A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
and JOINT MEETING of the
CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Tuesday, November 7, 2023 – 6:30 P.M.

Written materials distributed to the City Council within 72 hours of the City Council meeting shall be available for public inspection at www.cityofcudahy.com

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk’s Office at (323) 773-5143 at least 72 hours in advance of the meeting.

Rules of Decorum

Under the Government Code, the City Council may regulate disruptive behavior that impedes the City Council Meeting.

Disruptive conduct may include, but is not limited to:

- Screaming or yelling during another audience member’s public comments period;
- Profane language directed at individuals in the meeting room;
- Throwing objects at other individuals in the meeting room;
- Verbal altercations with other individuals in the meeting room; and
- Going beyond the allotted three-minute public comment period granted.

When a person’s or group’s conduct disrupts the meeting, the Mayor or presiding officer will request that the person or group stop the disruptive behavior and WARN the person or group that they will be asked to leave the meeting room if the behavior continues.

If the person or group refuses to stop the disruptive behavior, the Mayor or presiding officer may order the person or group to leave the meeting room and may request that those persons be escorted from the meeting room. Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403.)
1. CALL TO ORDER

2. ROLL CALL

   Council / Agency Member Gonzalez
   Council / Agency Member Fuentes
   Council / Agency Member Alcantar
   Vice Mayor / Vice Chair Gonzalez
   Mayor / Chair Lomelí

3. APPROVAL OF AGENDA

4. PLEDGE OF ALLEGIANCE

5. LAND ACKNOWLEDGMENT

   We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respects to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.

6. PRESENTATIONS

   A. Strategic Plan Update

7. PUBLIC COMMENTS

   (Each member of the public may provide a public comment in person, telephonically or electronically. In person participants must submit one comment card if they wish to address the City Council. Only speakers that submit a comment card within the first 20 minutes of the meeting will be permitted to speak. Remote participants may provide public comment by clicking the hand icon on Zoom or pressing star (*) nine (9) on the telephone, if they wish to address the City Council. Members of the public are permitted to speak for three (3) minutes concerning items under the City Council’s jurisdiction, including items on the council agenda.)

   (Any person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. (Pen. Code, § 403).)

8. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS (Each Council Member is limited to three minutes.)

   (This is the time for the City Council / Agency to comment on any topics related to “City Business,” including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters,
questions to the staff, and directives to the staff (subject to approval / consent of the City Council majority members present, regarding staff directives). Each Council / Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council Members shall not use this comment period for serial discussions or debate between members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

9. CITY MANAGER REPORT (information only)

10. REPORTS REGARDING AD HOC, ADVISORY, STANDING, OR OTHER COMMITTEE MEETINGS

11. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

(Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council / Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.)

(COUNCIL / AGENCY)

Recommendation: Approve the Waiver of Full Reading of Resolutions and Ordinances.

12. CONSENT CALENDAR

(Items under the Consent Calendar are considered routine and will be enacted by one motion, prior to the vote to approve the Consent Calendar, each Council Member shall have a maximum of three (3) minutes to comment on the Consent Calendar as a whole. There will be no separate discussion of these items unless a Council / Agency Member so requests specific item(s) be removed from the Consent Calendar for separate action. Items may only be considered as a separate action if either (1) a Council Member must recuse themselves due to a conflict of interest or (2) a Council Member has specific questions for City Staff. Items called for separate discussion will be heard as the next order of business.)

A. Consideration to Review and Approve the Draft Minutes of October 17, 2023, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

Presented by the City Clerk

Recommendation: The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for October 17, 2023.

B. Approval of the Local Agency Investment Fund (LAIF) for the Month of September 2023

Presented by the Finance Director
Recommendation: The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of September 2023 in the amount of $12,489,361.78.

C. Approval of the City Demands and Payroll Including Statement of Investment for the Month of September 2023 (page 27)

Presented by the Finance Director

Recommendation: The City Council is requested to approve the Demands and Payroll in the amount of $1,693,834.27 including the Statement of Investments for the month of September 2023.

13. PUBLIC HEARING – NONE

14. BUSINESS SESSION

A. Consideration to Adopt a Resolution of the City Council of the City of Cudahy, California (page 41)

Presented by the Mayor

Recommendation: Consideration to Adopt Resolution No. 23-48:

A Resolution of the City Council of the City of Cudahy, California Affirming the City’s Support and Solidarity with the Palestinian People of Gaza and Support Rep. Cory Bush’s Congressional Resolution Calling for An Immediate De-Escalation and Cease-Fire in Israel and Occupied Palestine

B. Update and Discussion on the City’s Community Outreach and Information Campaign Pertaining to the Proposed Project at 5037 Patata Street (page 45)

Presented by the Community Development Director

Recommendation: Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Receive an update from Ugarte and Associates, LLC (“Consultant”) on outreach and information campaign pertaining to the proposed project at 5037 Patata Street, in the City of South Gate; and

2. Open public hearing to solicit testimony and comments; and
3. Receive and file this report.

C. Authorizing Execution of An Agreement with Cudahy LF, LLC. Involving Real Property at 8221 – 8135 Atlantic Avenue (APNs 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, & 6224-022-904) (page 87)

Presented by the Community Development Director

Recommendation: Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Adopt Resolution No. 23-49, authorizing the execution of an agreement between the City and Cudahy LF, LLC. (“Developer”) involving real property at 8221 – 8135 Atlantic Avenue. (APNs 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, and 6224-022-904)

D. Approval of a Second Amendment Willdan Engineering to Provide Design Phase Engineering Services for the Cudahy Park Renovation Project (page 117)

Presented by the Parks and Recreation Manager

Recommendation: The City Council is requested to approve a second amendment to Professional Services Agreement (PSA) with Willdan Engineering Inc. to provide additional design services for the preparation of PS&E (Plan, Specifications, and Estimates) for the Cudahy Park Renovation Project, not to exceed $96,400.00.

E. Consideration to Approve a Contract Services Agreement to Award Unlimited Environmental, Inc., for the 5256 & 5260 Elizabeth St (SITE 1) Demolition Project (page 231)

Presented by the Public Works Director/City Engineer

Recommendation: The City Council is requested to:

1. Approve a Contract Services Agreement with Unlimited Environmental, Inc., the lowest responsive and responsible bidder, for an amount of $99,400.00 to undertake the 5256 & 5260 Elizabeth St (SITE 1) Demolition Project.

F. Consideration to Approve a Contract Services Agreement to Award American Pride Builders Co. for the Clara Park Improvement Project, 4835 Clara St, Cudahy, CA 90201 (page 289)

Presented by the Public Works Director/City Engineer
Recommendation: The City Council is requested to:

1. Approve a Contract Services Agreement with American Pride Builders Co., the lowest responsive and responsible bidder, for an amount of $205,730.00 to undertake the Clara Park Improvement Project, 4835 Clara St, Cudahy, CA 90201.

2. Adopt proposed Resolution No. 23-50 Augmenting the City of Cudahy Fiscal Year (FY 2023-2024 City Budget).

G. Approval of a Resolution to Authorize the City’s Representative to Vote to Terminate the Eco-Rapid Transit Joint Powers Authority (page 359)

Presented by the Community Development Director

Recommendation: Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Adopt Resolution No. 23-51, authorizing the City’s representative to vote to terminate the Orangeline Development Authority, dba Eco-Rapid Transit.

H. Consideration to Appoint Erica Dominguez to the Planning Commission (page 363)

Presented by the City Clerk

Recommendation: The City Council is requested to appoint Erica Dominguez to the Planning Commission, Vice Mayor J. Gonzalez’s appointment.

I. Continued Consideration of a request from VM Evergreen, LLC for Forgiveness of Fees and Repayment Plan Request (page 381)

Presented by the Community Development Director

Recommendation: Staff is recommending the City Council consider the additional information requested from staff, consider comments from VM Evergreen, LLC, consider comments from members of the public and deny VM Evergreen’s request for forgiveness of fees and repayment plan.

15. COUNCIL DISCUSSION - NONE

16. CLOSED SESSION
A. Closed Session Pursuant to Government Code § 54956.9(d)(2) – One Matter

17. CLOSED SESSION ANNOUNCEMENT

18. ADJOURNMENT

I, Richard Iglesias, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City’s Website, City Hall, Clara Park, and Lugo Park not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk’s Office.

Dated this 3rd day of November 2023

Richard Iglesias
City Clerk
STAFF REPORT

Date: November 7, 2023

To: Honorable Mayor/Chair and City Council/Agency Members

From: Alfonso Noyola, City Manager/Executive Director
       By: Richard Iglesias, City Clerk

Subject: Consideration to Review and Approve the Draft Minutes of October 17, 2023, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

RECOMMENDATION

The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for October 17, 2023.

BACKGROUND / ANALYSIS

On December 12, 2016, the City Council of the City of Cudahy adopted Resolution No. 16-38, approving the use of summary action minutes, meant to allow the City Clerk’s Office to write the minutes in brief, assuring a record of Council’s actions, due to having a recording of the full Council Meeting on the City’s website.

Historically

The Municipal Clerk is one of the oldest professions in government, dating back to 1272 A.D., originating in England. The record keeper then was called Remembrancer, an English official whose job was to remind the Lord Treasurer and Barons of Court, of business pending.

Years later, in the 1600s, when early colonists came to America, the office of the Clerk was one of the first offices to be established. Over the years, the City Clerk’s office has become the core for local government, and the liaison to the residents of the Community. The Municipal Clerk (City Clerk) is the record keeper of a City’s recorded history.
William Bennett Munro, a Canadian historian, and political scientist, who taught at Harvard University and the California Institute of Technology, stated in one of his first textbooks written: “No other office in municipal service has so many contacts. It serves the Mayor, the City Council, the City Manager (when there is one), and all administrative departments, without exception. All of them call upon it, almost daily, for some service or information. Its work is not spectacular, but it demands versatility, alertness, accuracy, and no end of patience. The public does not realize how many loose ends of city administration this office pulls together.”

Moving forward to the present time, the City Clerk’s office today is generally responsible for keeping a record of City Council meetings; agreements; recordings of official documents; legal advertisements; municipal elections; commissions and committees current files; claims against the city; and other legal or official documents.

City Clerks are required to keep record of the proceedings (minutes) of Council meetings (Government Code Sections 36814 and 40801). Minutes are the official record of a meeting which provides a history of the Council’s decisions and actions.

CONCLUSION

The City Council is requested to approve the attached City Council / Agency Draft Minutes of the proceedings of October 17, 2023.

STRATEGIC PLAN CORRELATION

No correlation to the strategic plan.

FINANCIAL IMPACT

No Financial Impact.

ATTACHMENT

A. October 17, 2023, Minutes
B. Resolution No. 16-38, approving the City Clerk’s use of Summary Action Minutes as the Official Record of the City Council proceedings.
1. CALL TO ORDER

Mayor / Chair Lomelí called the meeting to order at 6:38 p.m.

2. ROLL CALL

PRESENT: Council / Agency Member Cynthia Gonzalez
Council / Agency Member Martin Fuentes
Council / Agency Member Elizabeth Alcantar
Vice Mayor / Vice Chair Jose R. Gonzalez (arrived at 8:34 p.m.)
Mayor / Chair Daisy Lomelí

ABSENT: None

ALSO PRESENT: City Manager, Alfonso Noyola (virtually), City Attorney, Stephanie Arechiga, Assistant City Attorney, Paloma McEvoy, City Clerk, Richard Iglesias, Assistant City Clerk, Estefania Zamora, Finance Director, Joshua Calhoun, Community Development Director, Juan Arauz, Public Works Director, Aaron Hernandez, Administrative Services Director, Brenda Rodriguez, Building Official, Raul Diaz, Senior Planner, Cecilia Madrigal, and Executive Assistant to the City Manager, Janet Andrade, Maintenance Superintendent, Aurelio Trujillo (virtually), Administrative Analyst, Daniela Trujillo (virtually).

3. APPROVAL OF AGENDA

Motion: Council Member Fuentes motioned to approve the agenda as is, seconded by Council Member Alcantar. Motion passed 4-0-1 by the following roll call vote:

AYES: C. Gonzalez, Fuentes, Alcantar, and Lomelí
NOES: None
ABSENT: J. Gonzalez
ABSTAIN: None

4. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Fuentes
5. LAND ACKNOWLEDGEMENT

The Land Acknowledgment was led by Council Member Alcantar.

*We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respects to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.*

6. PRESENTATIONS

A. Certificate of Recognition presented to Cudahy’s Resource Fair Participants
B. East Los Angeles County Sheriff’s Department Annual Update
C. Los Angeles County Fire Department Annual Update

7. PUBLIC COMMENTS

Brenda Caloca with California Department of Insurance thanked City Council for the certificate of recognition, mentioned she met with Council Member Fuentes and Mayor Lomeli, announced the services provided by the California Department of Insurance, Ricardo Lara being the elected Insurance Commissioner and provided her contact for future collaborations.

Omar Pichardo introduced himself, mentioned being with Consejo de Federaciones Mexicanas (COFEM), share their mission, requested a letter of support or resolution from the City Council to urge President Biden to use the executive order through the Antiquities Act to expand the National Monument, and invited City Council for a hike, and provided draft maps of San Gabriel Mountains.

Luiz Carmen Reyes mentioned the importance of accessibility to the San Gabriel Mountains, asked the City Council for a resolution to support, thanked Supervisor Barger for supporting the law regarding the San Gabriel Mountains and the expansion of the National Monument that asks President Biden to use his authority through the Antiquities act.

Jacqueline Cardenas thanked Supervisor Barger for supporting a law that protects the San Gabriel Mountains and the expansion of the National Monument that asks President Biden to use his authority through the Antiquities Act, asked City Council to pass a resolution asking President Biden to use his executive power to protect the mountains, mentioned the importance of having green space.

Yecenia Lopez commented on the importance of having more green space and asking President Biden for a resolution to protect the San Gabriel Mountains.
Irma Lopez thanked the City Council, asked to approve a resolution of support asking President Biden to protect the San Gabriel Mountains and the expansion, mentioned the need for recreational space, asked the City Council to close the cannabis companies, and explained why they should be closed down.

Camille Velasco asked the City Council to sign a letter, pass a resolution for the board, and ask President Biden to expand and protect the San Gabriel Mountains, commented on the importance of mountains and what is offered there.

Angel Velasco asked the City Council to sign a letter supporting the National Monuments and commented on its importance.

Susie de Santiago mentioned her support for denying item 14G, commented on the parking issue at Cudahy Park, her experience dealing with vehicles parked illegally, loitering in the back area of Clara Park, gate being damaged, thanked City Council for the new benches, asked City Council to limit the purchases of new City vehicles, and thanked everybody from the City for participating in Walk to School Day.

Jesus Fierro commented on the aroma from the cannabis businesses and asked the City Council for help on this issue that is affecting him and his neighbors.

Doctor David Sanchez mentioned his support for VM Evergreen, asked City Council to consider the business situation, noted the importance of supporting Mexican-American businesses, commented on his former experience, and provided an example of the representation, stated Government should not be for profit but for the people, and restated his support for the VM Evergreen and Mr. Barajas.

Jennifer Pineda mentioned her attendance at the previous City Council meeting where she addressed the lack of a privacy screen from the gate that joins Lugo Park and Theresa Hughes Ave Elementary, mentioned that she voiced her concern to Mr. Sergio Franco, Regional Director who works at Park Elementary Community of Schools Office, shared her conversation with him, stated the previous City Council meetings she attended and the issue not being resolved, asked that the City Council or someone from the Community Development, Parks and Recreation get in contact with Mr. Franco.

Edwin Gonzalez commented on special interest in promoting electric vehicles, leaders' role, SoCalGas, amount of fossil fuels to produce electric vehicles, community leaders not speaking about this, the strategy of propaganda, the United States being the largest producer of natural gas, and oil, 2022 being the most profitable year in history of fossil fuel, corporations wanting to sell you their products, the process to EV components, lastly stated the City Council should encourage the residents to think critically.

8. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS
Council Member Fuentes announced that he participated in the National Walk to School, attended the Cudahy’s Resource Fair, shared the Sanitation Board will be celebrating its 100th anniversary and invited everyone to participate, commented on parks maintenance and beautification of the city, also commended staff.

Council Member C. Gonzalez thanked Susie de Santiago for organizing the Walk to School, commented on being part of it with lots of family participation, mentioned a working partnership with the principal, asked for the issue at the park to be addressed, and asked for cost estimates.

Council Member Alcantar commented on having better communication with the school district, particular issues, wanting the City to partner with the district, mentioned participating in Walk to School Day, the largest Park Avenue has seen, trash day falling on Walk to School Day, also stated participating in a working violence party convention, Maywood Education Fair being a fantastic event, attended the Contract Cities Municipal Policy Summit.

Daisy Lomelí thanked Susie de Santiago for organizing the Walk to School Day, participated in the Maywood Education Fair, thanked staff for constantly posting and reposting the event, commented on working with Elizabeth Learning Center (ELC), asked staff to look into power washing the sidewalks in front of Jaime Escalante and Teresa Hughes and other schools, also to look into the parking signs in front of Teresa Hughes, mentioned attending the Vector Control Los Angeles County District meeting, they have a big Recreational Vehicle (RV), asked staff to connect with them, mentioned wanting to see a hike excursion, announced Dia de Los Muertos Event coming up November 2nd, and took a moment to uplift the Palestinian people.

9. CITY MANAGER REPORT (information only)

10. REPORTS REGARDING AD HOC, ADVISORY, STANDING OR OTHER COMMITTEE MEETINGS – NONE

11. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

Motion: Council Member Alcantar motioned to waive full reading of resolutions and ordinances, seconded by Council Member C. Gonzalez. Motion passed 4-0-1 by the following roll call vote:

AYES: C. Gonzalez, Fuentes, Alcantar, and Lomelí
NOES: None
ABSENT: J. Gonzalez
ABSTAIN: None

12. CONSENT CALENDAR
A. Consideration to Review and Approve the Draft Minutes of October 3, 2023, for the Regular Meeting of the City Council and the Joint Meeting of the City of Cudahy as Successor Agency and Housing Successor Agency to the Cudahy Development Commission

*Presented by the City Clerk*

**Recommendation:** The City Council is requested to review and approve the City Council / Successor Agency Draft Minutes for October 3, 2023.

**Motion:** Council Member C. Gonzalez motioned to approve Consent Calendar items, seconded by Council Member Alcantar. Motion passed 4-0-1 by the following roll call vote:

- **AYES:** C. Gonzalez, Fuentes, Alcantar, and Lomelí
- **NOES:** None
- **ABSENT:** J. Gonzalez
- **ABSTAIN:** None

At 8:27 p.m., Lomelí left the chamber.

At 8:31 p.m., Lomelí returned to the chamber.

13. PUBLIC HEARING – NONE

14. BUSINESS SESSION

A. Adoption of Proposed Resolution No. 23-44: Permanent Local Housing Allocation (PLHA) Program Grant Funding Eligible Activities for Years 2 and 3

*Presented by the Senior Planner*

**Recommendation:** Staff recommends that the City Council adopt Resolution No. 23-44 which approves the following action(s): Elect eligible activities for Years 2 and 3 of the 5-year Permanent Local Housing Allocation Program grant period for Supportive Case Management, Rental Assistance, and Emergency Shelter Beds Program (Salvation Army Bell Shelter).

**Motion:** Council Member Alcantar motioned to adopt Resolution No. 23-44 which approves the following action(s): Elect eligible activities for Years 2 and 3 of the 5-year Permanent Local Housing Allocation Program grant period for Supportive Case Management, Rental Assistance, and Emergency Shelter Beds Program (Salvation Army Bell Shelter), seconded by Council Member C. Gonzalez. Motion passed 4-0-1 by the following roll call vote:

- **AYES:** C. Gonzalez, Fuentes, Alcantar, and Lomelí
- **NOES:** None
ABSENT: J. Gonzalez
ABSTAIN: None

B. Adoption of Proposed Resolution No. 23-45, A Resolution of the City Council of the City of Cudahy Amending the Classification Plan for City Employee (Associate Planner)

*Presented by the Senior Planner*

**Recommendation:** The City Council is requested to approve Resolution No. 23-45 of the City Council of the City of Cudahy amending the Classification Plan for City Employee (Associate Planner)

**Motion:** Council Member Alcantar motioned to approve Resolution No. 23-45 of the City Council of the City of Cudahy amending the Classification Plan for City Employee (Associate Planner), seconded by Council Member C. Gonzalez. Motion passed 5-0 by the following roll call vote:

- AYES: C. Gonzalez, Fuentes, Alcantar, J. Gonzalez, and Lomelí
- NOES: None
- ABSENT: None
- ABSTAIN: None

C. Recommendation to Approve a Professional Services Agreement (PSA) to Prepare Phase II Environmental Site Assessments (ESA) for several City Owned Properties between Polytechnique Environmental Inc. and the City of Cudahy

*Presented by the Senior Planner*

**Recommendation:** The City Council is requested to take the following action(s): Approve a Professional Services Agreement (PSA) to Prepare Phase II Environmental Site Assessments (ESA) for several city owned properties; and Authorize the City Manager to execute the contract agreement between the City of Cudahy and Polytechnique Environmental Inc.

**Motion:** Council Member C. Gonzalez motioned to take the following action(s): Approve a Professional Services Agreement (PSA) to Prepare Phase II Environmental Site Assessments (ESA) for several city owned properties; and Authorize the City Manager to execute the contract agreement between the City of Cudahy and Polytechnique Environmental Inc., seconded by Vice Mayor J. Gonzalez. Motion passed 5-0 by the following roll call vote:

- AYES: C. Gonzalez, Fuentes, Alcantar, J. Gonzalez, and Lomelí
- NOES: None
- ABSENT: None
- ABSTAIN: None
D. Adoption of a Proposed Resolution No. 23-46 Augmenting the City of Cudahy Fiscal Year (FY) 2023-2024 City Budget

*Presented by the Finance Director*

**Recommendation:** The City Council is requested to adopt proposed Resolution No. 23-46 augmenting the City of Cudahy Fiscal Year (FY) 2023-2024 City Budget

**Motion:** Vice Mayor J. Gonzalez motioned to adopt proposed Resolution No. 23-46 augmenting the City of Cudahy Fiscal Year (FY) 2023-2024 City Budget, seconded by Council Member C. Gonzalez. Motion passed 5-0 by the following roll call vote:

AYES: C. Gonzalez, Fuentes, Alcantar, J. Gonzalez, and Lomelí
NOES: None
ABSENT: None
ABSTAIN: None

E. Consideration to adopt a Resolution to Authorize the City Manager to Execute the Purchase of a City Vehicle

*Presented by the Finance Director*

**Recommendation:** The City Council is requested to adopt Resolution No. 23-47 authorizing the City Manager to purchase a Public Works vehicle, for a not to exceed amount of $70,000.

