective manner and to maximize bicycle facility connectivity, staff recommends that the project be expanded to include the portion of Torrance Boulevard west of PCH including Torrance Circle. The requested funds are from a transportation restricted source and would allow the project design to move forward in full. Funds for additional construction costs would be included in the FY 2021-22 CIP and also come from transportation restricted sources. Recommended is a one-time appropriation of \$100,000 to the Proposition C Fund.

Decision Package #7. Transit Vehicle Equipment. City Council approved a Decision Package with the adoption of the FY 2020-21 budget for \$1,568,072 for the planned procurement of three fixed route Beach Cities Transit vehicles. This midyear decision package increases the amount of the funding by \$16,756 for an adjustment in the cost of the procurement. The Federal Transit Administration establishes "useful life/mileage" requirements of at least seven years for heavy-duty

transit vehicles. The transit fleet capital plan requires annual purchases to replace vehicles that have or are approaching the maximum standards. New vehicles also improve public safety and have lower maintenance repair costs. Recommended is a one-time appropriation with an offsetting increased revenue estimate of \$13,405 to the Intergovernmental Grants Fund and a one-time appropriation of \$3,351 to the Transit Fund funded by a transfer of the same amount from the Proposition A Fund.

Decision Package #8. Transfer from CalPERS Reserve Fund. The City Council has established a reserve fund to help the City absorb its rapidly increasing employee pension costs and smooth year to year General Fund expenditure hikes. Proposed is a transfer of \$1,363,286 from the CalPERS Reserve Fund to the General Fund to balance the FY 2020-21 operating budget. It was anticipated that this transfer would be necessary at the close of FY 2019-20, but the greatest impacts of the pandemic are instead being felt during FY 2020-21. The balance remaining in the CalPERS Reserve Fund after this transfer will be \$5,209,021. Recommended is a one-time \$1,363,286 transfer from the CalPERS Reserve Fund to the General Fund.

What is the resulting impact of revising the revenue estimates and funding the recommended Decision Packages at this time?

The FY 2020-21 General Fund revised estimated ending fund balance after revising the revenue estimates and funding the recommended Decision Packages would be as follows:

\$594,180 General Fund
estimated
ending fund
balance
(excluding
\$7,585,231
General Fund
contingency)

-2,802,901	Adjustments to revenue (impact of the revenue revisions as shown in Exhibit B)
-296,943	Adjustments to appropriations and transfers out (impact of appropriations and transfers out as shown in Exhibit C)
1,563,286	Decision Package adjustments to revenue and transfers in (impact of recommended revenue revisions included in Decision Packages #1 through #8)
942,378	Decision Package adjustments to appropriations and transfers out (impact of recommended appropriation revisions included in Decision Packages #1 through #8)

-
- General Fund revised estimated ending fund balance (excluding \$7,585,231 General Fund contingency)

What is the status of preparation of the FY 2021-22 Budget?

Following completion of the City Council's midyear review of the current year budget, attention will turn immediately towards preparation of the FY 2021-22 Budget that takes effect July 1, 2021.

COORDINATION

All departments coordinated on this midyear budget review. The Budget and Finance Commission reviewed the midyear budget report on February 11. The resolution has been approved as to form by the City Attorney.

FISCAL IMPACT

The report describes the City's financial and budgetary situation at the midyear point of FY 2020-21.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Midyear Budget Resolution
Attachment 1 - FY 2020-21 Summary
Exhibit A - Council-Approved Appropriation Modifications
Exhibit B - Adjustments to Revenue
Exhibit C - Adjustments to Appropriations
Midyear Budget Response Reports

RESOLUTION NO. CC-2102-017

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
REDONDO BEACH, CALIFORNIA, MODIFYING THE BUDGET
FOR FISCAL YEAR 2020-21**

WHEREAS, it is the intention of the City Council of the City of Redondo Beach to review the adopted budget at midyear; and

WHEREAS, the City's adopted budget needs to be modified to reflect unanticipated revenues; and

WHEREAS, the City's adopted budget needs to be modified to appropriate monies from fund balances for necessary additional expenditures.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the amounts allocated in the budget for Fiscal Year 2020-21 and the amounts required to meet conditions which have arisen during the budget year require a modification; and upon recommendations of the City Manager, the budget as adopted for Fiscal Year 2020-21 is modified per Midyear Decision Packages #1 through #8, Exhibit B (Adjustments to Revenue), and Exhibit C (Adjustments to Appropriations) attached hereto.

SECTION 2. Pursuant to Section 11(f) of the City Charter, the City Clerk is hereby directed and instructed to correct the budget records of said City for Fiscal Year 2020-21 in accordance with the above modifications.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 16th day of February, 2021.

William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2102-017 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 16th day of February, 2021, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

Proposed Midyear FY 2020-21 Summary

Description	General	State Gas Tax	Storm Drain Improvement	St Landscaping/ Lighting	Local Transport Article 3	Measure M
Beginning Fund Balance	2,583,598 ¹	1,417,733	372,782	-	33	2,571,294
Adopted Revenues	88,711,978	3,022,851	50,000	1,558,600	46,714	1,000,261
Carry-over Revenues	-	-	-	-	-	-
Other Council-Approved Revenues	-	-	-	-	-	-
Transfers In	4,854,567	60	-	999,875	-	-
Total Revenue	93,566,545	3,022,911	50,000	2,558,475	46,714	1,000,261
Adopted Appropriations	91,059,196	2,185,701	-	2,414,967	-	700,374
Prior Year Encumbrances	1,292,166	1,039,793	36,928	88,580	-	1,250,000
Carryover Appropriations	362,810	274,995	251,802	140,120	-	1,108,081
Other Council-Approved Appropriations (Exhibit A)	161,542	60	-	3,388	-	-
Transfers Out	2,680,249	-	-	-	-	-
Total Uses	95,555,963	3,500,549	288,730	2,647,055	-	3,058,455
Estimated Ending Fund Balance	594,180	940,095	134,052	(88,580)	46,747	513,100
Adjustments to Revenue (Exhibit B)	(2,802,901)	(231,185)	(48,000)	(10,600)	-	-
Adjustments to Appropriations (Exhibit C)	296,943	(1,871)	-	458	-	(374)
Adjustments to Revenue/Transfers In (Decision Pkgs)	1,563,286	-	-	(455)	-	-
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	(942,378)	420	-	(455)	-	-
Revised Estimated Ending Fund Balance	-	710,361	86,052	(99,638)	46,747	513,474

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Proposed Midyear FY 2020-21 Summary

Description	Prop A Local Trans Tax	Prop C Local Trans Tax	Measure R	Measure W	Air Quality Improvement	Intergovernmental Grants	Comm Develop Block Grant
Beginning Fund Balance	2,492,321	7,240,577	1,904,586	(553,575)	297,924	-	38,063
Adopted Revenues	1,413,383	1,267,477	875,855	720,000	67,984	3,079,946	472,566
Carry-over Revenues	-	-	-	-	-	9,827,488	-
Other Council-Approved Revenues	-	-	-	-	-	1,101,265	29,250
Transfers In	-	-	-	144	240	-	-
Total Revenue	1,413,383	1,267,477	875,855	720,144	68,224	14,008,699	501,816
Adopted Appropriations	-	1,622,062	675,000	693,059	75,165	3,079,946	361,502
Prior Year Encumbrances	-	3,788,943	872,602	-	12,534	9,485,142	9,979
Carryover Appropriations	75,000	2,354,384	897,894	110,496	185,600	9,827,488	-
Other Council-Approved Appropriations (Exhibit A)	-	-	-	144	240	1,101,265	29,250
Transfers Out	2,792,272	-	-	-	-	-	-
Total Uses	2,867,272	7,765,389	2,445,496	803,699	273,539	23,493,841	400,731
Estimated Ending Fund Balance	1,038,432	742,665	334,945	(637,130)	92,609	(9,485,142)	139,148
Adjustments to Revenue (Exhibit B)	-	-	-	-	-	-	-
Adjustments to Appropriations (Exhibit C)	-	89	-	6,183	(172)	-	-
Adjustments to Revenue/Transfers In (Decision Pkgs)	-	-	-	-	-	13,405	-
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	(8,309)	100,000	-	68	134	13,405	-
Revised Estimated Ending Fund Balance	1,046,741	642,576	334,945	(643,381)	92,647	(9,485,142)	139,148

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Proposed Midyear FY 2020-21 Summary

Description	Housing Authority	Parks/Rec Facilities	Narcotic Forfeiture/Seizure	Subdivision Park Trust	Disaster Recovery	CalPERS Reserve
Beginning Fund Balance	1,263,444	37,243	517,359	1,265,706	(325,010)	6,572,307
Adopted Revenues	7,166,683	31,500	30,000	500,000	50,500	-
Carry-over Revenues	-	-	-	-	300,159	-
Other Council-Approved Revenues	-	-	-	-	829,000	-
Transfers In	2,400	-	-	-	-	-
Total Revenue	7,169,083	31,500	30,000	500,000	1,179,659	-
Adopted Appropriations	6,719,212	50,000	52,957	60,000	17,060	-
Prior Year Encumbrances	-	-	187,436	6,715	-	-
Carryover Appropriations	-	-	128,201	1,610,414	300,159	-
Other Council-Approved Appropriations (Exhibit A)	2,400	-	-	21,500	829,000	-
Transfers Out	-	-	-	-	-	-
Total Uses	6,721,612	50,000	368,594	1,698,629	1,146,219	-
Estimated Ending Fund Balance	1,710,915	18,743	178,765	67,077	(291,570)	6,572,307
Adjustments to Revenue (Exhibit B)	(398,383)	-	(10,000)	-	-	-
Adjustments to Appropriations (Exhibit C)	4,903	-	-	-	-	-
Adjustments to Revenue/Transfers In (Decision Pkgs)	-	-	-	-	-	-
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	(37,557)	-	-	-	-	1,363,286
Revised Estimated Ending Fund Balance	1,345,186	18,743	168,765	67,077	(291,570)	5,209,021

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Proposed Midyear FY 2020-21 Summary

Description	Capital Projects	Major Facilities Reconstruction	Open Space Acquisition	Harbor Tidelands	Harbor Uplands	Solid Waste	Wastewater
Beginning Fund Balance	7,355,694	1,150,000	1,201,516	15,133,105	2,993,228	1,528,003	13,955,557
Adopted Revenues	477,262	-	-	5,330,880	4,717,300	5,099,848	5,876,765
Carry-over Revenues	-	-	-	-	-	69,770	-
Other Council-Approved Revenues	467,567	-	-	-	-	-	-
Transfers In	2,240,984	-	-	3,010	1,737	3,557	824
Total Revenue	<u>3,185,813</u>	<u>-</u>	<u>-</u>	<u>5,333,890</u>	<u>4,719,037</u>	<u>5,173,175</u>	<u>5,877,589</u>
Adopted Appropriations	2,893,953	-	175,000	6,807,717	4,215,631	5,463,875	6,521,493
Prior Year Encumbrances	1,763,069	-	-	1,612,139	247,095	90,454	975,354
Carryover Appropriations	3,455,067	-	-	5,900,932	559,773	69,770	6,996,163
Other Council-Approved Appropriations (Exhibit A)	468,551	-	-	3,113	1,637	3,557	823
Transfers Out	2,368,000	489,286	-	96,299	1,650,982	-	-
Total Uses	<u>10,948,640</u>	<u>489,286</u>	<u>175,000</u>	<u>14,420,200</u>	<u>6,675,118</u>	<u>5,627,656</u>	<u>14,493,833</u>
Estimated Ending Fund Balance	(407,133)	660,714	1,026,516	6,046,795	1,037,147	1,073,522	5,339,313
Adjustments to Revenue (Exhibit B)	-	-	72,632	(1,352,787)	(850,500)	(181,698)	(7,948)
Adjustments to Appropriations (Exhibit C)	-	-	-	(145,769)	206,059	(14,380)	51,250
Adjustments to Revenue/Transfers In (Decision Pkgs)	-	-	-	-	-	10,585	-
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	-	-	-	(45,484)	(15,695)	(159,787)	12,382
Revised Estimated Ending Fund Balance	(407,133)	660,714	1,099,148	4,885,261	(3,717)	1,076,576	5,267,733

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Proposed Midyear FY 2020-21 Summary

Description	Transit	Self-Insurance Program	Vehicle Replacement	Building Occupancy	Information Technology	Emergency Communications
Beginning Fund Balance	-	(10,484,466) ²	8,262,696	2,354,875	2,423,200	2,935,593
Adopted Revenues	2,498,092	7,937,950	3,376,280	3,277,446	3,505,574	3,452,277
Carry-over Revenues	-	-	-	-	-	-
Other Council-Approved Revenues	-	-	-	-	-	-
Transfers In	2,796,832	840	1,440	900	-	9,000
Total Revenue	5,294,924	7,938,790	3,377,720	3,278,346	3,505,574	3,461,277
Adopted Appropriations	5,290,364	6,591,840	2,700,052	3,157,861	4,540,525	2,865,310
Prior Year Encumbrances	258,952	-	926,105	15,409	294,956	51,230
Carryover Appropriations	-	5,093	272,096	-	550,000	-
Other Council-Approved Appropriations (Exhibit A)	4,560	840	81,843	900	(304)	24,000
Transfers Out	-	-	-	-	304	-
Total Uses	5,553,876	6,597,773	3,980,096	3,174,170	5,385,481	2,940,540
Estimated Ending Fund Balance	(258,952)	(9,143,449)	7,660,320	2,459,051	543,293	3,456,330
Adjustments to Revenue (Exhibit B)	-	264,474	(319,161)	230,400	(20,892)	755,470
Adjustments to Appropriations (Exhibit C)	22,100	7,907	46,865	22,356	21,653	(11,200)
Adjustments to Revenue/Transfers In (Decision Pkgs)	(8,309)	-	-	-	-	-
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	(8,309)	1,229	35,304	3,014	6,399	107,810
Revised Estimated Ending Fund Balance	(281,052)	(8,888,111)	7,258,990	2,664,081	494,349	4,115,190

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Proposed Midyear FY 2020-21 Summary

Description	Major Facilities Repair	Successor Agency	Housing Successor Agency	Community Financing Authority	Total
Beginning Fund Balance	993,250	-	4,143,211	5,754,839	87,396,686
Adopted Revenues	91,543	1,428,995	359,650	273,975	157,770,135
Carry-over Revenues	-	-	-	-	10,197,417
Other Council-Approved Revenues	-	-	-	-	2,427,082
Transfers In	-	-	-	2,468,077	13,384,487
Total Revenue	<u>91,543</u>	<u>1,428,995</u>	<u>359,650</u>	<u>2,742,052</u>	<u>183,779,121</u>
Adopted Appropriations	120,000	361,900	280,500	1,924,957	163,677,179
Prior Year Encumbrances	40,126	-	-	-	24,345,707
Carryover Appropriations	741,622	-	-	-	36,177,960
Other Council-Approved Appropriations (Exhibit A)	-	-	-	-	2,738,309
Transfers Out	-	1,067,095	-	2,240,000	13,384,487
Total Uses	<u>901,748</u>	<u>1,428,995</u>	<u>280,500</u>	<u>4,164,957</u>	<u>240,323,642</u>
Estimated Ending Fund Balance	183,045	-	4,222,361	4,331,934	30,852,165
Adjustments to Revenue (Exhibit B)	15,533	-	-	-	(4,895,546)
Adjustments to Appropriations (Exhibit C)	-	-	-	10,135	523,135
Adjustments to Revenue/Transfers In (Decision Pkgs)	-	-	-	-	1,578,512
Adjustments to Appropriations/Transfers Out (Decision Pkgs)	-	-	-	-	425,477
Revised Estimated Ending Fund Balance	198,578	-	4,222,361	4,321,799	26,586,519

¹ The General Fund beginning fund balance excludes the 8.33% minimum contingency reserve set by the City Council.

² The Self-Insurance Program Fund beginning fund balance reflects a positive cash balance of \$14,201,733 reduced by liabilities for future workers' compensation and liability claims of \$24,681,132.

Council-Approved Appropriation Modifications

Fund	Item	Date of Council Action	Amount
General Fund	PSA MOU	01/12/21	\$ 38,759
General Fund	Management/Confidential Pay/Benefits Plan	01/12/21	\$ 32,439
General Fund	RBCEA MOU	01/12/21	\$ 90,344
			<u>\$ 161,542</u>
State Gas Tax	PSA MOU	01/12/21	\$ 60 ¹
Street Landscaping and Lighting	PSA MOU	01/12/21	\$ 2,831 ¹
Street Landscaping and Lighting	Management/Confidential Pay/Benefits Plan	01/12/21	\$ (43) ¹
Street Landscaping and Lighting	RBCEA MOU	01/12/21	\$ 600 ¹
			<u>\$ 3,388</u>
Measure W	PSA MOU	01/12/21	\$ 144
Air Quality Improvement	PSA MOU	01/12/21	\$ 120 ¹
Air Quality Improvement	RBCEA MOU	01/12/21	\$ 120 ¹
			<u>\$ 240</u>
Intergovernmental Grants	West Basin Municipal Water District Water Bottle Filling Station Program	09/01/20	\$ 2,000 ¹
Intergovernmental Grants	Edward Byrne Memorial Justice Assistance Grant	09/01/20	\$ 3,510 ¹
Intergovernmental Grants	State Office of Traffic Safety Pedestrian and Bicycle Safety Program	09/15/20	\$ 55,000 ¹
Intergovernmental Grants	State Office of Traffic Safety Traffic Enforcement Program	09/15/20	\$ 108,000 ¹
Intergovernmental Grants	Edward Byrne Memorial Justice Assistance Grant	10/20/20	\$ 10,881 ¹
Intergovernmental Grants	Dept of Housing and Comm Dev Local Early Action Planning Grants Prog	11/10/20	\$ 300,000 ¹
Intergovernmental Grants	Community Development Block Grant CARES Act	11/10/20	\$ 621,874 ¹
			<u>\$ 1,101,265</u>
Comm Dev Block Grant	Leasing of Apartments to House People Experiencing Homelessness	12/15/20	\$ 29,250 ¹
Housing Authority	PSA MOU	01/12/21	\$ 1,200
Housing Authority	RBCEA MOU	01/12/21	\$ 1,200
			<u>\$ 2,400</u>
Subdivision Park Trust	Bicycle Transportation Plan Implementation Project	10/06/20	\$ 21,500
Disaster Recovery	County CARES Act and Fourth District Homeless and Housing Funds	11/10/20	\$ 829,000 ¹
Capital Projects	Enhanced Watershed Management Plan Implementation Project	11/17/20	\$ 467,567 ¹
Capital Projects	PSA MOU	01/12/21	\$ 984 ¹
			<u>\$ 468,551</u>
Harbor Tidelands	PSA MOU	01/12/21	\$ 2,532 ¹
Harbor Tidelands	Management/Confidential Pay/Benefits Plan	01/12/21	\$ 324 ¹
Harbor Tidelands	RBCEA MOU	01/12/21	\$ 257 ¹
			<u>\$ 3,113</u>
Harbor Uplands	PSA MOU	01/12/21	\$ 1,200 ¹
Harbor Uplands	Management/Confidential Pay/Benefits Plan	01/12/21	\$ 540 ¹
Harbor Uplands	RBCEA MOU	01/12/21	\$ (103) ¹
			<u>\$ 1,637</u>
Solid Waste	PSA MOU	01/12/21	\$ 1,145 ¹
Solid Waste	Management/Confidential Pay/Benefits Plan	01/12/21	\$ (288) ¹
Solid Waste	RBCEA MOU	01/12/21	\$ 2,700 ¹
			<u>\$ 3,557</u>
Wastewater	PSA MOU	01/12/21	\$ 2,085 ¹
Wastewater	Management/Confidential Pay/Benefits Plan	01/12/21	\$ (432) ¹
Wastewater	RBCEA MOU	01/12/21	\$ (830) ¹
			<u>\$ 823</u>
Transit	PSA MOU	01/12/21	\$ 3,480
Transit	RBCEA MOU	01/12/21	\$ 1,080
			<u>\$ 4,560</u>

Council-Approved Appropriation Modifications

Fund	Item	Date of Council Action	Amount
Self-Insurance Program	RBCEA MOU	01/12/21	\$ 840 ¹
Vehicle Replacement	Police Motorcycles	11/10/20	\$ 80,403
Vehicle Replacement	PSA MOU	01/12/21	\$ 1,440 ¹
			<u>\$ 81,843</u>
Building Occupancy	PSA MOU	01/12/21	\$ 900 ¹
Information Technology	PSA MOU	01/12/21	\$ 1,579
Information Technology	Management/Confidential Pay/Benefits Plan	01/12/21	\$ (1,440) ¹
Information Technology	RBCEA MOU	01/12/21	\$ (443)
			<u>\$ (304)</u>
Emergency Communications	Platform - Mark 43 & World Advancement of Tech for EMS & Rescue	12/01/20	\$ 15,000
Emergency Communications	PSA MOU	01/12/21	\$ 1,800
Emergency Communications	RBCEA MOU	01/12/21	\$ 7,200
			<u>\$ 24,000</u>
Total			<u><u>\$ 2,738,309</u></u>

¹ Also included revenue/transfer in modifications in the same amount

City of Redondo Beach
Mid Year Adjustments to Revenue

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
<u>GENERAL FUND</u>			
Taxes:			
Property Tax	29,200,000	29,900,000	700,000
Property Tax in Lieu of VLF	8,150,000	8,375,000	225,000
Homeowners' Exemption	140,000	135,000	(5,000)
Sales and Use Tax	9,340,000	9,450,000	110,000
Public Safety Aug. Fund	810,000	810,000	-
Utility Users' Tax	6,400,000	6,500,000	100,000
Transient Occupancy Tax	2,850,000	2,700,000	(150,000)
Franchise Fees	1,700,000	1,650,000	(50,000)
Business License Tax	1,250,000	1,250,000	-
Property Transfer Tax	2,500,000	2,500,000	-
Sub-total	62,340,000	63,270,000	930,000
Licenses and Permits:			
Construction/Excavation Permits	1,719,900	1,719,900	-
Street/Curb/Parking Permits	66,250	66,250	-
Misc. Licenses/Permits	82,159	65,254	(16,905)
Sub-total	1,868,309	1,851,404	(16,905)
Fines and Forfeitures:			
Parking Citations	1,125,000	1,075,000	(50,000)
Vehicle Code Fines	95,000	118,480	23,480
Restitution	7,500	1,000	(6,500)
Sub-total	1,227,500	1,194,480	(33,020)
Use of Money and Property:			
Investment Earnings	725,000	750,000	25,000
Rents and Percentages	2,324,050	491,700	(1,832,350)
Sub-total	3,049,050	1,241,700	(1,807,350)
Intergovernmental:			
Motor Vehicle/In-Lieu	30,000	30,000	-
SB90 State Mandated Cost Reimb.	30,000	30,000	-
Other Intergovernmental Revenue	250,000	144,987	(105,013)
Sub-total	310,000	204,987	(105,013)

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
Charges for Services:			
Administrative Fees	187,000	21,000	(166,000)
Parking Meter Fees	2,070,000	2,300,000	230,000
Police Service Fees	292,000	251,480	(40,520)
Fire Service Fees	642,750	642,500	(250)
Library Book Fines and Fees	37,500	2,300	(35,200)
Recreation Users Pay	1,935,000	535,100	(1,399,900)
Planning Fees	398,225	398,225	-
Building and Engineering Fees	2,217,530	2,172,530	(45,000)
State Energy Fees	181,650	181,650	-
Other Building Fees	208,550	235,000	26,450
Public Works Fees	14,500	3,500	(11,000)
Sub-total	8,184,705	6,743,285	(1,441,420)
Other Revenues:			
Miscellaneous Revenue	2,228,225	1,941,470	(286,755)
Program Donations	86,900	81,900	(5,000)
Claims Settlement	-	-	-
Sub-total	2,315,125	2,023,370	(291,755)
REVENUE FROM OUTSIDE SOURCES	79,294,689	76,529,226	(2,765,463)
Internal Revenue:			
Overhead Charges	9,417,289	9,379,851	(37,438)
Transfers In	-	-	-
Sub-total	9,417,289	9,379,851	(37,438)
TOTAL GENERAL FUND	88,711,978	85,909,077	(2,802,901)
<u>SPECIAL REVENUE FUNDS</u>			
STATE GAS TAX FUND:			
Use of Money and Property	20,000	20,000	-
Intergovernmental	2,996,851	2,768,666	(228,185)
Charges for Services	6,000	3,000	(3,000)
Other Revenue	-	-	-
TOTAL STATE GAS TAX FUND	3,022,851	2,791,666	(231,185)
STORM DRAIN IMPROVEMENT FUND:			
Charges for Services	50,000	2,000	(48,000)
TOTAL STORM DRAIN IMPROVEMENT FUND	50,000	2,000	(48,000)
STREET LANDSCAPING/LIGHTING FUND:			
Charges for Services	1,558,600	1,548,000	(10,600)
Transfers In	-	-	-
TOTAL STREET LANDSCAPING/LIGHTING FUND	1,558,600	1,548,000	(10,600)
LOCAL TRANSPORTATION ARTICLE 3 FUND:			
Intergovernmental	46,714	46,714	-
TOTAL LOCAL TRANSPORT ARTICLE 3 FUND	46,714	46,714	-
MEASURE M FUND:			

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
Use of Money and Property	30,000	30,000	-
Intergovernmental	970,261	970,261	-
TOTAL MEASURE M FUND	1,000,261	1,000,261	-
PROPOSITION A FUND:			
Use of Money and Property	30,000	30,000	-
Intergovernmental	1,383,383	1,383,383	-
TOTAL PROPOSITION A FUND	1,413,383	1,413,383	-
PROPOSITION C FUND:			
Use of Money and Property	120,000	120,000	-
Intergovernmental	1,147,477	1,147,477	-
TOTAL PROPOSITION C FUND	1,267,477	1,267,477	-
MEASURE R FUND:			
Use of Money and Property	15,000	15,000	-
Intergovernmental	860,855	860,855	-
TOTAL MEASURE R FUND	875,855	875,855	-
MEASURE W FUND:			
Intergovernmental	720,000	720,000	-
TOTAL MEASURE W FUND	720,000	720,000	-
AIR QUALITY IMPROVEMENT FUND:			
Use of Money and Property	2,000	2,000	-
Charges for Services	65,984	65,984	-
TOTAL AIR QUALITY IMPROVEMENT FUND	67,984	67,984	-
INTERGOVERNMENTAL GRANTS FUND:			
Intergovernmental	14,008,699	14,008,699	-
TOTAL INTERGOVERNMENTAL GRANTS FUND	14,008,699	14,008,699	-
COM. DEV. BLOCK GRANT FUND:			
Intergovernmental	501,816	501,816	-
TOTAL COM. DEV. BLOCK GRANT FUND	501,816	501,816	-
HOUSING AUTHORITY FUND:			
Intergovernmental	7,166,683	6,768,300	(398,383)
TOTAL HOUSING AUTHORITY FUND	7,166,683	6,768,300	(398,383)
PARKS AND REC. FACILITIES FUND:			
Charges for Services	31,500	31,500	-
TOTAL PARKS AND REC. FACILITIES FUND	31,500	31,500	-
NARCOTIC FORFEITURE/SEIZURE FUND:			
Fines and Forfeitures	20,000	10,000	(10,000)
Use of Money and Property	10,000	10,000	-
TOTAL NARCOTIC FORFEITURE/SEIZURE FUND	30,000	20,000	(10,000)
SUBDIVISION PARK TRUST FUND:			
Intergovernmental	500,000	500,000	-

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
TOTAL SUBDIVISION PARK TRUST FUND	500,000	500,000	-
DISASTER RECOVERY FUND:			
Intergovernmental	829,000	829,000	-
Charges for Services	500	500	-
Other Revenue	350,159	350,159	-
TOTAL DISASTER RECOVERY FUND:	1,179,659	1,179,659	-
TOTAL SPECIAL REVENUE FUNDS	33,441,482	32,743,314	(698,168)
CAPITAL PROJECTS FUND:			
Taxes	180,000	180,000	-
Charges for Services	297,262	297,262	-
Other Revenue	467,567	467,567	-
Transfers In	-	-	-
TOTAL CAPITAL PROJECTS FUND	944,829	944,829	-
OPEN SPACE ACQUISITION FUND:			
Other Revenue	-	72,632	72,632
TOTAL OPEN SPACE ACQUISITION FUND	-	72,632	72,632
TOTAL CAPITAL PROJECTS FUNDS	944,829	1,017,461	72,632
TOTAL GOVERNMENTAL FUNDS	123,098,289	119,669,852	(3,428,437)
ENTERPRISE FUNDS			
HARBOR TIDELANDS FUND:			
Fines and Forfeitures	7,200	7,200	-
Use of Money and Property	4,826,742	3,461,742	(1,365,000)
Charges for Services	494,938	508,026	13,088
Other Revenues	2,000	1,125	(875)
TOTAL HARBOR TIDELANDS FUND	5,330,880	3,978,093	(1,352,787)
HARBOR UPLANDS FUND:			
Fines and Forfeitures	15,300	15,300	-
Use of Money and Property	2,985,000	2,110,000	(875,000)
Charges for Services	1,716,750	1,741,250	24,500
Other Revenues	250	250	-
TOTAL HARBOR UPLANDS FUND	4,717,300	3,866,800	(850,500)
SOLID WASTE FUND:			
Licenses and Permits	25,000	25,000	-
Intergovernmental	105,288	94,487	(10,801)
Charges for Services	4,860,973	4,690,055	(170,918)
Other Revenues	178,357	178,378	21
TOTAL SOLID WASTE FUND	5,169,618	4,987,920	(181,698)

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
WASTEWATER FUND:			
Use of Money and Property	300,000	300,000	-
Charges for Services	5,576,765	5,565,014	(11,751)
Other Revenues	-	3,803	3,803
TOTAL WASTEWATER FUND	5,876,765	5,868,817	(7,948)
TRANSIT FUND:			
Intergovernmental	2,171,275	2,171,275	-
Charges for Services	326,317	326,317	-
Other Revenue	500	500	-
Transfers In	-	-	-
TOTAL TRANSIT FUND	2,498,092	2,498,092	-
TOTAL ENTERPRISE FUNDS	23,592,655	21,199,722	(2,392,933)
INTERNAL SERVICE FUNDS			
SELF-INSURANCE PROGRAM FUND:			
Charges for Services	7,937,950	8,202,424	264,474
TOTAL SELF-INSURANCE PROGRAM FUND	7,937,950	8,202,424	264,474
VEHICLE REPLACEMENT FUND:			
Charges for Services	3,323,780	3,026,619	(297,161)
Other Revenues	52,500	30,500	(22,000)
TOTAL VEHICLE REPLACEMENT FUND	3,376,280	3,057,119	(319,161)
BUILDING OCCUPANCY FUND:			
Charges for Services	3,277,446	3,507,846	230,400
TOTAL BUILDING OCCUPANCY FUND	3,277,446	3,507,846	230,400
INFORMATION TECHNOLOGY FUND:			
Charges for Services	3,505,574	3,484,682	(20,892)
TOTAL INFORMATION TECHNOLOGY FUND	3,505,574	3,484,682	(20,892)
EMERGENCY COMMUNICATIONS FUND:			
Charges for Services	3,452,277	4,207,747	755,470
TOTAL EMERGENCY COMMUNICATIONS FUND	3,452,277	4,207,747	755,470
MAJOR FACILITIES REPAIR FUND:			
Charges for Services	91,543	107,076	15,533
TOTAL MAJOR FACILITIES REPAIR FUND	91,543	107,076	15,533
TOTAL INTERNAL SERVICE FUNDS	21,641,070	22,566,894	925,824
TOTAL PROPRIETARY FUNDS	45,233,725	43,766,616	(1,467,109)
GRAND TOTAL	168,332,014	163,436,468	(4,895,546)

Note: Adopted figures represent total resources including adopted revenues, carry-over revenues, and other Council-approved revenues.

City of Redondo Beach
Mid Year Adjustments to Appropriations

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
<u>GENERAL FUND</u>			
Mayor and City Council:			
Personnel	362,933	362,933	-
Maintenance and Operations	39,131	39,131	-
Internal Service Fund Allocations	221,676	243,862	22,186
Capital Outlay	-	-	-
Sub-total	623,740	645,926	22,186
City Clerk:			
Personnel	675,983	675,983	-
Maintenance and Operations	464,787	464,787	-
Internal Service Fund Allocations	177,816	180,167	2,351
Capital Outlay	-	-	-
Sub-total	1,318,586	1,320,937	2,351
City Treasurer:			
Personnel	253,846	253,846	-
Maintenance and Operations	113,458	113,458	-
Internal Service Fund Allocations	30,644	32,257	1,613
Capital Outlay	-	-	-
Sub-total	397,948	399,561	1,613
City Attorney:			
Personnel	2,706,733	2,706,733	-
Maintenance and Operations	286,069	286,069	-
Internal Service Fund Allocations	349,878	365,821	15,943
Capital Outlay	-	-	-
Sub-total	3,342,680	3,358,623	15,943
City Manager:			
Personnel	821,141	821,141	-
Maintenance and Operations	368,946	368,946	-
Internal Service Fund Allocations	95,362	98,594	3,232
Capital Outlay	-	-	-
Sub-total	1,285,449	1,288,681	3,232
Human Resources:			
Personnel	616,378	616,378	-
Maintenance and Operations	1,499,210	1,499,210	-
Internal Service Fund Allocations	81,742	79,692	(2,050)
Capital Outlay	-	-	-
Sub-total	2,197,330	2,195,280	(2,050)

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
Financial Services:			
Personnel	1,821,981	1,821,981	-
Maintenance and Operations	309,677	309,677	-
Internal Service Fund Allocations	234,216	245,547	11,331
Capital Outlay	-	-	-
Sub-total	2,365,874	2,377,205	11,331
Police:			
Personnel	28,159,556	28,159,556	-
Maintenance and Operations	1,579,876	1,579,876	-
Internal Service Fund Allocations	11,041,878	11,788,227	746,349
Capital Outlay	185,987	185,987	-
Sub-total	40,967,297	41,713,646	746,349
Fire:			
Personnel	14,644,969	14,644,969	-
Maintenance and Operations	626,969	576,969	(50,000)
Internal Service Fund Allocations	4,360,587	4,241,480	(119,107)
Capital Outlay	25,991	25,991	-
Sub-total	19,658,516	19,489,409	(169,107)
Public Library:			
Personnel	1,833,295	1,833,295	-
Maintenance and Operations	470,570	470,570	-
Internal Service Fund Allocations	1,850,608	1,908,792	58,184
Capital Outlay	-	-	-
Sub-total	4,154,473	4,212,657	58,184
Community Services:			
Personnel	1,889,356	1,889,356	-
Maintenance and Operations	1,058,793	798,793	(260,000)
Internal Service Fund Allocations	2,381,974	2,451,312	69,338
Capital Outlay	-	-	-
Sub-total	5,330,123	5,139,461	(190,662)
Community Development:			
Personnel	2,752,413	2,752,413	-
Maintenance and Operations	337,533	337,533	-
Internal Service Fund Allocations	577,732	623,465	45,733
Capital Outlay	-	-	-
Sub-total	3,667,678	3,713,411	45,733
Waterfront and Economic Development:			
Personnel	75,452	75,452	-
Maintenance and Operations	139,215	139,215	-
Internal Service Fund Allocations	296,889	109,890	(186,999)
Capital Outlay	-	-	-
Sub-total	511,556	324,557	(186,999)

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
Public Works:			
Personnel	3,521,769	3,521,769	-
Maintenance and Operations	1,199,233	1,199,233	-
Internal Service Fund Allocations	2,333,462	2,272,301	(61,161)
Capital Outlay	-	-	-
Sub-total	7,054,464	6,993,303	(61,161)
Non-Departmental:			
Transfers Out	2,680,249	2,680,249	-
Sub-total	2,680,249	2,680,249	-
GENERAL FUND:			
Personnel	60,135,805	60,135,805	-
Maintenance and Operations	8,493,467	8,183,467	(310,000)
Internal Service Fund Allocations	24,034,464	24,641,407	606,943
Capital Outlay	211,978	211,978	-
Transfers Out	2,680,249	2,680,249	-
TOTAL GENERAL FUND	95,555,963	95,852,906	296,943
<u>SPECIAL REVENUE FUNDS</u>			
STATE GAS TAX FUND:			
Personnel	717,345	717,345	-
Maintenance and Operations	290,927	290,927	-
Internal Service Fund Allocations	396,356	394,485	(1,871)
Capital Outlay	2,095,921	2,095,921	-
Transfers Out	-	-	-
TOTAL STATE GAS TAX FUND	3,500,549	3,498,678	(1,871)
STORM DRAIN IMPROVEMENT FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	288,730	288,730	-
Transfers Out	-	-	-
TOTAL STORM DRAIN IMPROVEMENT FUND	288,730	288,730	-
STREET LANDSCAPING/LIGHTING FUND:			
Personnel	955,614	955,614	-
Maintenance and Operations	1,424,656	1,424,656	-
Internal Service Fund Allocations	266,785	267,243	458
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL STREET LANDSCAPING/LIGHTING FUND	2,647,055	2,647,513	458

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
LOCAL TRANSPORTATION ARTICLE 3 FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL LOCAL TRANSPORTATION ARTICLE 3 FUND	-	-	-
MEASURE M FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	374	-	(374)
Capital Outlay	3,058,081	3,058,081	-
Transfers Out	-	-	-
TOTAL MEASURE M FUND	3,058,455	3,058,081	(374)
PROPOSITION A FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	75,000	75,000	-
Transfers Out	2,792,272	2,792,272	-
TOTAL PROPOSITION A FUND	2,867,272	2,867,272	-
PROPOSITION C FUND:			
Personnel	-	-	-
Maintenance and Operations	12,280	12,280	-
Internal Service Fund Allocations	2,062	2,151	89
Capital Outlay	7,751,047	7,751,047	-
Transfers Out	-	-	-
TOTAL PROPOSITION C FUND	7,765,389	7,765,478	89
MEASURE R FUND:			
Personnel	-	-	-
Maintenance and Operations	28,653	28,653	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	2,416,843	2,416,843	-
Transfers Out	-	-	-
TOTAL MEASURE R FUND	2,445,496	2,445,496	-
MEASURE W FUND:			
Personnel	97,360	97,360	-
Maintenance and Operations	47,954	47,954	-
Internal Service Fund Allocations	47,889	54,072	6,183
Capital Outlay	610,496	610,496	-
Transfers Out	-	-	-
TOTAL MEASURE W FUND	803,699	809,882	6,183

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
AIR QUALITY IMPROVEMENT FUND:			
Personnel	26,600	26,600	-
Maintenance and Operations	56,089	56,089	-
Internal Service Fund Allocations	5,250	5,078	(172)
Capital Outlay	185,600	185,600	-
Transfers Out	-	-	-
TOTAL AIR QUALITY IMPROVEMENT FUND	273,539	273,367	(172)
INTERGOVERNMENTAL GRANTS FUND:			
Personnel	360,988	360,988	-
Maintenance and Operations	1,878,989	1,878,989	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	21,253,864	21,253,864	-
Transfers Out	-	-	-
TOTAL INTERGOVERNMENTAL GRANTS FUND	23,493,841	23,493,841	-
COM. DEV. BLOCK GRANT FUND:			
Personnel	-	-	-
Maintenance and Operations	207,187	207,187	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	193,544	193,544	-
Transfers Out	-	-	-
TOTAL COM. DEV. BLOCK GRANT FUND	400,731	400,731	-
HOUSING AUTHORITY FUND:			
Personnel	376,598	376,598	-
Maintenance and Operations	6,197,695	6,197,695	-
Internal Service Fund Allocations	147,319	152,222	4,903
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL HOUSING AUTHORITY FUND	6,721,612	6,726,515	4,903
PARKS AND RECREATION FACILITIES FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	50,000	50,000	-
Transfers Out	-	-	-
TOTAL PARKS AND RECREATION FACILITIES FUND	50,000	50,000	-
NARCOTIC FORFEITURE/SEIZURE FUND:			
Personnel	-	-	-
Maintenance and Operations	156,923	156,923	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	211,671	211,671	-
Transfers Out	-	-	-
TOTAL NARCOTIC FORFEITURE/SEIZURE FUND	368,594	368,594	-

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
SUBDIVISION PARK TRUST FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	1,698,629	1,698,629	-
Transfers Out	-	-	-
TOTAL SUBDIVISION PARK TRUST FUND	1,698,629	1,698,629	-
DISASTER RECOVERY FUND:			
Personnel	35,000	35,000	-
Maintenance and Operations	826,219	826,219	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	285,000	285,000	-
Transfers Out	-	-	-
TOTAL DISASTER RECOVERY FUND:	1,146,219	1,146,219	-
CALPERS RESERVE FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL CALPERS RESERVE FUND	-	-	-
TOTAL SPECIAL REVENUE FUNDS	57,529,810	57,539,026	9,216
<u>CAPITAL PROJECTS FUNDS</u>			
CAPITAL PROJECTS FUND:			
Personnel	181,937	181,937	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	8,398,703	8,398,703	-
Transfers Out	2,368,000	2,368,000	-
TOTAL CAPITAL PROJECTS FUND	10,948,640	10,948,640	-
MAJOR FACILITIES RECONSTRUCTION FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	489,286	489,286	-
TOTAL MAJOR FACILITIES RECONSTRUCTION FUND	489,286	489,286	-
OPEN SPACE ACQUISITION FUND:			
Personnel	-	-	-
Maintenance and Operations	175,000	175,000	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL OPEN SPACE ACQUISITION FUND	175,000	175,000	-

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
TOTAL CAPITAL PROJECTS FUNDS	11,612,926	11,612,926	-
TOTAL GOVERNMENTAL FUNDS	164,698,699	165,004,858	306,159
ENTERPRISE FUNDS			
HARBOR TIDELANDS FUND:			
Personnel	3,855,112	3,855,112	-
Maintenance and Operations	2,272,937	2,197,937	(75,000)
Internal Service Fund Allocations	1,502,811	1,432,042	(70,769)
Capital Outlay	6,693,041	6,693,041	-
Transfers Out	96,299	96,299	-
TOTAL HARBOR TIDELANDS FUND	14,420,200	14,274,431	(145,769)
HARBOR UPLANDS FUND:			
Personnel	1,881,164	1,881,164	-
Maintenance and Operations	1,311,904	1,311,904	-
Internal Service Fund Allocations	1,366,152	1,572,211	206,059
Capital Outlay	464,916	464,916	-
Transfers Out	1,650,982	1,650,982	-
TOTAL HARBOR UPLANDS FUND	6,675,118	6,881,177	206,059
SOLID WASTE FUND:			
Personnel	1,082,777	1,082,777	-
Maintenance and Operations	3,960,619	3,960,619	-
Internal Service Fund Allocations	584,260	569,880	(14,380)
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL SOLID WASTE FUND	5,627,656	5,613,276	(14,380)
WASTEWATER FUND:			
Personnel	1,573,873	1,573,873	-
Maintenance and Operations	1,578,756	1,578,756	-
Internal Service Fund Allocations	401,522	452,772	51,250
Capital Outlay	10,939,682	10,939,682	-
Transfers Out	-	-	-
TOTAL WASTEWATER FUND	14,493,833	14,545,083	51,250
TRANSIT FUND:			
Personnel	630,033	630,033	-
Maintenance and Operations	4,362,710	4,362,710	-
Internal Service Fund Allocations	208,105	230,205	22,100
Capital Outlay	353,028	353,028	-
Transfers Out	-	-	-
TOTAL TRANSIT FUND	5,553,876	5,575,976	22,100
TOTAL ENTERPRISE FUNDS	46,770,683	46,889,943	119,260

	Fiscal Year 2020 - 2021		
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
INTERNAL SERVICE FUNDS			
SELF-INSURANCE PROGRAM FUND:			
Personnel	87,511	87,511	-
Maintenance and Operations	6,433,179	6,433,179	-
Internal Service Fund Allocations	71,990	79,897	7,907
Capital Outlay	5,093	5,093	-
Transfers Out	-	-	-
TOTAL SELF-INSURANCE PROGRAM FUND	6,597,773	6,605,680	7,907
VEHICLE REPLACEMENT FUND:			
Personnel	610,571	610,571	-
Maintenance and Operations	1,125,105	1,125,105	-
Internal Service Fund Allocations	243,039	289,904	46,865
Capital Outlay	2,001,381	2,001,381	-
Transfers Out	-	-	-
TOTAL VEHICLE REPLACEMENT FUND	3,980,096	4,026,961	46,865
BUILDING OCCUPANCY FUND:			
Personnel	1,369,161	1,369,161	-
Maintenance and Operations	1,358,546	1,358,546	-
Internal Service Fund Allocations	446,463	468,819	22,356
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL BUILDING OCCUPANCY FUND	3,174,170	3,196,526	22,356
INFORMATION TECHNOLOGY FUND:			
Personnel	1,296,981	1,296,981	-
Maintenance and Operations	1,879,902	1,879,902	-
Internal Service Fund Allocations	436,324	457,977	21,653
Capital Outlay	1,771,970	1,771,970	-
Transfers Out	304	304	-
TOTAL INFORMATION TECHNOLOGY FUND	5,385,481	5,407,134	21,653
EMERGENCY COMMUNICATIONS FUND:			
Personnel	2,030,215	2,030,215	-
Maintenance and Operations	230,523	230,523	-
Internal Service Fund Allocations	657,934	646,734	(11,200)
Capital Outlay	21,868	21,868	-
Transfers Out	-	-	-
TOTAL EMERGENCY COMMUNICATIONS FUND	2,940,540	2,929,340	(11,200)
MAJOR FACILITIES REPAIR FUND:			
Personnel	-	-	-
Maintenance and Operations	-	-	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	901,748	901,748	-
Transfers Out	-	-	-
TOTAL MAJOR FACILITIES REPAIR FUND	901,748	901,748	-
TOTAL INTERNAL SERVICE FUNDS	22,979,808	23,067,389	87,581

Fiscal Year 2020 - 2021			
	Adopted 2020-21	Adjusted 2020-21	Increase (Decrease)
TOTAL PROPRIETARY FUNDS	69,750,491	69,957,332	206,841
SUCCESSOR AGENCY:			
Personnel	-	-	-
Maintenance and Operations	361,900	361,900	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	1,067,095	1,067,095	-
TOTAL SUCCESSOR AGENCY	1,428,995	1,428,995	-
HOUSING SUCCESSOR AGENCY:			
Personnel	200,000	200,000	-
Maintenance and Operations	80,500	80,500	-
Internal Service Fund Allocations	-	-	-
Capital Outlay	-	-	-
Transfers Out	-	-	-
TOTAL HOUSING SUCCESSOR AGENCY	280,500	280,500	-
COMMUNITY FINANCING AUTHORITY:			
Personnel	-	-	-
Maintenance and Operations	1,888,344	1,888,344	-
Internal Service Fund Allocations	36,613	46,748	10,135
Capital Outlay	-	-	-
Transfers Out	2,240,000	2,240,000	-
TOTAL COMMUNITY FINANCING AUTHORITY	4,164,957	4,175,092	10,135
GRAND TOTAL	240,323,642	240,846,777	523,135

Note: Adopted figures represent total appropriations including adopted appropriations, carry-over appropriations, and other Council-approved appropriations. Appropriations for capital improvement projects have been excluded.

FY 2020-21
MIDYEAR BUDGET RESPONSE REPORTS
QUICK REFERENCE GUIDE

Artesia Aviation Corridors Area Plan (AACAP)	3
Internal Service Fund Allocation	1
Lighting Along Beachfront Pedestrian Walkway	5
Pavement Rehabilitation Bonds	6
Personnel Adjustments	7
Police Department's Lobby and Records Unit Renovations	4
Vehicle Replacement Fund	2

CITY OF REDONDO BEACH

BUDGET RESPONSE REPORTS

FY 2020-21 MIDYEAR BUDGET

The following is a list of questions raised regarding the FY 2020-21 Midyear Budget. The corresponding answer to each of these questions (the “Budget Response Report”) follows in the sequence reflected.