**Motion:** Council Member Alcantar motioned to adopt Resolution No. 23-47 authorizing the City Manager to purchase a Public Works vehicle, for a not to exceed amount of $70,000, seconded by Vice Mayor J. Gonzalez. Motion passed 4-0 by the following roll call vote:

AYES: Fuentes, Alcantar, J. Gonzalez, and Lomelí
NOES: None
ABSENT: None
ABSTAIN: C. Gonzalez

F. Consideration to Approve a Purchase Order for Procurement of Cyber Defense System

*Presented by the Finance Director*

**Recommendation:** The City Council is requested to approve a purchase order for the installation and subscription of cyber defense system with Darktrace Holdings Limited not-to-exceed amount of $26,386.13.
**Motion:** Vice Mayor J. Gonzalez motioned to approve a purchase order for the installation and subscription of cyber defense system with Darktrace Holdings Limited not-to-exceed amount of $26,386.13, seconded by Council Member Alcantar. Motion passed 5-0 by the following roll call vote:

**AYES:** C. Gonzalez, Fuentes, Alcantar, J. Gonzalez, and Lomelí

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

**G. Consideration of a request from VM Evergreen, LLC for Forgiveness of Fees and Repayment Plan Request**

*Presented by the Community Development Director*

**Recommendation:** Staff is recommending the City Council consider the presentation from staff, consider comments from VM Evergreen, LLC, consider comments from members of the public and deny VM Evergreen’s request for forgiveness of fees and repayment plan.

At 9:20 p.m. Mayor Lomelí opened public comment.

Public Comments:

*Augustin Eichwald-Romero* mentioned being an attorney, being before the Council because of Mr. Javier Barajas, noted Mr. Barajas involvement in civic issues growing up, pushed back on staff comment, stated denying the waiver and the ability to make a repayment plan, would put the community in double jeopardy, high cost leading to more illicit sales, lack of Latino-owned cannabis businesses, he argued that supporting Mr. Barajas and Evergreen was crucial for the community's welfare.

*Hugo Escalera* mentioned being here to support VM Evergreen and is for the community, asked for the Council to help out VM Evergreen, addressed someone else's public comment, and stated that this is a medical business.

*Susie de Santiago* mentioned that COVID-19 has affected everyone, not just one business or individual; it not being an excuse to provide special treatment to a particular business, she stated that if the city decides to help one business, they should help all other small businesses that are also struggling due to financial burdens such as fees and permit costs. She gave an example of how she had to recover from a property damage incident on her own without any help from the city, and emphasized that all businesses have risks, and it's crucial to find a way to support and conduct one's business during ups and downs. Therefore, she urged the Council to support the staff's decision to deny the permit or deny the appeal to have construction.

At 9:28 p.m. Mayor Lomelí closed public comment.
Motion: Vice Mayor J. Gonzalez motioned to direct staff to work with VM Evergreen, bring item back once the City has pertinent information which is total amount of payments since inception, VM Evergreen’s overall strategy, and estimate of total sales revenue, seconded by Council Member Fuentes.

Subsequent Motion: Council Member Alcantar motioned to table the item until the next meeting and provide the requested information, seconded by Mayor Lomelí. Motion passed 3-2 by the following roll call vote:

AYES: C. Gonzalez, Alcantar, and Lomelí
NOES: Fuentes, and J. Gonzalez
ABSENT: None
ABSTAIN: None

At 9:15 p.m., Vice Mayor J. Gonzalez left the chamber.

At 9:17 p.m., Vice Mayor J. Gonzalez returned to the chamber.

15. COUNCIL DISCUSSION – NONE

City Attorney, Stephanie Arechiga announced that a letter was received at 5:06 p.m., an email was received at 6:32 p.m., and another letter was received at 6:58 p.m., which requires immediate attention; a deadline is associated with one of the communications.

City Attorney requested, pursuant to Government Code Section 54954.2(e)(2), to add three walk-on items for three different letters.

Motion: Vice Mayor J. Gonzalez motioned to add three walk-on items to closed session, seconded by Council Member Fuentes. Motion passed 5-0 by the following roll call vote:

AYES: C. Gonzalez, Fuentes, Alcantar, J. Gonzalez, and Lomelí
NOES: None
ABSENT: None
ABSTAIN: None

At 10:32 p.m., City Attorney, Stephanie Arechiga recessed to closed session.

16. CLOSED SESSION

A. Closed Session Pursuant to Government Code § 54956.9(d)(2) – Two Matters

At 11:57 p.m., Council Member C. Gonzalez left the meeting.

At 11:03 p.m., Vice Mayor J. Gonzalez left the meeting.
At 11:28 p.m., Mayor Lomelí reconvened to open session.

17. CLOSED SESSION ANNOUNCEMENT

City Attorney Stephanie Arechiga announced that there were five matters in closed session; five council members were present for one matter, four council members were present for another matter, and three council members were present for three matters.

18. ADJOURNMENT

The City Council / Agency meeting adjourned at 11:29 p.m.

Daisy Lomelí
Mayor

ATTEST:

Richard Iglesias
City Clerk
RESOLUTION NO. 16-38


WHEREAS, pursuant to Section 2.20.010(1) of the Municipal Code of the City of Cudahy, the City clerk is required to perform such duties as are set forth in the Government Code and in the City's Municipal Code and as the City Council from time to time shall direct or authorize; and

WHEREAS, under Government Code Section 40801, the City Clerk is tasked with keeping accurate records of the proceeding of the legislative body; and

WHEREAS, pursuant to Government Code Section 36814, the City Council shall cause the City Clerk to keep a correct record of its proceedings;

WHEREAS, the City Clerk currently prepares and keeps full written minutes of the City Council's meetings and proceedings; and

WHEREAS, instead of summary minutes, the City Council now wishes for the City Clerk to prepare and keep summary action minutes as the official record of its meetings or proceedings; and

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

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

SECTION 2. The City Council hereby approves the use of summary action minutes as the official record of its meetings or proceedings in lieu of full form written minutes.

SECTION 3. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 12th day of December, 2016.
ATTEST:

Richard Iglesias  
Deputy City Clerk

STATE OF CALIFORNIA  )  SS:
COUNTY OF LOS ANGELES  )
CITY OF CUDAHY  )

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-38 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the Deputy City Clerk at a regular meeting of said Council held on the 12th day of December, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES: Garcia, Markovich, Hernandez, Sanchez

NOES: None

ABSENT: None

ABSTAIN: Guerrero

Richard Iglesias  
Deputy City Clerk
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager/Executive Director
By: Joshua Calhoun, Finance Director
Subject: Approval of the Local Agency Investment Fund (LAIF) for the Month of September 2023

RECOMMENDATION

The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of September 2023 in the amount of $12,489,361.78.

BACKGROUND

1. In 1955, the Pooled Money Investment Account (PMIA) started. LAIF became part of the PMIA. The oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members consist of the State Treasurer, Director of Finance, and State Controller.

2. In 1977, LAIF was created as a voluntary program by Section 16429.1 et seq. of the California Government Code. The program was intended to be used as an investment alternative for California's local governments and special districts. The LAIF continues today under State Treasurer, Fiona Ma's administration.

3. On September 1, 2023, the balance in LAIF was $12,489,361.78 (See Attachment).

4. On September 30, 2023, the balance in LAIF was $12,489,361.78 (See Attachment).

ANALYSIS

The voluntary program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State
Treasurer’s Office investment staff at no additional cost to the taxpayer.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer’s Office takes delivery of all securities purchased on a delivery versus payment basis using a third-party custodian.

Cudahy Municipal Code Section 3.04.080 indicates, "Except as otherwise provided, no warrant shall be drawn or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasury legally applicable to the payment of the same."

CONCLUSION

Once the City Council approves the current LAIF, this balance may be relied upon when determining if the City has sufficient funds available to pay demands and payroll as required by Cudahy Municipal Code Section 3.04.080.

STRATEGIC PLAN CORRELATION

Strategy #2. Provide regular updates to the City Council and community about the city’s finances.

FINANCIAL IMPACT

None

ATTACHMENT

A. Local Agency Investment Fund (LAIF) Balance
# LOCAL AGENCY INVESTMENT FUND

**General Account - City #98-19-225**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Balance as of September 01, 2023</strong></td>
<td>$12,489,361.78</td>
</tr>
<tr>
<td>LAIF Interest earned</td>
<td>0</td>
</tr>
<tr>
<td>Transfer from City operating account</td>
<td>0</td>
</tr>
<tr>
<td>Transfer to City operating account</td>
<td>0</td>
</tr>
<tr>
<td><strong>Ending Balance as of September 30, 2023</strong></td>
<td>$12,489,361.78</td>
</tr>
</tbody>
</table>
STAFF REPORT

Date: November 7, 2023

To: Honorable Mayor/Chair and City Council/Agency Members

From: Alfonso Noyola, City Manager/Executive Director

By: Joshua Calhoun, Finance Director

Subject: Approval of the City Demands and Payroll Including Statement of Investment for the Month of September 2023

RECOMMENDATION

The City Council is requested to approve the Demands and Payroll in the amount of $1,693,834.27 including the Statement of Investments for the month of September 2023.

BACKGROUND

1. On December 13, 1993, Ordinance 476 was adopted and codified as Cudahy Municipal Code Section 3.04.080 indicating, "Except as otherwise provided, no warrant shall be drawn, or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasury legally applicable to the payment of the same."

2. During the month, the Finance Department have completed the following demands and payroll:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P Demands</td>
<td>$1,273,525.87</td>
<td>Attachment A</td>
</tr>
<tr>
<td>Payroll</td>
<td>420,308.40</td>
<td>Attachment B</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$1,693,834.27</strong></td>
<td></td>
</tr>
</tbody>
</table>
ANALYSIS

The Check Register Report (Attachment A), Payroll Warrants including payroll taxes and insurance premiums (Attachment B), Statement of Investment (Attachment C) indicate that the cash and investment balance was sufficient for disbursements for the month, a summary of cash received and disbursed by month during Fiscal Year (FY) 2023-24 (Attachment D), and a summary of cash received and disbursed by month during FY 2022-23 (Attachment E).

Cudahy Municipal Code Section 3.04.070 indicates, "Budgeted demands paid by warrant prior to audit by the council shall be presented to the council for ratification and approval..."

CONCLUSION

The Finance Director certifies the accuracy and availability of funds for payment. A Demand/Warrant Register has been submitted to the City Council for approval in accordance with Cudahy Municipal Code Section 3.04.070.

STRATEGIC PLAN CORRELATION

Goal (Financial Stability and Transparency)
  • Provide regular updates to the City Council and Community about the City’s finances.

FINANCIAL IMPACT

The Statement of Investments Report (Attachment C) indicates that there are sufficient funds within the City’s holdings to meet the City’s cash flow requirements.

ATTACHMENTS

A. Accounts Payable Check Register Report.
B. Payroll Warrants including payroll taxes and insurance premiums.
C. Statement of Investments
D. Summary of Cash Receipt / Disbursement by Month FY 2023-24
E. Summary of Cash Receipt / Disbursement by Month FY 2022-23
F. Credit Card Payment Detail
## My Check Report

By Check Number

**Date Range:** 09/01/2023 - 09/30/2023

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<th>Vendor Number</th>
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<th>Payment Date</th>
<th>Payment Type</th>
<th>Discount Amount</th>
<th>Payment Amount</th>
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10735
8363
10588
0092-7
10655
2378-3
10603
1778
7995
10595
9966
8021
10520
0136
9669
6045
2378-1
10005
10072
10485
10447
6086
8018
10581
2712
10472
2139
0197
5904
10786
10201-1
10710
9717
9737
10430
2802
10203
9991
10821
8066
9667
10881
5169
5631
9951
10729
10729
10858
0126-1
10053
0071-1
0071-1
0070
0070
0070
0070
10643
8363
8363

Date Range: 09/01/2023 - 09/30/2023
Vendor Name
WILLDAN
World Trip, Inc.
YUNEX, LLC.
TIME WARNER CABLE
GLENN WARD CALSADA
LEAGUE OF CALIFORNIA CITIES
LUIS AGUILAR
8330 ATLANTIC AVE INC
ADVANCED IMAGING SOLUTIONS
ALL CITY MANAGEMENT
AMERICAN CITY PEST & TERMITE
ARAMSCO INC
AT & T LONG DISTANCE SERVICE
AT & T MOBILITY
CASTRO DISCOUNT TIRES INC
CITY OF SOUTH GATE
COMMERCIAL DOOR OF LOS ANGELES COUNTY
CONTRERAS GARDEN SUPPLY
CUDAHY FUEL STOP
DAPEER, ROSENBLIT & LITVAK
DEPARTMENT OF TOXIC SUBSTANCES
ENTERPRISE FM TRUST
EVERBRIDGE
EWING
FERNANDO'S HARDWARE & LUMBER
FIESTA TAXI COOPERATIVE INC.
GEORGE A. PEREZ
GUTIERREZ PIPELINE, INC.
HINDERLITER DELLAMAS & ASST
LA COUNTY SHERIFF'S DEPARTMENT
LEAD TECH ENVIRONMENTAL
Marcus Black
OLIVAREZ MADRUGA LAW ORGANIZATION, LLP
PAYLESS 4 PLUMBING INC.
PCAM, LLC
REGIONAL TAP SERVICE CENTER
RIGHT OF WAY, INC.
SAM'S CLUB
SWANK MOTION PICTURES, INC.
TRANSTECH ENGINEERING, INC.
Trashcans Unlimited, LLC.
TYLER TECHNOLOGIES INC.
UNITED LIFTTRUCKS
Valerie Unger
VASQUEZ & COMPANY
WELLS LOCK & KEY
WILLDAN
WELLSONE COMMERCIAL CARD
WELLSONE COMMERCIAL CARD
Darktrace Holdings Limited
GOLDEN STATE WATER COMPANY
HAULAWAY STORAGE CONTAINERS
SO CAL GAS
SO CAL GAS
SOUTHERN CALIFORNIA EDISON
SOUTHERN CALIFORNIA EDISON
SOUTHERN CALIFORNIA EDISON
SOUTHERN CALIFORNIA EDISON
STATE COMPENSATION INS FUND
TIME WARNER CABLE
TIME WARNER CABLE

10/11/2023 2:37:21 PM

Payment Date
09/13/2023
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Payment Type
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Discount Amount
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630.00
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44,508.86
-44,508.86
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1,281.61
89.04
75.06
34.17
23.09
67.47
25,503.40
12,092.00
24,894.16
-975.00
975.00

Number
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DFT0000182
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DFT0000185
DFT0000186
DFT0000187
DFT0000188
DFT0000188

Page 2 of 4

Page 30 of 616


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<thead>
<tr>
<th>Vendor Number</th>
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<th>Payment Type</th>
<th>Discount Amount</th>
<th>Payment Amount</th>
<th>Number</th>
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<td>SOUTHERN CALIFORNIA EDISON</td>
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<td>HOME DEPOT CREDIT SERVICES</td>
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**Bank Code WF Checking Summary**

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<th>Payment Count</th>
<th>Discount</th>
<th>Payment</th>
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</thead>
<tbody>
<tr>
<td>Regular Checks</td>
<td>129</td>
<td>100</td>
<td>0.00</td>
<td>1,115,133.19</td>
</tr>
<tr>
<td>Manual Checks</td>
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<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Voided Checks</td>
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<td>0.00</td>
<td>-1,123.53</td>
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<tr>
<td>Bank Drafts</td>
<td>21</td>
<td>22</td>
<td>0.00</td>
<td>159,516.21</td>
</tr>
<tr>
<td>EFT's</td>
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<td>0</td>
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**Total**

|               | 150          | 123          | 0.00     | 1,273,525.87  |
## All Bank Codes Check Summary

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<th>Payment Type</th>
<th>Payable Count</th>
<th>Payment Count</th>
<th>Discount</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Checks</td>
<td>129</td>
<td>100</td>
<td>0.00</td>
<td>1,115,133.19</td>
</tr>
<tr>
<td>Manual Checks</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Voided Checks</td>
<td>0</td>
<td>1</td>
<td>0.00</td>
<td>-1,123.53</td>
</tr>
<tr>
<td>Bank Drafts</td>
<td>21</td>
<td>22</td>
<td>0.00</td>
<td>159,516.21</td>
</tr>
<tr>
<td>EFT’s</td>
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<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td><strong>150</strong></td>
<td><strong>123</strong></td>
<td><strong>0.00</strong></td>
<td><strong>1,273,525.87</strong></td>
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</table>

## Fund Summary

<table>
<thead>
<tr>
<th>Fund</th>
<th>Name</th>
<th>Period</th>
<th>Amount</th>
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<tbody>
<tr>
<td>998</td>
<td>Fund 998</td>
<td>9/2023</td>
<td><strong>1,273,525.87</strong></td>
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<td></td>
<td></td>
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<td><strong>1,273,525.87</strong></td>
</tr>
</tbody>
</table>
### CITY OF CUDAHY

**Payroll - including payroll taxes and insurance premiums:**

<table>
<thead>
<tr>
<th></th>
<th>09/07/23</th>
<th>09/21/23</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Direct Deposits</td>
<td>120,585.58</td>
<td>119,773.49</td>
<td>240,359.07</td>
</tr>
<tr>
<td>(b) ICMA &amp; Union Dues</td>
<td>1,925.00</td>
<td>1,925.00</td>
<td>3,850.00</td>
</tr>
<tr>
<td>(c) CalPERS Ret &amp; 457 Plan</td>
<td>23,644.32</td>
<td>23,483.20</td>
<td>47,127.52</td>
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<tr>
<td>(d) CalPERS Medical</td>
<td>27,180.29</td>
<td>27,176.68</td>
<td>54,356.97</td>
</tr>
<tr>
<td>(e) Payroll taxes</td>
<td>66,295.61</td>
<td>-</td>
<td>66,295.61</td>
</tr>
<tr>
<td>(f) Medical</td>
<td>3,717.25</td>
<td>4,601.98</td>
<td>8,319.23</td>
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<tr>
<td><strong>Total Amount</strong></td>
<td><strong>243,348.05</strong></td>
<td><strong>176,960.35</strong></td>
<td><strong>420,308.40</strong></td>
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</tbody>
</table>

(a) Employees / Council Members / Commissioners  
(b) ICMA & Union Dues  
(c) CalPERS Retirement & 457 Plan  
(d) CalPERS Medical (active and retired)  
(e) Federal / State payroll taxes and unemployment  
(f) Medical Insurance - Active and Retired employees
CITY OF CUDAHY  
Statement of Investments  
09/30/2023

<table>
<thead>
<tr>
<th>Type</th>
<th>Issuer</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit - 4588</td>
<td>Wells Fargo</td>
<td>3,780,927.39</td>
<td>16.78%</td>
</tr>
<tr>
<td>Successor Agency - 0688</td>
<td>Wells Fargo</td>
<td>2,933,700.99</td>
<td>13.02%</td>
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<tr>
<td>Checking - 7128</td>
<td>Wells Fargo</td>
<td>760,118.36</td>
<td>3.37%</td>
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<tr>
<td>Payroll - 4570</td>
<td>Wells Fargo</td>
<td>535,799.61</td>
<td>2.38%</td>
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<tr>
<td>Savings - 4752</td>
<td>Wells Fargo</td>
<td>331,305.99</td>
<td>1.47%</td>
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<tr>
<td>Money Market Account</td>
<td>Bank of New York (BNY) (a)</td>
<td>1,702,426.82</td>
<td>7.56%</td>
</tr>
<tr>
<td>Pooled Savings</td>
<td>State Local Agency</td>
<td>12,489,361.78</td>
<td>55.43%</td>
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<tr>
<td></td>
<td>Investment Fund (LAIF)</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>22,533,640.94</strong></td>
<td><strong>100.00%</strong></td>
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</tbody>
</table>

Pursuant to California Government Code Section 53646(b), I hereby certify that all investments held by the Authority are in compliance with state law and the agency's Statement of Investment Policy, and that there are sufficient funds within the agency's investment holdings to meet the Authority's cash flow requirements for the next six (6) months.