Question	No.
<ul style="list-style-type: none"> What are the City’s internal service fund and overhead allocations, and what policies and procedures govern them? What are the reasons for the changes in the FY 2020-21 allocations included in the midyear budget from those in the FY 2020-21 adopted budget? And what is the opinion of the outside audit firm regarding the internal service funds? 	1
Attachment A: Administrative Policy/Procedures	1A
Attachment B: Internal Service Funds Analysis	1B
Attachment C: Internal Service Funds Financial Statements	1C
<ul style="list-style-type: none"> How is the vehicle replacement schedule financially structured, what is the methodology for replacing City vehicles, and what is the City’s current lifecycle policy schedule for vehicle replacement? 	2
Attachment A: Vehicle Life Cycle	2A
<ul style="list-style-type: none"> What funding is needed to complete the environmental review and analysis necessary to consider implementing the land use and parking changes for the Artesia Aviation Corridors Area Plan (AACAP) and what is the schedule for the various work options? 	3
<ul style="list-style-type: none"> What conceptual design options and construction cost estimates were developed for possible renovation of the Police Department’s Lobby and Records Unit area? 	4
Attachment A: Architectural Renderings of Option1 and Option 2	4A
<ul style="list-style-type: none"> What would be the cost to replace the existing lighting along the beachfront pedestrian walkway between Veterans Park and Knob Hill Avenue? 	5
<ul style="list-style-type: none"> What is the feasibility of the City issuing bonds for pavement rehabilitation to gain the benefit of current construction costs? 	6

Question	No.
<ul style="list-style-type: none">▪ What is the net amount of each department's midyear personnel adjustments recommended in Decision Package #2 and to what can they be attributed?	7

CITY OF REDONDO BEACH

Midyear Budget Response Report #1

February 16, 2021

Question:

What are the City's internal service fund and overhead allocations, and what policies and procedures govern them? What are the reasons for the changes in the FY 2020-21 allocations included in the midyear budget from those in the FY 2020-21 adopted budget? And what is the opinion of the outside audit firm regarding the internal service funds?

Response:

Internal service fund/overhead allocations are charges to user departments for services provided by other departments of the City. The City uses internal service fund allocations (including overhead) to determine the true cost of departmental operations. The development of internal service fund and overhead allocations is considered to be a best practice within both the private and public sectors. All twenty of the largest cities in California develop a cost allocation plan.

The City has been using its current structure of internal service fund and overhead allocations since FY2005-06 (based on recommendations from a firm retained to review the allocation process). However, the Vehicle Replacement Internal Service Fund has been in place since FY1983-84, and overhead has been charged to enterprise and other specific non-general funds for at least that long.

The City's Statements of Financial Principles were initially adopted in November 1998 and included policies regarding interfund transfers (overhead) as follows:

- Section 8(a) – Transfers to the General Fund from other funds for overhead costs shall be reviewed annually and shall conform to OMB (Office of Management & Budget) A-87 guidelines¹.
- Section 8(b) – All City funds, including eligible grant funds, shall share the administrative costs borne by the General Fund.

In 2009, the Mayor and City Council approved adding the following policies to the Statements of Financial Principles. The additional policies give further clarification to the methodologies used by Redondo Beach in calculating its allocations.

¹ In OMB A-87 (Cost Principles for State, Local, and Indian Tribal Governments), the federal government establishes the rules underlying the development of cost allocation plans. Plans prepared following the OMB A-87 guidelines can be used for federal grant administrative cost recovery.

- Section 8(c) – Internal service funds and central service departments shall retain the costs of using services provided by other City departments.
- Section 8(d) – Allocations among funds and departments shall be based on prior fiscal year-end actual expenses and distributed using fair and justifiable statistics.

In 2010, the City issued an Administrative Policy / Procedures (APP) regarding internal service fund and overhead allocations to address expenses included in the allocations, methodologies used to make these allocations, and a brief description of how these amounts were calculated. Attachment 1 is the most recently updated APP. This APP is currently being reviewed/updated by Moss Adams, the City's internal auditor, for possible revisions in regards to best practices.

Also attached are City-wide variance analyses comparing allocations in the FY 2020-21 midyear budget to the FY 2020-21 adopted budget. Attachment 2-A is an analysis of each internal service fund/overhead allocation, and Attachment 2-B is an analysis of the impact from these allocations to each fund's proposed expenditures and revenues. Explanations for increases/decreases are included. In total, internal service fund and overhead allocations have increased three percent (3%) primarily due to increased allocations for emergency communications operations as a result of a new methodology whereby pension and other post-employment benefit (OPEB) liabilities are averaged together with increased maintenance/implementation costs for computer aided dispatch (CAD) software.

Beginning with the audit of the FY 2011-12 financials, a report on the internal service funds was issued with the other audit reports. Attachment 3 is a copy of the FY 2019-20 report prepared by Lance, Soll & Lunghard. The report includes a clean opinion from the audit firm.

Attachments:

Attachment A – APP

Attachment B – Internal Service Fund Analysis

Attachment C – Internal Service Funds Financial Statements

CITY OF REDONDO BEACH		ADMINISTRATIVE POLICY/PROCEDURES (APP)
Number: 3.18		Subject: Internal Service Fund/Overhead Allocations
Original Issue: 2/17/10	Effective: 2/17/10	
Previous Issue: 5/28/13	Effective: 2/20/18	Category: Finance, Accounting and Payroll
Supersedes: Not Applicable		

I. PURPOSE AND SCOPE

To establish policy and procedures for allocating internal service fund and overhead charges.

II. GENERAL

- A. Internal service fund/overhead allocations are charges to user departments for services provided by other departments of the City.
- B. The City of Redondo Beach uses internal service fund allocations (including overhead) to determine the true cost of departmental operations.
- C. The City of Redondo Beach follows Section 8 of its Statements of Financial Principles in allocating internal service funds and overhead.
 - 1. Transfers to the General Fund from other funds for overhead costs shall be reviewed annually and shall conform to OMB (Office of Management & Budget) A-87 guidelines.
 - 2. All City funds, including eligible grant funds, shall share the administrative costs borne by the General Fund.
 - 3. Internal service funds and central service departments shall retain the costs of using services provided by other City departments.
 - 4. Allocations among funds and departments shall be based on prior fiscal year-end actual expenses and distributed using fair and justifiable statistics.
- D. The City of Redondo Beach currently has the following internal service funds:
 - 1. Self-Insurance Program Fund
 - a. Liability and Property Insurance
 - b. Workers' Compensation

2. Vehicle Replacement Fund
 - a. Vehicle Maintenance
 - b. Vehicle Replacement
 3. Building Occupancy Fund
 4. Information Technology Fund
 - a. Information Technology
 - b. Information Technology Replacement
 5. Emergency Communications Fund
 - a. Emergency Communications
 - b. Emergency Communications Equipment Replacement
 6. Major Facilities Repair Fund
 7. City Facility Sewer Fee
- E. Overhead is charged to departments receiving services from the following support departments/divisions.
1. Mayor and City Council
 2. City Clerk
 3. City Treasurer
 4. City Attorney
 5. City Manager
 6. Human Resources
 7. Financial Services
 8. Police Administration
 9. Fire Administration
 10. Community Services Administration
 11. Public Works Administration

III. PROCEDURES

A. Self-Insurance Program Fund

The Risk Management Division of the Human Resources Department shall be responsible for the Self-Insurance Program Fund, which accounts for the cost of providing liability and property, workers' compensation and unemployment insurances. While unemployment insurance is accounted for as a personnel cost, rather than an internal service fund allocation, allocations for liability and property insurance and workers' compensation insurance are in two separate categories. Each category is charged to departments at a rate that fully recuperates the annual cost of the insurance reflected in the Self-Insurance Program Fund. The specific categories of expense and the statistics used to allocate these expenses are detailed below. Allocated costs also include Risk Management's personnel costs, contracts and professional services, and internal service fund/overhead allocations, which directly support the insurance function.

1. Liability and Property Insurance
 - a. Expenses included in this category are:
 - 1) Liability and property insurance annual premium expenses
 - 2) Liability and property insurance claims based on a five-year average (avoids spikes in allocations)
 - b. Statistics used to determine the allocation amount to user departments/divisions are:
 - 1) Current value of the structure occupied
 - 2) Claims paid for the structure occupied or activity performed
 - 3) Square footage of the structure occupied
2. Workers' Compensation
 - a. Expenses included in this category are:
 - 1) Workers' compensation insurance annual premium expenses
 - 2) Workers' compensation claims based on a five-year average (avoids spikes in allocations)
 - b. Statistics used to determine the allocation amount to user departments/divisions are:
 - 1) Full-time and part-time salaries
 - 2) Claims paid for each department's specific employees

B. Vehicle Replacement Fund

The Fleet Services Division of the Public Works Department shall be responsible for the Vehicle Replacement Fund, which accounts for the cost of maintaining and replacing vehicles. Allocations are in two separate categories, vehicle maintenance and vehicle replacement. Each category is charged to departments at a rate that fully recuperates the annual cost of operating and replacing City vehicles reflected in the Vehicle Replacement Fund. The specific categories of expense and the statistics used to allocate these expenses are detailed below.

1. Vehicle Maintenance
 - a. Fleet Services' expenses included in this category are:
 - 1) Personnel
 - 2) Maintenance and operations (including fuel and parts)
 - 3) Internal service fund/overhead allocations which directly support the vehicle maintenance function
 - b. Statistics used to determine the allocation amount to user departments/divisions are:
 - 1) Historical vehicle maintenance hours
 - 2) Actual fuel consumption
2. Vehicle Replacement
 - a. Each year, the Fleet Services Division sets aside specific amounts to fund the replacement of vehicles. The methodology used to determine the appropriate amount to be set aside is the original vehicle cost (with a future replacement inflation factor of 3% compounded annually) amortized over the vehicle's useful life.
 - b. The specific vehicle(s) utilized by each user department is/are used to determine the allocation amount.

C. Building Occupancy Fund

The Building Maintenance Division of the Public Works Department shall be responsible for the Building Occupancy Fund, which accounts for the cost of maintaining and improving City buildings. Allocations are charged to departments at a rate that fully recuperates the annual building maintenance and improvement costs. The specific categories of expense and the statistics used to allocate these expenses are detailed below.

1. Building Maintenance's expenses included in the fund are:
 - a. Personnel
 - 1) Custodial personnel (excluded from allocations to facilities which do not utilize custodial services provided by the Building Maintenance Division)
 - 2) Maintenance personnel
 - b. Maintenance and operations (including utilities)
 - c. Internal service fund/overhead allocations
 - d. Capital outlay
2. Statistics used to determine the allocation amount to user departments/divisions are:
 - a. Square footage occupied
 - b. Usage of utilities
 - c. Usage of contracts
 - d. Usage of materials and supplies

D. Information Technology Fund

The Information Technology Department shall be responsible for the Information Technology Fund, which accounts for the cost of maintaining and replacing City computer, telecommunications, and duplicating equipment and providing duplicating services. Allocations are in two separate categories. Each category is charged to departments at a rate that fully recuperates the annual maintenance and replacement costs reflected in the Information Technology Fund. The specific categories of expense and the statistics used to allocate these expenses are detailed below.

1. Information Technology
 - a. Information Technology expenses included in this category are:
 - 1) Personnel

- 2) Maintenance and operations (including PC and laptop leases and telephone utility costs)
- 3) Internal service fund/overhead allocations which directly support the information technology function
- b. Statistics used to determine the allocation amount to each user department/division are:
 - 1) Number of computers and computer-related equipment
 - 2) Number of telephones and telecom-related items
2. Information Technology Replacement
 - a. Each year, the Information Technology Department sets aside specific amounts to fund the replacement of equipment. The methodology used to determine the appropriate amount to be set aside is the original equipment cost (with a future replacement inflation factor of 3% compounded annually) amortized over the equipment's useful life.
 - b. Statistics used to determine the allocation amount to user departments/divisions are:
 - 1) Replacement cost for equipment that can be specifically identified to a department (e.g., plotters and large scanners)
 - 2) Number of computers, computer-related equipment, telephones, and telecom-related items is used to allocate equipment that cannot be identified directly to a department (e.g., servers and the telephone switch)

E. Emergency Communications Fund

The Support Services Bureau Captain of the Police Department shall be responsible for the Emergency Communications Fund, which accounts for the cost of providing emergency dispatch services for the Police and Fire Departments and replacement of communications equipment for the Police, Fire and Public Works Departments. Allocations are in two separate categories, emergency communications and emergency communications equipment replacement. Each category is charged at a rate that fully recuperates the annual cost of providing emergency dispatch services and replacing the communications equipment reflected in the Emergency Communications Fund. The specific categories of expense and the statistics used to allocate these expenses are detailed below.

1. Emergency Communications
 - a. Emergency Communications Unit expenses included in the fund are:

- 1) Personnel
- 2) Maintenance and operations
- 3) Internal service fund/overhead allocations which directly support the emergency communications function
- b. Statistics used to determine the allocation amounts to both Police and Fire Departments are:
 - 1) Number of Police and Fire emergency calls from the public
 - 2) Time length of Police and Fire emergency calls from the public
 - 3) Required dispatch staffing
2. Emergency Communications Equipment Replacement
 - a. Each year the Communications Unit sets aside specific amounts to fund the replacement of equipment. The methodology used to determine the appropriate amount to be set aside is the original equipment cost (with a future replacement inflation factor of 3% compounded annually) amortized over the equipment's useful life.
 - b. Equipment assigned to the Police, Fire and Public Works departments (with the dispatch equipment assigned to the Police Department) is used to determine the allocation amount

F. Major Facilities Repair Fund

The Building Maintenance Division of the Public Works Department shall be responsible for the Major Facilities Repair Fund, which accounts for the cost of making major repairs to City facilities. This fund is charged to departments at a rate that fully recuperates the annual cost of facility repairs charged to the Major Facilities Repair Fund. The calculated annual dollar amount of the fund and the statistics used to allocate these expenses are detailed below.

1. Each year, the Building Maintenance Division sets aside a specific amount to fund major repairs. The methodology used to determine the appropriate amount to be set aside is two percent of one year's depreciation (over a 45-year life) of the insured value of City facilities.
2. Square footage occupied by each user department

G. City Facility Sewer Fee

The Engineering Division of the Public Works Department shall be responsible for the City Facility Sewer Fee, which accounts for the cost of providing wastewater collection and conveyance services to City facility sewer connections. This fee is charged to departments for use of the City's sewer infrastructure. The calculated annual dollar amount of the fee and the statistics used to determine this expense are detailed below.

1. The institutional sewer rate is used to calculate the amount of sewer charges.
2. Statistics used to determine the allocation amount to departments/divisions residing in City facilities are:
 - a. Annual water usage for departments/divisions that are single occupants of a facility (e.g., Police Department and Fire Department)
 - b. Square footage occupied for departments/divisions sharing a facility
 - c. Number of budgeted full-time employees for departments/divisions sharing a facility

H. Overhead

1. Per the City's Statements of Financial Principles, all support departments' operating expenses which conform to OMB A-87 guidelines are included in the allocation.
2. Charts of the allocated services rendered by each support department and the allocation bases for these activities allocated follow.
 - a. City Clerk

Service	Allocation Methodology
Departmental assistance	Number of budgeted full-time employees
Records management	Number of budgeted full-time employees

- b. City Treasurer

Service	Allocation Methodology
Departmental auditing	Number of budgeted full-time employees
Tax administration	Percentage of total General Fund actual expenditures

c. City Manager

Service	Allocation Methodology
Budgeting	Number of budget account numbers
Economic development	Percentage of total non-housing Redevelopment Agency expenditures
City sponsored events	Number of budgeted full-time employees
Human resources	Hours of support to the Human Resources Department
General City support	1/2: Number of budgeted full-time employees 1/2: Percentage of total actual expenditures
Oversight Board	Percentage of total non-housing Redevelopment Agency expenditures

d. Human Resources

Service	Allocation Methodology
Employee support	Number of budgeted full-time employees

e. Financial Services

Service	Allocation Methodology
Accounts payable	Number of accounts payable transactions
Accounts receivable	Number of accounts receivable transactions
Purchasing	Number of purchase orders
Cashiering	Number of cash receipts
Budgeting	Number of budget account numbers
Fixed assets	Number of budgeted full-time employees
CAFR preparation	Number of budget account numbers
General ledger administration	Number of budget account numbers
Bank reconciliation	Number of bank accounts
Grants administration	Time spent on departmental grants
Payroll	Number of budgeted full-time employees
MUNIS support	Number of budgeted full-time employees

f. Police Administration

Service	Allocation Methodology
Division support	1/2: Number of budgeted full-time employees 1/2: Percentage of total actual expenditures

g. Fire Administration

Service	Allocation Methodology
Division support	1/2: Number of budgeted full-time employees 1/2: Percentage of total actual expenditures

h. Community Services Administration

Service	Allocation Methodology
Division support	Hours of support

i. Public Works Administration

Service	Allocation Methodology
Division support	1/2: Number of budgeted full-time employees 1/2: Percentage of total actual expenditures

3. Although not charged to departments (in accordance with OMB A-87 guidelines), when calculating user fees, the full cost of the items in Number 4 below is allocated to the fees.
4. A chart of the additional services rendered by each support department which are included only in the full cost allocation plan follows.

Department	Service
Mayor and City Council	Departmental assistance
City Clerk	Agenda and minute preparation
City Clerk	Board and commission support
City Clerk	Fair Political Practices Commission coordination

Department	Service
City Clerk	Legal notice coordination
City Attorney	In-house legal support
City Attorney	Outside legal support
City Manager	Agenda preparation
City Treasurer	Investment administration

IV. EXCEPTIONS

There will be no exceptions to this policy unless provided and approved by the City Manager.

V. AUTHORITY

By authority of the City Manager.



 Joe Hoefgen
 City Manager

City-Wide Internal Service Fund Analysis

Internal Service Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	% Inc/Dec	Explanation for Increase/Decrease	Allocation Methodology Improvements
Vehicle Maintenance	2,468,487	2,063,737	-16%	Decreased allocated costs with allocation methodology improvement	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and other post-employment benefits (OPEB) liabilities have been averaged over a five-year term.
Vehicle Equipment Replacement	790,293	900,382	14%	Increased allocations for vehicles to be replaced in FY 2020-21 to ensure full funding at time of replacement	No change
Information Technology Maintenance	3,505,574	3,484,682	-1%	n/a - Expected increase / decrease	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and OPEB liabilities have been averaged over a five-year term.
Information Technology Equipment Replacement	-	-	0%	n/a - Expected increase / decrease	No change

City-Wide Internal Service Fund Analysis

Internal Service Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	% Inc/Dec	Explanation for Increase/Decrease	Allocation Methodology Improvements
Communications Equipment Replacement	486,756	487,684	0%	n/a - Expected increase / decrease	No change
Workers' Compensation Insurance	3,554,337	3,797,440	7%	Increased workers' compensation claims payable per the actuarial study of the City's workers' compensation self-insurance program	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and OPEB liabilities have been averaged over a five-year term.
Liability Insurance	4,250,701	4,272,072	1%	n/a - Expected increase / decrease	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and OPEB liabilities have been averaged over a five-year term.
Building Occupancy	3,277,446	3,507,846	7%	Increased allocated costs with allocation methodology improvement	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and OPEB liabilities have been averaged over a five-year term.

City-Wide Internal Service Fund Analysis

Internal Service Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	% Inc/Dec	Explanation for Increase/Decrease	Allocation Methodology Improvements
Major Facilities Repair	91,543	107,076	17%	Addition of the concrete municipal pier as an insured City facility	No change
City Facility Sewer Fee	47,765	43,014	-10%	Decreased water usage at all City facilities	No change
Emergency Communications Operations	2,965,521	3,720,063	25%	1) Increased allocated costs with allocation methodology improvement and 2) increased maintenance / implementation costs for computer aided dispatch (CAD) software	To reduce large fluctuations in allocated expenditures, the expenditures for changes in pension and OPEB liabilities have been averaged over a five-year term.
Overhead	9,417,289	9,379,851	0%	n/a - Expected increase / decrease	No change
Totals	30,855,712	31,763,847	3%		

City-Wide Internal Service Fund Analysis by Fund

	A	B	C = B - A	D	E = C - D	
Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	Expenditure Inc/(Dec)	Revenue Inc/(Dec)	Net Inc/(Dec) to Expenditures	Explanation for Increase/Decrease
General	24,034,464	24,641,407	606,943	(37,438)	644,381	Increased allocations for emergency communications operations as a result of 1) new methodology whereby pension and OPEB liabilities are averaged and 2) increased maintenance / implementation costs for computer aided dispatch (CAD) software
State Gas Tax	396,356	394,485	(1,871)	-	(1,871)	n/m
Street Landscaping and Lighting	266,785	267,243	458	-	458	n/m
Measure M	374	-	(374)	-	(374)	n/m
Proposition C	2,062	2,151	89	-	89	n/m

City-Wide Internal Service Fund Analysis by Fund

	A	B	C = B - A	D	E = C - D	
Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	Expenditure Inc/(Dec)	Revenue Inc/(Dec)	Net Inc/(Dec) to Expenditures	Explanation for Increase/Decrease
Measure W	47,889	54,072	6,183	-	6,183	n/m
Air Quality Improvement	5,250	5,078	(172)	-	(172)	n/m
Housing Authority	147,319	152,222	4,903	-	4,903	n/m
Harbor Tidelands	1,502,811	1,432,042	(70,769)	-	(70,769)	Decreased overhead allocations with fewer expenditures
Harbor Uplands	1,366,152	1,572,211	206,059	-	206,059	Increased allocations for liability insurance premiums with the addition of the concrete municipal pier as an insured City facility

City-Wide Internal Service Fund Analysis by Fund

	A	B	C = B - A	D	E = C - D	
Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	Expenditure Inc/(Dec)	Revenue Inc/(Dec)	Net Inc/(Dec) to Expenditures	Explanation for Increase/Decrease
Solid Waste	584,260	569,880	(14,380)	-	(14,380)	Decreased allocations for vehicle maintenance with fewer vehicle maintenance labor hours for street sweepers
Wastewater	401,522	452,772	51,250	(4,751)	56,001	Increased overhead allocations with greater percentage of full-time budgeted employees
Transit	208,105	230,205	22,100	-	22,100	Increased overhead allocations with greater percentage of full-time budgeted employees
Self-Insurance Program	71,990	79,897	7,907	264,474	(256,567)	Increased revenue from higher workers' compensation insurance allocations with increased claims payable per the actuarial study of the City's workers' compensation self-insurance program
Vehicle Replacement	243,039	289,904	46,865	(294,661)	341,526	Decreased revenue from vehicle maintenance allocations relecting new methodology whereby pension and OPEB liabilities are averaged

City-Wide Internal Service Fund Analysis by Fund

	A	B	C = B - A	D	E = C - D	
Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	Expenditure Inc/(Dec)	Revenue Inc/(Dec)	Net Inc/(Dec) to Expenditures	Explanation for Increase/Decrease
Building Occupancy	446,463	468,819	22,356	230,400	(208,044)	Increased revenue from building occupancy allocations relecting new methodology whereby pension and OPEB liabilities are averaged
Information Technology	436,324	457,977	21,653	(20,892)	42,545	Decreased revenue from information technology maintenance allocations relecting new methodology whereby pension and OPEB liabilities are averaged / Increased overhead allocations with greater percentage of full-time budgeted employees
Emergency Communications	657,934	646,734	(11,200)	755,470	(766,670)	Increased revenue from emergency communications operations allocations as a result of 1) new methodology whereby pension and OPEB liabilities are averaged and 2) increased maintenance / implementation costs for computer aided dispatch (CAD) software
Major Facilities Repair	-	-	-	15,533	(15,533)	Increased revenue from liability insurance premiums with the addition of the concrete municipal pier as an insured City facility
Community Financing Authority	36,613	46,748	10,135	-	10,135	Increased allocations for liability insurance premiums with higher insured value of the Kincaid's restaurant building

City-Wide Internal Service Fund Analysis by Fund

	A	B	C = B - A	D	E = C - D	
Funds	20-21 Adopted Budget Amounts (Based on 18-19 Actuals)	20-21 Midyear Budget Amounts (Based on 19-20 Actuals)	Expenditure Inc/(Dec)	Revenue Inc/(Dec)	Net Inc/(Dec) to Expenditures	Explanation for Increase/Decrease
Totals	30,855,712	31,763,847	908,135	908,135	-	



CITY OF REDONDO BEACH, CALIFORNIA INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

Focused
on YOU



CITY OF REDONDO BEACH, CALIFORNIA
INTERNAL SERVICE FUNDS
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2020

CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Statement of Net Position	6
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	10
Notes to Financial Statements	12



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Redondo Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Internal Service Funds of the City of Redondo Beach, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Redondo Beach, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Internal Service Funds of the City of Redondo Beach, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the internal service funds activities of the City, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2020, the changes in its financial position, or when applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Brea, California
December 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Redondo Beach (the "City"), we offer readers of the Internal Service Funds' financial statements this narrative overview and analysis of the financial activities of the Internal Service Funds for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information contained within the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the Internal Service Funds' basic financial statements. The Internal Service Funds' financial statements are comprised of two parts; (1) the Basic Financial Statements, and (2) the Notes to the Basic Financial Statements.

Basic Financial Statements: The Basic Financial Statements are designed to provide readers with a broad overview of the Internal Service Funds' finances, in a manner similar to a private-sector business.

The Statement of Net Positions presents information on all the Internal Service Funds' assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Internal Service Funds is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position provides a more detailed disclosure as to the nature of the Internal Service Funds' revenues and expenses during the fiscal year. This statement provides information on the financial activity that resulted in the change of net position.

The Statement of Cash Flows provides information regarding the cash flow activities of the Internal Service Funds during the fiscal year. As Internal Service Funds, transactions are recorded using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the related cash flows. This statement provides information on the sources and uses of cash during the fiscal year, which may differ from activities as reported on the Statement of Revenue, Expenses and Change in Net Position.

The above statements are provided in accordance with the Governmental Accounting Standards Board Statement No. 34.

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Financial Analysis: The Internal Service Funds' net position as reported on the Statement of Net Position as of June 30, 2020 is \$6.5 million. Total assets and deferred outflows of resources of \$42.9 million includes \$30.8 million in cash and investments and approximately \$0.6 million in other current assets (accounts receivable and prepaid costs) combined with capital assets of \$10.0 million, and deferred outflows related to pensions and other post-employment benefits (OPEB) of \$1.4 million. Total liabilities and deferred inflows of resources of \$36.3 million consist primarily of claims and judgments in the amount of \$24.7 million, net pension liability of \$8.8 million, net OPEB liability of \$1.0 million, and accounts payable of \$1.0 million. Following is a summary schedule showing the components that make up the Internal Service Funds' net position at June 30, 2020 and 2019.

Statement of Net Position

	Internal Service Funds	
	2020	2019
Current and Other Assets	\$31,432,088	\$28,507,932
Capital Assets, Net Depreciation	9,999,325	9,921,771
Total Assets	41,431,413	38,429,703
Deferred Outflows of Resources	1,443,506	1,270,269
Long-Term Liabilities Outstanding	33,498,449	30,499,157
Other Liabilities	2,443,724	4,917,867
Total Liabilities	35,942,173	35,417,024
Deferred Inflows of Resources	390,636	266,907
Net position		
Investment in capital assets	9,812,738	9,921,771
Unrestricted	(3,270,628)	(5,905,730)
Total net position	\$ 6,542,110	\$ 4,016,041

The Internal Service Funds' primary source of program revenues is charges to user City departments to recover costs of providing services to the departments. For the year ended June 30, 2020, total program revenues for the Internal Service Funds were \$23.1 million. Expenses for the Internal Service Funds totaled \$20.6 million resulting in a change in net position of \$2.5 million. The Internal Service Funds' largest expenses are for workers' compensation claims and personnel, which totaled \$3.2 million and \$7.2 million, respectively. Following is a summary schedule showing the components that make up the Internal Service Funds' changes in net position for the years ended June 30, 2020 and 2019.

Changes in Net Position

	Internal Service Funds	
	2020	2019
Operating Revenues	\$23,087,731	\$23,289,138
Operating Expenses	20,337,423	22,068,197
Operating Income (Loss)	2,750,308	1,220,941
Nonoperating Revenues (Expenses)	(224,239)	19,352
Transfers	-	(592,723)
Changes in Net Position	2,526,069	647,570
Net Position, Beginning of Year	4,016,041	3,368,471
Net Position, End of Year	6,542,110	4,016,041

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council has adopted a balanced fiscal year 2020-2021 operating budget for the Internal Service Funds with total funding of \$21.6 million and total expenditures of \$20.0 million. The June 30, 2021 net position is estimated to be \$3.8 million.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Internal Service Funds' finances. Questions concerning any of the information in this report, or requests for additional financial information should be directed to the City's Financial Services Department at 415 Diamond Street, Redondo Beach CA 90277, phone 310-318-0683 or email FinanceMail@redondo.org.

CITY OF REDONDO BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Vehicle Replacement	Building Occupancy	Information Technology
Assets:			
Current:			
Cash and investments	\$ 8,229,401	\$ 2,259,422	\$ 2,339,343
Receivables:			
Accounts	41,520	-	-
Prepaid costs	-	-	20,592
Due from other governments	-	-	-
Total Current Assets	8,270,921	2,259,422	2,359,935
Noncurrent:			
Capital assets - net of accumulated depreciation	6,895,411	170,337	838,432
Total Noncurrent Assets	6,895,411	170,337	838,432
Total Assets	15,166,332	2,429,759	3,198,367
Deferred Outflows of Resources:			
Deferred pension related items	145,114	341,189	298,865
Deferred OPEB related items	28,328	59,084	58,679
Total Deferred Outflows of Resources	173,442	400,273	357,544
Liabilities:			
Current:			
Accounts payable	108,305	135,098	68,035
Accrued compensated absences	4,432	11,119	21,401
Accrued claims and judgments	-	-	-
Bonds, notes, and capital leases	-	-	93,293
Total Current Liabilities	112,737	146,217	182,729
Noncurrent:			
Accrued compensated absences	22,592	56,680	109,092
Accrued claims and judgments	-	-	-
Net pension liability	1,057,631	2,486,692	2,178,217
Net OPEB Liability	116,921	243,865	242,194
Bonds, notes, and capital leases	-	-	93,294
Total Noncurrent Liabilities	1,197,144	2,787,237	2,622,797
Total Liabilities	1,309,881	2,933,454	2,805,526
Deferred Inflows of Resources:			
Deferred pension related items	19,863	46,704	40,910
Deferred OPEB related items	26,475	55,219	54,841
Total Deferred Inflows of Resources	46,338	101,923	95,751
Net Position:			
Net investment in capital assets	6,895,411	170,337	651,845
Unrestricted	7,088,144	(375,682)	2,789
Total Net Position	\$ 13,983,555	\$ (205,345)	\$ 654,634

CITY OF REDONDO BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Self- Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Assets:				
Current:				
Cash and investments	\$ 14,201,733	\$ 2,760,112	\$ 993,978	\$ 30,783,989
Receivables:				
Accounts	-	-	-	41,520
Prepaid costs	584,373	-	-	604,965
Due from other governments	1,614	-	-	1,614
Total Current Assets	14,787,720	2,760,112	993,978	31,432,088
Noncurrent:				
Capital assets - net of accumulated depreciation	45,361	1,824,333	225,451	9,999,325
Total Noncurrent Assets	45,361	1,824,333	225,451	9,999,325
Total Assets	14,833,081	4,584,445	1,219,429	41,431,413
Deferred Outflows of Resources:				
Deferred pension related items	43,189	373,149	-	1,201,506
Deferred OPEB related items	10,926	84,983	-	242,000
Total Deferred Outflows of Resources	54,115	458,132	-	1,443,506
Liabilities:				
Current:				
Accounts payable	620,710	29,195	728	962,071
Accrued compensated absences	1,367	20,164	-	58,483
Accrued claims and judgments	1,329,877	-	-	1,329,877
Bonds, notes, and capital leases	-	-	-	93,293
Total Current Liabilities	1,951,954	49,359	728	2,443,724
Noncurrent:				
Accrued compensated absences	6,970	102,790	-	298,124
Accrued claims and judgments	23,351,255	-	-	23,351,255
Net pension liability	314,771	2,719,623	-	8,756,934
Net OPEB Liability	45,098	350,764	-	998,842
Bonds, notes, and capital leases	-	-	-	93,294
Total Noncurrent Liabilities	23,718,094	3,173,177	-	33,498,449
Total Liabilities	25,670,048	3,222,536	728	35,942,173
Deferred Inflows of Resources:				
Deferred pension related items	5,910	51,077	-	164,464
Deferred OPEB related items	10,212	79,425	-	226,172
Total Deferred Inflows of Resources	16,122	130,502	-	390,636
Net Position:				
Net investment in capital assets	45,361	1,824,333	225,451	9,812,738
Unrestricted	(10,844,335)	(134,794)	993,250	(3,270,628)
Total Net Position	\$ (10,798,974)	\$ 1,689,539	\$ 1,218,701	\$ 6,542,110

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Vehicle Replacement	Building Occupancy	Information Technology
Operating Revenues:			
Sales and service charges	\$ 4,049,072	\$ 3,277,446	\$ 4,054,480
Miscellaneous	68,013	25,120	4,948
Total Operating Revenues	4,117,085	3,302,566	4,059,428
Operating Expenses:			
Administration and general	934,883	1,076,754	502,311
Personnel services	767,576	1,908,095	1,525,490
Contractual services	47,091	293,072	1,164,905
Internal service charges	259,915	522,576	457,690
Depreciation expense	1,303,616	11,750	142,536
Total Operating Expenses	3,313,081	3,812,247	3,792,932
Operating Income (Loss)	804,004	(509,681)	266,496
Nonoperating Revenues (Expenses):			
Gain (loss) on disposal of capital assets	(224,239)	-	-
Total Nonoperating Revenues (Expenses)	(224,239)	-	-
Changes in Net Position	579,765	(509,681)	266,496
Net Position:			
Beginning of Year	13,403,790	304,336	388,138
End of Fiscal Year	\$ 13,983,555	\$ (205,345)	\$ 654,634

CITY OF REDONDO BEACH

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Self- Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Operating Revenues:				
Sales and service charges	\$ 8,064,832	\$ 3,452,277	\$ 91,543	\$ 22,989,650
Miscellaneous	-	-	-	98,081
Total Operating Revenues	8,064,832	3,452,277	91,543	23,087,731
Operating Expenses:				
Administration and general	4,937,002	49,163	-	7,500,113
Personnel services	277,581	2,725,669	-	7,204,411
Contractual services	227,942	204,845	-	1,937,855
Internal service charges	72,230	698,433	-	2,010,844
Depreciation expense	-	226,298	-	1,684,200
Total Operating Expenses	5,514,755	3,904,408	-	20,337,423
Operating Income (Loss)	2,550,077	(452,131)	91,543	2,750,308
Nonoperating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	-	-	-	(224,239)
Total Nonoperating Revenues (Expenses)	-	-	-	(224,239)
Changes in Net Position	2,550,077	(452,131)	91,543	2,526,069
Net Position:				
Beginning of Year	(13,349,051)	2,141,670	1,127,158	4,016,041
End of Fiscal Year	\$ (10,798,974)	\$ 1,689,539	\$ 1,218,701	\$ 6,542,110

CITY OF REDONDO BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Vehicle Replacement	Building Occupancy	Information Technology
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,130,054	\$ 3,302,566	\$ 4,073,828
Cash paid to suppliers for goods and services	(1,184,547)	(1,869,452)	(2,243,398)
Cash paid to employees for services	(606,906)	(1,249,967)	(1,186,778)
Net Cash Provided (Used) by Operating Activities	2,338,601	183,147	643,652
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,259,491)	-	(449,371)
Principal paid on capital debt	-	-	(93,293)
Interest paid on capital debt	-	-	-
Proceeds from capital debt issued	-	-	279,880
Proceeds from sale of capital assets	65,598	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,193,893)	-	(262,784)
Net Increase (Decrease) in Cash and Cash Equivalents	1,144,708	183,147	380,868
Cash and Cash Equivalents at Beginning of Year	7,084,693	2,076,275	1,958,475
Cash and Cash Equivalents at End of Year	\$ 8,229,401	\$ 2,259,422	\$ 2,339,343
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 804,004	\$ (509,681)	\$ 266,496
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	1,303,616	11,750	142,536
(Increase) decrease in accounts receivable	12,969	-	14,400
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in deferred outflow pension related items	(10,938)	(84,578)	(24,640)
(Increase) decrease in deferred outflow OPEB related items	1,193	4,362	(80)
(Increase) decrease in prepaid expense	6,228	-	(18,585)
Increase (decrease) in accounts payable	57,661	44,450	(97,007)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	149,136	749,196	321,481
Increase (decrease) in net OPEB liability	(6,547)	(21,500)	(2,900)
Increase (decrease) in deferred inflow pension related items	6,057	20,300	12,695
Increase (decrease) in deferred inflow OPEB related items	7,171	13,728	16,520
Increase (decrease) in compensated absences	8,051	(44,880)	12,736
Total Adjustments	1,534,597	692,828	377,156
Net Cash Provided (Used) by Operating Activities	\$ 2,338,601	\$ 183,147	\$ 643,652

CITY OF REDONDO BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Self- Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 8,063,230	\$ 3,452,277	\$ 91,543	\$ 23,113,498
Cash paid to suppliers for goods and services	(6,949,057)	(1,045,001)	-	(13,291,455)
Cash paid to employees for services	(461,423)	(2,165,098)	-	(5,670,172)
Net Cash Provided (Used) by Operating Activities	652,750	242,178	91,543	4,151,871
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(118,000)	(224,001)	(2,050,863)
Principal paid on capital debt	-	-	-	(93,293)
Interest paid on capital debt	-	-	-	-
Proceeds from capital debt issued	-	-	-	279,880
Proceeds from sale of capital assets	-	-	-	65,598
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(118,000)	(224,001)	(1,798,678)
Net Increase (Decrease) in Cash and Cash Equivalents	652,750	124,178	(132,458)	2,353,193
Cash and Cash Equivalents at Beginning of Year	13,548,983	2,635,934	1,126,436	28,430,796
Cash and Cash Equivalents at End of Year	\$ 14,201,733	\$ 2,760,112	\$ 993,978	\$ 30,783,989
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 2,550,077	\$ (452,131)	\$ 91,543	\$ 2,750,308
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	226,298	-	1,684,200
(Increase) decrease in accounts receivable	12	-	-	27,381
(Increase) decrease in due from other governments	(1,614)	-	-	(1,614)
(Increase) decrease in deferred outflow pension related items	(2,937)	(55,321)	-	(178,414)
(Increase) decrease in deferred outflow OPEB related items	89	(387)	-	5,177
(Increase) decrease in prepaid expense	(584,373)	-	-	(596,730)
Increase (decrease) in accounts payable	(398,798)	(89,505)	-	(483,199)
Increase (decrease) in claims and judgments	(955,682)	-	-	(955,682)
Increase (decrease) in net pension liability	42,223	567,627	-	1,829,663
Increase (decrease) in net OPEB liability	(972)	(3,055)	-	(34,974)
Increase (decrease) in deferred inflow pension related items	1,769	18,375	-	59,196
Increase (decrease) in deferred inflow OPEB related items	3,009	24,105	-	64,533
Increase (decrease) in compensated absences	(53)	6,172	-	(17,974)
Total Adjustments	(1,897,327)	694,309	-	1,401,563
Net Cash Provided (Used) by Operating Activities	\$ 652,750	\$ 242,178	\$ 91,543	\$ 4,151,871

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies

The accounting policies of the City of Redondo Beach Internal Service Funds (City) conform to the generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Internal Service Fund's more significant accounting policies follows:

The accompanying financial statements are not intended to present the financial position or results of operations of the City, taken as a whole.

a. Financial Reporting Entity

These funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments.

b. Basis of Accounting and Measurement Focus

Internal Service Funds financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each Internal Service Fund.

Internal Service Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the Internal Service Funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

c. Cash, Cash Equivalents and Investments

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies (Continued)

For more information on the City's cash and investments as of June 30, 2020, please see the City of Redondo Beach's audited financial statements.

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

d. Prepaid Items

Certain interdepartmental payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

e. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable internal service funds. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated.

City policy has set the capitalization threshold for reporting capital assets at the following:

General Capital Assets	\$ 5,000
Infrastructure Capital Assets	25,000
Buildings, Parking Structures and Parking Lots	100,000

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5-45
Equipment	5-20
Vehicles	4-20

Interest accrued during capital assets construction, if any, is capitalized for funds as part of the asset cost.

f. Compensated Absences Payable

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Employees may accrue from two to three times their annual accrual rate. Upon termination an employee will be paid for any unused accrued vacation pay. Sick leave is payable when an employee is unable to work because of illness. Unused sick leave is forfeited upon termination.

g. Claims and Judgments Payable

The short-term and long-term claims are reported as liabilities in the Self-Insurance Program Internal Service Fund. The liability the amount of settlement reached, but unpaid, related to claims and judgments entered.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies (Continued)

h. Net Position

In the Internal Service Funds, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

i. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reports amount of expenses. Actual results could differ from these estimates and assumptions.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualify for reporting in this category. Firstly, the City also has deferred outflows related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. This includes pension contributions subsequent to the measurement date of the net pension liability and other amounts, which are amortized by an actuarial determined period. Secondly, the City has deferred outflows related to Other Post-Employment Benefits (OPEB), which include contributions subsequent to the measurement date of the Total OPEB liability and other amounts.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Firstly, the City also has deferred inflows of resources related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. These amounts are amortized by an actuarial determined period. Secondly, the City also has deferred inflows of resources related to OPEB, which arise only under a full accrual basis of accounting.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies (Continued)

k. Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

l. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

m. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARL) (8.1 years at July 1, 2018)

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 2: Cash and Investments

As of June 30, 2020, cash and investments are as follows:

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Total
Cash and Investments	\$ 8,229,401	\$2,259,422	\$2,339,343	\$ 14,201,733	\$ 2,760,112	\$ 993,978	\$30,783,989

The Internal Service Funds do not own specifically identifiable securities, and their cash is pooled with the other funds of the City.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

a. Investments

Under the provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- United States Treasury Bills, Notes and Bonds
- Obligations issued by the Federal Government
- Bankers' Acceptances with a maturity of 180 days or less
- Time Certificates of Deposits
- Negotiable Certificates of Deposit
- Commercial Paper with a maturity of 270 days or less
- Local Agency Investment Fund (LAIF) limited to \$75,000,000 by LAIF
- Medium-Term Notes (5 year maximum) of Domestic Corporations or Depository Institutions
- Mutual Funds
- Guaranteed Investment Contracts not to exceed \$5 million annually
- Certificate of Deposit Placement Services
- Collateralized Bank Deposits
- Supranationals

The City's investment policy applies to all financial assets, investment activities and debt issues of the City (including funds which are invested by trustees appointed under debt trust indentures, with direction from the City Treasurer).

The City is a participant in LAIF, which is an external investment pool regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investment with LAIF at June 30, 2020 includes a portion of the pool funds invested in structured notes and asset-backed securities (2.21 %). The City values its investments in LAIF at a fair market value provided by LAIF. At June 30, 2020, the factor used was 1.004912795.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 2: Cash and Investments (Continued)

b. Deposits and Investment Risks

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or "A2" or higher by Moody's. As of June 30, 2020, all MTN's were rated "A2" or higher by Moody's. As of June 30, 2020, the City's Federal Agency investments were rated "AA+" by Moody's and "Aaa" by S&P. All securities were investment grade and were in accordance with State and City law. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2020, the City's investments in external investment pools are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment. Investments in Federal Agencies have the implied guarantee of the United States government. While all the City's investments are in compliance with the City's investment policy as of June 30, 2020, if a City has invested more than 5% of its total investments in any one issuer, they are exposed to concentration of credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 2: Cash and Investments (Continued)

The City has invested more than 5% of the total investment value with the following issuers:

	Up to one year	% of Total Investments
Federal Home Loan Bank	\$ 8,415,180	8%
Federal Farm Credit Bank	16,551,765	17%
Federal National Mortgage Association	6,065,020	9%
Federal Home Loan Mortgage Corporation	9,368,670	6%
	<u>\$ 40,400,635</u>	<u>40%</u>

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 50% of the City's portfolio shall mature in three years or less; and at least 25% in one year or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Note 3: Receivables

The following is a summary of receivables net of allowances for uncollectible amounts at June 30, 2020:

	Vehicle Replacement	Total
Accounts Receivable	<u>\$ 41,520</u>	<u>\$ 41,520</u>

Note 4: Interfund Transactions

Transfers

The internal service funds did not have any transfers from the City Funds as of June 30, 2020.

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**
Note 5: Capital Assets

At June 30, 2020, the City's capital assets consisted of the following:

	Balance at June 30, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Non-depreciable assets:					
Construction in progress					
Vehicle Replacement	\$ 454,180	\$ -	\$ -	\$ (4,180)	\$ 450,000
Major Facilities Repair	722	224,729	-	-	225,451
Self Insurance	45,361	-	-	-	45,361
Total non-depreciable assets	<u>500,263</u>	<u>224,729</u>	<u>-</u>	<u>(4,180)</u>	<u>720,812</u>
Depreciable assets:					
Buildings and improvements					
Building Occupancy	124,678	-	-	-	124,678
Vehicle Replacement	39,953	923,724	-	4,180	967,857
Information Technology	15,272	-	-	-	15,272
Emergency Communications	90,391	-	-	-	90,391
Furniture and equipment					
Building Occupancy	121,809	-	-	-	121,809
Vehicle Replacement	251,807	-	-	-	251,807
Information Technology	1,393,329	169,491	-	-	1,562,820
Emergency Communications	2,795,795	118,000	-	-	2,913,795
Automotive equipment					
Vehicle Replacement	14,451,251	335,767	(914,086)	-	13,872,932
Leased equipment					
Information Technology	1,261,139	279,880	-	-	1,541,019
Infrastructure					
Vehicle Replacement	109,199	-	-	-	109,199
Total depreciable assets	<u>20,654,623</u>	<u>1,826,862</u>	<u>(914,086)</u>	<u>4,180</u>	<u>21,571,579</u>
Less accumulated depreciation for:					
Buildings and improvements					
Building Occupancy	45,965	4,410	-	-	50,375
Vehicle Replacement	39,953	3,093	-	-	43,046
Information Technology	4,243	339	-	-	4,582
Emergency Communications	46,753	4,675	-	-	51,428
Furniture and equipment					
Building Occupancy	18,435	7,340	-	-	25,775
Vehicle Replacement	111,154	11,923	-	-	123,077
Information Technology	1,278,976	48,904	-	-	1,327,880
Emergency Communications	906,802	221,623	-	-	1,128,425
Automotive equipment					
Vehicle Replacement	7,920,222	1,285,870	(624,249)	-	8,581,843
Leased equipment					
Information Technology	854,924	93,293	-	-	948,217
Infrastructure					
Vehicle Replacement	5,688	2,730	-	-	8,418
Total accumulated depreciation	<u>11,233,115</u>	<u>1,684,200</u>	<u>(624,249)</u>	<u>-</u>	<u>12,293,066</u>
Total depreciable assets, net	<u>9,421,508</u>	<u>142,662</u>	<u>(289,837)</u>	<u>4,180</u>	<u>9,278,513</u>
Governmental activities capital assets, net	<u>\$ 9,921,771</u>	<u>\$ 367,391</u>	<u>\$ (289,837)</u>	<u>\$ -</u>	<u>\$ 9,999,325</u>

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 5: Capital Assets (Continued)

Depreciation expense was charged to internal service funds for the fiscal year ended June 30, 2020, as follows:

Internal Service Funds:	
Vehicle Replacement	\$ 1,303,616
Building Occupancy	11,750
Information Technology	142,536
Emergency Communications	226,298
Total depreciation expense	<u>\$ 1,684,200</u>

Note 6: Compensated Absences Payable

The following is a summary of compensated absences payable transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year
Internal service funds:					
Compensated absences payable	<u>\$ 374,581</u>	<u>\$ 195,748</u>	<u>\$ (213,722)</u>	<u>\$ 356,607</u>	<u>\$ 58,483</u>

Note 7: Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due Within One Year
Information Technology	<u>\$ -</u>	<u>\$ 279,880</u>	<u>\$ (93,293)</u>	<u>\$ 186,587</u>	<u>\$ 93,293</u>

Capital Leases

The City has entered into various lease purchase agreements for equipment. These leases have been classified as capital leases. The related assets have been capitalized in the internal service funds at the initial present value of the lease payments. The balance outstanding at June 30, 2020, was \$186,587.