Respectfully submitted,

Joshua Calboun  
Finance Director
### City of Cudahy

**Summary of Cash Receipt/Disbursement by Month - FY 2023-2024**

<table>
<thead>
<tr>
<th>Month</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receipts</td>
</tr>
<tr>
<td>July 2023</td>
<td>$1,698,263.55</td>
</tr>
<tr>
<td>August 2023</td>
<td>$1,570,904.87</td>
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<tr>
<td>September 2023</td>
<td>$1,125,855.21</td>
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<tr>
<td>October 2023</td>
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<tr>
<td>November 2023</td>
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<tr>
<td>December 2023</td>
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<td>January 2024</td>
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<td>February 2024</td>
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<td>March 2024</td>
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<tr>
<td>April 2024</td>
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<tr>
<td>May 2024</td>
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<tr>
<td>June 2024</td>
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</tr>
<tr>
<td>Total:</td>
<td>$4,395,023.63</td>
</tr>
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</table>

Note (a) - City liab. & workers comp insurance, and PERS unfunded pension liab.
Note (b) - Includes $1,893,444 to Siemens Industries

<table>
<thead>
<tr>
<th>Month</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash Receipts</td>
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<tr>
<td>July 2023</td>
<td>$913,951.26</td>
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<tr>
<td>August 2023</td>
<td>$1,069,666.17</td>
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<td>September 2023</td>
<td>$797,120.38</td>
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<td>October 2023</td>
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<td>April 2024</td>
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<tr>
<td>May 2024</td>
<td></td>
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<tr>
<td>June 2024</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>$2,780,737.81</td>
</tr>
</tbody>
</table>

Note (1) - City liab. & workers comp insurance, and PERS unfunded pension liab.
Note (2) - Includes $1,893,444 to Siemens Industries
## City of Cudahy
### Summary of Cash Receipt/Disbursement by Month - FY 2022-2023

<table>
<thead>
<tr>
<th>Month</th>
<th>Cash Receipts</th>
<th>All Funds</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2022</td>
<td>$4,033,647.40</td>
<td>(a) $1,789,957.16</td>
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<tr>
<td>August 2022</td>
<td>1,686,604.16</td>
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<td>1,750,512.85</td>
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<td>September 2022</td>
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<td>2,318,824.72</td>
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<td>October 2022</td>
<td>1,991,064.32</td>
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<tr>
<td>November 2022</td>
<td>1,086,868.12</td>
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<td>869,692.56</td>
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<tr>
<td>December 2022</td>
<td>1,406,231.74</td>
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<td>1,395,830.23</td>
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<tr>
<td>January 2023</td>
<td>2,714,262.24</td>
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<td>1,463,847.38</td>
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<td>February 2023</td>
<td>739,588.01</td>
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<td>1,006,801.94</td>
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<td>March 2023</td>
<td>1,120,658.63</td>
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<tr>
<td>April 2023</td>
<td>1,196,447.59</td>
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<tr>
<td>May 2023</td>
<td>3,260,848.11</td>
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<td>Total:</td>
<td>$22,071,643.83</td>
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<td>20,972,515.98</td>
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Note (a) - Includes $2.819 M received from American Rescue Plan Act, Fund 530
Note (b) - Includes $949K paid to Siemens
Note (c) - Includes $1,230,610 deposited into an Escrow fund for the Siemens Project
Note (d) - Includes $1,628,225 in Motor Vehicle In-Lieu tax
Note (e) - Includes $1,625,225 in Motor Vehicle In-lieu tax

<table>
<thead>
<tr>
<th>Month</th>
<th>Cash Receipts</th>
<th>General Fund</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2022</td>
<td>$845,547.28</td>
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<td>August 2022</td>
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<td>October 2022</td>
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<tr>
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<td>April 2023</td>
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<tr>
<td>May 2023</td>
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<td>1,675,594.30</td>
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<td>Total:</td>
<td>$13,341,576.60</td>
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</tr>
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</table>

Note (1) - City liab. & workers comp insurance, and PERS unfunded pension liab. City pre-payment option of PERS unfunded pension liability saved 3.5% interest ($12k) than paying on a monthly basis.
Note (2) - Includes $949K paid to Siemens
Note (3) - Includes $1,628,225 in Motor Vehicle In-Lieu tax
Note (4) - Includes 2 Sheriff payments
Note (5) - Includes $1,628,225 in Motor Vehicle In-lieu tax
Note (6) - Includes 2 Sheriff payments
<table>
<thead>
<tr>
<th>Supplier Name</th>
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<tbody>
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<td>Street decor account- Street banners for Hispanic Heritage Month</td>
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<td>Amzn Mktp Us</td>
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<td>Hootsuite Academy</td>
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<td>Uber Trip</td>
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## Credit Card Payment Detail

**September 01, 2023 to September 30, 2023, paid October 06, 2023**

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<td>La Princessa Bakery Cafe</td>
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<td>Microsoft*store</td>
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<td>Tst* Sauced Bbq &amp; Spirits</td>
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<td>Tst* Nothing Bundt Cakes</td>
<td>86.25</td>
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<td>Smart And Final 319</td>
<td>86.13</td>
<td></td>
</tr>
<tr>
<td>Tst* Tequila Museo Mayahu</td>
<td>85.63</td>
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<td>Hp *instant Ink</td>
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<td>Lax Smartparking Res</td>
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<td>Oreilly 2959</td>
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<td>Yard House 0108379</td>
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<td>Starbucks 800-782-7282</td>
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<td>Cudahy</td>
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<td>The Marketplace Grill Caf</td>
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<td>Portos Bakery Downey</td>
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<td><strong>All Sports Uniforms</strong></td>
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<td>Franks Market</td>
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<td>City Of Anaheim Conv Ctr</td>
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</tr>
<tr>
<td>The Well Kiosk-679</td>
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</tr>
<tr>
<td>Sq *cprs District 10</td>
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</tbody>
</table>
## Credit Card Payment Detail

September 01, 2023 to September 30, 2023, paid October 06, 2023

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Amount</th>
<th>Description</th>
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<td>Apple.Com/Bill</td>
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<td>Currency Conversion Fee</td>
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<td>Event* Msa Inland Empi</td>
<td>(685.00)</td>
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<tr>
<td><a href="http://www.Apwa.Net">www.Apwa.Net</a></td>
<td>(858.75)</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>57,981.64</strong></td>
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RESOLUTION NO. 23-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA AFFIRMING THE CITY’S SUPPORT AND SOLIDARITY WITH THE PALESTINIAN PEOPLE OF GAZA AND SUPPORT REP. CORY BUSH’S CONGRESSIONAL RESOLUTION CALLING FOR AN IMMEDIATE DE-ESCALATION AND CEASE-FIRE IN ISRAEL AND OCCUPIED PALESTINE

WHEREAS, 1,400 Israelis were killed by Hamas on October 7th and nearly 8,000 Palestinians, including over 3,000 children, have been killed by the state of Israel in this escalated conflict; and

WHEREAS, the City of Cudahy (“City”) mourns the loss of all civilian lives lost from October 7th to the present and also throughout the decades of displacement, occupation, oppression, and blockade endured in Gaza and the West Bank; and

WHEREAS, the City stands in solidarity with the Palestinian people of Gaza, who are currently facing collective punishment by the state of Israel; and

WHEREAS, collective punishment is considered a war crime under international law, and refers to a form of sanction imposed on persons or a group of persons in response to a crime committed by one of them or a member of the group; and

WHEREAS, the state of Israel is engaging in collective punishment against the Palestinian people in Gaza in response to Hamas attacks on Israel; and

WHEREAS, this collective punishment of the Palestinian people includes shutting off all access to electricity, drinking water, food, and humanitarian aid; and

WHEREAS, the UN says approximately 2 million people in Gaza may soon run out of drinking water and all medical care; and

WHEREAS, the Gaza Strip, one of the most densely populated places on Earth, has been repeatedly referred to by human rights groups as “the world’s largest open-air prison” even prior to this conflict; and

WHEREAS, Gaza is known as “the world’s largest open-air prison” due to ongoing, unbearable living conditions imposed by the state of Israel, including a full air, land and sea blockade, enclosure of its borders by concrete walls and barbed wire fences, and the strict prohibition of Palestinians from leaving and entering the territory freely; and
WHEREAS, this blockade on Gaza has caused a 42% unemployment rate, while 84% of the population relies on humanitarian aid, 41% of Palestinians have too little food, 60% of Palestinian children are anemic, and the Gazan population cannot count on more than 2-4 hours of continuous electrical power a day; and

WHEREAS, prior to this current water shortage, only 1% of Gaza population has access to safe drinking water, leaving Gaza’s population – half of whom are children – increasingly vulnerable to waterborne diseases, infections, and dehydration; and

WHEREAS, hundreds of thousands of lives are at imminent risk if a cease-fire is not achieved and humanitarian aid is not delivered without delay; and

WHEREAS, the Federal Government holds immense diplomatic power to save Israeli and Palestinian lives.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, AS FOLLOWS:

RESOLVED, that the City of Cudahy takes seriously the entreaty of “Never Again,” and that the historical memory of the Holocaust means fighting ethnic cleansing and apartheid everywhere; and

BE IT FURTHER RESOLVED, that the City of Cudahy vows to combat antisemitism and ethno-nationalism in all its forms; and

BE IT FURTHER RESOLVED that the City of Cudahy calls for an immediate humanitarian ceasefire and the safe passage of substantial humanitarian aid to Gaza; and

BE IT FURTHER RESOLVED, that the City of Cudahy calls for an immediate humanitarian ceasefire and the safe passage of substantial humanitarian aid to Gaza; and

BE IT FURTHER RESOLVED that the City of Cudahy calls for the immediate release of all Israeli hostages taken by Hamas; and

BE IT FURTHER RESOLVED that the City of Cudahy calls for an end to Israeli apartheid and the occupation and blockade of Palestinian land by Israeli military forces; and

BE IT FURTHER RESOLVED, that the City of Cudahy endorses the Congressional Resolution submitted by Representatives Cori Bush (MO-01), Rashida Tlaib (MI-12), André Carson (IN-
07), Summer Lee (PA-12), and Delia C. Ramirez (IL-03), alongside Representatives Jamaal Bowman (NY-16), Bonnie Watson Coleman (NJ-12), Jesús “Chuy” García (IL-04), Jonathan Jackson (IL-01), Alexandria Ocasio-Cortez (NY-14), Ilhan Omar (MN-05), Ayanna Pressley (MA-07), and Nydia Velázquez (NY-07) and urges our Congressional Representative, Rep. Robert Garcia, and California’s Congressional delegation to vote in support of the resolution.

BE IT FURTHER RESOLVED, that the City Council directs the City Manager or his designee to immediately distribute this Resolution upon its adoption to the offices of Senator Alex Padilla (CA), Representatives Robert Garcia (CA-42), Cori Bush (MO-01), Rashida Tlaib (MI-12), André Carson (IN-07), Summer Lee (PA-12), and Delia C. Ramirez (IL-03), alongside Representatives Jamaal Bowman (NY-16), Bonnie Watson Coleman (NJ-12), Jesús “Chuy” García (IL-04), Jonathan Jackson (IL-01), Alexandria Ocasio-Cortez (NY-14), Ilhan Omar (MN-05), Ayanna Pressley (MA-07), and Nydia Velázquez (NY-07).

FINALLY, BE IT RESOLVED that the City of Cudahy advocates for the dignity and safety of residents in every community, regardless of what crimes its leadership may commit, and that peaceful diplomacy is the only way to achieve this safety and dignity.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 7th day of November 2023.

__________________________
Daisy Lomelí
Mayor

ATTEST:

__________________________
Richard Iglesias
City Clerk
STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )   SS:
CITY OF CUDAHY  )

I, Richard Iglesias, City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 23-48 was passed and adopted by the City Council of the City of Cudahy at a regular meeting held on the 7th day of November 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_______________________________________
Richard Iglesias
City Clerk
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager/Executive Director
By: Juan Arauz, AICP, Community Development Director

Subject: Update and Discussion on the City’s Community Outreach and Information Campaign Pertaining to the Proposed Project at 5037 Patata Street

RECOMMENDATION

Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Receive an update from Ugarte and Associates, LLC (“Consultant”) on outreach and information campaign pertaining to the proposed project at 5037 Patata Street, in the City of South Gate; and

2. Open public hearing to solicit testimony and comments; and

3. Receive and file this report.

BACKGROUND

On November 4, 2021, the City of South Gate, as the lead agency for the subject project, released a Notice of Preparation (NOP) of an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) Guidelines. The NOP describes the project as “a new industrial development that would total 447,420 square-feet of floor area” that includes “a smaller truck maintenance building consisting of 12,000 square-feet” where the primary warehouse would have “a total of 30,000 square-feet of 36-degree cooler storage, and 134,400 square-feet of 60-degree storage.”

In the Summer of 2022, Cudahy staff provided updates to the City Council on the status of the project, including public comment opportunities. On November 16, 2022, the City of South Gate released a Draft EIR for the project and solicited comments. In response to the Draft EIR, on January 18, 2023, City staff prepared a letter (Attachment A) containing comments and concerns over the proposed project.

Since release of the Draft EIR and issuance of the City’s January 18, 2023 comment letter,
Cudahy and South Gate staff have held meetings to discuss project processing and mitigation measures to reduce project related impacts on Cudahy. Meetings to discuss the project were also held between Cudahy staff and the project proponent, Overton Moore Properties (OMP). The outcome of these meetings did not result in any substantive project modifications or community benefits component to offset the potential negative effects of the project.

On September 13, 2023, OMP held a community meeting at the project site to disseminate information on the project, including a list of items presented as community benefits. Ahead of this meeting, OMP retained a consultant to inform the residents of the project and its perceived public benefits. The items presented at this meeting as project benefits include:

- *The project shall generate over 250-300 good quality, high paying jobs.*
- *The project will provide the City of Cudahy a $250,000 deposit to cover needed improvements.*
- *The project has committed that 60% of the vehicle fleet will be electric vehicles and 100% of the vehicle fleet will be electric within 2 years of opening.*

The above referenced items were also illustrated in a flyer (Attachment B) distributed by the OMP consultant.

City of Cudahy staff attended the OMP community meeting and also spoke with residents who were contacted by the OMP consultant. Since the outreach and community meeting, OMP has stated on the record that approximately 100 Cudahy residents support the project. This raised several concerns from Cudahy staff over OMPs misrepresentation of project benefits. As examples:

- From discussion between Cudahy and OMP staff, of the 250-300 advertised as a public benefit, Cudahy staff learned that most of these positions will be filled by existing operational employees from nearby locations. In fact, most of the positions that would be available would come from vacancies from existing employees deciding not to relocate to the project facility.
- There has been no commitment from OMP or South Gate to provide Cudahy a $250,000 deposit to cover needed improvements. This is an unsubstantiated statement.
- There has been no commitment from OMP or South Gate to provide for 100% of project vehicle fleet to be electric. This is an unsubstantiated statement.

On September 26, 2023, the City of Cudahy retained Ugarte and Associated ("Consultant") to conduct an information and educational campaign on the project to Cudahy residents near the site.
DISCUSSION/ANALYSIS

From late September to early October 2023, the City’s Consultant went door-to-door making contact with Cudahy residents on Fostoria Street, Cecilia Street, Wilcox Street, and Santa Ana Street – all within the vicinity of the subject project site. The Consultant made contact with approximately 200 residents and provided them facts on the proposed project. The results show that most residents oppose the project (Attachment C). Also concerning was that some residents were promised certain benefits, like free overnight parking and gift cards, if they showed support for the project.

STRATEGIC PLAN CORRELATION

The Project supports the following strategies identified in the City’s Strategic Plan as adopted by the City Council.

Goal F

1. Develop the Cudahy brand.
2. Create a sense of place and establish the community’s identity.
3. Use the Cudahy brand to provide visual identity of the City, including signage.
4. Identify methods to connect with community members, including soliciting input on a regular basis.
5. Increase the City’s social media presence.
6. Explore opportunities for efficiency through insourcing and outsourcing.
7. Foster relationship building among residents.

FINANCIAL IMPACT

The agreement with the Consultant had a not to exceed budget of $18,000 that was paid from funds set aside in the City’s General Fund.

ATTACHMENT

A. January 18, 2023, City of Cudahy Response Letter to Draft EIR
B. OMP Flyer for September 13, 2023 Community Meeting
C. Ugarte and Associates Outreach and Education Summary
January 18, 2023

City of South Gate
Community Development Department
Attention: Yalini Siva
8650 California Avenue
South Gate, CA 90280
ysiva@soqate.org

Subject: Comments on the Draft Environmental Impact Report for 5037 Patata Street Industrial Development Project.

Thank you for submitting the Draft Environmental Impact Report (DEIR) for the subject project. The City of Cudahy has reviewed the DEIR and has prepared comments that are attached hereto. Please confirm receipt of this comment letter and send responses to:

Juan Arauz, AICP
Community Development Director
City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201
jarauz@cityofcudahyca.gov

Thank you.

Juan Arauz, AICP
Community Development Director

Attachment: Comments on DEIR, 5037 Patata Street, South Gate

CC: Alfonso Noyola, City Manager
     Aaron Hernandez-Torres, Public Works Director
Comments on DEIR
5037 Patata Street, South Gate

Transportation
These questions and comments pertain to the transportation section of the DEIR and Appendix H. CEQA requires disclosure, a good faith effort at providing analysis, and that conclusions be supported via substantial evidence. The transportation portions of this analysis lack an explanation for the application of SB 743, evidence to support conclusions, and incomplete information for accurately assessing environmental impacts per CEQA.

1. The DEIR emissions chapter describes a floor area of 451,000. The screening criteria in OPR are aimed at reducing GhG/VMT. The screening criteria available are based on transit reduction VMT, small projects, and residential and office projects already performing at a low VMT. The spirit and letter of those screening options are focused on small projects and reducing VMT. What is the basis in CEQA for screening a large 451,000 square foot project that appears to have no connection or basis to the screening criteria, which promote reduced VMT. Please elaborate on the appropriateness of this conclusion.

2. Furthermore, page 124 states that there would be a “reduction in VMT” – please provide substantial evidence for this site and land use that VMT will be reduced. What is the total VMT for the project? What is the total VMT with and without the project?

3. The DEIR transportation chapter concludes that there is no VMT impact by applying the screening for the presumption of less than significant impact near transit stations. The language in the OPR advisory states that “lead agencies should generally presume that certain projects” (including residential, retail, and office projects, as well as projects that are a mix of these uses, proposed within ½ mile of an existing major transit stop or an existing stop along a high-quality transit corridor). The DEIR chapter refers to Appendix H, which contains a traffic study. However, the traffic study has no discussion regarding the definition or applicability of the quality of the transit stop, or of the applicability of this screening criterion to an industrial land use. The OPR advisory specifies that this is screening criterion is appropriate for “residential, retail, and office projects” which this is not. Please explain how the OPR advisory applies to industrial land uses and what substantial evidence supports the conclusion of a presumption of less than significant for these land uses at this site?

4. DEIR Page 198: What makes the transit service likely to reduce VMT for this type of land use at this location?

5. DEIR Page 198: the transportation study mentions the future west Santa Ana Branch station, slated for completion in 2040 or later. The project opening year is 2024. What is the relevance of this future station to this analysis considering the 16 year gap between project opening year and completion of the Metro station?

6. DEIR Page 198: The application of the ½ mile transit proximity is to account for the proximity to transit that can result in reduction of VMT. In practical terms, a person using transit service on Firestone Boulevard at Atlantic Avenue would need to walk approximately 2,790 feet from the bus stop at Firestone/Atlantic to the entrance on Patata Street. The ½ mile distance is only accurate when measured as the crow flies, however, pedestrians would need to walk over ½ mile via the street network. In addition, Patata
only provides sidewalk on one side of the street. Since this is project site location is beyond the \( \frac{1}{2} \) mile distance from a network perspective, please explain what type of patron or visitor to the site is expected to use transit and why the walking distance in excess of \( \frac{1}{2} \) mile is consistent with the OPR advisory for application of transit screening?

7. DEIR Page 198 (based on exhibit 2-11): The site plan does not appear to show a pedestrian entrance/connection to Patata Street. How will the people arriving by transit access the site?

8. DEIR Page 198: States “Generally, projects within one-half mile of either an existing major transit stop or a stop along an existing high quality transit corridor should be presumed to cause a less than significant transportation impact. The proposed project is located within \( \frac{1}{2} \) mile of two major transit corridors (Atlantic Avenue and Firestone Boulevard). In addition, the project site is located within \( \frac{1}{2} \) mile of the proposed new transit station for Metro’s West Santa Ana Branch light rail”. Per OPR Technical Advisory guidelines, TPA screening is not appropriate if a project:

- Has a Floor Area Ratio (FAR) of less than 0.75;
- Includes more parking for use by residents, customers, or employees of the project than required by the jurisdiction (if the jurisdiction requires the project to supply parking);
- Is inconsistent with the applicable Sustainable Communities Strategy (as determined by the lead agency, with input from the Metropolitan Planning Organization); or
- Replaces affordable residential units with a smaller number of moderate- or high-income residential units.

As proposed, project plans show an FAR of less than 0.75. How is the statement in the DEIR applicable to, and in conformance with, OPR guidelines for VMT screening assessment?

9. DEIR Page 199: Please provide information, specific to this project and site, explaining why the project is not expected to increase VMT.

10. DEIR Page 199: Text at the top of this page indicates that travel distance is typically reduced for urban areas.

- What is the total estimated VMT for the project, inclusive of employees, visitors, and trucks? How does this compare to a rural area?
- How would the estimated trip generation for this proposed project differ in a rural area?
- What is the estimated average trip length for this proposed project site? How would this differ in a rural area?
- How is truck VMT being accounted for with this analysis and conclusion?

11. DEIR Page 199: The DEIR states that there will not be a significant change in the traffic circulation over that which presently exists. According to the trip generation estimates, the project will generate over 100 peak hour trips during each peak hour and in excess of
2,000 daily vehicle trips, of which more than half are 4+ axel trucks. At intersection #6, this constitutes an increase of 30-50% for some turning movements. Please elaborate on why this is not a significant change to travel in the project area.

12. DEIR Page 199: In terms of increasing hazards, there is no mention of the pedestrian activity that is being used to justify the transit screening. If the TPA screening is appropriate, what will be the impact to safety of having additional pedestrians at these intersections and along Patata, which lacks sidewalk on one side of the street and is the street providing direct access. This discussion should also address other locations such as Mason Street and Atlantic Avenue, which is known as a local cut through route.

13. Appendix H: The transportation study in Appendix H has no discussion of VMT, screening criteria, or the City’s VMT methodology or impact thresholds. Why was this not provided in the technical documentation for this proposed project? Please provide this information, including the average trip length, total VMT for the project, and Citywide VMT with and without the project.

14. Appendix H: Please explain why ITE LU 150 is the appropriate trip generation rate to use for a land use of this size and function. Would another ITE rate be more appropriate?

15. Appendix H: The transportation study in Appendix H does not have any discussion of VMT screening criteria and their applicability to this project or site. Why was this not provided in the technical documentation for this proposed project? Please provide.

16. Appendix H: The transportation study identifies intersection mitigation measures for the LOS analysis. This is inconsistent with state law (SB 743), which states that LOS-based analysis can no longer be the basis for impacts or mitigations. This report is incomplete as it reads as though it was written prior to SB743 and should be updated to reflect VMT. The MOU also incorrectly identifies capacity enhancing measures as mitigation measures, which is no longer consistent with state law.

17. Appendix H: One input that affects LOS and queuing is the percent of heavy vehicles. Review of the synchro sheets suggests that this is at 2% for all locations. Is that consistent with the truck percentages in the count data? What do traffic counts suggest as the heavy vehicle percentage on these roadways?

18. Appendix H: One input that affects LOS and queuing is the peak hour factor (PHF). Review of the synchro sheets suggests that this was left at the default value of .92. What is the basis for maintaining the default PHF of .92 for all locations and all scenarios.

19. Appendix H: Is the synchro analysis based on default signal timings or City of South Gate and Cudahy signal timings from signal plans?

20. Appendix H: For existing and future scenarios are signal timings or splits optimized?

21. When conducting LOS analyses, it is customary for adjacent agencies to apply the methodology and deficiency criteria where the City is located. This report analyzes intersections in the City of Cudahy using City of South Gate methodologies and deficiency criteria, which is inappropriate. All methodologies and deficiency criterial needs to be updated to reflect City of Cudahy local standards for intersections within Cudahy.

22. Proposed mitigation measures (traffic striping and potential traffic signal modification) at the Atlantic Ave & Salt Lake Ave/ Patata St intersection are not in line with the City of
Cudahy General Plan Circulation Element and proposed Cudahy Land Use and Development Projects within the area. Same comment applies to Atlantic Ave & Santa Ana St and Atlantic Ave & Cecilia St intersection. In addition, the City of Cudahy is in the design process for Atlantic Avenue Improvements Project, and the proposed striping/circulation is not in harmony with the City’s vision for the Atlantic Corridor.

23. The project, located within City of South Gate jurisdiction, proposes mitigation measures in the City of Cudahy to lessen traffic related impacts caused by the project. These mitigation measures assume the City of Cudahy would modify traffic patterns at the intersections listed above in Comment #22.

- Why are mitigation measures being proposed outside of the jurisdictional boundaries of the City of South Gate?
- Have these mitigation measures been discussed with, and approved by, the City of Cudahy?