The total leased assets by major asset class consisted of the following:

Equipment	
Information Technology	\$ 1,541,019
Equipment under capitalized lease, at cost	<u>1,541,019</u>
Accumulated depreciation	
Information Technology	(948,217)
Equipment under capitalized lease, net	<u>\$ 592,802</u>

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 8: Risk Management

The City is exposed to risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; and currently reports all of its risk management activities in its Self-Insurance Program Internal Service Fund.

The City has adopted a self-insurance workers' compensation program, which is administered by a third-party agent, AdminSure. The self-insurance coverage for each claim is limited to \$750,000. Excess coverage of up to \$50,000,000 for each claim is provided by the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), an insurance pool, in which a consortium of counties and cities has agreed to share risks and losses. As of June 30, 2020, the estimated claims payable for workers' compensation was \$17,312,132, which included claims incurred but not reported (IBNR). The current year's portion of the claims was \$926,143.

For general liability claims, the City is also self-insured up to \$500,000 for each occurrence. The self-insurance program is administered by a third-party agent, AdminSure. Each claim in excess of the self-insured retention of up to \$30,000,000 is covered by the CSAC-EIA.

As of June 30, 2020, the estimated claims payable for general liability was \$7,369,000, which included IBNR. The current year's portion was \$17,312,132. Governmental activities claims and judgments are generally liquidated by the General Fund.

	Liability on June 30, 2020
General Liability	\$ 7,369,000
Workers' Compensation	<u>17,312,132</u>
Total	<u>\$ 24,681,132</u>

Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's coverage during the year.

The estimated claims payable for workers' compensation and general liability is based on estimates provided by the third-party administrator, the City Attorney, the Risk Management staff, and the City's actuary.

Changes in the reported liability resulted from the following:

Balance June 30, 2019	Additions	Deletions	Balance June 30, 2019	Due Within One Year
<u>\$ 25,636,814</u>	<u>\$ 3,781,453</u>	<u>\$ (4,737,135)</u>	<u>\$ 24,681,132</u>	<u>\$ 1,329,877</u>

**CITY OF REDONDO BEACH
INTERNAL SERVICE FUNDS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Note 9: Pension Plan

Plan Description

The Plans are agent, multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2016 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

For detailed information on the pension plan refer to the City of Redondo Beach's Comprehensive Annual Financial Report.

Note 10: Other Post-Employment Benefits

Plan Description and Eligibility. In addition to the pension benefits described above, the City provides certain health insurance benefits, in accordance with memorandums of understanding, to retired employees through the California Employers' Retiree Benefit Trust (CERBT) Fund, which is an agent multiple-employer plan administered by CalPERS. The City provides medical insurance for employees in accordance with agreements reached with various bargaining groups. The City shall pay the single retiree medical premium rate, for qualified retirees, for a medical insurance plan in which the retiree is enrolled from among those medical plans provided by the City. These contributions of the City for such medical premiums shall cease on the date the retiree becomes eligible to enroll in the Federal Medicare program and/or any Medicare supplemental plans.

For detailed information on the OPEB plan refer to the City of Redondo Beach's Comprehensive Annual Financial Report.

Note 11: Commitments and Contingencies

- a) **Lawsuits** - The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.
- b) As of June 30, 2020, in the opinion of City management, there were no outstanding matters that would have a significant effect on the financial position of the funds of the City.

CITY OF REDONDO BEACH

Midyear Budget Response Report #2

February 16, 2021

Question:

How is the vehicle replacement schedule financially structured, what is the methodology for replacing City vehicles, and what is the City's current lifecycle policy schedule for vehicle replacement?

Response:

The Vehicle Replacement Fund (VRF) was established by the City during the 1983-84 Fiscal year. It is a best management practice tool that allows the City to efficiently replace vehicles and equipment. The purpose of the Vehicle and Heavy Equipment Replacement Program is to evaluate, maintain, and replace vehicles and equipment on a schedule that optimizes their usefulness, avoids major repairs and periods of downtime, and captures ongoing technological improvements in vehicle safety, efficiency, and performance. Most Redondo Beach vehicles are replaced every 4 to 13 years, depending on their type and function, at an aggregate cost between \$700,000 and \$1,500,000 each year. The total cost is comprised of multiple funding sources including the General Fund, Sewer Fund, Building Occupancy Fund, Harbor Fund, Vehicle Replacement Fund, among other sources. Each vehicle is assigned for a specific use and charged against the appropriate fund. The vehicle replacement program allows for monies to accrue over time utilizing internal service funds (ISF), which provides greater certainty for budgeting purposes.

With regards to the maintenance and operations component of the fund, each department is charged based on the fuel consumption and labor costs associated with vehicles assigned to the respective departments. The funding mechanism used for the replacement of the vehicles/equipment is through a depreciation formula. First the replacement value is calculated by taking the purchase price of the vehicle, multiplying it by a 3% compounding rate to account for inflation, and then aggregating that compounding amount over the life cycle of the vehicle/equipment. The replacement value is then evenly divided for the duration of the life span of the vehicle/ equipment to calculate the annual amount.

For example:

Vehicle	Purchase Price	Life Span	Replacement Value (3% compounding rate)	Annual Amount
Medium Duty Truck	\$ 50,000	13	\$ 73,862	\$ 5,681.69

It's important to note that the approved budget for FY 2019-20 included extending the life off all vehicles/equipment by 10% due to budgetary constraints. This action added one

year to all vehicles that had a life cycle between five and fourteen years, and it added two years to all vehicles between fifteen and twenty years (*see attached life cycle document*). Moreover, the budget for FY 2020-21 also included a temporary 50% reduction of annual Vehicle Replacement Fund internal service fund allocations from all funds, to help balance the FY 2020-21 operating Budget. The 50% reduction in annual allocations to the Vehicle Replacement Fund provided a one-time savings to a number of funds totaling \$790,292 and will continue in FY 2021-22 to complete the one-year delay of vehicle life cycles. Given the added life to all vehicles, staff will continue to evaluate individual vehicles/equipment to ensure the replacement cycle is in line with optimizing the full life of a vehicle/equipment without excessive maintenance and repair costs.

Fund Balance

The beginning fund balance of the VRF for FY 2020-21 is approximately \$7 million. It's important to note that the funding for the VRF is comprised of multiple parts including the vehicle replacement/acquisition, vehicle maintenance and operation, sale of fuel, and other miscellaneous revenue. The expenditures of the VRF also are comprised of multiple items including, personnel, maintenance and operations, internal service fund, overhead, and occasionally capital improvement projects. Therefore, depending on the amount of vehicles/equipment that are due for replacement in the given fiscal year, the fund balance can increase or decrease significantly. Given the delay in replacing vehicles over the last couple of Fiscal Years the fund balance has grown over the last few years.

The vehicles/equipment recommended for purchase are always acquired through the City's regular purchasing procedures. The procedures contain a number of competitive purchasing options including the use of a "Piggyback" Bid which is a procedure of procuring goods or services by utilizing another public entity's recent Request for Proposal (RFP) or Request for Bid (RFB), or Sourcewell, formerly known as the National Joint Powers Alliance (NJPA), Contract Cooperative Purchasing Program. Cooperative purchasing programs provide valuable benefits to state and local governments. By attaching to national or regional cooperatives, an agency has immediate access to competitively solicited contracts and guaranteed pricing and delivery options without expending staff resources on the preparation of its own RFB. Pricing is often attractive because of the purchasing power of these cooperatives.

Zero/Low Emission Vehicles (ZEV/LEV)

In line with Council's direction, as vehicles reach the end of their life cycle and are set to be replaced, staff works towards replacing the vehicles with ZEV or LEV options if fiscally and operationally feasible. Over the last several years the City has added two fully electric vehicles, several hybrid vehicles, and several Compressed Natural Gas (CNG) trucks. Over the last few of years, it has become apparent through legislation and market trends that there is a push to electrify vehicles. For example, our Transit buses will need to be zero emission by 2030 as mandated by the California Air Resources Board (CARB). Moreover, General Motors (GM) recently announced its intent to manufacture only electric

vehicles by 2035. As the City looks to decrease its vehicular carbon footprint, staff continues to look at opportunities to add ZEV or LEV to the City fleet.

Industry standards estimate that CNG vehicles emit 20-30% less CO₂ emissions than gasoline or diesel-powered vehicles and up to 90% less NO_x emissions. Therefore, while CNG vehicles are not ZEV, staff views CNG trucks as a good intermediate solution until the full conversion to zero emission occurs in the next decade or two. Furthermore, the electrification of vehicles has been concentrated on the light duty/passenger vehicles and the heavy-duty transportation sector. The majority of the City fleet is medium duty trucks and police vehicles, which as of now do not have feasible options. While there continues to be the development of hybrid pursuit rated Police Vehicles there is still not sufficient data on their performance that would allow staff to recommend moving in that direction at this time.

Therefore, while there are opportunities to continue making our fleet “greener”, there still exists barriers to these efforts, such as upfront capital costs and operational needs. Furthermore, the Public Works Department will need to continue plans and discussions to increase the City’s electric vehicle charging infrastructure that would allow the City to increase its EV inventory in a more streamlined manner.

Attachment:

Attachment A – Vehicle Life Cycle

DESCRIPTION	LIFE OF VEHICLE
SMALL PICKUP TRUCK	13
ADMINISTRATIVE SEDAN	13
FD-COMMAND VEHICLE (SUV)	10
PUMPER TRUCK	19
LADDER TRUCK	19
TELESQUIRT	19
AIR/LIGHT	19
AMBULANCE	10
PENYAN FIRE PUMP (BOAT)	11
KUSTOM SIGNAL TRAILER	17
4 WHEELER (ATV)	11
UNDERCOVER SEDAN	5
11 PASS.VAN CNG-EQ	13
FULL SIZE PICKUP TRUCK 3/4 -1 TON	13
DIAL SCALE	11
4-DOOR POLICE PATROL SEDAN	4
CANINE TRAILER	17
STEP VAN (SWAT)	17
POLICE MOTORCYCLE	9
MANLIFT** MEDIUM DUTY TRUCK	17
TRAILER MOUNT GENERATOR	17
TILT TRAILER	22
SEATED MOWER	9
VIDEO VAN	17
STREET SWEEPER	11
STAKE BED TRUCK	17
VACTOR TRUCK	17
INTER SEWER TRUCK	17
DUMP TRUCK	17
CASE ROLLER/TRAILER	20
KNUCKLE BOOM	17
TRACTOR	17
FORKLIFT	22
PAYLOADER	13
2000 STEAM CLEANER	8
ROLLER	17
1500 GPM WATER PUMP	17
FELKER SAW	11
COMPRESSOR	11
PIER/HARBOR ELECTRIC UTILITY CART	9
ELECTRIC UTILITY CART	13
TRAILER STEAM CLEANER	22
SKID STEER	17
PRO SPRAY	0

CITY OF REDONDO BEACH

Midyear Budget Response Report #3

February 16, 2021

Question:

What funding is needed to complete the environmental review and analysis necessary to consider implementing the land use and parking changes for the Artesia Aviation Corridors Area Plan (AACAP) and what is the schedule for the various work options?

Response:

Per the City Council's direction, City staff received proposals from Rincon Consultants, Inc. (environmental consultant) and Fehr & Peers (traffic engineering consultant) for preparation of environmental review documents and parking/traffic analysis to consider implementing the adopted Artesia Aviation Corridors Area Plan (AACAP).

This BRR summarizes the costs for the different components of implementation, including the zoning amendments and two options for parking analysis and provides a timeline for each element of the follow-up work. The total cost for the AACAP work would be \$175,592. The City Council could choose to separately initiate each individual scope at the stated cost. Funding is available in the City's General Plan Maintenance Fund, which has a current balance of approximately \$290,000. As such, no budget appropriation is required to complete the work, just direction to prepare the contracts for consideration of approval at a future City Council meeting.

Zoning Amendments to Activate the AACAP - \$53,491

Rincon Consultants, Inc. (environmental consultant) submitted a proposal for preparation of an Initial Study-Mitigated Negative Declaration (IS-MND) for the following proposed amendments to the Redondo Beach Zoning Ordinance.

Scope of Work

- An amendment to "activate" the AACAP and require future development in the AACAP Area to be consistent with the "intent" of the AACAP. It should be noted that actions allowed under the AACAP that may result in environmental impacts include increases in the allowable floor area ratio from 0.5 to 0.6 (FAR), the application of design guidelines, alterations to signage, improvements to walking and biking infrastructure, and the creation of new public spaces.
- An amendment to Section 10-2.621, Additional Land Use Regulations, which applies to the C-2-PD Zone. The amendment would remove the restriction of "Office" uses, including "Medical Office" to only the second floor or on the ground floor to the rear of other permitted retail or services uses in the AACAP area.

Schedule

The environmental review is estimated to take 4-5 months per the proposal.

Following the completion of the draft zoning ordinance amendments and the associated environmental review process, the public hearing process before the Planning Commission and ultimately the City Council would commence. The public hearing process is estimated to take approximately 3-4 months.

The estimated total time for completion of the zoning amendments would be approximately 9 months.

Cost

Per the proposal, the amendments would likely require the preparation of an Initial Study-Mitigated Negative Declaration (IS-MD), for a total cost of \$53,491.

Full Parking Implementation Study - \$122,101

Rincon Consultants, Inc. (environmental consultant) and Fehr & Peers (traffic engineering consultant) prepared proposals for a "Parking Implementation Study" and the required CEQA environmental document (Initial Study-Mitigated Negative Declaration (IS-MND)).

Scope of Work-Parking Implementation Study with CEQA

- *Shared Parking Model Update/Recalibration*

As part of the AACAP update, F&P conducted inventory and occupancy counts of existing parking throughout the Corridor Area Plan. They collected new counts of existing on-street and off-street parking supply and utilization during one weekday and one weekend midday peak period. Using parcel data provided by the city and the existing parking utilization data, coupled with the Urban Land Institute's (ULI) recently updated (2020) Shared Parking manual, F&P would calibrate an existing conditions shared parking model, to be used to estimate future parking demand.

- *Estimate Future Parking Demand, Parking Ratios, & Supply Changes to Determine Sufficient Parking or Shortfall*

The shared parking models would be used to estimate the parking demand effects of the land use changes associated with the AACAP, considering a reasonable expectation for use of transportation network companies (TNCs) and autonomous vehicles (AVs) that will likely lower the parking demand. These factors could be considered to propose modified parking ratios for land uses within the AACAP.

- *Parking Management Strategies, Implementation, and Siting Recommendations for Public Parking*

If estimated future demand exceeds supply for any parking scenarios within the AACAP area, the study would make recommendations for the best parcel within sub areas to

accommodate new parking supply, based on parcel size, shape, and access, as well as the importance of the pedestrian network and walkability to and from new parking supply.

In addition to potential opportunities to increase parking supply through infrastructure development, F&P would identify policy and management recommendations that consider weekday, weekend, daytime, nighttime, and seasonal demand patterns, as well as management of the parking supply through time limits and long-term/short-term controls.

Policies for administering a district parking strategy, such as a framework for evaluating the need for and implementation of parking supply as demand increases in the future, as well as funding strategies, such as in-lieu fees would be summarized in the Study as well.

F&P would also evaluate best practices in other nearby coastal cities with similar parking management goals intended to balance future land use impacts with projected parking demand. This analysis would identify parking and land use ratios adopted by nearby cities in areas similar to the Aviation Artesia Corridor (like Long Beach's 2nd Street corridor) and explore the successes and/or shortfalls of curb space management tactics such as pricing.

- *Recommended Amendment to the City's Existing Parking Regulations*

F&P would also identify "flexible" parking standards/regulations that could support addressing the increased development of the preferred uses, namely restaurants and in some cases medical office (higher parking rate than professional office).

- *Parking Implementation Plan Report & Public Meetings*

F&P would prepare a draft and final parking implementation plan report. Given the potential interest level and potential for controversy, F&P is including four public hearings/workshops over the course of the parking implementation plan development process.

Schedule

The Parking Implementation Study with associated environmental review process could be completed in approximately 8 months, following contract funding and execution.

Following the completion of the Parking Implementation Study a likely next step would be the implementation of amendments to the City's parking regulations within the AACAP area. The Zoning Ordinance amendments to the City's parking regulations are expected to take approximately 4 months. The anticipated timelines for other determined recommendations resulting from the Parking Implementation Study would vary depending upon City Council priorities and funding.

The estimated total time to complete the Parking Implementation Study and implement recommended amendments to the City's parking regulations, inclusive of the required environmental review process, would be approximately 1 year.

Cost

Per the attached proposal, completion of the Parking Implementation Study and associated environmental review and CEQA documentation will be \$122,101.

Reduced Parking Implementation Study - \$84,065

Rincon Consultants, Inc. (environmental consultant) and Fehr & Peers (traffic engineering consultant) prepared proposals for a reduced scope focusing only on updating the current parking regulations and associate environmental review. The timeframe to begin implementing parking changes would be reduced from 1 year down to 9 months.

Scope of Work

- *Estimate Existing Residual Parking Capacity & Parking Management Triggers*

As part of the AACAP update, Fehr & Peers conducted inventory and occupancy counts of existing parking throughout the Corridor Area Plan. We collected new counts of existing on-street and off-street parking supply and utilization during one weekday and one weekend midday peak period, which identified available parking supply. Using parcel data provided by the city and the existing parking utilization data, we calibrated an existing conditions shared parking model, to be used to estimate future parking demand.

Due to existing available parking in the AACAP, there is the capacity to increase land intensity without necessarily increasing the parking supply. Using parking demand ratios from the Urban Land Institute (ULI) Shared Parking, Third Edition (2020) manual, Fehr & Peers will estimate the residual capacity for land use growth for a range of different uses, targeting an overall parking occupancy percentage of 85% in the corridor as an effective capacity. This will provide the City with information for how much organic land use growth could occur on the corridor before the need to implement parking management strategies and/or parking supply increases.

- *Parking Management Strategies & Recommended Amendment to the City's Existing Parking Regulations*

Fehr & Peers will evaluate best practices in other nearby coastal cities with similar parking management goals intended to balance future land use impacts with projected parking demand. This analysis would identify parking and land use ratios adopted by nearby cities in areas similar to the Aviation Artesia Corridor (like Long Beach's 2nd Street corridor) and explore the successes and/or shortfalls of curbspace management tactics such as pricing. Policy and management recommendations that consider weekday, weekend, daytime, nighttime, and seasonal demand patterns, as well as management of the parking supply through time limits and long-term/short-term controls.

Policies for administering a district parking strategy, such as a framework for evaluating the need for and implementation of parking supply as demand increases in the future, as well as funding strategies, such as in-lieu fees would be summarized as well. Fehr & Peers will identify “flexible” parking standards/regulations that could support addressing the increased development of the preferred uses, namely restaurants and in some cases medical office (higher parking rate than professional office).

- *Parking Implementation Plan Report & Public Meetings*

Fehr & Peers will prepare a concise draft and final parking implementation plan report. Fehr & Peers is including three public hearings / workshops over the course of the parking implementation plan.

Schedule

The reduced Parking Implementation Study with associated environmental review process could be completed in approximately 6 months, following contract funding and execution.

Following the completion of the study and environmental review, the amendments to the City’s parking regulations within the AACAP area would be expected to take approximately 3 months.

The estimated total time to complete the reduced Parking Implementation Study and recommended amendments to the City’s parking regulations, inclusive of the required environmental review process, would be approximately 9 months.

Cost

Per the attached proposal, completion of the reduced Parking Implementation Study and associated environmental review and CEQA documentation would be \$84,065.

Summary

No budget appropriation is required at this time, only direction regarding the scope of AACAP follow-up work. Should the City Council decide to pursue implementation of the entire scope of work described above, a withdrawal from the General Plan Maintenance Fund of \$175,592 would occur when the consultant services agreements are ultimately executed.

Alternatives to implementing the full scope of work include 1) just revising the office regulations at this time (to be completed in house with expected CEQA exemption) at no contract expense by utilizing only Planning Division staff to complete the amendments; 2) only conducting the full zoning amendment work at a cost of \$53,491; 3) completing the zoning amendment work and the reduced parking study for a cost of \$137,556; or 4) completing only the reduced parking amendments for a cost of \$84,065.

Lastly, there will be some additional cost for legal review of the environmental documents by the City’s CEQA legal consulting firm, coordinated with the City Attorney’s office. This

amount will be determined based on the options City Council wishes to pursue. A cost quote would be solicited from the legal consultant, and incorporated as part of the City Council's contract approval for the environmental review consulting services agreement. Funding for legal expenses associated with environmental review could also be paid for out of the General Plan Maintenance Fund.

CITY OF REDONDO BEACH

Midyear Budget Response Report #4

February 16, 2021

Question:

What conceptual design options and construction cost estimates were developed for possible renovation of the Police Department's Lobby and Records Unit area?

Response:

An agreement between Gillis & Panichapan Architects, Inc. (GPA) was approved by the Redondo Beach City Council on January 21, 2020. GPA was tasked with providing consulting services and two conceptual designs, along with cost estimates, for upgrades to the Police Department's Lobby and Record's Unit. The Police Department Lobby and Records Unit is antiquated and significantly inadequate for the current operations of the Police Department. The current structure and design of the Lobby and Records Unit significantly lacks contemporary security features for employees and does not properly address community access needs.

GPA provided two conceptual designs for the upgrades to the Police Department Lobby and Records Unit to meet existing requirements and to equip the Police Department for community access in the coming years. Additionally, incorporated in this report are the estimated Public Works Department costs associated with design, management and abatement on the renovations. The scope of work from the Public Works Department is anticipated to include floor plan modifications, window and door systems, finishes and furnishings, a publicly accessible restroom, HVAC improvements, lighting improvements, civil site improvements, hazardous materials abatement, in house project and construction management and acquisition of temporary facilities for impacted employees.

Conceptual Option #1 utilizes the existing foot print of the Lobby and Records Unit area and does not add any additional square footage to the building. Option #1 rearranges the Records Unit and Police Department Lobby to allow for a more functional work space, efficient interior access, improved security features, additional storage and meeting space. It provides a limited upgrade for community access to the public area, including an ADA compliant restroom. The cost as enumerated in the Conceptual Design Statement of Probable Cost provided by Gillis & Panichapan Architects, Inc. is \$860,000. The total cost for conceptual design #1, including Public Works estimated costs, is \$1,460,000.

Conceptual Option #2 adds approximately 600 square feet onto the Police Department building along the east portion of the Lobby and Records Unit, increasing the function and useable space for the public and employees. The area is currently unused space bordered by a 4-foot stucco wall where Police Department K9 plaques are mounted. Options #2, additionally, rearranges the Records Unit and Police Department Lobby to

allow for a more functional work space, efficient interior access to the Records Unit, improved security features, additional and larger records storage area, a meeting space and both public and employee ADA accessible restrooms. The cost as enumerated in the Conceptual Design Statement of Probable Cost provided by GPA Inc. is \$1,180,000. The total cost for conceptual design #2, including Public Works estimated costs are \$1,820,000.

Both designs change the location of the entry point of the Police Department and are compliant with Americans With Disabilities Act. Additionally, the designs provide a clean updated look to the front of the Police Department building. Conceptual renderings of each option are provided as attachments to this report. The scope of work and cost summaries for each option are provided in the table below.

PD Lobby and Record Unit Upgrade - Conceptual Plan Options - Budget Level Cost Estimate

Monday, March 16, 2020

Scope of Work Remodeling of PD Records Room and Lobby space to provide ADA compliant restroom, more efficient workspace, new lobby entrance and conference room,

Option 1 Provides for remodel in existing building envelope

Option 2 Provides for remodel in expanded building envelope

Cost Category Item	Option 1	Option 2
Building Improvements/Furnishings ¹	\$ 830,000	\$ 1,145,000
Civil Site Improvements	\$ 150,000	\$ 150,000
Haz Mat Abatement Allowance ¹	\$ 30,000	\$ 35,000
<i>Construction Subtotal</i>	<i>\$ 1,010,000</i>	<i>\$ 1,330,000</i>
Design Services	\$ 150,000	\$ 150,000
In House Project Mgmt	\$ 75,000	\$ 95,000
Construction Mgmt	\$ 75,000	\$ 95,000
Staff Relo / Temp Facilities	\$ 150,000	\$ 150,000
<i>Soft Costs Subtotal</i>	<i>\$ 450,000</i>	<i>\$ 490,000</i>
Project Total	\$ 1,460,000	\$ 1,820,000

Notes ¹ Provided by GP Architects

- Budget cost level estimates provided by Public Works Department.