24. Although LOS is no longer considered as environmental impacts under CEQA, existing traffic conditions at Atlantic Ave & Patata St/ Salt Lake Ave intersection are identified as LOS= D (Tables 3.15 and 3.17). Level of Service D is the minimum threshold in urbanized areas. With the expected traffic volume, once the proposed project is completed, the LOS for the above intersection will be F (failing intersection). Degradation of this intersection is not acceptable to the City of Cudahy.

25. Patata Street was recently paved for the existing type of traffic & volume, and even though a soils treatment was part of the street improvements recently completed, the existing paving won’t be able to handle the proposed traffic operations (weight and volume). A detailed engineering analysis is needed to evaluate street conditions for the new traffic conditions (a major street rehabilitation may be required).

26. The project would introduce an approximately 16,000 square foot building to be used as a truck maintenance workshop. The Project Description of the DEIR does not adequately describe the use and intensity of this truck maintenance workshop. Throughout the DEIR, the transportation assessment focuses on the classification of the proposed use as a “cold storage facility”, leaving out any reference to the repair/maintenance workshop. Why does the DEIR not evaluate the truck maintenance workshop? Why was this component not evaluated as a “truck terminal”?

Project Description

27. The DEIR provides little information on the proposed business operations. Basic information proposed operations is missing, for example:

- What are the hours of operations?
- What specific activities would take place during operations?
- What is the anticipated usage of the onsite truck repair station?
- How many trucks would be located at the site?
To adequately assess and provide comments on proposed operations, a detailed operational plan needs to be provided for review.

28. The DEIR only provides vehicle trip counts (passenger and truck) for the peak AM and PM hours using City of Fontana Truck Trip Generation Study. This leaves out any analysis or discussion on the total daily and weekly trip counts. To adequately assess and provide comments on proposed vehicle trips, an empirical study should be conducted that evaluates the operations of similar land uses in urbanized areas. The City of Cudahy needs to be consulted during the formulation of the scope of work for this empirical study.

29. As proposed, the building would have a rolling door opening for trucks that faces north. There are residential uses directly adjacent and north of the project site.

   - Why was the building designed and oriented to have an opening for trucks that faces north towards the residential uses?
   - In designing the building, why were these roll up doors limited to the south and west elevations furthest away from sensitive receptors?
   - What operational conditions and restrictions are proposed to ensure there are no operational related impacts to the residential uses to the north?

30. The City of Cudahy provided a comment letter dated September 19, 2022 to the Department of Toxic Substances Control (DTSC) on the measures work plan for surface asbestos and remediation. Please confirm the comments and conditions listed in that letter will be adhered to during this work plan phase.

**Discretionary Actions**

31. Page 48 of the DEIR: A list of required entitlements are necessary for the proposed project. This includes two variances and two amendments to the South Gate General Plan.

   - What are the justifications for the findings required to approve the variances?
   - What are the justifications for the findings required for amendments to the South Gate Mobility Element of the South Gate General Plan?
   - Objective 1 of the project is “to facilitate quality development that is consistent with the goals, policies, and objectives of the City of South Gate General Plan”. How can the project be consistent with the South Gate General Plan when two general plan amendments are required for the project?

**City of Cudahy General Plan and Land Uses**

32. The DEIR fails to mention that the project site is dependent on use of public right-of-ways, streets, sidewalks, and utilities in the City of Cudahy. Therefore, the DEIR should have conducted a comprehensive analysis of the existing and future planned land uses of the vicinity of the project site that is within the City of Cudahy.

33. The DEIR does not analyze the recent activities planned within the Entertainment Zone within the City of Cudahy. For example, the City is evaluating a mixed use development at the northeast intersection of Patata and Atlantic at an approximately over a 5 acre site.
This would be the first of other developments on Patata that will be evaluated in an effort to promote a pedestrian oriented district. To accommodate the City’s vision for this pedestrian-oriented district, the City of Cudahy is considering modifications to the design and traffic pattern of Patata Street. Should the City of Cudahy implement modifications that would impact, or prohibit, truck use on Patata Street, how would the project site provide access for its trucks?

34. The project as proposed does not conform with the City of Cudahy General Plan. The DEIR lacks a complete analysis of the project adherence to, and conformance with, the City of Cudahy General Plan. The DEIR should complete this assessment in coordination with City of Cudahy staff.

35. The Public Service Impacts analysis of the DEIR states that the South Gate Police Department would respond to all calls for service resulting from the project and therefore no impacts are anticipated. With approximately 300 employees and hundreds of truck and vehicle trips a day, should an employee of the project cause a vehicular accident in the City of Cudahy, would the South Gate Police Department respond? Should an employee related accident occur in the City of Cudahy, would South Gate safety personnel provide service?

36. Why did the DEIR not analyze public service impacts to the City of Cudahy? How would the City of Cudahy address calls for service originating from employees of the project site?

37. Public Hearings: Per the City of Cudahy zoning code, the project proposes a discretionary land use. Although not in Cudahy, as proposed, the project is dependent on Cudahy right-of-ways for access and operations. To ensure that adequate public review is provided, a presentation to the Cudahy Planning Commission and City Council should be conducted.

38. Development Agreement: Prior to further processing of the proposed project, discussions on the terms of the Development Agreement should take place with the City of Cudahy.
The proposed project would involve the construction and subsequent operation of a new regional headquarters and distribution facility that would total 451,383 square-feet for Anheuser Busch (AB). The proposed project would employ 380 employees.

The facility will be environmentally friendly (LEED GOLD). AB has committed that 60% of the vehicle fleet will be electric vehicles and 100% of the vehicle fleet will be electric within 2 years after opening.

- The building is 85 ft away from the north property line. A 10-foot sound/screen wall will be built along the northern property line to create a barrier between the project site and the City of Cudahy residential area.
- 64 box trees spaced 20 feet apart will be planted along the northern property line to create beautiful landscaping.
- No lighting would be directed to the north where residential uses currently exist.
- All truck traffic will enter and exit the new facility using Patata Street. No truck traffic will enter residential streets in Cudahy.

**Community Benefit No 1:**
The project shall generate over 250-300 good quality, high paying jobs (avg pay $80k/year) at the site.

**Community Benefit No 2:**
Overton Moore Properties (Developer), general contractor and Tenant shall work with Hub Cities when the general contractor or tenant have any job openings, they will include posting with Hub Cities for new positions during construction and post construction. Anheuser Busch (tenant for the building) will also post all new job openings through Hub Cities. Anheuser Busch will host an open house or go to the high school to discuss job opportunities for South Gate and Cudahy students.

**Community Benefit No 3:**
The Developer shall dedicate a 10' strip for a new bike path from the Patata extension to the LA River to serve both Cudahy and South Gate. Developer shall be required to maintain for the life of the project the bike path including fencing and the asphalt/concrete.

**Community Benefit No 4:**
The Developer will provide the City of Cudahy a $250,000.00 deposit to cover needed improvements.

Join us for a tour of the project site. All residents are welcome.

**Wednesday, September 13 6PM – 7PM.**

Food Truck will provide dinner to all attendees.

For more information, please call 323-804-5696
September 25, 2023

City of South Gate
Community Development Department
8650 California Avenue
South Gate, CA 90280

RE: SUPPLEMENTAL DRAFT ENVIRONMENTAL IMPACT REPORT FOR 5037 PATATA STREET INDUSTRIAL DEVELOPMENT (SCH #20211100098)

To Whom it May Concern:

The City of Cudahy (“Cudahy”) presents this supplemental comment letter in response to the City of South Gate’s (“South Gate”) Draft Environmental Impact Report (“DEIR”) for the proposed 5037 Patata Street Industrial project.\(^1\) The project “would include a new main building consisting of 435,420 square feet, and a smaller truck maintenance building consisting of 16,173 square feet. The new tilt-up main building would consist of corporate offices, a warehouse, cooler space, as well as mezzanine space. The main building would also include a two-level office area consisting of 30,000 square feet of floor area located in the southwestern corner of the main building. The warehouse portion of the main building would include a loading and storage area, a total of 22,000 square feet of 36° cooler storage, and 134,400 square feet of 60° cooler storage”\(^2\) and 522 vehicular parking spaces (“Project”).

Importantly, the Project site abuts Cudahy to the east, west, and north, with a small portion of the northwest corner and southern border of the Project site abutting South Gate.

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\(^1\) Cudahy provided its initial comments to the DEIR in a comment letter submitted on January 18, 2023. Letter from J. Arauz to Y. Siva (January 18, 2023) (“Initial Comment Letter”). Herein attached as Attachment A. This letter is intended to supplement, not succeed, those comments. Cudahy further reserves the right to submit additional comments regarding the Project’s CEQA analysis as it continues to evaluate the legal sufficiency of the DEIR.

\(^2\) DEIR, p. 7.
The southern edge of the Project site abuts the Union Pacific Railroad line to the south. As a result, the Project site is only accessible through Cudahy via Patata Street, or alternatively through Cecilia Street just one block north from Patata Street and Wilcox Street. The northern border of the Project site abuts existing residential uses in Cudahy. Cudahy has previously expressed concern that the DEIR fails to meet the California Environmental Quality Act’s (“CEQA”) (Pub. Res. Code § 21000 et seq.) requirements. The purpose of CEQA is to inform the public and decisionmakers alike of the environmental impacts resulting from a proposed project. However, the DEIR fails to thoroughly recognize, analyze and quantify, and mitigate all of the direct and reasonably foreseeable indirect environmental impacts associated with the Project. The Project would result in significant impacts to Cudahy’s resources, including but not limited to its residents that live adjacent to the Project site, city streets, city infrastructure, and air quality. Further the DEIR is replete with conclusions that are not supported by substantial evidence or at times no evidence at all and fails to provide feasible mitigation measures.

Cudahy respectfully submits these comments to ensure the Project analysis reflects a robust and complete examination of the direct and reasonably foreseeable indirect impacts as required by CEQA.

I. Community Engagement

As a preliminary matter, Cudahy has expressed and has continued to express concerns as it relates to the lack of outreach to the community immediately to the north and otherwise misleading information that has been provided to the local community. The Project applicant recently held a “community meeting” at the Project site on Wednesday, September 13, 2023. Cudahy was surprised to learn that the Project applicant represented that outreach to the local community had been conducted for “weeks” when Cudahy staff received first-hand accounts from local residents that they received notice of the community meeting merely one-day prior to the meeting. Further troubling, residents were not provided with a “flyer” with meeting information unless they agreed to sign a document. Such actions are disingenuous and disrespectful to local residents.

Representations made by the Project applicant at the community meeting include, but are not

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3 Cal. Code Regs., title 14, § 15121(a) (“CEQA Guidelines”).
limited to:

- The provision of 250-300 jobs (with an average pay of $80,000/year);
- The provision of a 10-foot sound/screen wall along the northern property line;
- The provision of 64 box trees along the northern property line;
- A contribution of $250,000 to Cudahy “to cover needed improvements”; and
- Anheuser Busch has committed that 60 percent of its vehicle fleet will be electric vehicles and 100% of its vehicle fleet will be electric within two years of opening.

A. Jobs.

The Project applicant briefed the Cudahy City Council in 2023 regarding the Project, claiming the Project would provide 250-300 new jobs. When the City Council inquired further about the Project tenant’s plans to relocate and centralize its operations to South Gate, the Project applicant conceded the majority of the existing employees would relocate to the new location and approximately 40-50 new jobs may be available. The Project applicant made no commitment to locally hire for these positions. At these briefings, the City Council requested that the Project applicant cease from further making such misrepresentations to the community, yet this continues to be touted as a community benefit. Cudahy hereby requests the Project applicant to cease from making such misrepresentation to both the Cudahy and South Gate communities.

B. 10-foot Sound Wall.

The DEIR does not describe a 10-foot sound wall in the Project Description section nor discussed in the Noise analysis. There is absolutely no requirement that the Project provide this wall as a Mitigation Measure. Such misrepresentations greatly impact the residents living immediately north of the Project site due to the noise that will be generated through remediation, demolition and construction activities, as well as operational activities including ingress and egress of large heavy-duty trucks, vehicles, the loading docks and high-speed doors, and the truck repair facility. Cudahy hereby requires that the Project applicant cease making such misrepresentations unless a sound wall and other mitigation measures are implemented to

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4 Overton Moore Properties, Walk-Piece Flyer – 5027 Patata Street, herein attached as Attachment B.
5 See, DEIR, pp. 33-50.
attenuate the sound impacts to reduce the level of significance of less-than-significant.\footnote{Noise impacts are discussed in further detail in Section V.}

\begin{itemize}
  \item \textbf{C. Provision of 64-Box Trees.}

  There is no mention in the DEIR of exactly how many trees the Project will provide, therefore there is no requirement for the Project applicant to provide these trees. The DEIR must be revised to reflect this as a Project feature. Until then, Cudahy requests that the Project application cease from making these misrepresentations as a community benefit.

  \item \textbf{D. $250,000 Contribution to Cudahy.}

  \textbf{There is no agreement between Cudahy and the Project applicant to receive $250,000 for needed improvements.} Cudahy has previously requested that the Project applicant provide monetary resources to mitigate the impacts that the Project will have on Cudahy resources, including but not limited to impacts to Cudahy streets and infrastructure and the residents to the north. Cudahy hereby requests that the Project applicant cease from making these misrepresentations as no agreement exists and further requests that the DEIR require the Project to mitigate impacts to Cudahy by providing a one-time contribution of $920,640 through a legally binding agreement.\footnote{This figure is based on the Developer Impact Fees that would be required for a new development in Cudahy based on a project’s floor area. Cudahy, Development Impact Fees Schedule. Available at: \url{https://www.cityofcudahy.com/DocumentCenter/View/774/Development-Impact-Fees?bidId=} (Accessed September 20, 2023). Herein attached as Attachment C.} Additionally, as the Project may only ingress and egress the Project site through Cudahy streets, Cudahy requests the mitigation of such impacts require the Project applicant to maintain the roads for 30 years following Project implementation.

  \item \textbf{E. 100\% Electric-Vehicle Fleet.}

  There is no mention within the EIR that the Project will provide an all-electric “vehicle fleet.” We are not aware of any binding commitment that requires the Project to provide this fleet. Therefore, Cudahy request that the Project applicant cease from making such misrepresentations unless this feature is included in the Project Description and further reflected in the CEQA analysis.
\end{itemize}
II. General CEQA Defects

As we previously stated, roughly three-quarters of the Project site is surrounded by Cudahy, with residents living adjacent north of the Project site, and the only ingress/egress point provided through a Cudahy street (Patata Street). As shown below in Figure 1, the Project site enjoys a buffer to the remainder of the South Gate community because of the buffer created by the railroad adjacent south of the Project site. This means that Cudahy residents and its infrastructure would be subject to the brunt of environmental impacts, especially considering the fact that impacts such as noise, vibration, air quality, greenhouse gas emissions and other impacts cease to exist at the city borderlines.

- Inadequate Project Description. CEQA requires that a DEIR provide an accurate, stable, and finite project description.\(^9\) In its current form, the DEIR does not clearly and adequately characterize the Project and is missing critical elements such as the hours of operation, the number of trucks, including delivery vehicles, semi-trailer trucks, and operations at the truck maintenance facility. In addition, the Project Description and analysis fail to recognize the building tenant, Anheuser Busch, and the operations that will take place at the Project site. Due to the international presence of this brand and the fact that representations have been made that several facilities intend to relocate to South Gate, the Project site is likely to receive a greater number of trips and may wish to operate beyond “normal business hours,” e.g., from 8:00 AM to 5:00 PM.\(^{10}\) Breweries are often associated with greater water usage, energy consumption, and increased greenhouse gas (“GHG”) emissions and air quality impacts.\(^{11}\)

As it relates to the truck repair facility, the Project Description does not provide information on how many regional/national vehicles will likely be serviced at the truck repair facility and whether these vehicles are electric only or a mix of electric,

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\(^9\) CEQA Guidelines § 15124; see also, \textit{County of Inyo v. City of Los Angeles} (1977) 71 Cal.App.3d 185.

\(^{10}\) We additionally reiterate that in Cudahy’s Initial Comment Letter, we noted the DEIR’s failure to analyze all direct and reasonably foreseeable indirect impacts. The letter noted that the DEIR only provided vehicle trip counts (passenger and truck) for the peak AM and PM hours using the City of Fontana Truck Trip Generation Study and left out the analysis regarding the total number of daily and weekly trips.

gas, and/or diesel. More information is needed to understand the full scope of the Project. An inadequate project description leads to an inadequate analysis. As a result, the DEIR fails to analyze all potential direct and reasonably foreseeable impacts and violates CEQA. The failure misleads the reader to believe that all direct and reasonably foreseeable impacts have been analyzed.

**Failure to Analyze all Potentially Direct and Reasonably Foreseeable Indirect Impacts.** CEQA serves as an “environmental alarm bell” whose purposes is to alert the public and its responsible officials to the environmental impacts associated with a proposed project. Thus, an EIR must analyze all potentially direct and reasonably foreseeable indirect impacts. In addition to a large warehousing facility, the Project also proposes a 16,153 square foot truck maintenance facility, yet the analysis appears to be completely devoid of any analysis associated with this facility including the additional trips generated by the trucks coming in for repairs, noise generated, impacts to air quality and greenhouse gas emissions when the facility is in use. The lack of meaningful information contained in the DEIR robs the reader of the ability to understand the Project and its potential environmental impacts and thus violates CEQA’s central tenant that an EIR must be understandable and clear.

**Lack of Substantial Evidence to Support the Conclusions.** Overall, the EIR lacks CEQA’s requirement for the conclusions to be supported by substantial evidence. “Substantial evidence” means “enough relevant information and reasonable inference from this information that a fair argument can be made to support a conclusion…” “Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.” “Substantial evidence is not argument

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12 *Laurel Heights Improvement Ass’n v. Regents of Univ. of Cal.* (1988) 47 Cal.3d 376.
15 *Association of Irritated Residents v. County of Madera* (2003) 107 Cal.App.4th 1383, 1391 (“[T]he failure to include relevant information precludes informed decision making and informed public participation, thereby thwarting the statutory goals of the EIR process”).
16 CEQA Guidelines § 15384(a).
17 CEQA Guidelines § 15384(b).
speculation, *unsubstantiated opinion or narrative*, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused by, physical impacts on the environment.”18 This EIR fails to contain a list of persons consulted, references, or cite to substantial evidence to support the EIR’s conclusions throughout the entirety of the document.

- **Failure to Provide Effective Mitigation Measures.** The proposed mitigation measures fail to meet CEQA’s basic requirements. In order for a mitigation measure to be considered effective, CEQA requires the mitigation measure to be supported by “substantial evidence” that the measure will be effective in mitigating the identified impact.19 Many of the mitigation measures proposed in the DEIR either lack substantial evidence to support the proposition that it would reduce the identified impacts, or many times provide no evidence at all.

- **Unenforceable Mitigation Measures.** Mitigation measures must actually be enforceable through conditions of approval, contract or other legally binding means.20 Mitigation measures absent this enforcement or merely categorized as “recommended” actions are not enforceable. Additionally, we note there is no mitigation monitoring or reporting program associated with the DEIR.21 The inclusion of these elements must be included to meet CEQA’s requirements.

- **References and Persons Consulted.** An EIR must list the organizations and persons who were consulted in its preparation. The list must include all federal, state, or local agencies, other organizations, and individuals that were consulted in preparing the DEIR.22 The DEIR represents that Section 6 References lists of those individuals in this document’s preparation and the references consulted in the analysis.23 There is no

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22 CEQA Guidelines § 15129.
23 DEIR, p. 9.
Section 6 in the DEIR and therefore the document lacks any evidence to supports its conclusions. As a whole, the DEIR is legally deficient due to the omission of this critical element.

- **Failure to Consult with Cudahy.** CEQA mandates that a Lead Agency consult with and request comments on a DEIR from any city that borders on a city or county within which the project is located as well as any local agency which “have jurisdiction by law with respect to the project.”\(^{24, 25}\) A Lead Agency must all consult with all Responsible Agencies and Trustee Agencies during the DEIR process.\(^{26}\) This includes during the time in which the Lead Agency determines whether a negative declaration or environmental impact report (“EIR”) will be require for the project;\(^{27}\) provision of a Notice of Preparation (“NOP”). Prior to completing the EIR, the Lead Agency consult with and invite comments from all Responsible and Trustee Agencies prior to completing the EIR.\(^{28}\) Although Cudahy has attempted to work collaboratively with South Gate, the good faith effort has not been reciprocated. In one instance, South Gate staff did not show up to a pre-scheduled meeting and provided no explanation for the inability to keep the appointment and in a more recent meeting, South Gate expressed that “maybe” Cudahy would be able to review the EIR prior to finalization. Cudahy hereby renews the request to work collaboratively with South Gate as required by CEQA.

- **Misleading Information.** We also note that although the DEIR was released on November 16, 2022, the document itself states that the DEIR was subject to “public review for a period of 45 days, beginning November 5, 2021, and ending on December 6, 2021.”\(^{29}\) This information is incorrect and it does not appear that South Gate took any action to correct this messaging. This misleads the public and subverts

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\(^{24}\) CEQA Guidelines §§ 15086(a)(4) & (5).

\(^{25}\) As discussed in Section VII, the Project contemplates Cudahy to make certain street improvements.

\(^{26}\) Pub. Res. Code § 21080.1(a); CEQA Guidelines § 15050(c).

\(^{27}\) Pub. Res. Code § 21080.3(a); CEQA Guidelines § 15063(g).

\(^{28}\) Pub. Res. Code §§ 21104(a), 21153(a); CEQA Guidelines § 15086.

\(^{29}\) DEIR, p. 8.
the public participation process. CEQA is intended to inform the public and this misinformation defeats the purpose of CEQA.

III. Project Description

An EIR must include an accurate, stable, and consistent description of the proposed project. The project description must contain sufficient specific information about the project to allow a complete evaluation and review of its environmental impacts.

Level of Detail. An EIR must be prepared with a level of detail that provides decisionmakers with the information needed to enable them to make an intelligent decision that takes account of the environmental consequences. As previously stated, the Project Description is missing critical details that allow the reader to fully understand the scope of the project, including details regarding Anheuser Busch as the building tenant, hours of operation, the number of trucks, including delivery vehicles, semi-trailer trucks, and operations at the truck maintenance facility. We additionally note that the Site Plan appears to indicate that a large portion of the Project site would be dedicated to parking for semi-trailer trucks, as shown below in Figure 2, but the Site Plan fails to identify the purpose of the striping and how that area would be utilized. The EIR must be revised to include these foregoing Project details, characteristics, and operations.