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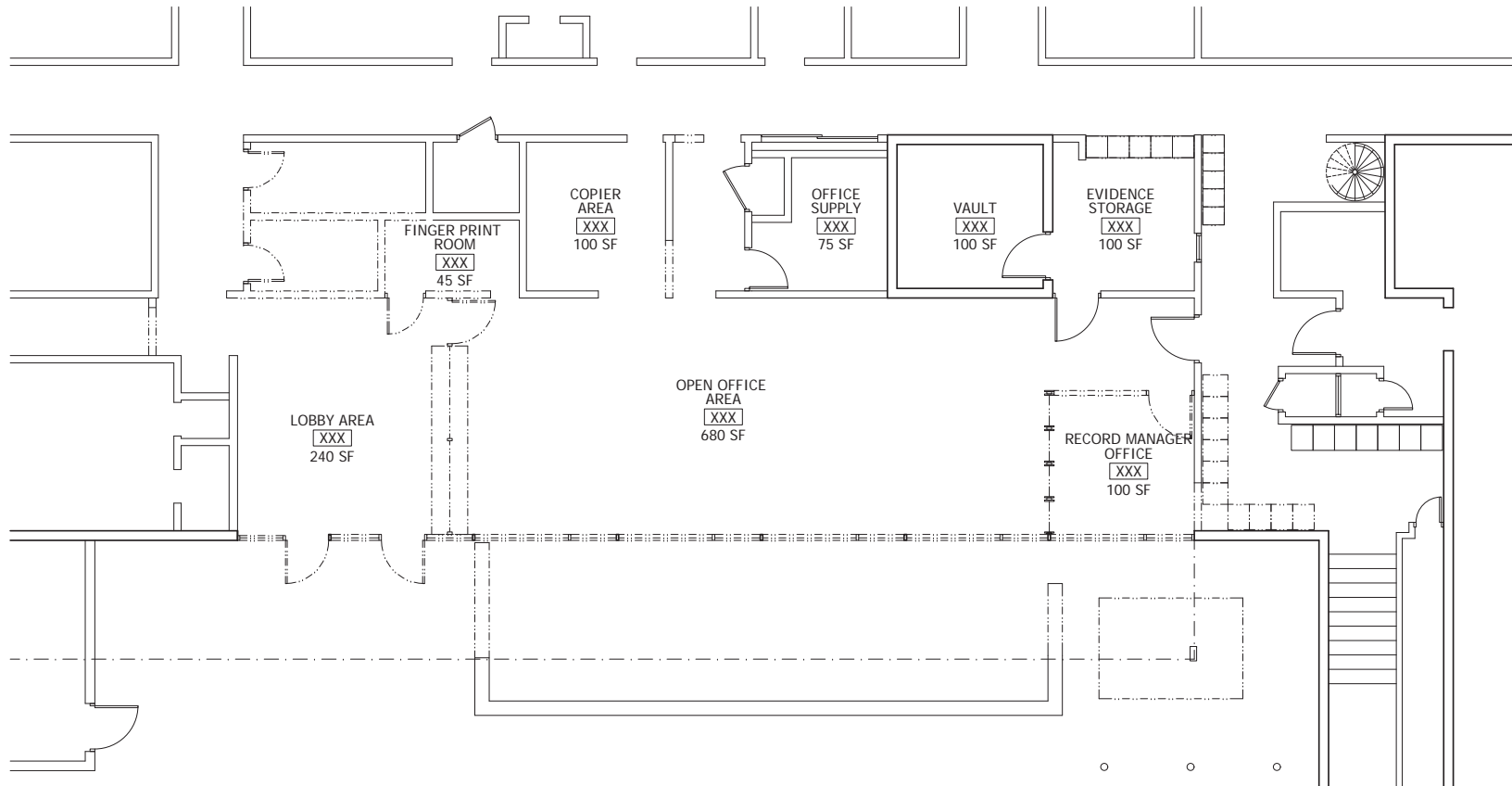
Attachment A - Architectural Renderings of Option1 and Option 2





REDONDO BEACH PD

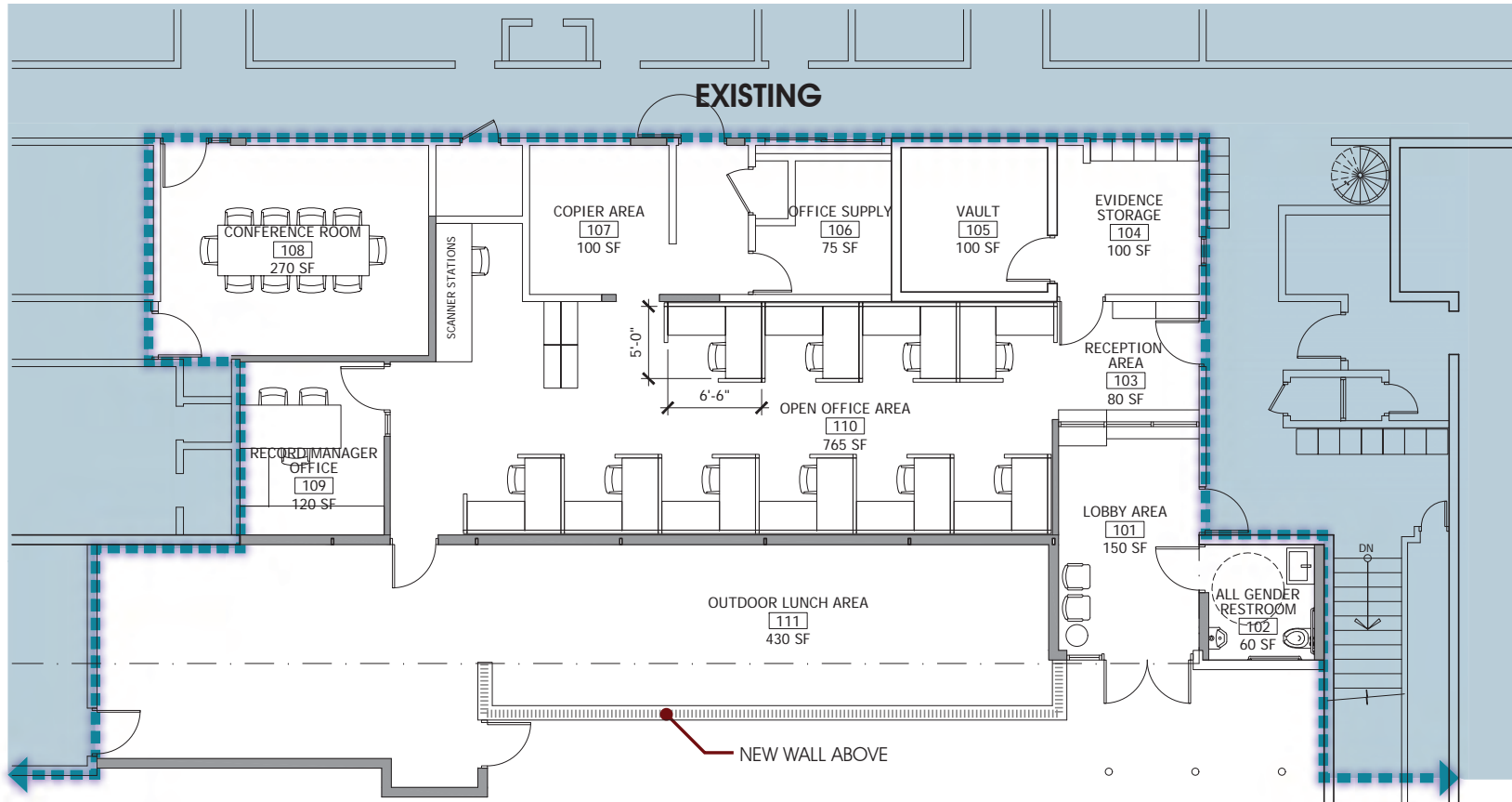
OPTION 1

LEGEND:	
	EXISTING WALL TO REMAIN
	EXISTING TO BE DEMOLISHED




**EXISTING/DEMO
FLOOR PLAN**
scale : 1/8" = 1'-0"

LEGEND:	
	EXISTING WALL TO REMAIN
	NEW WALL

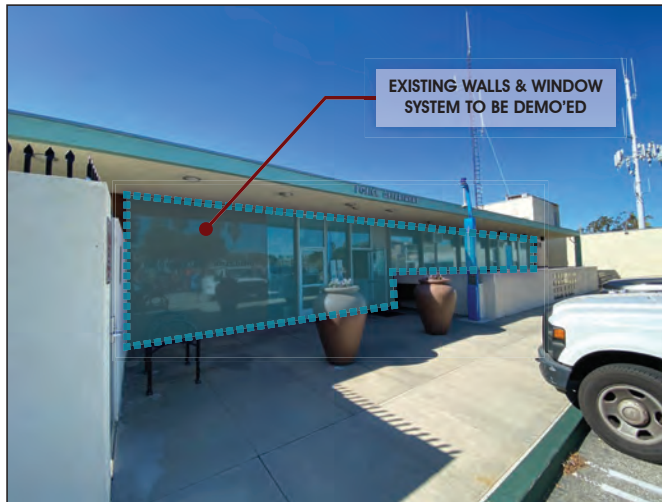


**PROPOSED
FLOOR PLAN**
scale : 1/8" = 1'-0"

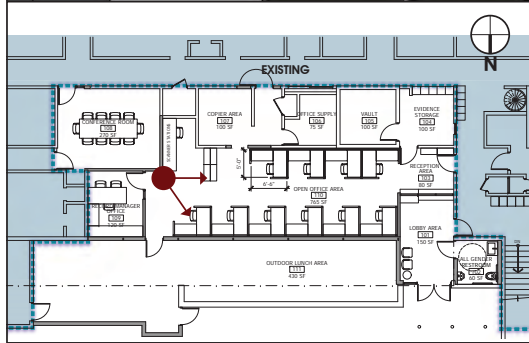
Attachment A



Conceptual Perspective 1





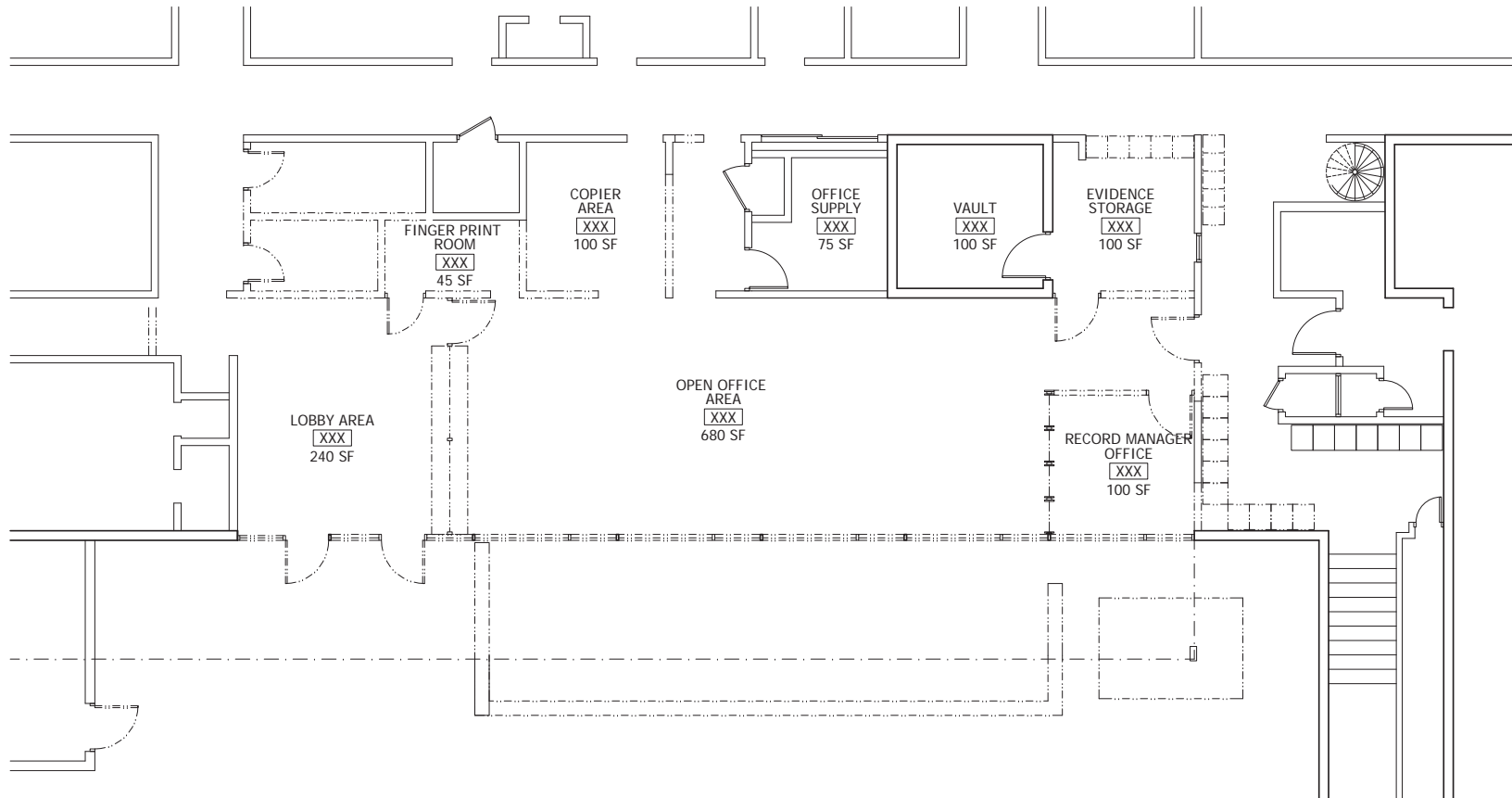






Conceptual Perspective 3

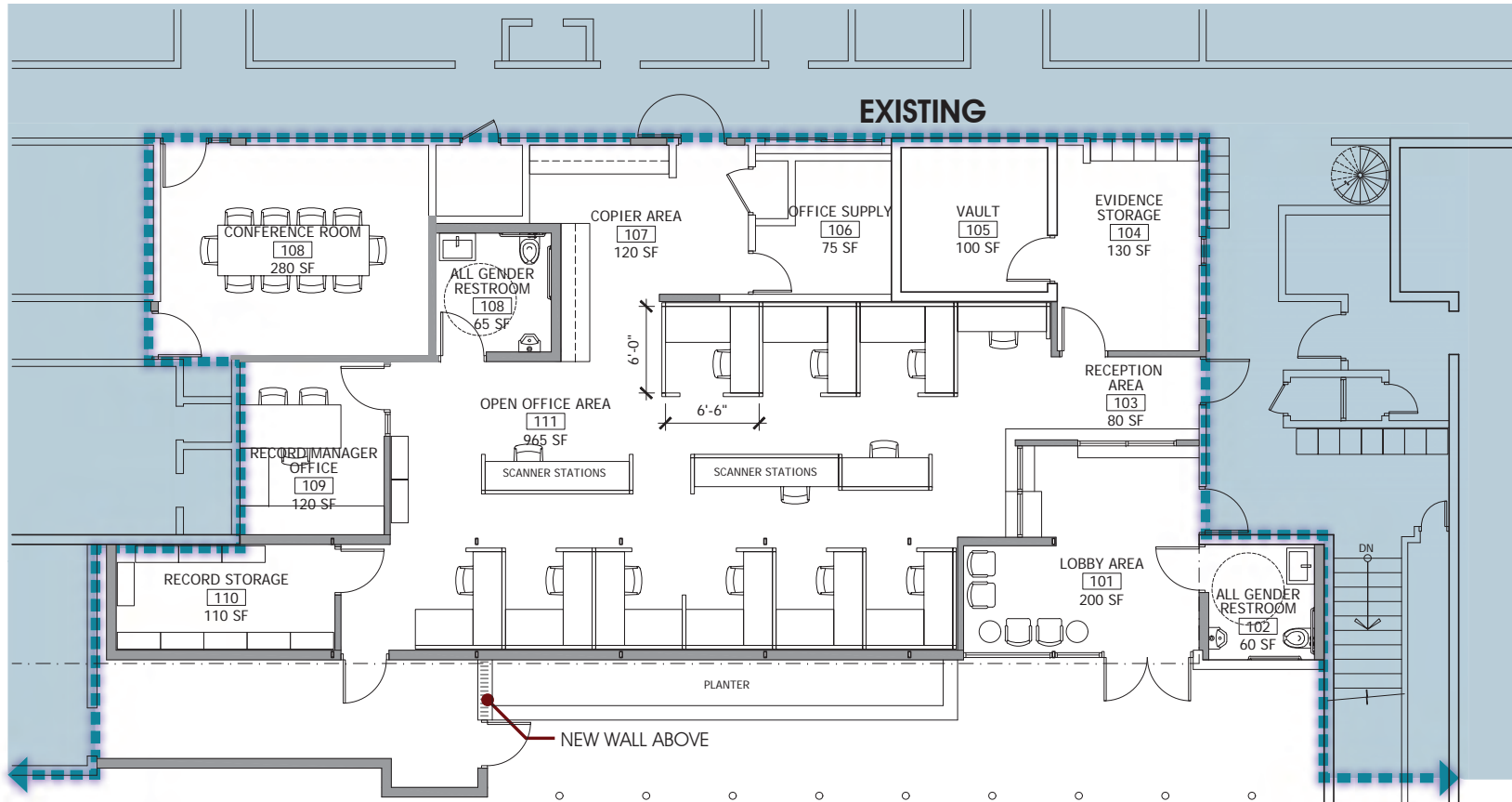
OPTION 2

LEGEND:	
	EXISTING WALL TO REMAIN
	EXISTING TO BE DEMOLISHED




**EXISTING/DEMO
FLOOR PLAN**
scale : 1/8" = 1'-0"

LEGEND:	
	EXISTING WALL TO REMAIN
	NEW WALL

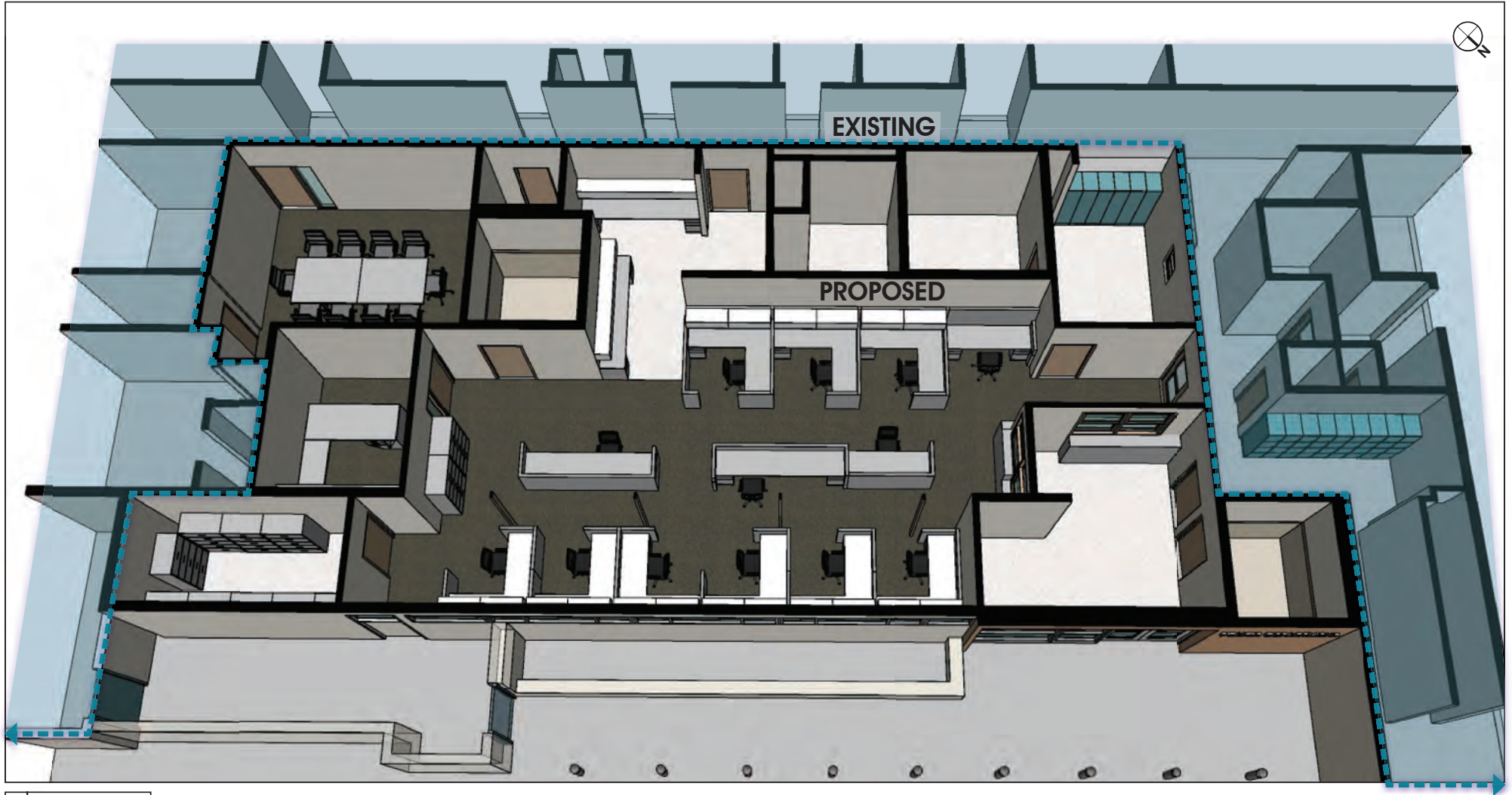






**PROPOSED
 FLOOR PLAN**
 scale : 1/8" = 1'-0"



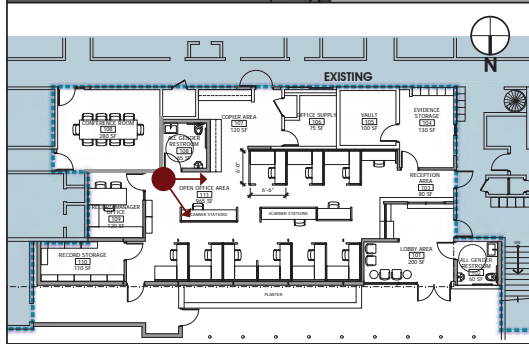
Conceptual Perspective 1





LEGEND		CARPET
		VCT
		TILE

Conceptual Perspective 2



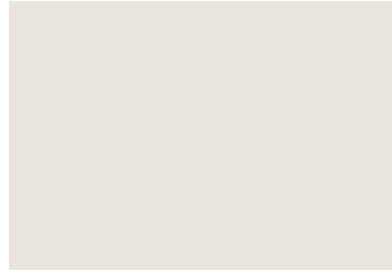
Conceptual Perspective 3

CARPET SELECTION



SHAW CARPET TILE
34761 - PORTABELLA- PORTAL TILE

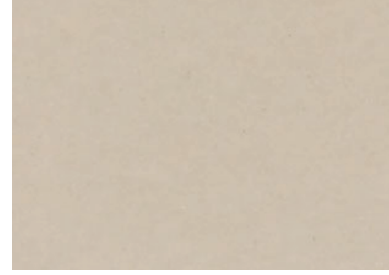
PAINT SELECTION 1



DUNN EDWARDS
DE6226 FOGGY DAY- LRV 71

Attachment A

TILE SELECTION 1



DALTILE FLOOR TILE
KEYSTONES- URBAN PUTTY

STUCCO SELECTION 1



OMEGA STUCCO
432 MILKY QUARTZ

VCT SELECTION



SHAW CARPET TILE
34761 - PORTABELLA- PORTAL TILE

PAINT SELECTION 2



DUNN EDWARDS
DE6241 LUNAR LANDING LRV 58

TILE SELECTION 2



DALTILE WALL TILE- ACCENT
KEYSTONES- ELEMENTAL TAN

STUCCO SELECTION 2



OMEGA STUCCO
415 ONIONSKIN TAN

RUBBER BASE



BURKE- 4" RUBBER BASE
#523 BLACK-BROWN (COVERED)

PAINT SELECTION 3



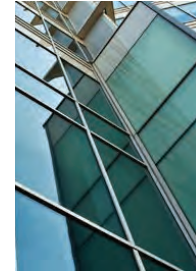
DUNN EDWARDS
DE6192 NOMADIC TAUPE LRV 53

TILE SELECTION 3



DALTILE WALL TILE
GLAZED PORCELAIN- VOLUME 1.0- REVERB ASH VL74

GLAZING



VIRACON
GREEN 2

MULLIONS



CLEAR ANODIZED
ALUMINUM

CITY OF REDONDO BEACH

Midyear Budget Response Report #5

February 16, 2021

Question:

What would be the cost to replace the existing lighting along the beachfront pedestrian walkway between Veterans Park and Knob Hill Avenue?