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30 CEQA Guidelines § 15151 (requiring adequacy, completeness, and a good faith effort at full disclosure.); see also, Dry Creek Citizens Coalition v. County of Tulare, 70 Cal.App.4th 20, 26 (holding that failure to include relevant information precludes informed decision making and informed public participation, thereby thwarting CEQA’s statutory procedural goals).

31 CEQA Guidelines § 15124; see also County of Inyo v. City of Los Angeles, (1977) 71 Cal.App.3d 185, 199 (holding that a “finite project description is indispensable to an informative, legally adequate EIR).

32 Dry Creek Citizens Coalition, 70 Cal.App.4th 20, 26.

33 See discussion in Section II.

34 DEIR, p. 41.
As shown in Figure 3, the Site Plan also indicates a “yard” but the Project Description does not provide any details regarding the size or purpose of the yard. The EIR must be revised to include these foregoing Project details, characteristics, and operations in order to analyze all direct and reasonably foreseeable indirect impacts.

Shifting Project Description. The Project Description does not discuss or analyze the history of the Project site’s operations, the release of hazardous materials, nor the current clean-up activities. However, remediation is currently ongoing and needs to be disclosed in the DEIR to adequately inform the reader of all of the potential impacts. The removal of contaminated soil does not appear until page 77 of the DEIR. Inconsistencies are also present within the Project Description section itself, when comparing the Site Plan to the Landscape Plan. Comparing Figure 4 below to
Figure 3 (Landscape Plan), the striping and landscaping shown are substantially different yet, the DEIR fails to provide any details regarding this large portion of the Project Site.

Figure 4. Landscape Plan Excerpt\(^ {37} \)

- We note the same inconsistencies with the truck maintenance facility, as shown in Figure 5 below. The configuration for the facility as shown in the Landscape Plan is to the left, and the Site Plan on the right. As previously mentioned, the DEIR fails to provide any details regarding the truck facility operations and is unclear what the Project is proposing due to the shifting and inconsistent Project Description.

Figure 5. Truck Maintenance Facility\(^ {38} \)

- Maps. CEQA requires the project to be “shown on a detailed map, preferably topographical.”\(^ {39} \) The maps provided do not meet these requirements. The local and

\(^{37}\) DEIR, p. 46.
\(^{38}\) DEIR, pp. 41 & 46.
\(^{39}\) CEQA Guidelines § 15124(a).
regional maps provided are not informative. They merely provide an outline of the project site, but do not inform the reader of the context, including the uses surrounding the Project site.

IV. Baseline and Environmental Setting

The Baseline is made up of the “physical environmental conditions in the vicinity of the Project”…“from a local and regional perspective.” This includes environmental conditions as they existed when the Notice of Preparation was published. The Project site is under oversight by the Department of Toxic Control Substances ("DTSC") for the clean-up of hazardous substances on the Project site, including but not limited to volatile organic compounds ("VOC") [primarily dichloromethane ("DCM"), methyl ethyl ketone ("MEK") 1,1,1-trichloroethane ("1,1,1-TCA"), trichloroethylene ("TCE"), and vinyl acetate ("VA")]; semi-volatile organic compounds ("SVOC") [primarily diisononyl phthalate ("DINP") and butyl benzyl phthalate ("BBP")]; metals (primarily lead, mercury, and zinc); polychlorinated biphenyls ("PCB"), and asbestos. The Project site is currently undergoing clean-up actions, yet this is not described in the Baseline description. The DEIR needs to be revised to describe the partially demolished conditions of the Project site and describe the nature of the remediation activities. The inclusion of such information is critical because remediation, demolition, grading, hauling, construction, and even operational activities have a potentially direct and/or reasonably foreseeable indirect impact on the Project site.

V. Noise Impacts

As described in the Noise analysis in the DEIR, the Main Building would be set back 85 feet from the northern property line. The Project would also provide 50 dock-high doors, 15 spaces for future dock-high doors (knock-out panels), 11 grade-level truck doors, nine spaces for future grade level doors, four high-speed roll-up doors located on the north and south sides of the building to accommodate ingress and egress of trucks. Four of the high speed roll-up doors

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40 CEQA Guidelines § 15125(a) and (c).
41 CEQA Guidelines § 15125(a).
43 DEIR, pp. 42, 45.
would be located on the north side of the Main Building facing the residential uses.44

A. Construction Impacts.

The estimated noise levels for construction activities are in conflict with both the South Gate General Plan, South Gate’s Noise Ordinance,45 as well as the Cudahy General Plan.46 Table 3-10 estimates that noise levels would range from 69 dBA to 80 dBA depending on the construction equipment utilized. The South Gate General Plan indicates that noise levels for low density residential uses (single-family homes, duplexes, mobile homes) are acceptable at a 50-60 range.47 Noise exposure ranging 70-75 is “normally unacceptable” and advises that “[n]ew construction or development should be discouraged. If new construction or development does proceed, a detailed analysis of the noise reduction requirements must be made and needed noise insulation features included in the design.”48 Noise exposure ranging from 75-85 is categorized as “clearly unacceptable” and the General Plan discourages “new construction or development.”49 The South Gate General Plan and Zoning Code also prohibits noise levels exceeding 50 dBA between the hours of 7:00 AM-10:00 PM and in excess of 40 dBA between the hours of 10:00 PM-7:00 AM when an industrial property is located adjacent to a residential property.50 It’s unclear why the analysis fails to acknowledge these conflicts, resulting in significant impacts, when the DEIR clearly references OPR’s Noise Element Guidelines, South Gate’s Noise Ordinance, and the South Gate General Plan’s Noise Element.51 Instead the DEIR appears to rely on guidance from an FTA document that is in direct conflict with South Gate’s own ordinances and General Plan and is further described in the DEIR as “establish[ing] ground borne vibration levels” and not as a guide to establish thresholds for noise impacts.52

44 DEIR, p. 42.
45 SGMC, Chapter 7.44 (Noise) Available at: https://www.codepublishing.com/CA/SouthGate/#!/SouthGate07/SouthGate0744.html#7.44 (Accessed September 18, 2023).
48 DEIR, p. 343.
49 DEIR, p. 343.
50 We additionally note that this conflict raises an inconsistency with South Gate’s General Plan. This inconsistency is not discussed in the DEIR’s Land Use Section. See, DEIR, pp. 148-155.
51 DEIR, pp. 161-62.
52 DEIR, p. 160.
We further note that the impact analysis lists a number of potential noise sources emanating from construction equipment, but notably excludes jackhammers. The Project site is partially demolished and still contains asphalt, concrete, and remnants of previously standing buildings. Demolition activities and the use of a jackhammer is reasonably foreseeable. Due to the extremely loud nature of jackhammers, which reaches anywhere between 110-125 dBA, this glaring omission must be corrected and the DEIR must analyze the impacts associated with such large equipment.

The DEIR must be revised to acknowledge these foregoing impacts and adequately mitigate them consistent with CEQA’s requirements.

B. Operational Impacts.

The DEIR fails to analyze all direct and reasonably foreseeable indirect impacts associated with Project operations as described in further detail below.

- **Impacts Associated with Trucks Exiting the Main Building.** The DEIR states that based on noise measurements that were taken off-site, truck idling activities would result in 62.5 dBA at a uniform distance of 50 feet and further concludes “[t]he new building will attenuate the loading dock impacts on the existing homes [to the north].” This noise level exceeds both South Gate and Cudahy’s permissible noise levels. While the DEIR analyzes the noise impacts associated with loading dock operations located at the southern edge of the main building, the analysis fails to analyze impacts resulting from the 16 foot by 16 foot, high speed roll-up doors that would be located on the north and south sides of the building that would accommodate trucks exiting the building. The DEIR must analyze all foreseeable direct and indirect impacts. Given the proximity of these large doors and the expected operations for trucks to egress from the main building adjacent to the sensitive receptors to the north the DEIR must analyze such noise and vibration impacts, as such activities are reasonably foreseeable to have an impact on the

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54 DEIR, p. 169.
55 DEIR, p. 42.
56 DEIR, p. 166.
existing environment.

- **Truck Movement Noise and Entry Gate Operation.** The DEIR analyzes the potential noise impacts based on an industrial site located in the City of Industry, for truck traffic entering the facility *after hours*. As a preliminary matter, the DEIR does not provide any hours of operation, so it is impossible to discern what constitutes “after hours.” Second, CEQA mandates that all reasonably foreseeable direct and indirect impacts are analyzed. There is no exception for noise impacts caused during business hours.

It’s unclear why the DEIR uses an industrial site located outside of the lead agency’s jurisdiction when the Project site is surrounded by industrial uses to the west and south. This analysis is insufficient because the DEIR fails to indicate how the noise levels at a site merely described as a “distribution facility located adjacent to Gale Avenue in the City of Industry” constitutes substantial evidence, as defined by CEQA Guidelines Section 15384. The DEIR’s conclusions are insufficient because they fail to provide when the noise measurements were taken, does not provide any context regarding the surrounding uses and noise levels (is it an apples to apples comparison?), and does not disclose whether the noise would exceed any of the other applicable noise standards. Notably, the Project is located adjacent to an existing trucking facility (West Coast Quality Carriers located at 5042 Cecelia Street) that is already a source of noise that impacts the residents surrounding the Project site. Yet, the DEIR fails to disclose this and there is no evidence that indicates these existing noise sources, including the rail line south of the Project site, are taken into consideration. This analysis also fails to disclose the baseline interior noise level for the sensitive uses, as this is not described within the Existing Environmental Setting.

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57 DEIR, p. 169.
58 CEQA Guidelines § 15064(d).
59 DEIR, p. 166.
60 DEIR, p. 169.
61 “Substantial evidence” means enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached.
62 We note that this facility is located in South Gate, therefore, South Gate’s Code Enforcement would register and maintain records regarding noise complaints.
discussion of the DEIR.

- **Parking Lot Noise.** The DEIR’s analysis fails to describe where the “source” of noise measurements were taken in relation to the two locations that were measured on the Project site. The DEIR also does not provide two different sets of noise data, one for each location, thereby confusing any reader on the actual noise impacts of the Project.

- **Truck Repair Facility.** We further note that the Noise analysis is completely devoid of any analysis related to the Project’s proposed truck repair facility. CEQA requires an analysis of the whole of the action, which has a potential for resulting in a direct or indirect impact. Truck repair facilities would result in traffic, noise, vibration, air quality impacts and increased greenhouse gas emissions and impacts resulting from hazards and hazardous waste. Accordingly, this includes the 16,173 square foot truck repair facility that is described throughout the DEIR but not analyzed. CEQA requires the analysis of all reasonably foreseeable direct and indirect impacts. The analysis must be revised to take the truck repair facilities and its noise impacts into consideration.

C. **Impact Analysis and Mitigation Measures.**

Overall, the DEIR lacks CEQA’s requirement for the conclusions to be supported by substantial evidence. “Substantial evidence” means “enough relevant information and reasonable inference from this information that a fair argument can be made to support a conclusion…” “Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.” “Substantial evidence is not argument speculation, unsubstantiated opinion or narrative, evidence that is clearly inaccurate or erroneous, or evidence of social or economic impacts that do not contribute to, or are not caused

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63 See, DEIR, p. 170.
64 CEQA Guidelines § 15378(c).
65 See e.g., DEIR, pp. 7, 8, 15, 20, 42, 105, 123, 151, 169, 176, 189.
66 CEQA Guidelines § 15152(b).
67 CEQA Guidelines § 15384(a).
68 CEQA Guidelines § 15384(b).
by, physical impacts on the environment.” This DEIR fails to contain a list of persons consulted, references, or cite to substantial evidence to support the DEIR’s conclusions throughout the entirety of the document.

3.13.4.1 Impact Analysis. Here, the DEIR considers whether the Project would result in noise impacts that are “in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.” The analysis is completely devoid of any analysis regarding South Gate’s General Plan and Noise Ordinance and further concludes that with the incorporation of mitigation measures, the Project would result in no impacts. This conclusion is not supported by the evidence provided within the DEIR. This conclusion is in conflict with the evidence provided in the document that indicates that ambient noise levels already exceed South Gate’s noise standards, it is unfathomable how Mitigation Measure No. 1 would mitigate impacts to a level of no impact when the existing noise levels which exceed 50 dBA the majority of the time as demonstrated in Table 3-9, below.

<table>
<thead>
<tr>
<th>Noise Metric</th>
<th>Noise Level (dBA) for Location 1</th>
<th>Noise Level (dBA) for Location 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lmax (Maximum Noise Level)</td>
<td>79.4 dBA</td>
<td>72.1 dBA</td>
</tr>
<tr>
<td>L90 (Noise levels &lt;99% of time)</td>
<td>79.1 dBA</td>
<td>69.6 dBA</td>
</tr>
<tr>
<td>L95 (Noise levels &lt;90% of time)</td>
<td>70.5 dBA</td>
<td>68.9 dBA</td>
</tr>
<tr>
<td>L90 (Noise levels &lt;75% of time)</td>
<td>61.9 dBA</td>
<td>62.3 dBA</td>
</tr>
<tr>
<td>L90 (Noise levels &lt;50% of time)</td>
<td>57.8 dBA</td>
<td>58.2 dBA</td>
</tr>
<tr>
<td>Lmin (Minimum Noise Level)</td>
<td>53.3 dBA</td>
<td>48.3 dBA</td>
</tr>
<tr>
<td>Average Noise Level</td>
<td>58.9 dBA</td>
<td>53.7 dBA</td>
</tr>
</tbody>
</table>

Source: Bledgett Bylowski Environmental Planning. Measurements were taken in February 22, 2022.

3. Noise Mitigation Measure No. 1. Further, the DEIR fails to explain or provide substantial evidence to support the conclusion that locating construction equipment away from the residential uses will mitigate these significant noise impacts to a level

70 Sierra Club v. County of Fresno (2018) 6 Cal.5th 502 (an EIR must contain facts and analysis, not just bare conclusions and options).
71 DEIR, p. 167.
of no impact, as concluded by the DEIR.\textsuperscript{72} Staging, or placing construction equipment away from sensitive uses does not mitigate noise impacts to those sensitive uses when the construction and heavy equipment is in use and subject the local residential uses to loud engines, horns, demolition and other demolition and construction sounds. Such impacts are further exacerbated by the fact that the Project site is partially demolished and still has concrete and other hardscaping that needs to be demolished in order to proceed with Project construction.\textsuperscript{73}

- **Noise Mitigation Measure No. 2.** This mitigation measure is legally deficient for the same reasons as Noise Mitigation Measure No. 1. This measure requires the Project to use Tier IV construction equipment to reduce noise impacts during demolition, site preparation, and construction activities.\textsuperscript{74} The DEIR states that the use of “one company’s equipment… realized reductions from 87 dBA to 72 dBA.” As stated above, 72 dBA well exceeds the City’s noise standards, therefore the level of significant cannot be “no impact” with the mandated use of Tier IV equipment. Nor does the DEIR provide substantial evidence to support this conclusion.

- **Noise Mitigation Measure No. 3.** This mitigation measure requires the developer to provide contact information to register complaints about construction noise. The mitigation measure does not make clear who will enforce the provisions of the mitigation measure, if anyone will enforce it, and fails to provide substantial evidence that the implementation of such equipment would reduce the impact to “no impact.” At a very minimum, complaints regarding noise, vibration and other nuisance conditions must also be received by South Gate’s Building & Safety Division and must investigate and take corrective action, if necessary, to reduce the impacts as soon as practically possible, but no later than 48-hours after a complaint is submitted. Corrective action may include but is not limited to the issuance of citations, cease and desist orders, penalties, and fines. South Gate shall provide Cudahy with a monthly

\textsuperscript{72} Federation of Hillside & Canyon Ass’ns v. City of Los Angeles (2000) 83 Cal.App.4th 1252, 1260; see also Sierra Watch v. County of Placer (2021) 69 Cal.App.5th 86, 110 (rejecting vague noise measures which did not identify specific mitigation actions or performance standards).

\textsuperscript{73} We further note that the DEIR fails to acknowledge the demolition and demolition activities that will be required at the Project site, despite the fact that that DEIR is replete with photos of the project’s conditions. DEIR, pp. 35-40.

\textsuperscript{74} DEIR. p. 170.
report regarding submitted complaints and actions taken to correct such impacts.

- **Noise Mitigation Measure No. 4.** This mitigation measure requires all roof equipment to be fully enclosed. The DEIR fails to show how the incorporation of this equipment attenuates the sound impacts and likely fails to reduce impacts to a level of “no impact.” Nor is there any enforcement mechanism cited to ensure these measures are actually carried out.

- **Noise Mitigation Measure No. 5.** This mitigation measure would prohibit truck traffic at the north end of the Project site between 7:00 PM and 7:00 AM. Again, this measure fails to demonstrate how implementation attenuates impacts or is enforceable.

### VI. Air Quality Impacts

#### A. Baseline.

The purpose of the Baseline description is to inform the reader of the “description of the physical environmental conditions in the vicinity of the project [as] necessary to provide an understanding of the significant effects of the proposed project and its alternatives. The purpose of this requirement is to give the public and decision makers the most accurate and understandable picture practically possible of the project’s likely near-term and long-term impacts.”

This discussion should include both local and regional perspectives. The Air Quality analysis, in its current form, fails to meet this standard.

As a preliminary matter, it is unclear, but appears that the language under a subheading entitled “Local Air Quality” is intended to describe the baseline conditions. The provided description fails to adequately describe the immediate vicinity, including a description of all of the development and uses immediately surrounding the site. This baseline should include more detailed information regarding the development surrounding the Project site, including the

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75 CEQA Guidelines § 15125(a); see also CEQA Guidelines § 15151 (“An EIR shall be prepared with a sufficient degree of analysis to provide decisionmakers with information which enables them to make a decision which intelligently takes account of environmental consequences”).
developed uses. For example, what type of industrial development is located to the west of the site? Is the site activated? What uses currently exist at the site? This information is critical to inform the reader to understand the impacts and conclusions. These specifics must be called on in the baseline. \(^{76}\) Without knowledge of these specific assumptions, it is impossible to understand the project’s impacts. \(^{77}\)

Additionally, the Baseline description for the Air Quality analysis also appears to provide quite a bit of detail regarding the historical conditions of the site, despite the fact that the previous buildings have been demolished for quite some time, therefore they have no relevance to the CEQA analysis. The inclusion of such historical information is improper under CEQA because it does not provide any informative value and it has the potential to confuse the reader, which is prohibited by CEQA.

B. Impact Analysis.

CEQA requires the analysis of all potentially direct and reasonably foreseeable indirect impacts, as described in further detail below. We further reiterate that the entire analysis fails to meet CEQA’s requirements because it fails to consider and analyze the environmental impacts associated with breweries.

- Impact 3.3.4.1. This requires an analysis of the Project’s potential for resulting in a conflict with or obstruction of implementation of the applicable air quality plan. CEQA also requires the analysis to consider all direct physical changes and reasonably foreseeable indirect physical changes in the environment. \(^{78}\) This includes but is not limited to work construction, related activities including the clearing or grading land and activities involving the issuance of a lease, permit, license, certificate, or other entitlements. The DEIR fails to meet this standard, which needs to analyze both short-term construction impacts and well as long-term operational impacts.

Construction activities, especially at a partially demolished [dirty] site, require

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\(^{77}\) See, CEQA Guidelines § 15151.

\(^{78}\) CEQA Guidelines § 15378.
earthmoving equipment (scrapers, dozers, excavators), concrete mix trucks and concrete pumps, cranes, welders, pavers, rollers, paving equipment, forklifts, semi-trucks, delivery trucks, trenchers generators, and personal vehicles. Construction activities also include hauling and trips by workers that are traveling to and from the Project site. Such information is relevant to understand the assumptions that have been made as a part of the analysis.\(^7^9\) Analysis of construction impacts should describe the activities that are anticipated at the site, the duration of such activities, and other important details such as project phasing.

For operational impacts, based on the nature of an industrial project, operational emissions are typically associated with area sources, mobile sources. Mobile source emissions would result from vehicle miles traveled ("VMT") generated by both heavy-duty trucks, light duty vehicles, and delivery trucks as indicated by the 50 loading bays, 8 high speed roller doors, and 522 parking spaces on the Project site, as well as impacts from idling trucks, diesel generators and the use of heavy duty equipment including but not limited to forklifts and yard trucks. An adequate analysis that is supported by substantial evidence would include the assumptions made and methodologies used.

- **Impact Analysis 3.2.4.2.** This discussion requires an analysis of the Project’s criteria pollutant emissions.\(^8^0\) We note that Impact Analysis describes the “project’s potential for conflicting with existing zoning for agricultural uses, or a Williamson Act Contract.”\(^8^1\) This analysis does not relate to or support the City’s conclusion that the Project would not result in air quality impacts due to a conflict with or obstruction of the implementation of an applicable air quality plan, including SCAQMD’s 2016 Air Quality Management Plan.\(^8^2\) For construction impacts, the DEIR fails to provide any information regarding specifics regarding the sources of air pollutants, which is

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\(^{79}\) *Association of Irritated Residents v. County of Madera* (2003) 107 Cal.App.4th 1383, 1391 (“[T]he failure to include relevant information precludes informed decision making and informed public participation, thereby, thwarting the statutory goals of the EIR process.”)

\(^{80}\) DEIR, p. 76.

\(^{81}\) DEIR, p. 66.

especially critical given the fact that the Project proposes no less than 50 loading docks and 522 parking spaces. In fact, the DEIR provides no specific information related to these mobile source emissions and other project-related emissions. The DEIR also fails to acknowledge the amount of air pollutants that may be released from mobile sources due to idling on the Project site.

➤ **Impact 3.3.4.4.** This impact analyzes potential odors and other emissions that adversely affect others. The DEIR concludes that during construction, the Project may result in some odors but would not result in “substantial pollutant concentrations.” This conclusory statement is not supported by substantial evidence. CEQA requires that a Lead Agency’s findings must be supported by substantial evidence, meaning that there is enough relevant information and reasonable inferences from the information that a fair argument can be made to support a conclusion. Bare conclusions that are not supported by substantial evidence are prohibited by CEQA. More information is required regarding the construction activities and operational activities to support this conclusion, especially given the fact that a building tenant has been identified and the production of beverages on-site may result in emissions or other impacts.

**VII. Transportation**

A. **Prohibition of Level of Service to Determine Transportation Impacts.**

As a preliminary matter, we note that the Transportation analysis appears to analyze impacts based on Level of Service (“LOS”) metrics. As of July 1, 2020, lead agencies are prohibited from using LOS as a metric for determining the potential significance of a project’s transportation impacts and mandates the use of VMT. Despite the DEIR’s recognition of VMT, the DEIR’s analysis only contains an analysis regarding LOS and no analysis or discussion regarding VMT, therefore all of the analysis and conclusions within the DEIR are legally deficient. Information wholly contained in an appendix also fails to meet CEQA’s disclosure requirements.

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83 See, DEIR, p. 78.
84 DEIR, p. 82.
85 CEQA Guidelines § 15384.
86 *Sierra Club v. County of Fresno* (2018) 6 Cal.5th 502 (an EIR must contain facts and analysis, not just bare conclusions and options).
B. Baseline.

The DEIR analysis fails to provide an adequate baseline description of the VMT generated by the Project Site under current conditions. The Project is currently unactive and generates few if any trips. The discussion regarding existing traffic conditions does not provide a baseline of the VMT generated thus, there are no assumptions provided in order to determine whether the Project would result in significant impacts. Nor does the DEIR acknowledge the methodology used to calculate VMT. The failure to provide an adequate baseline description casts a serious question on the reliability of any analyses or conclusions resulting from the EIR’s analysis.

C. Impact Analysis. The DEIR uses trip generation rates for a high cube storage warehouse (ITE Code 157) compared to a conventional warehouse (ITE Code 150). However, this analysis fails to analyze the “whole of the action” which also includes 30,000 square feet of office space, approximately 156,400 square feet or cooler storage space, and a 16,153 square foot truck maintenance facility. The analysis must be revised to consider these considerable components of the Project.

- Impact Analysis 3.16.4.2. The DEIR attempts to conclude that the Project would not inconsistent with CEQA Guidelines § 15064.3(b)(1) because the Project is located within one-half mile of an existing transit stop or a stop along a high quality transit corridor. We note that the analysis is incomplete because it fails to take into consideration state’s Technical Advisory for calculating VMT impacts, which state that this presumption may not be appropriate if the project has a floor area ratio of less than 0.75. The Project has an FAR of 0.38, hence a detailed analysis is

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88 CEQA Guidelines § 15125(a).
89 DEIR, p. 33.
91 DEIR, p. 33.
required to determine whether the Project would exceed VMT thresholds.\textsuperscript{92} Further the proposition that the Project would have a less-than-significant impact on VMT is not supported by substantial evidence. The Project site is currently inactivated and the DEIR does not set forth any evidence that the Project site currently generates \textit{any trips}, much less that the introduction of a major industrial facility and 250-300 employees \textit{would result in a 15 percent decrease in VMT}.\textsuperscript{93} The analysis appears to be completely devoid of any discussion of the high number of heavy duty trucks and delivery vehicles that would be making trips to the Project site, as well as those trucks traveling to the Project site for repairs. The analysis must be revised to conform with state requirements related to VMT and reflect an accurate analysis of the Project’s impacts and incorporate enforceable mitigation measures to address the Project’s impacts, such as a Transportation Demand ("TDM") Plan.

C. Mitigation Measures.

The DEIR contemplates that Cudahy will complete several street improvements along Patata Street as mitigation measures. Specifically, the DEIR calls for:

- Restriping Salt Lake Avenue for the eastbound traffic to provide a shared right-thru-left turn lane and an exclusive right-turn lane.\textsuperscript{94}
- Restriping Patata Street for westbound traffic to provide a shared right-thru turn lane and an exclusive left-turn lane.\textsuperscript{95}
- Extension of the eastbound left turn lane at Atlantic Avenue and Santa Ana Street (Intersection #4).\textsuperscript{96}
- Extension of the westbound left turn lane at Atlantic Avenue and Cecelia Street (Intersection #5).\textsuperscript{97}

We note that the DEIR is internally inconsistent. While the main analysis describes four mitigation measures, the summary provided at page 24 of the DEIR only contains two mitigation measures to restripe Salt Lake Avenue and Patata Street. The implementation of these measures

\textsuperscript{92} OPR Technical Advisory, p. 12.
\textsuperscript{93} DEIR, pp. 198-199.
\textsuperscript{94} DEIR, p. 197.
\textsuperscript{95} DEIR, p. 197.
\textsuperscript{96} DEIR, p. 198.
\textsuperscript{97} DEIR, p. 198.
would be under Cudahy’s jurisdiction, but the DEIR fails to disclose this. As proposed, these measures are unenforceable and fatally flawed. Further, these measures are legally infeasible because they conflict with Cudahy’s General Plan and Municipal Code. As shown in Figure 1 below, many of the parcels abutting Patata Street have a General Plan and Zoning designation as Entertainment. The purpose of the Entertainment designation is an effort to implement a pedestrian-oriented, and the provision of uses such as outdoor dining, mixed-use residential development. To encourage pedestrian movement and minimize vehicular traffic, access to vehicular access and parking must be provided at the rear of the parcels.

Further, these measures are not enforceable because they are merely described as actions that “may be applied” or are “recommended.” These proposed mitigation measures are within the jurisdiction and responsibility of Cudahy, yet the EIR fails to disclose this fact to the reader. CEQA not only requires this disclosure, but also needs to be accompanied by a finding that the City can and should adopt those changes. Pub. Res. Code § 21081(a)(2); CEQA Guidelines § 15091(a)(2). However, the City cannot make this requisite finding. As previously stated, the Project site is only accessible through a Cudahy street and Cudahy has not been consulted regarding this proposed measure and these measures conflict with Cudahy’s long-range planning and zoning.

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98 Cudahy General Plan, p.
100 Id.
101 DEIR, p. 199.
102 DEIR, p. 24.
VIII. Land Use

The DEIR states that Project Objective No. 1 is “[t]o facilitate quality development that is consistent with the goals, policies, and objectives of the City of South Gate General Plan.” DEIR, p. 49. The Project proposes to redevelop a partially demolished, vacant, inactivated lot into approximately 451,593 square feet of new industrial and warehousing uses with a minimum of 50 loading docks and capacity to accommodate another 15 loading docks and a new 16,153 square foot truck maintenance facility. As proposed, the Project is inconsistent with South Gate’s General Plan and requires at least two General Plan amendments in order to be effectuated.

The DEIR analysis and conclusions that purport the Project is consistent with the South Gate General Plan are not supported by substantial evidence.¹⁰³ The Project is inconsistent with several of the General Plan’s goals, objectives, and policies, as set forth in the Community Design Element. Therefore, the DEIR must conclude that the Project results in a significant impact. The conclusions in the DEIR revisions must be supported by substantial evidence. The Project, as proposed conflicts with the following South Gate General Plan policies, goals, and objectives:

- P.3. The City should not greatly expand the amount of land for Manufacturing/Distribution uses. Existing manufacturing and distribution uses may remain in their current locations and configurations and may expand their current operations.¹⁰⁴ The Project proposes to introduce over 451,493 square feet of new industrial uses on a an approximately 27-acre lot which is a large expansion of such uses.

- The DEIR claims the Project is consistent with P.1. “Neighborhoods should be protected from incompatible non-residential uses and disruptive traffic and other noise generating uses to the greatest extent feasible.”¹⁰⁵ The Project will be the source

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¹⁰³ Sierra Club v. County of Fresno (2018) 6 Cal.5th 502 (an EIR must contain facts and analysis, not just bare conclusions and options).
¹⁰⁵ DEIR, p. 152.
of noise, vibration, and lighting that would impact the residential uses to the north. The DEIR’s purported consistency through a simple statement that the “site plan calls for a generous separation between the proposed use and the adjacent homes located to the north” does not provide substantial evidence that the Project is consistent with this Policy. To the contrary – the Project has proposed a 435,000+ square foot industrial building with at least four high-speed roll-up doors facing north that will be subject to semi-trucks entering and exiting the building to the north. In addition, the area between the main building and residential uses would subject to other noises and vibrations resulting from construction and project operations. There is no evidence provided that the Project would screen, mitigate or otherwise protect the local residents from the impacts of this Project.

- The DEIR claims the Project is consistent with General Plan objectives and policies relating to “high quality architecture” and the use of high-quality materials, specifically citing to Objective CD 8.1, P.1, P.3, and P.4.106 However, the DEIR provides no analysis and makes conclusory statements regarding a “modern state-of-the-art” building. This analysis fails to provide any details regarding the specific design features, including setbacks, architectural features, materials used, proposed landscaping and other features, therefore the DEIR’s conclusions are not supported by substantial evidence.

- The DEIR claims the Project is consistent with P.2. “The consideration of mitigation of noise, light, vehicular and other impact on residential properties will be considered when Manufacturing/Distribution or Light Industrial/Flex are proposed.”107 As previously described, the DEIR’s proposed mitigation measures are legally deficient and do not meet CEQA’s standards. Therefore, the Project is inconsistent with this policy.

- The DEIR claims the Project is consistent with P.4. “The City will not permit existing, non-conforming industrial uses to significantly expand their facilities, except

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106 DEIR, p. 152.

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to rectify building code violations and maintain the appearance of the building.” The Project is clearly in violation of this policy, because the Project site is described as vacant and demolished. The development of the Project site into a manufacturing and warehousing facility would result in the 451,593 square feet of new industrial uses.

- The DEIR claims the Project is consistent with P.5. “Industrial uses should be regulated to minimize smoke, pollution, glare, excessive noise and other adverse impact[s] on employees and on adjoining uses.” The DEIR’s blanket statement that “[t]he proposed project’s implementation is consistent with this policy…[and] this EIR both identified potential impacts and address the required mitigation” is not supported by substantial evidence. Nor does it meet CEQA’s requirement for an EIR to contain “a sufficient degree of analysis to provide decisionmakers with information which enables them to make a decision which intelligently takes account of environmental consequences.”

- The DEIR claims the Project is consistent with P.6 “Industrial uses should be adequately fenced and landscaped so as to minimize the potential impact on adjoining uses.” This analysis suffers from the same legal deficiencies as stated for P.5, above.

- The DEIR claims the Project is consistent with P.7 “Truck and employee traffic generated by industrial uses should be restricted to designated truck routes as specified in the Mobility Element of the General Plan.” However, the DIER explicitly states the Project requires a General Plan Amendment “for modification to the Mobility Element to extend the designated truck routes to the project site[.]” Therefore, the Project as proposed, is inconsistent with South Gate’s General Plan resulting in a significant impact. We further note the inconsistency in street classifications between the proposed truck route of Patata Street in South Gate as a Truck Route compared to Patata Street as a Local Street in Cudahy, which is not a

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109 CEQA Guidelines § 15151.
110 DEIR, p. 153.
111 DEIR, p. 48 (emphasis added), see also, p. 152.
112 Cudahy General Plan, p. CE-4.
Truck Route nor intended for heavy-duty traffic.\footnote{113}{The DEIR incorrectly categorizes Patata Street in Cudahy as a Collector Street, but it is actually a Local Street. DEIR, p. 187.}

- The DEIR claims the Project is consistent with P.9 "The City will limit the development of industrial and other uses that use, store, produce or transport toxic substances, generate unacceptable levels of noise or air pollution, or produce other pollutants."\footnote{114}{DEIR, p. 153.} The City’s conclusion is not supported by substantial evidence. As described in more detail in Section V, the Project will result in significant noise impacts. Further, the DEIR fails to cite any feasible mitigation measures that would prohibit the storage, production, or transportation of toxic substances.

**IX. Conclusion**

The DEIR in its current form must be revised to comply with CEQA’s requirements, including the failure to analyze all direct and foreseeable indirect impacts. We renew our request to work collaboratively with South Gate, in good faith as our neighbor, to spur economic development while protecting our existing residents to ensure that the SELA region is not unduly impacted by irresponsible development. At a minimum, in order to comply with CEQA, South Gate must address the comments and issues raised in this letter, revise and recirculate the DEIR.

Sincerely,

CITY OF CUDAHY

\[\text{Signature}\]

Juan Arauz
Community Development Director

Attachments

cc: Alfonso Noyola, City Manager, City of Cudahy
    Honorable Daisy Lomeli, Mayor, City of Cudahy
    Honorable Jose R. Gonzalez, Vice Mayor, City of Cudahy
    Honorable Elizabeth Alcantar, Council Member, City of Cudahy
    Honorable Martin U. Fuentes, Council Member, City of Cudahy
    Honorable Ed. Cynthia Gonzalez, Council Member, City of Cudahy
    Stephanie Arechiga, City Attorney, City of Cudahy
Cecilia Madrigal-Gonzalez, Senior Planner, City of Cudahy
Krystal Markovich, Chairperson, Cudahy Planning Commission
Yessica Alvarez, Vice Chairperson, Cudahy Planning Commission
Richard Corvera-Hernandez, Commissioner, Cudahy Planning Commission
Gustavo Mendez, Commissioner, Cudahy Planning Commission
Honorable Maria del Pilar Avalos, Mayor, City of South Gate
Honorable Gil Hurtado, Vice Mayor, City of South Gate
Honorable Maria Davila, Council Member, City of South Gate
Honorable Al Rios, Council Member, City of South Gate
Honorable Joshua Baron, Council Member, City of South Gate
Jose Delgado, Chairperson, South Gate Planning Commission
Brigida Salinas, Commissioner, South Gate Planning Commission
Jovanna Laborin, Commissioner, South Gate Planning Commission
Jimmy Ozaeta, Commissioner, South Gate Planning Commission
Daisy Prieto, Commissioner, South Gate Planning Commission
Chris Jeffers, City Manager, City of South Gate
Raul Salinas, City Attorney, City of South Gate
Meredith Elguira, Community Development Director, City of South Gate
Timur Tecimer, Overton Moore Properties
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager/Executive Director
Juan Arauz, AICP, Community Development Director
Subject: Authorizing Execution of An Agreement with Cudahy LF, LLC. Involving Real Property at 8221 – 8135 Atlantic Avenue (APNs 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, & 6224-022-904)

RECOMMENDATION

Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Adopt Resolution No. 23-49, authorizing the execution of an agreement between the City and Cudahy LF, LLC. (“Developer”) involving real property at 8221 – 8135 Atlantic Avenue. (APNs 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, and 6224-022-904)

BACKGROUND

On September 25, 1975, the former Redevelopment Agency of the City of Cudahy was organized pursuant to §33000 et seq. of the California Health and Safety Code (the “HSC”). In 1977, the Redevelopment Agency changed its name to the Cudahy Community Development Commission (also known as the “CDC”). Subsequently, the City adopted a redevelopment plan known as the Downtown Project, that was later amended in 1981, 1992, 1993, and 1994. The Downtown Project primarily focused on the Atlantic Avenue corridor and was intended to redevelop blighted sites into economically beneficial uses for City residents and businesses.

The CDC purchased several properties including five parcels located at the northwest corner of Atlantic Avenue and Cecilia Street, collectively referred to “Site 4”. The properties making up Site 4 are listed and shown below.

<table>
<thead>
<tr>
<th>APN</th>
<th>Acquisition Date</th>
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<tr>
<td>6224-022-900</td>
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<td>6224-022-901</td>
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<td>April 1, 2011</td>
</tr>
<tr>
<td>6224-022-904</td>
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</tbody>
</table>
In 2011 and 2012, the State of California enacted bills that dissolved redevelopment agencies statewide and contained procedural requirements on how City’s were to dispose of real property assets. Operating under State requirements, in 2021, the City released a Notice of Availability (NOA) and solicited Request for Proposals (RFP) for the redevelopment of Site 4. At the conclusion of the RFP deadline, three proposals were received and subsequently, the City entered into negotiations with the developer proposing to build the most amount of affordable housing units – Hollywood Community Housing Corporation (HCHC). However, after concluding a minimum 90-day negotiation as required by HCD, the City and HCHC could not come to mutually agreeable terms for the sale and development of the site. In September 2022 the City informed HCHC of the City’s decision to end negotiations. Subsequently, the City sent HCD a request to allow for the disposition of Site 4 on the open market. On March 24, 2023, the City received notice from HCD that it could dispose of the site to the open market pursuant to the State’s Surplus Land Act (SLA) requirements.

DISCUSSION/ANALYSIS

The City has held discussions with Cudahy LF, LLC over the purchase and sale of the site for the development of a card room with gaming tables, a restaurant and bar, an event/entertainment room, and ancillary uses. This development would be subject to all Federal, State, and local processing requirements, including submission of all necessary entitlement applications, environmental assessments, and public hearings. The execution of the requested agreement is not a purchase and sale agreement, but a commitment from the City that if Cudahy LF, LLC completes the schedule of performance, provided as Exhibit C of the agreement, the sale of
the site would ensue.

**STRATEGIC PLAN CORRELATION**

The Project supports the following strategies identified in the City’s Strategic Plan as adopted by the City Council.

**Goal F**

1. Develop the Cudahy brand.
2. Create a sense of place and establish the community’s identity.
3. Use the Cudahy brand to provide visual identity of the City, including signage.
4. Identify methods to connect with community members, including soliciting input on a regular basis.
5. Increase the City’s social media presence.
6. Explore opportunities for efficiency through insourcing and outsourcing.
7. Foster relationship building among residents.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The Project has been environmentally reviewed pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000, et seq (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq), and the City’s Local CEQA Guidelines. Pursuant to CEQA Guidelines 15061(b)(3), the Project is not subject to CEQA because there is no possibility that the execution of the attached agreement may have a significant effect on the environment.

**FINANCIAL IMPACT**

This item does not have any impacts to the City’s General Fund beyond standard staff time.

**ATTACHMENT**

A. Draft Resolution No. 23-49
B. Draft Exclusive Negotiation Agreement
RESOLUTION NO. 23-49


WHEREAS, on September 25, 1975, the former Redevelopment Agency of the City of Cudahy was organized pursuant to §33000 et seq. of the California Health and Safety Code (the “HSC”);

WHEREAS, in 1977, the Redevelopment Agency changed its name to the Cudahy Community Development Commission (also known as the “CDC”);

WHEREAS, the City adopted a redevelopment plan known as the Downtown Project (“Downtown Project”), that primarily focused on the Atlantic Avenue corridor and was intended to redevelop blighted sites into uses economically beneficial to the residents and businesses of the City;

WHEREAS, the CDC purchased several properties including five parcels located at the northwest corner of Atlantic Avenue and Cecilia Street, APN 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, and 6224-022-904, collectively called “Site 4”;

WHEREAS, the City and Cudahy LF, LLC have held discussion over the development of Site 4 involving a card room with gaming tables, a restaurant and bar, a sandwich and snack shop, a gift shop, and an event/entertainment area/room;

WHEREAS, upon execution of the Exclusive Negotiating Agreement (ENA), Cudahy LF, LLC is committed to complete the steps outlined in the schedule of performance, provided as Exhibit C of the ENA;

WHEREAS, upon completion of the schedule of performance of the ENA, attached and incorporated herein as Exhibit C, the City and Cudahy LF, LLC hold discussions over the purchase and sale of Site 4.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. The Cudahy City Council hereby authorizes the execution of the ENA, attached and incorporated herein as Exhibit A.
SECTION 3. The Cudahy City Council authorizes the City Manager or Community Development Director to make minor modifications to the ENA subject to City Attorney review.

SECTION 4. This Resolution shall supersede and take the place of all provisions of all existing Resolutions or orders of the City Council pertaining to the subject matter hereof, all of which, to the extent that they conflict with the Resolution, are hereby repealed.

SECTION 5. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 7th day of November 2023.

Daisy Lomeli
Mayor

ATTEST:

Richard Iglesias
City Clerk
EXHIBIT “A”

EXCLUSIVE NEGOTIATING AGREEMENT
STATE OF CALIFORNIA  )  
COUNTY OF LOS ANGELES  )  SS:  
CITY OF CUDAHY   )  

I, Richard Iglesias, City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 23-49 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 7th day of November 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Richard Iglesias
City Clerk
EXCLUSIVE NEGOTIATING AGREEMENT

PARTIES: CITY OF CUDAHY AND CUDAHY LF, LLC

PROPERTY: LONG RANGE PROPERTY MANAGEMENT PLAN SITE 4

THIS EXCLUSIVE NEGOTIATING AGREEMENT (the "Agreement") is dated as of November 7, 2023 and is entered into by and between Cudahy LF, LLC and its permitted assigns (collectively the "Developer") and the City of Cudahy (the "City"). "Developer and the City are collectively referred to herein as the “Parties.” This Agreement is entered into in light of the facts set forth in the following recital paragraphs:

RECITALS

A. WHEREAS, the Consolidated Oversight Board for Los Angeles County (the “Oversight Board”) authorized the transfer of title of Site 4, which is located approximately at: 8135 South Atlantic Avenue, 8201 South Atlantic Avenue, 4633 Cecilia Street, 4629 Cecilia Street and 8221 South Atlantic Avenue, and with the following Los Angeles County Assessor Parcel Numbers: 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903 and 6224-022-904 and such real property is more specifically described in Exhibit “A” (the “Property” or “Site 4”) from the Successor Agency to the former Cudahy Community Development Commission (the “Successor Agency”) to the City by quitclaim deed pursuant to Oversight Board Resolution No. OB-2020-04 dated November 9, 2020; and

B. WHEREAS, City Council authorized the acceptance of such transfer of Site 4 at its meeting of November 17, 2020, pursuant to the terms of the quitclaim deed, including, but not limited to its Section 5; and

C. WHEREAS, The State Department of Finance (the “DOF”) determined, by letter dated December 17, 2020, that the disposition of land contemplated in Oversight Board Resolution No. OB-2020-04 requires no action on the part of DOF given the land transfer’s consistency with the Successor Agency’s approved Long-Range Property Management Plan (“LRPMP”); and

D. WHEREAS, consistent with the Oversight Board and DOF direction the Property was conveyed from the Successor Agency to the City; and

E. WHEREAS, the disposition of this Property is subject to the Surplus Land Act (Govt Code Section 54220 et seq.); and

F. WHEREAS, City declared the land surplus on October 5, 2021 and issued a Notice of Availability on October 21, 2021; and

G. WHEREAS, the City completed the Surplus Land Act process and received approval of the process on March 24, 2023; and

H. WHEREAS, pursuant to the provisions of the Surplus Land Act, the parties acknowledge that the City will be recording a covenant against the Property which, if ten or more units are developed on the Property, 15% of the units will be made available to lower income households as required by the Surplus Land Act, Government Code Section 54233.5; and
I. WHEREAS, Developer and its officers and members have recent and relevant experience developing and managing safe card rooms each with an ample number of gaming tables, a restaurant and bar, a sandwich and snack shop, a gift shop, and an event/entertainment venue in California; and

J. WHEREAS, Developer has submitted a written proposal (the “Developer Proposal”) to the City to acquire Site 4 from the City; and

K. WHEREAS, the Developer Proposal (attached hereto as Exhibit “B”) sets forth certain general terms on which the Developer is prepared to acquire Site 4 from the City and thereafter, use and improve Site 4 for a Cudahy cardroom to house an ample number of gaming tables, a restaurant and bar, a sandwich and snack shop, a gift shop and an event/entertainment area/room, all safeguarded by a team of competent security personnel system inside and outside the premises (the “Project”); and

L. WHEREAS, the Parties desire to enter into this Exclusive Negotiation Agreement to set forth a defined period for the Parties to consider the sale and development of the proposed Project.