Response:

The beachfront pedestrian walkway located west of the Esplanade properties between Veterans Park and Knob Hill Avenue contains lighting that has reached the end of its useful life and needs to be replaced. A project to replace the 35 lights would include the following:

- New solar light fixtures
- New poles
- Replacement of the light pole foundations
- Project design, installation and inspection

The estimated cost to implement the replacement project is approximately \$200,000, including a 25% contingency.

It should be noted that the Public Works Department intends to replace a single light, pole and foundation using a contemporary solar light fixture at the end of the beach bluff path near Knob Hill as a pilot project. Costs for the pilot project will be covered by the department's existing maintenance and operating budget. A larger project to replace the remaining beach bluff lights will be considered as part of the annual Capital Improvement Program budgeting process.

CITY OF REDONDO BEACH

Midyear Budget Response Report #6

February 16, 2021

Question:

What is the feasibility of the City issuing bonds for pavement rehabilitation to gain the benefit of current construction costs?

Response:

STEP 1: Determine the Bonding Amount

The first step to determine the feasibility of issuing bonds to fund the City's pavement rehabilitation work is to obtain the cost for construction of all the streets that require rehabilitation and then determine how much, if any, of that amount should be covered by bond financing.

Nichol's Consulting Engineers (NCE), the City's consultant that updated the Pavement Management Report in 2020, has experience in analyzing the City's pavement network and, if desired, could determine the cost of construction to complete all streets. The estimated cost for the analysis needed to determine the full estimated cost of street reconstruction is \$34,000.

STEP 2: Determine the Financing Options

The City is currently exploring bond financing options to help reduce long term pension costs. The outcome of this exploration could have an impact on the City's bond rating and would likely alter the pros and cons of subsequent construction bond financing. That said, the City could propose a General Obligation Bond Measure which would be subject to a two-thirds voter approval of a special tax which would not require collateral. Additionally, the City could utilize sales tax revenue bonds or certificates of participation (COP) backed by Metro Local Return Funding: Proposition C, Measure M and Measure R, specifically.

A formal review of these options would require assistance from a finance consulting firm. The estimated cost to determine the City's construction bond financing options will need to be determined.

CITY OF REDONDO BEACH
Midyear Budget Response Report #7

February 16, 2021

Question:

What is the net amount of each department's midyear personnel adjustments recommended in Decision Package #2 and to what can they be attributed?

Response:

Attached are each department's midyear personnel adjustments recommended in Decision Package #2.

Attachment:

Attachment A – Personnel Adjustments

Attachment A

GENERAL FUND

	Vacancy Savings	Vacation Cashouts	Health Insurance Cash in Lieu	Position Restoration	Total
Mayor/City Council	-	-	1,440	-	1,440
City Clerk	-	1,446	-	-	1,446
City Treasurer	-	(516)	-	-	(516)
City Attorney	-	7,995	4,523	-	12,518
City Manager	-	-	-	-	-
Information Technology	-	-	-	-	-
Human Resources	-	527	-	-	527
Financial Services	-	6,048	3,701	40,976	50,725
Police	(100,000)	65,537	4,105	-	(30,358)
Fire	(500,000)	66,620	2,261	-	(431,119)
Public Library	(370,750)	42	821	-	(369,887)
Community Services	(408,027)	2,469	-	-	(405,558)
Community Development	-	3,478	3,285	-	6,763
Waterfront and Economic Development	-	1,463	-	-	1,463
Public Works	-	13,028	7,605	-	20,633
Totals	(1,378,777)	168,137	27,741	40,976	(1,141,923)

OTHER FUNDS

	Vacancy Savings	Vacation Cashouts	Health Insurance Cash in Lieu	Position Restoration	Total
Mayor/City Council	-	-	-	-	-
City Clerk	-	-	-	-	-
City Treasurer	-	-	-	-	-
City Attorney	-	-	-	-	-
City Manager	-	-	-	-	-
Information Technology	-	2,495	3,904	-	6,399
Human Resources	-	1,229	-	-	1,229
Financial Services	-	-	-	-	-
Police	-	10,087	-	-	10,087
Fire	(172,287)	4,688	-	-	(167,599)
Public Library	-	-	-	-	-
Community Services	(86,755)	3,735	-	-	(83,020)
Community Development	-	-	-	-	-
Waterfront and Economic Development	(44,670)	7,458	-	-	(37,212)
Public Works	-	17,164	3,489	-	20,653
Totals	(303,712)	46,856	7,393	-	(249,463)

Attachment A

ALL FUNDS

	Vacancy Savings	Vacation Cashouts	Health Insurance Cash in Lieu	Position Restoration	Total
Mayor/City Council	-	-	1,440	-	1,440
City Clerk	-	1,446	-	-	1,446
City Treasurer	-	(516)	-	-	(516)
City Attorney	-	7,995	4,523	-	12,518
City Manager	-	-	-	-	-
Information Technology	-	2,495	3,904	-	6,399
Human Resources	-	1,756	-	-	1,756
Financial Services	-	6,048	3,701	40,976	50,725
Police	(100,000)	75,624	4,105	-	(20,271)
Fire	(672,287)	71,308	2,261	-	(598,718)
Public Library	(370,750)	42	821	-	(369,887)
Community Services	(494,782)	6,204	-	-	(488,578)
Community Development	-	3,478	3,285	-	6,763
Waterfront and Economic Development	(44,670)	8,921	-	-	(35,749)
Public Works	-	30,192	11,094	-	41,286
Totals	(1,682,489)	214,993	35,134	40,976	(1,391,386)



Administrative Report

N.4., File # 21-2050

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING REFINANCING OPTIONS AVAILABLE TO THE CITY TO REDUCE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) UNFUNDED ACCRUED LIABILITY (UAL) PENSION COSTS

DISCUSSION AND POSSIBLE ACTION ON THE PRESENTATION PROVIDED BY KOSMONT TRANSACTIONS SERVICES, INC. (KTS) ON CALPERS UAL REFINANCING

DISCUSSION AND POSSIBLE ACTION REGARDING THE PROCESS TO OBTAIN ALL PROFESSIONAL SERVICES NEEDED TO ASSIST THE CITY WITH EXECUTION OF CALPERS UAL REFINANCING, IF PURSUED

DISCUSSION AND POSSIBLE ACTION RELATED TO THE CONTRACT WITH KTS FOR MUNICIPAL ADVISORY ACTIVITIES ASSOCIATED WITH ANALYZING AND SECURING CALPERS UAL REFINANCING

EXECUTIVE SUMMARY

Representatives from KTS will be making a presentation to the Mayor and City Council regarding refinancing the City's CalPERS UAL. This presentation was previously made to the City's Budget and Finance Commission. As discussed at the February 9, 2021 City Council meeting, the City is in the initial stages of evaluating the desirability of refinancing the City's unfunded accrued liability pension costs and all options remain available to the City Council for determining a path forward.

BACKGROUND

The City contracts with CalPERS for employee retirement benefits. The City's total FY 2020-21 budgeted cost for this benefit is \$20,535,257, a net increase of over \$1.8 million from FY 2019-20. Of this increase, the General Fund is responsible for over \$1.3 million (bringing the General Fund budgeted total from \$15,517,270 to \$16,879,660) and enterprise/other funds will be allocated \$500,000 (bringing their total from \$3,150,811 to \$3,655,597). Additionally, the percentage of the General Fund operating budget dedicated to pension costs grew from 16.2% in FY 2019-20 to 17.5% in FY 2020-21. There are two components of the CalPERS employer rates contributing to the increase.

1. The normal cost portion of the employer rates is defined by CalPERS as the annual cost of

service accrual for the fiscal year for active employees, or the long-term contribution rate. It is paid as a percentage of payroll. The rates for miscellaneous employees increased from 9.152% to 9.342%, and the rates for safety employees increased from 22.230% to 23.353%.

2. The unfunded liability portion is defined by CalPERS as the difference between the plan's value of assets and the total dollars needed as of the valuation date to fund all benefits earned in the past for the plan's members. It is paid as a flat dollar amount and is the major contributor to the cost increase. The amounts (after a prepayment discount) increased for miscellaneous employees from \$3,989,379 to \$4,511,145 and for safety employees from \$7,751,682 to \$8,730,646.

One option the City has for reducing its rising pension costs is to issue bonds. The bonds can be issued to refinance all or a portion of the City's UAL balance. The mechanics and possible cost savings from such a refinance will be detailed in the presentation at the meeting by KTS.

In addition to any possible action the City Council may take in regards to the presentation, direction may be provided to staff regarding the process to obtain professional services needed to assist the City with execution of a CalPERS UAL refinancing, if pursued. Further, direction may be provided related to the contract with KTS for municipal advisory activities associated with analyzing and securing CalPERS refinancing.

COORDINATION

This evening's presentation was coordinated with KTS, the City Manager's Office, and the Financial Services Department.

FISCAL IMPACT

Potential cost savings resulting from a refinancing of the City's CalPERS UAL with bonds, is dependent on the interest rate, sizing, and amortization schedule of the bond issue as well as the performance of the CalPERS portfolio and any possible actuarial assumption changes that may be implemented.

APPROVED BY:

Joe Hoefgen, City Manager

:

Opportunity Overview

Refinancing CalPERS Unfunded Accrued Liability (UAL) with Bonds



MAYOR AND CITY COUNCIL PRESENTATION
CITY OF REDONDO BEACH, CA
FEBRUARY 16, 2021

Presented by:

Larry J. Kosmont, CRE®, President | Kosmont Transactions Services | lkosmont@KosmontTransactions.com

Dan Massiello, Sr.VP & Chief Compliance Officer | Kosmont Transactions Services | dmassiello@KosmontTransactions.com



1601 N. Sepulveda Blvd., #382
Manhattan Beach, CA 90266
TEL: 424-297-1070 | URL: www.KosmontTransactions.com

INTRODUCTION

- City pension costs have been rising dramatically due to requirement to repay the Unfunded Accrued Liability (UAL) to the California Public Employees' Retirement System (CalPERS)
- UAL is driven by historical changes in actuarial assumptions and lackluster investment performance
- City's aggregate UAL owed to CalPERS is projected to be \$211,769,876¹ by 6/30/2021
- Market-based solutions to refinance this debt have evolved over time; improved structuring options that reduce certain risks of previous approaches are now available
- Numerous CA cities have refinanced their UALs thanks to currently favorable interest rates, strong investor demand and palatable structuring options
- City is currently facing steep cost increases which will require the use of reserves to make payments
- Exploration of refinancing UAL with market-based solution could better align pension payments with current revenues

OPPORTUNITY TO REDUCE PENSION DEBT REPAYMENT REFINANCE CalPERS UAL BY ISSUING BONDS

- Unfunded pension liabilities are existing debts being repaid at 7% interest
 - UAL is required by GASB to be listed as current liability on City's balance sheet
- City has opportunity to lock in lower UAL repayments at low rates
- Muni bond market interest rates are currently substantially lower than CalPERS rate
 - City's strong credit rating (implied S&P "issuer credit rating" of AA+) should command excellent interest rates in the 3.25% - 3.75% range (subject to change)
- City can issue its own municipal bonds to refinance UAL repayments to significantly lower levels
- Potential dramatic future cost reductions can help protect reserves and stabilize budget going forward

PENSION BOND REFINANCINGS BY OTHER AGENCIES

Agency	Par Amount	Rating	Sale Date	Maturity
City of El Cajon	\$147,210,000	AA	1/13/21	2043
City of Placentia (LRB-parks)	52,950,000	BBB+	10/29/20	2045
City of Arcadia	90,000,000	AAA	10/27/20	2040
City of Torrance (LRB-streets)	349,515,000	AA	10/1/20	2043
City of Azusa	70,075,000	AA-	9/17/20	2040
City of Pomona	219,890,000	AA-	8/13/20	2046
City of San Bernardino*	19,850,000	na	7/23/20	2046
City of West Covina (LRB-streets)	204,095,000	A+	7/23/20	2044
City of Grass Valley	18,495,000	AA-	6/23/20	2041
Kensington Police Protection & Community Services Dist.*	4,544,000	n/a	6/18/20	2040
North County Fire Protection District	20,305,000	AA-	6/11/20	2034
City of Carson	108,020,000	AA-	6/10/20	2044
City of El Monte	118,725,000	A+/AGM Ins AA	6/9/20	2050
City of Riverside	432,165,000	AA	6/4/20	2045
City of Inglewood	101,620,000	AA-/AGM Ins AA	6/2/20	2050
City of Montebello	153,425,000	A+/AGM Ins AA	5/27/20	2045
City of Ontario	236,585,000	AA	5/12/20	2050
City of Larkspur	18,295,000	AAA	4/30/20	2040
County of Riverside	719,995,000	A2/AA	4/22/20	2038
City of Pasadena (refinancing)	131,805,000	AAA	2/5/20	2045
Monterey County Regional Fire District	20,250,000	A2/AA-	11/21/19	2039
City of Pacifica	9,685,000	AA+	10/9/19	2030
City of Hawthorne	121,865,000	A2/AA-	9/24/19	2049

TYPES OF SECURITIES THAT CAN BE ISSUED BY CITY

- The City can refinance the UAL by selling securities in the capital markets
- Two (2) primary types of obligations:
 - Pension Obligation Bonds (POBs)
 - Lease Revenue Bonds (POBs)
- Pension Obligation Bonds (POBs) are General Obligation Bonds once validated by the Court and do not require any sort of “collateral”
- Lease Revenue Bonds (LRBs) do not require court validation. LRBs do require encumbering certain City assets with a lease/leaseback structure.
- City should be able use its streets as lease collateral; recent success in neighbor city
- Bond Investors generally prefer Lease Revenue Bond Structure over POB structure

PENSION OBLIGATION BONDS

- POBs are General Obligations of the City
 - “Debt” as defined by CA Constitution
 - Required to repay
- POBs require Court Validation before they can be issued
 - Historically a relatively perfunctory process since they refinance an existing debt imposed by law
- Process is slow (validation alone can take 120 or more days); exposes City to extended period of market risk, i.e., rates may change before able to sell bonds
- Due to nature of “General Obligation”, POBs do not require any “collateral” due to nature of GO pledge after validation
- Generally, garner highest credit rating available to issuer
 - Would expect City GO Rating to be “AA+” based on 2019 Lease Revenue Bond rating

LEASE REVENUE BONDS

- Lease Revenue Bonds (LRBs) do not require court validation, therefore are quicker to complete (less market risk)
- Lease Revenue Bonds (LRBs) would be sold by the City's Community Financing Authority and secured by rental payments to be made by the City to the Authority for use of certain real property
 - City previously issued LRBs in 2019 secured by leasing/leasing back a section of Harbor Blvd.
- LRB structure generally garners credit rating "1-notch" below issuer's General Obligation rating due to nature of lease security being subject to abatement and annual appropriation
- 2019 LRBs rated "AA"; would expect POBs to be rated "AA+"
- However, investors generally prefer Lease Revenue Bond Structure over POB structure due to existence of underlying assets
 - City likely able to again use streets as lease collateral; recent success in neighbor city with UAL refinancing

CITY'S UNFUNDED ACCRUED LIABILITY ("UAL")

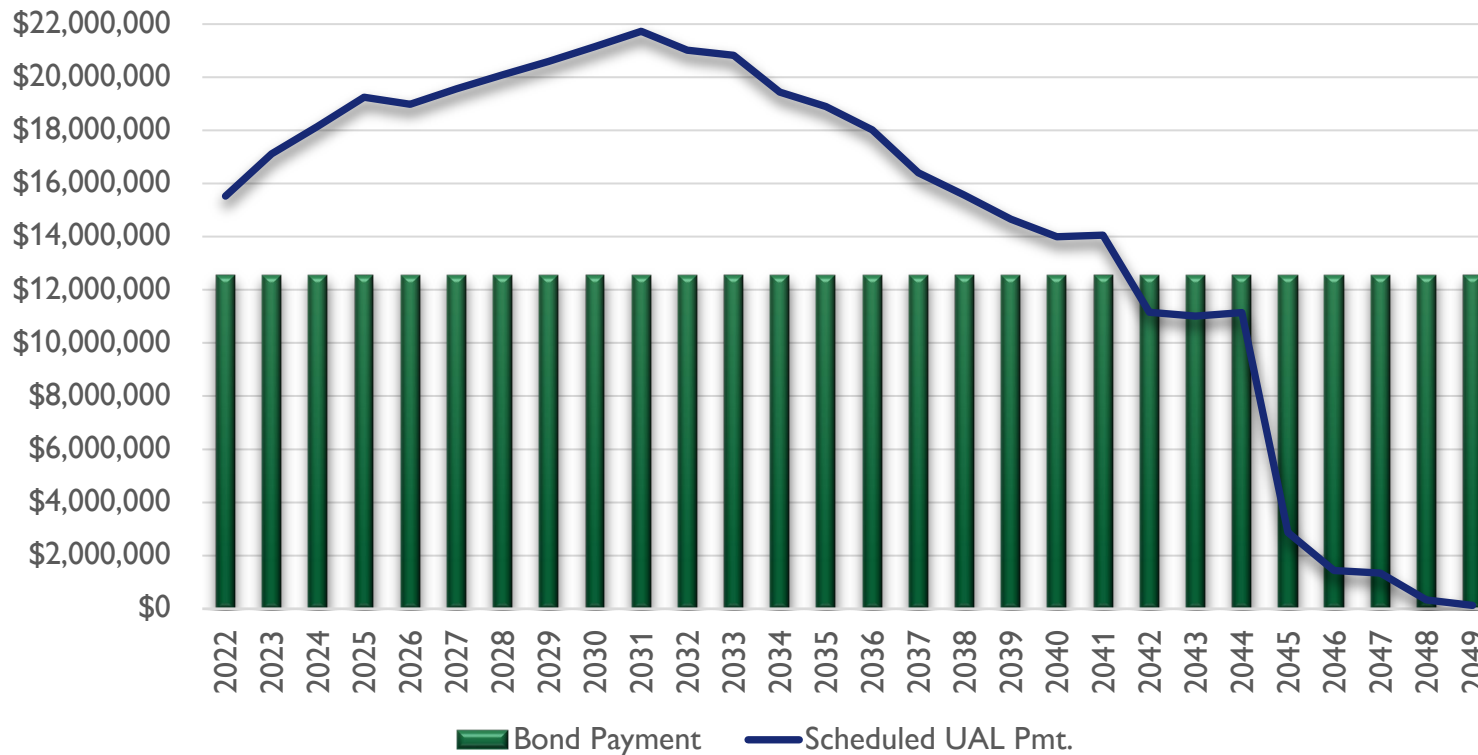
- **Projected UAL at 6/30/2021¹: \$211,769,876**
- UAL payments starting next year (FY22) are based on projected 6/30/2021 amount
- CalPERS includes 7% interest¹ charge in UAL amortization payments
- Most recently available actuarial data for Miscellaneous and Safety Retirement Plans is as of 6/30/2019¹:
 - Required Combined Balance: \$612,790,806
 - Market Value of Assets: 404,075,277
 - Amount Underfunded (UAL): \$208,715,529
 - **City made \$13,697,415 UAL payment in FY21, will pay \$15,552,745 in FY22 - a 13.6% increase**
- With no other changes (unlikely), UAL projected to increase to \$211,769,876 and then be paid down slightly to \$210,536,913 at 6/30/2022
- CalPERS posted 4.7% earnings (<7% target) for FY20 which will lead to additional UAL

POTENTIAL BUDGETARY SAVINGS BY REFINANCING UAL

- Miscellaneous and Safety plans combined projected by CalPERS to be \$211,769,876¹ at 6/30/2021¹
- City continues to amortize UAL owed to CalPERS per CalPERS' repayment requirements
- UAL repayments will rise dramatically for the next 10 fiscal years
 - FY22 payment will be 13.6% greater than FY21; FY31 will be 58.6% greater than FY21
- Opportunity to refinance UAL in a cost-efficient way for significant budgetary savings
 - Refinance all or part of aggregate UAL at ~3.25-3.75%² instead of 7%
 - “Flatten the Curve” of upcoming payments for budgetary relief
- **Recognize ~\$52.6 to ~ \$89.7² million in long-term pension cost reductions, depending on structure**

UAL/BOND REPAYMENT COMPARISON

LEVEL DEBT SERVICE BASIC STRUCTURE



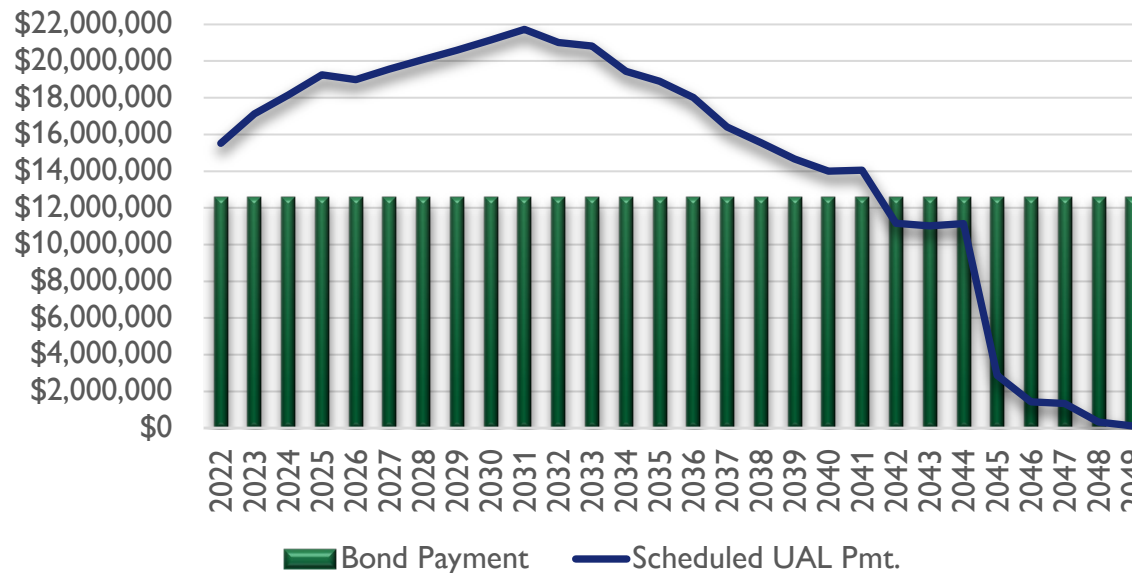
FYE June 30	Scheduled UAL Pmt.	Bond Payment	Budget Savings	PV Savings
2022	\$15,522,745	\$12,562,938	\$2,959,808	\$2,771,816
2023	17,117,571	12,564,938	4,552,634	4,142,695
2024	18,148,405	12,565,563	5,582,843	4,904,703
2025	19,251,678	12,564,625	6,687,053	5,666,472
2026	18,985,124	12,566,938	6,418,187	5,231,616
2027	19,563,069	12,567,125	6,995,944	5,493,107
2028	20,094,428	12,565,000	7,529,428	5,693,540
2029	20,594,228	12,565,375	8,028,853	5,845,944
2030	21,153,945	12,567,875	8,586,070	6,019,496
2031	21,729,055	12,567,125	9,161,930	6,184,225
2032	21,016,805	12,562,938	8,453,868	5,488,435
2033	20,825,073	12,565,125	8,259,948	5,159,964
2034	19,442,869	12,563,125	6,879,744	4,130,620
2035	18,903,074	12,566,750	6,336,324	3,659,164
2036	18,013,865	12,565,438	5,448,428	3,024,584
2037	16,400,015	12,564,000	3,836,015	2,042,400
2038	15,557,889	12,567,063	2,990,827	1,528,208
2039	14,657,237	12,564,063	2,093,175	1,023,933
2040	13,995,771	12,564,813	1,430,959	668,742
2041	14,055,842	12,563,750	1,492,092	673,101
2042	11,154,979	12,565,500	(1,410,521)	(640,594)
2043	11,012,111	12,564,500	(1,552,389)	(675,501)
2044	11,145,274	12,565,375	(1,420,101)	(594,037)
2045	2,874,326	12,567,563	(9,693,237)	(3,843,652)
2046	1,436,201	12,565,500	(11,129,299)	(4,243,247)
2047	1,334,702	12,563,813	(11,229,111)	(4,117,560)
2048	331,511	12,566,938	(12,235,427)	(4,314,696)
2049	118,071	12,564,125	(12,446,054)	(4,221,159)
TOTALS	\$404,435,863	\$351,827,875	\$52,607,988	\$56,702,317

UAL/BOND REPAYMENT COMPARISON

LEVEL DEBT SERVICE BASIC STRUCTURE

PROS

- Generates most near & mid-term budget relief
- Establishes permanent level repayment below FY21 amount of \$13.7M
- Shifts portion of repayment to later years where dollars “cost less”

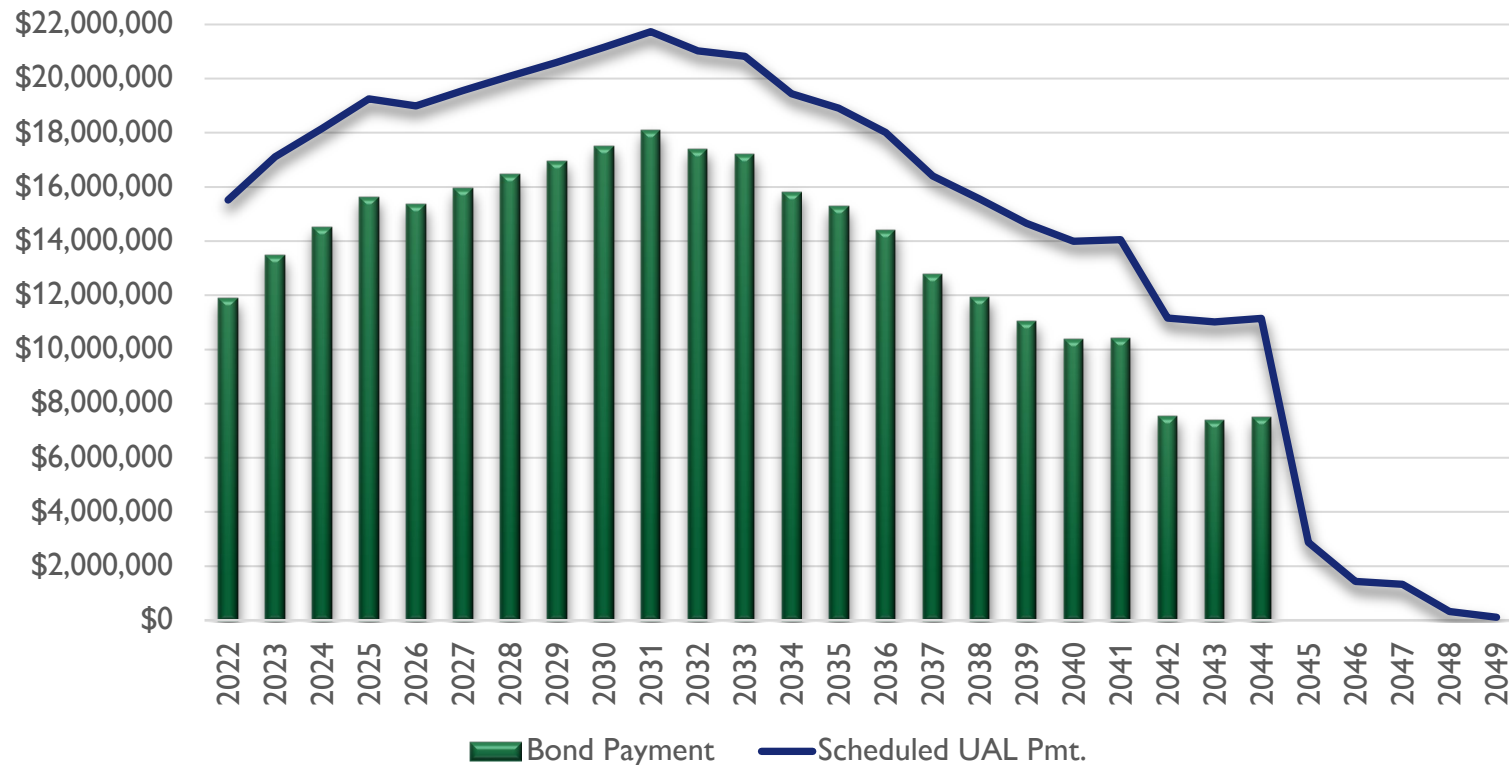


CONS

- Accrues more interest costs that other repayment structures that repay principal more quickly
- Shifts portion of repayment to later years where previously there were no payments

UAL/BOND REPAYMENT COMPARISON

“LEVEL SAVINGS” BASIC STRUCTURE



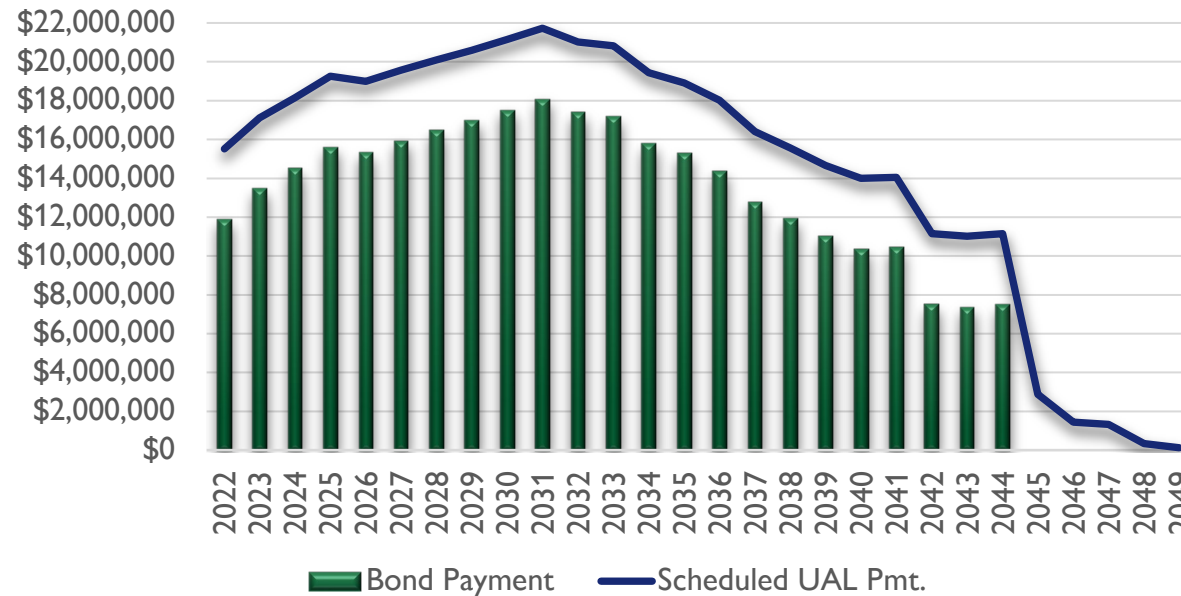
FYE June 30	Scheduled UAL Pmt.	Bond Payment	Budget Savings	PV Savings
2022	\$15,522,745	\$11,887,938	\$3,634,808	\$3,419,184
2023	17,117,571	13,480,250	3,637,321	3,291,992
2024	18,148,405	14,512,500	3,635,905	3,166,603
2025	19,251,678	15,618,250	3,633,428	3,045,474
2026	18,985,124	15,348,000	3,637,124	2,934,470
2027	19,563,069	15,926,438	3,636,632	2,824,198
2028	20,094,428	16,461,688	3,632,741	2,715,731
2029	20,594,228	16,959,125	3,635,103	2,616,244
2030	21,153,945	17,518,938	3,635,008	2,518,889
2031	21,729,055	18,092,563	3,636,493	2,426,466
2032	21,016,805	17,383,125	3,633,680	2,334,874
2033	20,825,073	17,192,313	3,632,761	2,247,871
2034	19,442,869	15,806,000	3,636,869	2,167,197
2035	18,903,074	15,268,625	3,634,449	2,085,432
2036	18,013,865	14,379,625	3,634,240	2,007,964
2037	16,400,015	12,767,313	3,632,703	1,932,571
2038	15,557,889	11,924,438	3,633,452	1,860,960
2039	14,657,237	11,023,813	3,633,425	1,791,532
2040	13,995,771	10,363,250	3,632,521	1,724,180
2041	14,055,842	10,419,500	3,636,342	1,661,472
2042	11,154,979	7,521,125	3,633,854	1,598,320
2043	11,012,111	7,378,375	3,633,736	1,538,175
2044	11,145,274	7,511,500	3,633,774	1,480,372
2045	2,874,326		2,874,326	1,127,007
2046	1,436,201		1,436,201	541,581
2047	1,334,702		1,334,702	484,051
2048	331,511		331,511	115,628
2049	118,071		118,071	39,606
TOTALS	\$404,435,863	\$314,744,688	\$89,691,176	\$55,698,042

UAL/BOND REPAYMENT COMPARISON

“LEVEL SAVINGS” BASIC STRUCTURE

PROS

- *Generates greatest amount of budget savings over time*
- *Repays overall liability in the shortest time frame*

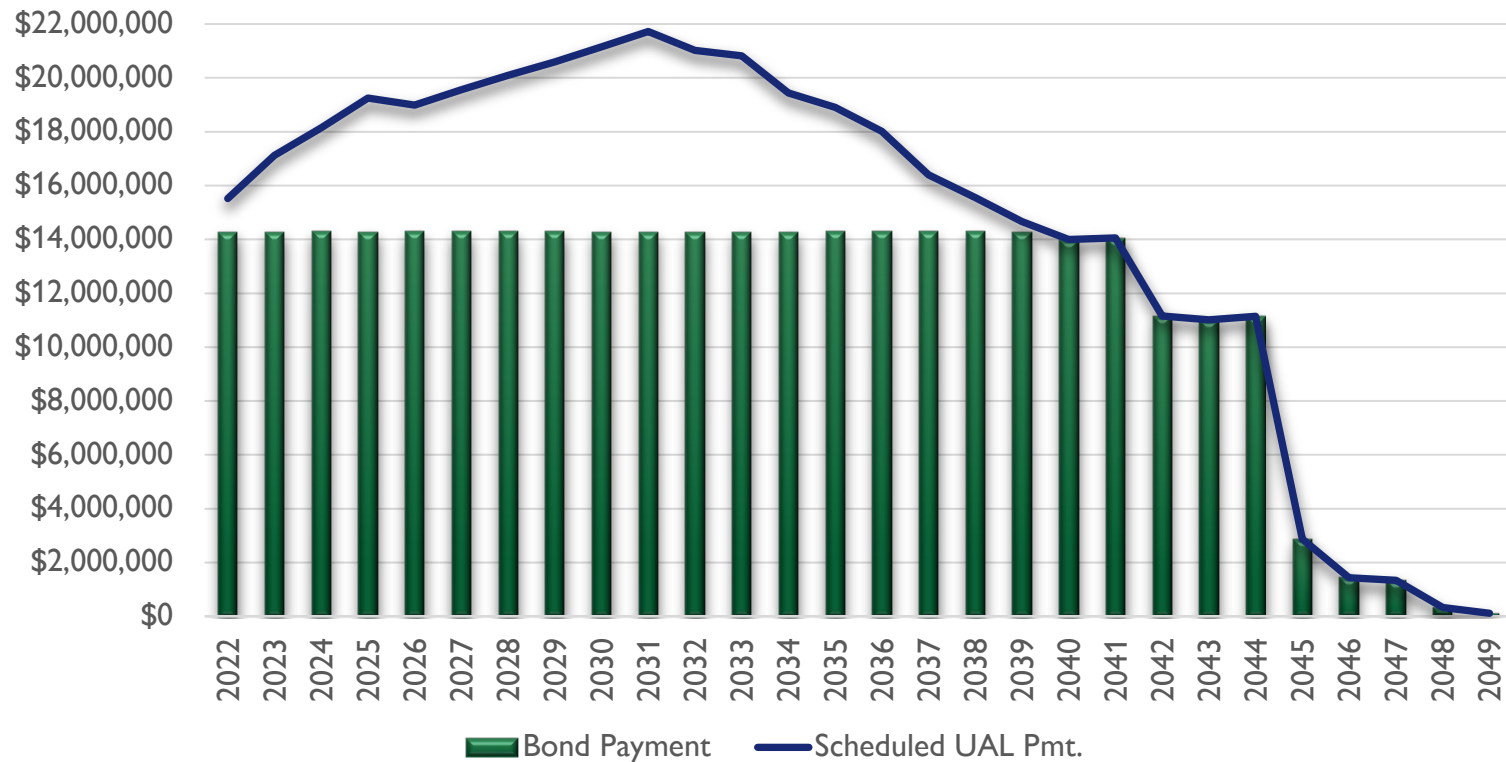


CONS

- *Not accurate comparison as “Scheduled UAL Repayment” changes every year*
- *Still requires steep budget increases above FY21 payment of \$13.7M in near to mid-term*

UAL/BOND REPAYMENT COMPARISON

“HYBRID SAVINGS” BASIC STRUCTURE



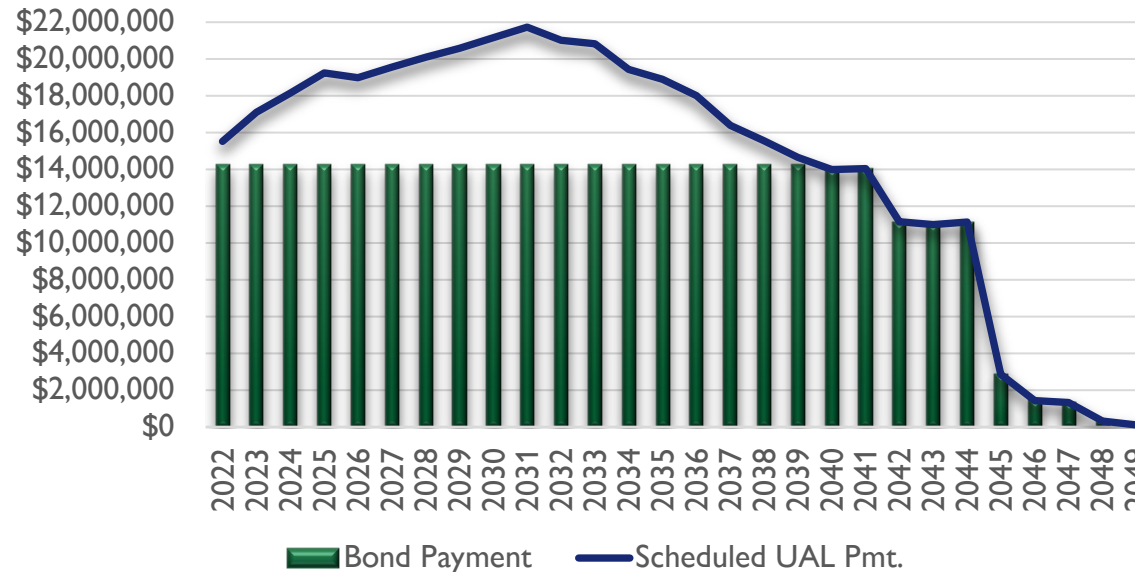
FYE June 30	Scheduled UAL Pmt.	Bond Payment	Budget Savings	PV Savings
2022	\$15,522,745	\$14,287,938	\$1,234,808	\$1,111,382
2023	17,117,571	14,285,250	2,832,321	2,549,075
2024	18,148,405	14,288,938	3,859,468	3,367,993
2025	19,251,678	14,288,438	4,963,241	4,186,396
2026	18,985,124	14,288,563	4,696,562	3,809,262
2027	19,563,069	14,288,938	5,274,132	4,123,433
2028	20,094,428	14,289,188	5,805,241	4,372,784
2029	20,594,228	14,288,938	6,305,291	4,574,434
2030	21,153,945	14,287,813	6,866,133	4,797,254
2031	21,729,055	14,285,438	7,443,618	5,007,776
2032	21,016,805	14,286,438	6,730,368	4,353,834
2033	20,825,073	14,285,250	6,539,823	4,070,349
2034	19,442,869	14,286,500	5,156,369	3,082,704
2035	18,903,074	14,289,625	4,613,449	2,652,201
2036	18,013,865	14,289,063	3,724,803	2,057,202
2037	16,400,015	14,289,438	2,110,578	1,114,356
2038	15,557,889	14,290,188	1,267,702	638,744
2039	14,657,237	14,285,750	371,487	171,381
2040	13,995,771	13,990,750	5,021	(8,156)
2041	14,055,842	14,055,500	342	(8,009)
2042	11,154,979	11,151,313	3,667	(4,242)
2043	11,012,111	11,008,813	3,299	(2,703)
2044	11,145,274	11,142,875	2,399	(1,459)
2045	2,874,326	2,872,813	1,514	(226)
2046	1,436,201	1,433,063	3,139	767
2047	1,334,702	1,333,563	1,140	188
2048	331,511	330,938	574	146
2049	118,071	114,125	3,946	1,315
TOTALS	\$404,435,863	\$324,615,438	\$79,820,426	\$56,018,179

UAL/BOND REPAYMENT COMPARISON

“HYBRID SAVINGS” BASIC STRUCTURE

PROS

- Establishes permanent level repayment with no future increases
- Does not create future payments in years where there previously were none
- Creates balance between repayment of principal and creating predictable budget line



CONS

- Initial and recurring payments at level greater than FY21 payment of \$13.7M
- Not accurate comparison as “Scheduled UAL Repayment” changes every year
- Does not create maximum near- to mid-term budget relief possible

OPTIONS FOR REFINANCING APPROACH

- **Refinancing 100% of current UAL (@ 6/30/2021)**
 - creates capacity to absorb new UAL repayments expected next year as a result of FY2020 returns of 4.7%
- **With LRB approach, option to refinance more than 100% of 6/30/2021 UAL**
 - Pre-fund repayment of UAL anticipated to be created from 4.7% returns of FY2020
 - Option not available for POBs due to nature of Court Validation process
- **City can also refinance less than 100% of UAL if desired**
 - Leaving a UAL balance would enable potential CalPERS over-performance to reduce the overall debt
 - Analysis would be performed to determine specific UALs to refinance and which to leave outstanding
 - For example, since all UAL balances pay 7% interest, it might be better to leave longer-term amortizations with CalPERS and refinance the shorter-term obligations at lower bond market interest rates

REFINANCING THE UAL CREATES FISCAL FLEXIBILITY

- City can custom-tailor the payment structure:
 - Customize schedule to repay quicker or slower than CalPERS offers, as desired per policy
 - Customize payments to meet budgetary considerations
- City can refinance all or any portion of UAL:
 - Determine City policy for appropriate funding level of total plan Liability (e.g., 90%)
- City can use savings to develop new fiscal policies
 - Invest savings in specific ways per policy, e.g., apply toward economic development, operations, Section 115 Trust

CONSIDERATIONS TO REFINANCING UAL WITH BONDS

- Interest rate on UAL debt can be reduced from 7% to <4% (estimated)
- Refinanced portion of UAL would be repaid at a point certain in a predictable manner, unlike current UAL repayment amounts which change each year
- Looming sharp budget increases can be greatly reduced, preserving City reserves and creating capacity in budget for other essential expenditures
- If 100% of UAL is refinanced and CalPERS performs exceedingly well, City's pension could become "super funded" with no means to withdraw excess
 - Refinancing something less than 100% leaves some room for CalPERS to perform well

CONSIDERATIONS TO REFINANCING UAL WITH BONDS (cont'd.)

- Sets up budget to better handle any new UALs created in the future (e.g., FY2020)
- If CalPERS' investment returns over the life of the bonds are less than the yield on the bonds, it could be argued that the City should not have refinanced the UAL
 - CalPERS' Historical 20-year returns are 5.8% and 30-year returns are 8.1%
 - Past performance is not a guarantee of future returns; track record indicates it is reasonable to expect CalPERS can hit long-term returns greater than projected bond yield
 - Refinancing still creates budgetary cashflow relief when it is needed

CONCLUSIONS

- Through no fault of its own, City has a large UAL (\$211,769,876¹ at 6/30/2021¹) that must be repaid
- The UAL is a debt charged at 7% interest and amortized on terms not controlled by the City
- If not addressed, UAL repayments are scheduled to rise almost 60% in the next 10 fiscal years
- Scheduled increases will have to be paid by drawing on reserves, potentially eroding City's fiscal stability
- Refinancing the UAL now while rates are low could result in substantial budgetary savings
 - As much as ~\$52.6 to ~ \$89.7² million in long-term pension cost reductions, depending on structure
- The City has various structuring options available and good market access thanks to its good credit
- Other CA Cities, including neighboring communities, have refinanced their UALs with success



NEXT STEPS

- Mayor and City Council can continue to consider and evaluate merits of refinancing UAL
- Municipal Advisor and City Staff can provide follow-up on CC discussion(s). If directed can:
 - Develop financing timeline and bring back additional analysis for City Council consideration and selection of appropriate program
 - Prepare for validation proceedings to be in position to file validation as soon as practicable; or
 - Eliminate need for validation and commence LRB program
- Once preferred pathway is determined and authorized, Finance Team can commence Bond issuance transaction
- Close Bonds as soon as practicable to capture currently favorable market

THANK YOU – ANY QUESTIONS?



MAYOR AND CITY COUNCIL
CITY OF REDONDO BEACH, CA
FEBRUARY 16, 2021

PRESENTED BY:

LARRY J. KOSMONT

CHAIRMAN & CEO

LKosmont@KosmontTransactions.com

DAN MASSIELLO

SR. V.P. & CHIEF COMPLIANCE OFFICER

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Administrative Report

O.1., File # 21-2095

Meeting Date: 2/16/2021

To: MAYOR AND CITY COUNCIL

From: JOE HOEFGEN, CITY MANAGER

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY'S LOCAL EMERGENCY
PERTAINING TO COVID-19

EXECUTIVE SUMMARY

An update will be provided at the City Council meeting regarding (1) the City's continuing coordination with Beach Cities Health District related to the planned operation of a Beach Cities COVID-19 Vaccine Center and (2) recent State/County actions as related to COVID-19 restrictions.

APPROVED BY:

Joe Hoefgen, City Manager



Administrative Report

F.1., File # 21-2077

Meeting Date: 2/16/2021

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED POTENTIAL LITIGATION - The Closed Session is authorized by the attorney-client privilege, Government Code Section 54956.9(d)(4).

Name of case:

One potential case



Administrative Report

F.2., File # 21-2088

Meeting Date: 2/16/2021

TITLE

CONFERENCE WITH REAL PROPERTY NEGOTIATOR -The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

160 International Boardwalk, Redondo Beach, CA 90277

(a portion of APN: 7505-029-902)

NEGOTIATING PARTY:

Rashel Mereness, - Boardwalk Worldwide, LLC dba The Dinghy Deli

UNDER NEGOTIATION:

Both Price and Terms



Administrative Report

F.3., File # 21-2089

Meeting Date: 2/16/2021

TITLE

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Section 54956.8.

AGENCY NEGOTIATOR:

Joe Hoefgen, City Manager

Mike Witzansky, Assistant City Manager

Stephen Proud, Waterfront & Economic Development Director

PROPERTY:

109 W. Torrance Blvd. Suite 101 & 102B, Redondo Beach, CA 90277

105 W. Torrance Blvd Suite 200, Redondo Beach, CA 90277

(a portion of APN: 7505-002-908)

NEGOTIATING PARTY:

Gregory S. Harris, - FirstSteps For Kids, Inc.

UNDER NEGOTIATION:

Both Price and Terms