1. Incorporation of Recitals. The Recitals set forth above are true and correct and are incorporated into this Agreement, in their entirety, by this reference.

2. Effective Date and Negotiation of PSA.

(a) The rights and duties of the City and the Developer established by this Agreement shall commence on the date on which all of the following have occurred (the “Effective Date”): (1) execution of this Agreement by the authorized representative(s) of the Developer and delivery of such executed Agreement to the City, (2) payment of the Initial Deposit to the City by the Developer, in accordance with Section 8, and (3) approval of this Agreement by the City Council and execution of this Agreement by the authorized representative of the City.

(b) Subject to the terms and conditions of this Agreement, during the Negotiation Period (defined in Section 4), Developer and the City shall proceed in good faith to undertake discussion, evaluations, negotiation and documentation of the potential terms of a Purchase and Sale Agreement or Disposition and Development Agreement (collectively “PSA”) for Site 4 which is mutually satisfactory to the Parties. During the Negotiation Period, Developer and the City shall reasonably assist and cooperate with each other and supply such documents and information as may be reasonably requested by the other in writing to facilitate the conduct of such negotiations. As the term is used in the preceding sentence and elsewhere in this Agreement, the words “assist and cooperate” when applied to the City mean and refer to the provision of information, reports or documents to Developer with respect to Site 4 which are already in the possession of the City or such new information, reports or documents relating to Site 4 and this Agreement which do not require the City to incur any third party cost or expense which may not be reimbursed to the City upon the proposed disposition of Site 4 to the Developer under the terms of a future PSA. During the Negotiation Period both Developer and the City shall exercise reasonable efforts to conduct and complete discussions relating to the preparation of terms and conditions of the PSA as may be mutually acceptable to the Developer and the City in
the sole and absolute discretion reserved to each of them. The exact terms and conditions of the PSA, if any, shall be determined during the course of these negotiations. Nothing in this Agreement shall be interpreted or construed to be a representation or agreement by either the Developer or the City, that a mutually acceptable PSA will be produced from negotiations under this Agreement either before or after the Effective Date. Nothing in this Agreement shall impose any obligation on either Party to agree to the approval and execution or be bound by a definitive PSA in the future.

3. **Developer Acknowledgments.**

   (a) This Agreement shall not be deemed to be an obligation of either Party to enter into a PSA for Site 4.

   (b) Developer acknowledges and agrees that: (1) under this Agreement, the City does not commit itself or agree to enter into a PSA or undertake any other exchange, sale, lease or other transfer of Site 4 to Developer; (2) no provision of this Agreement shall be deemed to be an offer by the City, nor an acceptance by the City of any offer or proposal from Developer, for the City to convey any estate or interest in the Site 4 to Developer; (3) Developer has not acquired, nor shall the Developer acquire, by virtue of any term of this Agreement, any legal or equitable interest in real or personal property from the City; (4) further efforts by either Party to perform due diligence, arrange or obtain financing, or carry out other acts in contemplation of the possible acquisition, transfer of Site 4 or the development of Project shall not be deemed evidence of intent by either Party to be bound by any term, condition, covenant, restriction or agreement relating to acquisition, transfer or development of Site 4 or the Project.

   (c) The Developer further acknowledges and agrees that no provision of this Agreement shall be interpreted or construed to be a guaranty, warranty, representation or assurance by the City that any public agency or other entity shall give any discretionary approval or provide any development financial assistance with respect to the Project on such terms which may be acceptable to the Developer or otherwise.

4. **Negotiation Period.**

   (a) The Negotiation Period shall begin on the date when this Agreement has become effective pursuant to Section 2 above.

   (b) The Negotiation Period shall commence on the Effective Date and shall continue for Two Hundred Seventy (270) consecutive days unless otherwise terminated as provided herein ("Negotiation Period").

   (c) After the Effective Date this Agreement may be terminated without cause or liability by either Party upon fifteen (15) days’ notice written notice or as provided in Section 15 or Section 16 as applicable.

   (d) If the rights and duties of the Parties which arise under this Agreement have not been expressly merged into a PSA within two hundred seventy (270) days of approval of this Agreement by the City Council, for any reason, then in such an event, this Agreement shall terminate without further notice whereupon neither Party shall have any further rights, obligations, or liabilities to the other under this Agreement except with respect to obligations which expressly survive termination of this Agreement.
5. **Extension of Negotiation Period.** The City Manager or Community Development Director may issue up to two (2) ninety (90) day extensions to the Negotiation Period upon written request from the Developer. Any additional extensions shall require City Council action.

6. **PSA General Provisions.**

(a) **General Terms and Conditions.** The Parties anticipate that the PSA shall include provisions addressing the following described subjects:

6.a.1 **Site 4 Acquisition and Ownership by the Developer Control.** The specific terms on which Site 4 shall be acquired from the City by Developer or Developer's permitted assignee shall be set forth in the PSA as mutually agreed to by the Parties. The City retains its sole and absolute discretion to approve, disapprove or impose conditions on the final form of the PSA. Developer retains the right to reject any such conditions. In such case as the Developer rejects the conditions imposed in the PSA by the City, then either Party may terminate this ENA without liability. The words “Developer's permitted assignee” shall refer to the provisions of the PSA as set forth at Section 6.a.4, below.

6.a.2 **Disposition of Property.** The disposition of Site 4 to the Developer under the PSA shall be completed not later than 90-days from the completion of the Schedule of Performance, Exhibit C of this Agreement.

6.a.3 **Scope of Development.** The Project is anticipated to include: Cudahy card room to house an ample number of gaming tables, a restaurant and bar, a sandwich and snack shop, a gift shop and an event/entertainment area/room, all safeguarded by a team of competent security personnel system inside and outside the premises as per City of Cudahy permits, pursuant to applicable, recorded conditions, covenants and restrictions reasonably acceptable to the Parties and each of the other Responsible Agencies, as applicable.

6.a.4 **Developer Permitted Assignee.** Pursuant to Section 14 and Section 19(e), City shall not unreasonably withhold approval of the assignments of the interests and rights under this Agreement to an affiliate of the Developer if requested by the Developer in a signed writing.

6.a.5 **Other.** Such other matters as the Developer and the City may mutually agree.

(b) **Developer Compliance with Laws with Respect to Project.** Under the terms of the PSA, the Developer shall comply with the requirements of all applicable City ordinances, resolutions and development entitlement approvals for the planning, design, construction and operation of the Project publicly available.

7. **Costs and Expenses.** All fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to Site 4 or the Project or negotiation or documentation of a future PSA that may be undertaken by Developer during the Negotiation Period regarding any matter relating to this Agreement, a future PSA for Site 4 or the Project, shall be the sole responsibility of and shall be undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of or in reliance upon the City except as may hereafter be set forth in the PSA. Developer shall also pay all fees, charges and costs, make all deposits and provide all bonds or
other security associated with the submission to and processing by the City or any other governmental agency of any and all applications and other documents and information to be submitted to the City or such other governmental agency by Developer either pursuant to this Agreement or otherwise associated with the Project or Site 4.

8. Deposit.

(a) Prior to the Effective Date, the Developer shall pay to the City a deposit in the amount of Twenty Five Thousand Dollars ($25,000) in immediately available funds (“Initial Deposit”) to ensure that the Developer will proceed diligently and in good faith to fulfill its obligations under this Agreement, as part of the consideration for the City’s agreement not to negotiate with other persons during the Negotiation Period, and to defray certain costs of the City in pursuing the contemplated negotiations with the Developer during the Negotiation Period, including staff time, consultant fees and attorney fees associated with review and implementation of this Agreement or preparing the PSA, all of which shall be charged against the Initial Deposit. If at any time the Initial Deposit falls below Five Thousand Dollars ($5,000) Developer shall make an additional deposit of Ten Thousand Dollars ($10,000) if requested by the City. Any funds remaining in the Initial Deposit at the termination of this Agreement shall either be returned to the Developer or applied toward the purchase price of the Property at the Developer’s discretion. The Initial Deposit shall be in addition to those fees and expenses required by the City of Developer for any permit, other required entitlement or Project processing.

(b) Upon each extension of the Negotiation Period, if any, the Developer shall deposit an additional Ten Thousand Dollars ($10,000) in immediately available funds with the City on the first day of any extension of the Negotiation Period (each, an “Extension Deposit”). Each Extension Deposit is intended to ensure that the Developer will proceed diligently and in good faith to fulfill its obligations under this Agreement during any extension of the Negotiation Period, as part of the consideration for the City’s agreement not to negotiate with other persons during any such extension of the Negotiation Period, and to defray certain costs of the City in pursuing the contemplated negotiations with the Developer during any such extension of the Negotiation Period, pursuant to this Agreement.

9. No City Approval. Nothing in this Agreement, nor any comments provided by the City or City staff, nor any failure of City staff to provide comments to any submission by the Developer pursuant to this Agreement shall: (1) modify or replace any land use entitlement process of the City applicable to the Project, (2) limit the police power land use jurisdiction of the City as relates to Site 4 or the Project, (3) constitute an approval of all or any portion of the Project by the City pursuant to the police power land use jurisdiction of the City; or (4) constitute any approval of all or any portion of a future PSA by the City.

10. City Due Diligence. The City reserves the right to reasonably obtain further information, data, and commitments to ascertain the ability and capacity of Developer to complete its acquisition of Site 4 from the City and develop the Project. Developer acknowledges that it may be requested to make certain reasonable financial disclosures to the City, the City staff, legal counsel or other consultants, as part of the financial due diligence investigations of the City relating to the potential sale of Site 4 and development of the Project Site 4 by Developer and that any such disclosures by the Developer to the City, may become public records. The City shall maintain the confidentiality of financial information of Developer to the extent allowed by law. If the City Attorney determines that any records provided by Developer are required by law to be disclosed pursuant to the California Public Records Act (Gov't Code Section 6254 et. seq.), the
City shall provide Developer notice four (4) business days prior to the release of said records so Developer may seek appropriate judicial relief.

11. **Developer Due Diligence.** Subject to the assistance and cooperation of the City, during the Negotiation Period, Developer reserves the right to request and reasonably obtain all necessary and non-privileged information and data as it relates to Site 4 from the City as the Developer may deem to be appropriate.

12. **Developer Indemnity.** Developer shall indemnify, defend and hold harmless the City and its elected and appointed officials, officers, agents and employees; the Successor Agency and its elected and appointed officials, officers, agents and employees, and the County Oversight Board (individually or collectively, an ("**Indemnified Party**") against any and all losses arising out of any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, arising through activities of the Developer with respect to Site 4, or Developer’s contractors or employees which may also be brought or asserted against any Indemnified Party that relates to or arises out of: (i) property damage or bodily injury or death of any person in connection with this Agreement; (ii) entry upon Site 4 by Developer, its contractors or employees; (iii) any other inspection of Site 4 by Developer, its contractors or employees; (iv) any violation of applicable law including but not limited to the Surplus Land Act (Gov. Code § 54220 et. seq) in connection with sale of Site 4 or the project contemplated under this Agreement or (v) the preparation of any report or plan commissioned by Developer. No Indemnified Party shall be entitled to indemnification under this Section 12 (i), (ii), (iii) and (v) arising from a matter caused by such Indemnified Party’s gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which Developer is obligated to indemnify, defend or hold harmless the Indemnified Party, and upon written notice from such Indemnified Party, Developer shall, at Developer’s sole expense, answer and otherwise defend such action or proceeding. The provisions of this Section 12 shall survive the expiration or termination of this Agreement.

13. **Right of Entry and Developer Insurance.**

(a) Without limiting Developer’s indemnification obligations as set forth in this Agreement, Developer, prior to any entry on the Property by Developer or its employees, agents, representatives, consultants, or contractors, Developer shall seek a right of entry agreement from the City and shall procure and maintain, at its sole cost and expense, for the period of such entry, the following policies of insurance:

13.a.1 Commercial General Liability insurance written on a per occurrence basis in an amount not less than $1,000,000 per occurrence.

13.a.2 Business Auto Coverage written on a per accident basis in an amount not less than $1,000,000 per accident. If Developer or Developer’s employees use personal autos in connection with the performance of work under this Agreement, Developer shall provide evidence of personal auto liability coverage for each such person.

13.a.3 If applicable, Worker’s Compensation insurance providing statutory benefits as required by California law.

(b) All of the insurance policies required hereunder, except the worker’s compensation insurance, shall comply with the following requirements:
13.b.1 All insurance shall be written by insurers that are admitted and licensed to do business in the State of California and with A.M. Bests rating of A- or better and a minimum financial size VII.

13.b.2 The policies shall be endorsed to name the City and its officers, officials, members, employees, and agents as additional insureds.

13.b.3 All of Developer's insurance: (a) shall contain no special limitations on the scope of protection afforded to the additional insureds; and (b) shall be primary insurance and any insurance or self-insurance maintained by the additional insureds or any of them shall be in excess of Developer's insurance and shall not contribute with it.

13.b.4 The policies shall be “occurrence” rather than “claims made” insurance.

13.b.5 The policies shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

13.b.6 The policies shall prohibit Developer from waiving the right of subrogation prior to a loss.

13.b.7 The policies shall not contain any provision or definition that would serve to eliminate so-called “third party action over” claims, including any exclusion for bodily injury to an employee of the insured.

(c) Prior to any entry onto the Property by Developer or its employees, agents, representatives, consultants, or contractors, Developer shall provide the City Manager with Certificates of Insurance evidencing the above insurance coverages and said Certificates of Insurance have been reasonably approved by City. In the event any of said policies of insurance are reduced in limits or cancelled for any reason, Developer shall, prior to the cancellation date, submit new evidence of insurance, in conformance with this Section 13.

(d) The provisions of any workers’ compensation or similar act shall not limit the obligations of Developer under this Agreement. Developer expressly agrees not to use any statutory immunity defenses under such laws with respect to City or its officers, officials, members, employees, agents, representatives, or volunteers acting in an official capacity.

(e) Developer agrees to provide immediate notice to City of any claim or loss against Developer arising out of any acts or omissions of Developer under this Agreement. City assumes no obligation or liability by such notice, but has the right to monitor the handling of any such claim or claims if they are likely to involve the City or any officer, official, member, employee, agent, or representative of City acting in an official capacity.

14. Restrictions Against Change in Ownership, Management or Control of Developer; Assignment of Agreement During the Negotiation Period. The City and Developer acknowledge and agree that the City is entering into this Agreement with Developer on the basis of the particular experience, financial capacity, skills and capabilities of Developer. This Agreement is personal to Developer and is not assignable without the prior written consent of the City, which may be given, withheld or conditioned in City’s sole and absolute discretion; provided however that the PSA may contain provisions reasonably satisfactory to the City which permit assignment of the Developer interest in the PSA to an affiliate of Developer prior to the completion of the disposition of Site 4 pursuant to the PSA. For the purposes of this Agreement, the term “affiliate” means any
person or entity, directly or indirectly, controlling or controlled by or under common control with Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise.

15. Developer Events of Default and City Remedies.

(a) Developer Events of Default. The occurrence of any of the following shall constitute an “Event of Default” on the part of Developer under this Agreement:

15.a.1 Schedule of Performance. Failure of Developer to meet a performance milestone by the applicable date contained in the Schedule of Performance of this Agreement (Exhibit C), if such failure is not cured within ten (10) days after written notice from the City of such failure.

15.a.2 Misrepresentation. Any material breach of any representation or warranty made by Developer in this Agreement that is not cured within ten (10) days after receipt of written notice from the City to Developer of such breach.

15.a.3 Unauthorized Assignment. Any assignment or attempted assignment by Developer in violation of Section 14 that is not cured within ten (10) days after written receipt of notice from the City to Developer of such breach.

15.a.4 Insurance. Failure of Developer to procure or maintain any of the insurance coverage required by this Agreement resulting in a lapse in required insurance coverage which lapse is not cured within ten (10) days after receipt of written notice from the City to Developer of such breach.

15.a.5 Other Developer Defaults. Failure by the Developer to comply with any other provision of this Agreement that is not cured within fifteen (15) days after written notice from the City to the Developer of such breach.

(b) Time to Cure Default. Notwithstanding the above, Developer shall be given a reasonable period of additional time to cure any of the above defaults, if Developer takes appropriate action upon receipt of notice and diligently proceeds to cure the same and the Default could not be cured during the time periods provided in 15a.

(c) City Remedies. If there is an Event of a Default by Developer, the City may, in the sole and absolute discretion of the City, terminate this Agreement by delivering written notice of termination to Developer which references Section 15(b) of this Agreement. Upon any such termination, neither Party shall have any further rights or obligations to the other under this Agreement, except obligations that expressly survive termination of this Agreement. The City hereby waives any remedy of specific performance following an Event of Default by Developer arising under this Agreement. The sole and exclusive remedy for the occurrence of an Event of Default by Developer shall be the termination of this Agreement. In the event of such termination neither Party shall have any further right or obligation under this Agreement except as to the Developers indemnity obligations which may arise under Section 12.

16. City Events of Default and Developer Remedies

(a) City Events of Default. The occurrence of any of the following shall constitute an “Event of Default” on the part of the City under this Agreement.
16.a.1 Negotiation of Disposition of Site 4 With Other Parties. The City will be in Default under this Agreement if it begins to engage in land disposition negotiations concerning Site 4 with any party other than Developer before the termination of this Agreement and such breach is not corrected by the City within ten (10) days after written notice from the Developer of such breach. Notwithstanding the foregoing, City shall not be in Default under this Agreement for any action taken or related to City’s compliance with the Surplus Land Act.

16.a.2 Other City Default. Failure by the City to comply with any other provision of this Agreement which is not corrected within fifteen (15) days after written notice from Developer to the City of such breach.

(b) Developer’s Remedies. If there is an Event of a Default by the City, Developer may, in the sole and absolute discretion of Developer terminate this Agreement by delivering written notice of termination to City which references this Section 16(b) of this Agreement. Developer hereby waives any remedy of specific performance following an Event of Default by the City. Upon any such termination, neither Party shall have any further rights or obligations to the other under this Agreement, except obligations that expressly survive termination of this Agreement. The sole and exclusive remedy for the occurrence of an Event of Default by the City shall be the termination of this Agreement. In the event of such termination neither Party shall have any further right or obligation under this Agreement except as to the Developer’s indemnity obligations which may arise under Section 12. Notwithstanding the foregoing, the Developer’s recovery of damages against the City under this Agreement shall be limited to recovering any amounts actually expended by the Developer in reasonable reliance on this Agreement not to exceed the amount of TWO HUNDRED AND FIFTY THOUSAND DOLLARS ($250,000.00). The Developer acknowledges the protections of Civil Code Section 1542 relative to the waivers and releases contained in this Agreement which Civil Code Section reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

By initialing below Developer waives the provisions of Section 1542 in connection with the waivers and releases in this Paragraph.

__________________
Developer’s initials

17. Developer Representations and Warranties. Developer represents, warrants, and covenants to and for the benefit of the City that, as of the Effective Date and at all times during the Negotiation Period, as follows:

(a) Valid Existence; Good Standing; Joint Venture Relationships. Developer is a limited liability company duly organized and validly existing under the laws of the State of California. Developer has all requisite power and authority to acquire Site 4 from the City and
conduct its business as presently conducted. Developer has made all filings and are in good standing in the jurisdiction of the State of California.

(b) Authority. Developer has all requisite power and authority to enter into and perform this Agreement.

(c) No Limitation on Ability to Perform. Neither Developer’s articles of organization nor any other organizational document regarding Developer in any way prohibits, limits or otherwise affects the right or power of Developer to enter into or perform this Agreement. Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument that could prohibit, limit or otherwise affect Developer’s entry into or performance of this Agreement. To the best of Developer’s knowledge, no consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery or performance by Developer of this Agreement or any of the terms or covenants contained in this Agreement. There is no pending or threatened suit or proceeding or undischarged judgment affecting Developer before any court, governmental agency, or arbitrator that might materially adversely affect the enforceability of this Agreement, the ability of Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of Developer.

(d) Valid Execution. The execution and delivery of this Agreement by Developer has been duly and validly authorized by all necessary action of Developer and others. This Agreement will be a legal, valid, and binding obligation of Developer, enforceable against Developer in accordance with its terms.

18. Notices. A notice or communication under this Agreement by either Party to the other shall be sufficiently given or delivered, if in writing and personally delivered to the other Party or delivered to the other Party by messenger, overnight commercial business mail or if delivered by email and confirmed by the delivery of U.S. First Class Mail with return receipt requested to the appropriate Party at its address as follows:

In the case of a notice or communication to the City:

City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201
Email: anoyola@cityofcudahyca.gov

With a copy to:

Olivarez Madruga Lemieux O'Neill, LLP
500 S Grand Ave., 12th floor
Los Angeles, CA 90071
Email: sarechiga@omlolaw.com

And in the case of a notice or communication sent to Developer:

Cudahy LF, LLC
C/O: Fabio Pinto, CEO
2029 Century Park East, Suite 4200N
Los Angeles, California 90067
Any mailing address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) business days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if such notice is given by email and confirmed by U.S. First Class Mail, on the date when the confirming mailed notice is deposited by the Party giving such email notice into U.S. First Class Mail.


(a) **Amendments.** This Agreement may be amended or modified only by a written instrument signed by both City and Developer.

(b) **Severability.** If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the Parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the Parties to this Agreement. However, if such amendment, modification or suspension would deprive the Developer or the City of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected Party may terminate this Agreement upon fifteen (15) days written notice to the other Party. In the event of such termination, neither Party shall have any further right or obligation under this Agreement except as otherwise provided herein.

(c) **Non-Waiver.** No waiver made by either Party with respect to the performance, or manner or time of performance, or any obligation of the other Party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other Party or condition to its own obligation beyond those expressly waived, to the extent of such waiver, or a waiver in any respect in regard to any other rights of the Party making the waiver or any other obligations of the other Party.

(d) **Non-Liability.** No member, official, agent or employee of the City will be personally liable to Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an Event of Default by the City. No director, officer, agent or employee of Developer will be personally liable to the City in an Event of Default by Developer.
(e) **Successors and Assigns; Third Party Beneficiary.** This Agreement shall inure to the benefit of and bind the respective successors and assigns of the City and the Developer, subject to the limitations on assignment by Developer set forth in Section 14. This Agreement is for the exclusive benefit of the Parties to this Agreement and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person except as the indemnity obligation of the Developer to the Indemnified Parties as set forth in Section 12.

(f) **Governing Law.** The City and Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City of Cudahy, California. The City and the Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the substantive and procedural laws of the State of California, without application of conflicts or choice of laws principles.

(g) **Entire Agreement.** This Agreement (including the attachments and exhibits) contains all of the representations of and the entire agreement between the Parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the signed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

(h) **Time of the Essence.** Time is of the essence with respect to each provision of this Agreement.

(i) **Counterparts.** This Agreement may be signed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

(j) **Approvals and Consents.** (a) Excluding amendments to this Agreement which shall require the separate approval of the governing bodies of each Party, unless this Agreement otherwise expressly provides or unless applicable law requires otherwise, all approvals, consents or determinations to be made by or on behalf of the City during the Negotiation Period under this Agreement shall be made by the City Manager, Alfonso Noyola (anoyola@cityofcudahyca.gov), and Juan Arauz, the Community Development Director (jarauz@cityofcudahyca.gov). The City Manager and Community Development Director may refer such requested consent or determination to the City Council for approval by the City of any such matters. In the case of the Developer all approvals, consents or determinations to be made by or on behalf of the Developer during the Negotiation Period shall be made by Fabio Pinto (FPinto@lfp.com) ("Developer Representative") or such other employee or agent of Developer as Developer may designate by written notice to the City to act as Developer Representative for a particular matter. Unless otherwise provided in this Agreement, whenever approval, consent or satisfaction is required of a Party pursuant to this Agreement, it shall not be unreasonably withheld, conditioned or delayed and any reasons for disapproval shall be stated in reasonable detail in writing. Such approval by Developer or City of any act or request by the other shall not be deemed to waive or render unnecessary approval of any similar or subsequent acts or requests.

(k) **Relationship of the Parties.** No real estate broker commission or other real property finder’s fee shall be payable by either Party to any person in connection with the approval
of this Agreement by the City. Each Party shall have a duty to indemnify defend and hold the other
Party harmless from any claim.

(l) The subject of this Agreement is a matter which is solely between Developer and the City as relates to Site 4. No Responsible Agency is a party to this Agreement. None of the provisions in this Agreement shall be deemed to render City a partner in Developer’s business, or joint venturer or member in any joint enterprise with Developer.

(m) Survival of Indemnity Obligations. Notwithstanding anything to the contrary in this Agreement, each indemnity obligation under this Agreement shall survive expiration or termination of this Agreement.

(n) Non-Discrimination. Developer covenants by and for itself and its successors or assigns, and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the following conditions:

19.n.1 There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (l) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of Site 4.

19.n.2 Developer for itself and any Permitted Assignee shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, subtenants, sublessees, or vendees in Site 4.

20. Payment of Previous Obligations

(a) The Parties have previously negotiated regarding the sale and development of Site 4. During the course of that previous negotiation the Parties entered into a Project Study Agreement, dated October 1, 2015 for reference purposes only, which provided for the payment of certain expenses and costs incurred by the City during the review of the proposed development of the Site during the period of November 2015 through December 2016 (“Previous Obligations”). That project did not proceed and certain Previous Obligations were not paid by Developer at the time. The Parties have resolved all disputes related to the payment of those Previous Obligations.

(b) General Release and Waiver. Except as to such rights or claims as may be created by this Agreement, the Parties, and each of them, on behalf of themselves, and their heirs, assigns, and past, present and future officers, directors, employees, owners, shareholders, partners, principals, predecessors, successors, parents, subsidiaries, entities and insurers, hereby release, remise, and forever discharge the other Party and Party’s past, present, future and former officers, directors, employees, owners, shareholders, partners, principals, predecessors, parents, subsidiaries, entities, attorneys, city council members, city managers, assignees/assignors and insurers from any and all claims arising out of and/or related to the Payment of Previous Obligations and the Project Study Agreement dated October 1, 2015, and any and all manner of losses, claims, demands, judgments, damages, penalties, fines, liabilities, costs, attorneys’ fees, disbursements, investigation of any claims or defenses of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, known or unknown, and causes of action of any kind or description whatsoever (“Claims”) that did or did
not exist from the beginning of time through the date of execution of this Agreement and including Claims which may hereafter arise in the future, whether direct or indirect, at law, or in equity, or in tort or contract, and whether arising under any federal or state statute or under the common law which the Parties or any of them, are or may become entitled to allege either personally, representatively or derivatively on behalf of any other person including, but not limited to, those arising out of, touch upon, or relate to any and all Claims and causes of action including, but not limited to, aiding and abetting, intentional or negligent misrepresentation, intentional or negligent interference with contractual relations, intentional or negligent interference with economic advantage, breach of contract, intentional or negligent infliction of emotional distress, defamation, false light, abuse of process and malicious prosecution or any other proceeding.

(c) Release of Unknown Claims. California Civil Code §1542 provides that:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

________________   ____________________
Developer Initials    City Initials

(d) The Parties, and each of them, hereby waive any and all rights and benefits they may have under California Civil Code, section 1542. In connection with this waiver, the Parties, and each of them, acknowledge that they have been advised by their legal counsel, that they are aware of California Civil Code section 1542, and that they are aware that they may hereafter discover Claims presently unknown or unsuspected or facts in addition to or different from those they now know or believe to be true, but still wish to waive their rights under California Civil Code Section 1542.

[remainder of page intentionally left blank]
IN WITNESS WHEREOF, Developer and the City have signed and entered into this Agreement by and through the signatures of their respective authorized representative(s), as follow:

CITY OF CUDAHY,
a public body, corporate and politic

By: ____________________________

Date: ____________________________

Approved as to form:

By: ____________________________

Stephanie Arechiga

Date: ____________________________

DEVELOPER
Cudahy LF, LLC

By: ____________________________

Its: President / CEO

Date: ____________________________
EXHIBIT “A”
TO
EXCLUSIVE NEGOTIATING AGREEMENT

Legal Description of Site 4

[Attached behind this cover page]
LEGAL DESCRIPTION
SITE 4

ASSESSOR PARCEL No. 6224-022-900, 6224-022-901, 6224-022-902, 6224-022-903, and 6224-022-904

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

PARCEL A:

THAT PORTION OF LOTS 3 AND 4 IN BLOCK "P" OF TRACT NO. 349, IN THE CITY OF CUDAHY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 194 AND 195 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT 4, DISTANT NORTH 15°50' WEST THEREON 100 FEET FROM THE SOUTHEASTERLY CORNER THEREOF; THENCE NORTH 15°50' WEST ALONG THE EASTERLY LINES OF SAID LOTS 3 AND 4, A DISTANCE OF 111.31 FEET, MORE OR LESS, TO A POINT THAT IS DISTANT 15°50' EAST 126.97 FEET FROM THE NORTHEASTERLY CORNER OF SAID LOT 3; THENCE NORTH 82°52' WEST, PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 3, TO A POINT IN A LINE THAT IS PARALLEL WITH THE WESTERLY LINES OF SAID LOTS 3 AND 4, AND BEARING NORTH 7°12'20" EAST 194.56 FEET FROM A POINT IN THE SOUTHERLY LINE OF SAID LOT 4, THAT IS DISTANT EASTERNLY THEREON 222.28 FEET FROM THE SOUTHWESTERLY CORNER THEREOF; THENCE SOUTH 7°12'20" WEST ALONG SAID LAST MENTIONED PARALLEL LINE TO A POINT IN A LINE THAT IS PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 4 AND PASSING THROUGH THE POINT OF BEGINNING; THENCE SOUTH 82°52' EAST ALONG SAID LAST MENTIONED PARALLEL LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF THE ABOVE PARCEL LYING WITHIN THE FOLLOWING DESCRIBED LAND:

THOSE PORTIONS OF LOTS 3 AND 4 IN BLOCK 'P' OF TRACT NO. 349, IN THE CITY OF CUDAHY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 194 AND 195 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT NO. 4 IN BLOCK 'P' OF SAID TRACT NO. 349, AS PER MAP RECORDED IN BOOK 14 PAGES 194 AND 195 OF MAPS, IN SAID RECORDER'S OFFICE; THENCE ALONG THE SOUTH LINE OF SAID LOT 4, SAID SOUTH LINE ALSO BEING THE NORTH LINE OF CECILIA STREET, 50 FEET IN WIDTH, AS SHOWN ON SAID MAP OF TRACT NO. 349, N82°52'00"W 338.01 FEET TO A POINT ON SAID SOUTH LINE LYING N82°52'00"E 222.28 FEET EASTERNLY THEREON FROM THE SOUTHWEST CORNER OF SAID LOT 4, SAID POINT BEING DESCRIBED AS POINT 'A' FOR PURPOSES OF THIS LEGAL DESCRIPTION; THENCE CONTINUING ALONG SAID SOUTH LINE N82°52'00"W 40.00 FEET; THENCE LEAVING SAID LINE AND STREET ON A LINE PARALLEL WITH THE WEST LINE OF SAID LOT 4 AND OF SAID LOT 3, N7°12'20"E 194.56 FEET TO A POINT ON THE SOUTH LINE OF LAND DESCRIBED PER GRANT DEED RECORDED DECEMBER 31, 1986 AS INSTRUMENT NO. 86-1852515 OF OFFICIAL RECORDS OF LOS ANGELES COUNTY, IN SAID RECORDER'S OFFICE, SAID LINE BEING PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 3 AND PASSING THROUGH A POINT ON THE EAST LINE OF SAID LOT 3 LYING THEREON S15°50'00"E 126.97 FEET FROM THE NORTHWEST CORNER OF SAID LOT 3; THENCE ALONG SAID PARALLEL LINE S82°52'00"E 40.00 FEET TO A LINE PARALLEL WITH SAID WEST LINE OF SAID LOTS 3 AND 4 THAT PASSES THROUGH HEREIN DESCRIBED POINT 'A', SAID PARALLEL LINE ALSO BEING THE WEST LINE OF LAND DESCRIBED AS PARCEL 'A' IN QUITCLAIM DEED RECORDED JUNE 16, 2006 AS INSTRUMENT NO. 06-1331347 OF SAID OFFICIAL RECORDS; THENCE ALONG SAID PARALLEL LINE AND SAID WEST LINE OF LAST MENTIONED DEED
S7°12'20"W 102.49 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL A OF SAID LAST MENTIONED DEED, SAID CORNER LYING ON A LINE PARALLEL WITH SAID SOUTH LINE OF SAID LOT 4 THAT PASSES THROUGH A POINT LYING ON THE EAST LINE OF SAID LOT 4 N15°50'00"W 100.00 FEET THEREON FROM SAID SOUTHEAST CORNER OF SAID LOT 4; THENCE ALONG SAID LAST PARALLEL LINE AND THE SOUTH LINE OF LAST SAID DEED 582°52'00"E 298.87 FEET TO LAST SAID POINT ON SAID EAST LINE; THENCE ALONG SAID EAST LINE OF SAID LOT 4, SAID LINE ALSO BEING THE WEST LINE OF WRIGHT ROAD, 50 FEET IN WIDTH, AS SHOWN ON SAID MAP OF SAID TRACT NO. 349 (SAID WRIGHT ROAD NOW BEING KNOWN AS ATLANTIC AVENUE) S15°50'00"E 100.00 FEET TO SAID SOUTHEAST CORNER OF SAID LOT 4 AND SAID POINT OF BEGINNING.

PARCEL B:

THOSE PORTIONS OF LOTS 3 AND 4 IN BLOCK 'P' OF TRACT NO. 349, IN THE CITY OF CUDAHY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14 PAGES 194 AND 195 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS follows:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT NO. 4 IN BLOCK 'P' OF SAID TRACT NO. 349, AS PER MAP RECORDED IN BOOK 14 PAGES 194 AND 195 OF MAPS, IN SAID RECORDER'S OFFICE; THENCE ALONG THE SOUTH LINE OF SAID LOT 4, SAID SOUTH LINE ALSO BEING THE NORTH LINE OF CECELIA STREET, 50 FEET IN WIDTH, AS SHOWN ON SAID MAP OF TRACT NO. 349, N82°52'00"W 338.01 FEET TO A POINT ON SAID SOUTH LINE LYING S82°52'00"E 222.28 FEET EASTERLY THEREON FROM THE SOUTHWEST CORNER OF SAID LOT 4, SAID POINT BEING DESCRIBED AS POINT 'A' FOR PURPOSES OF THIS LEGAL DESCRIPTION; THENCE CONTINUING ALONG SAID SOUTH LINE N82°52'00"W 40.00 FEET; THENCE LEAVING SAID LINE AND STREET ON A LINE PARALLEL WITH THE WEST LINE OF SAID LOT 4 AND OF SAID LOT 3, N7°12'20"E 194.56 FEET TO A POINT ON THE SOUTH LINE OF LAND DESCRIBED PER GRANT DEED RECORDED DECEMBER 31, 1986 AS INSTRUMENT NO. 86-1852651 OF OFFICIAL RECORDS OF LOS ANGELES COUNTY, IN SAID RECORDER'S OFFICE, SAID LINE BEING PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 3 AND PASSING THROUGH A POINT ON THE EAST LINE OF SAID LOT 3 LYING THEREON S15°50'00"E 126.97 FEET FROM THE NORTHWEST CORNER OF SAID LOT 3; THENCE ALONG SAID PARALLEL LINE S82°52'00"E 40.00 FEET TO A LINE PARALLEL WITH SAID WEST LINE OF SAID LOTS 3 AND 4 THAT PASSES THROUGH HEREIN DESCRIBED POINT 'A'; SAID PARALLEL LINE ALSO BEING THE WEST LINE OF LAND DESCRIBED AS PARCEL 'A' IN QUITCLAIM DEED RECORDED JUNE 16, 2006 AS INSTRUMENT NO. 06-1331347 OF SAID OFFICIAL RECORDS; THENCE ALONG SAID PARALLEL LINE AND SAID WEST LINE OF LAST MENTIONED DEED S7°12'20"W 102.49 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL A OF SAID LAST MENTIONED DEED, SAID CORNER LYING ON A LINE PARALLEL WITH SAID SOUTH LINE OF SAID LOT 4 THAT PASSES THROUGH A POINT LYING ON THE EAST LINE OF SAID LOT 4 N15°50'00"W 100.00 FEET THEREON FROM SAID SOUTHEAST CORNER OF SAID LOT 4; THENCE ALONG SAID LAST PARALLEL LINE AND THE SOUTH LINE OF LAST SAID DEED S82°52'00"E 298.87 FEET TO LAST SAID POINT ON SAID EAST LINE; THENCE ALONG SAID EAST LINE OF SAID LOT 4, SAID LINE ALSO BEING THE WEST LINE OF WRIGHT ROAD, 50 FEET IN WIDTH, AS SHOWN ON SAID MAP OF SAID TRACT NO. 349 (SAID WRIGHT ROAD NOW BEING KNOWN AS ATLANTIC AVENUE) S15°50'00"E 100.00 FEET TO SAID SOUTHEAST CORNER OF SAID LOT 4 AND SAID POINT OF BEGINNING.

SAID LEGAL DESCRIPTION IS SHOWN AS PER CERTIFICATE OF COMPLIANCE RECORDED MAY 11, 2012 AS INSTRUMENT NO. 20120707279, OF OFFICIAL RECORDS.

PARCEL C:

THAT PORTION OF LOT 3, IN BLOCK "P" OF TRACT NO. 349, IN THE CITY OF CUDAHY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14, PAGES 194 AND 195 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS follows:
BEGINNING AT THE NORTHEAST CORNER OF LOT 3; THENCE SOUTH 15° 50' EAST ALONG THE LINE OF SAID LOT 3, 126.97 FEET; THENCE NORTH 82° 52' WEST ON A LINE PARALLEL WITH THE NORTHERLY LINE OF LOT 3, A DISTANCE OF 353.9 FEET; THENCE NORTH 7° 12' 20" EAST ON A LINE PARALLEL WITH THE WEST LINE OF SAID LOT 3, A DISTANCE OF 116.9 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 3; THENCE ALONG THE LAST MENTIONED LINE SOUTH 82° 52' EAST 304.4 FEET TO THE POINT OF BEGINNING.

PARCEL D:

THOSE PORTIONS OF LOTS 3 AND 4 IN BLOCK 'P' OF TRACT NO. 349, IN THE CITY OF CUDAHY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 14, PAGES 194 AND 195 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 4, IN BLOCK 'P' OF SAID TRACT NO. 349, AS PER MAP RECORDED IN BOOK 14, PAGES 194 AND 195 OF MAPS, IN SAID RECORDER'S OFFICE; THENCE ALONG THE SOUTH LINE OF SAID LOT 4, SAID SOUTH LINE ALSO BEING THE NORTH LINE OF CECELIA STREET, 50 FEET IN WIDTH, AS SHOWN ON SAID MAP OF TRACT NO. 349, NORTH 82° 52' 00" WEST 338.01 FEET TO A POINT ON SAID SOUTH LINE LYING SOUTH 82° 52' 00" EAST 222.28 FEET EASTERLY THEREON FROM THE SOUTHWEST CORNER OF SAID LOT 4; THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 82° 52' 00" WEST 40.00 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREON DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 82° 52' 00" WEST 58.78 FEET TO THE SOUTHEAST CORNER OF LAND DESCRIBED IN QUITCLAIM DEED RECORDED FEBRUARY 27, 1995, AS INSTRUMENT NO. 95-308907, OF OFFICIAL RECORDS OF LOS ANGELES COUNTY, IN SAID RECORDER'S OFFICE, SAID SOUTHEAST CORNER OF SAID DEED BEING THE SOUTHEAST CORNER OF THE WEST 123.50 FEET OF SAID LOTS 3 AND 4; THENCE LEAVING SOUTH LINE AND STREET, ALONG THE EAST LINE OF SAID WEST 123.50 FEET OF SAID LOTS 3 AND 4 NORTH 7° 12' 20" EAST 194.56 FEET TO THE SOUTHWEST CORNER OF LAND DESCRIBED PER GRANT DEED RECORDED DECEMBER 31, 1986, AS INSTRUMENT NO. 86-1852515, OF SAID OFFICIAL RECORDS, THE SOUTH LINE OF LAND DESCRIBED PER LAST SAID DEED BEING PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 3 AND PASSING THROUGH A POINT ON THE EAST LINE OF SAID LOT 3 LYING THEREON SOUTH 15° 50' 00" EAST 126.97 FEET FROM THE NORTHWEST CORNER OF SAID LOT 3; THENCE ALONG SAID PARALLEL LINE SOUTH 82° 52' 00" EAST 58.78 FEET TO A LINE PARALLEL WITH THE WEST LINE OF SAID LOTS 3 AND 4 THAT PASSES THROUGH HEREIN DESCRIBED SAID TRUE POINT OF BEGINNING; THENCE ALONG SAID PARALLEL LINE SOUTH 7° 12' 20" WEST 194.56 FEET TO THE TRUE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 11, 2012, AS INSTRUMENT NO. 20120707280, OF OFFICIAL RECORDS.

ASSESSORS PARCEL NUMBER: 6224-022-002, 6224-022-003, 6224-022-012, 6224-022-001 AND 6224-022-004 (OLD), 6224-022-901, 6224-022-902, 6224-022-903, 6224-022-900 AND 6224-022-904 (NEW)
EXHIBIT “B”
TO
EXCLUSIVE NEGOTIATING AGREEMENT

DEVELOPER PROPOSAL

[PENDING]
EXHIBIT “C”
TO
EXCLUSIVE NEGOTIATING AGREEMENT

Schedule of Performance

[Attached behind this cover page]
<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEM OF PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Within 180 days of the Effective Date of ENA</strong></td>
<td><strong>Project Entitlement Submittal</strong>  • Developer shall submit entitlement application including the environmental checklist form, and application fees to the Planning Division.  • Developer shall retain environmental consultant for the preparation of an Initial Study and any required environmental technical studies.</td>
</tr>
<tr>
<td><strong>Project Development Schedule</strong></td>
<td>Developer to submit a projected construction schedule for the proposed development.</td>
</tr>
<tr>
<td><strong>Within 360 Days of the Effective Date of ENA</strong></td>
<td><strong>Public Outreach and Community Meeting</strong>  Developer shall host at least one (1) community meeting soliciting public feedback on the proposed project.</td>
</tr>
<tr>
<td><strong>Public Hearings and Presentations</strong></td>
<td>Applicant shall conduct:  1) At least one preliminary presentation of the proposed project at a Planning Commission or City Council meeting; and  2) A presentation of the proposed project at a duly noticed Planning Commission hearing (subject to completion of EIR); and  3) A presentation of the proposed project at a duly noticed City Council hearing (subject to completion of EIR).</td>
</tr>
<tr>
<td><strong>Funding Partners and Structure</strong></td>
<td>Applicant shall submit letter identifying lenders and proof of ability to obtain project financing.</td>
</tr>
<tr>
<td><strong>Market Study</strong></td>
<td>Developer shall submit a market study containing a forecast of regional and local real estate market conditions and the anticipated performance of proposed project.</td>
</tr>
<tr>
<td><strong>Draft DDA</strong></td>
<td>City and Developer to complete DDA negotiations and draft Purchase and Sale Agreement.</td>
</tr>
<tr>
<td><strong>Within 390 days of the Effective Date of ENA</strong></td>
<td><strong>Building Plan Check</strong>  Applicant shall submit construction plans to the City, including Community Development and Public Works departments (subject to date of certification of the EIR).</td>
</tr>
</tbody>
</table>
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: From: Alfonso Noyola, City Manager/Executive Director
By: Victor Maria Santiago, Parks and Recreation Manager
Subject: Approval of a Second Amendment Willdan Engineering to Provide Design Phase Engineering Services for the Cudahy Park Renovation Project

RECOMMENDATION

The City Council is requested to approve a second amendment to Professional Services Agreement (PSA) with Willdan Engineering Inc. to provide additional design services for the preparation of PS&E (Plan, Specifications, and Estimates) for the Cudahy Park Renovation Project, not to exceed $96,400.00.

BACKGROUND

1. On February 15, 2022, the City approved a sub-recipient agreement with the State Department of Parks and Recreation after securing funds from Proposition 68’s Statewide Park Development and Community Revitalization Program.
2. On October 6, 2022, The City issued an RFP to solicit design engineering services for this project.
3. On December 6, 2022, the City Council awarded a Professional Services Agreement for Design Engineering Services to Willdan Engineering Inc.
4. On June 8, 2023, the City requested additional services to the Cudahy Renovation Project.
5. On July 18, 2023, The City Council approved a first amendment to the Professional Services Agreement to the PS&E for the Cudahy Park Renovations.
6. On August 15, 2023, Willdan presented the concept design for the Cudahy Park Renovations for Council and staff feedback and recommendations.
7. On October 16, 2023, Willdan Engineering provided pricing for said additional services, pending Council approval.
ANALYSIS

The City was awarded $6.9 million to renovate Cudahy Park. The scope of work included in the grant includes the following items:

- Construct a new walking path around the park
- Construct a new splash pad with shade
- Construct a new fitness area with shade
- Construct a new community stage
- Renovate the baseball field
- Renovate the playground
- Renovate the skate park
- Renovate the small basketball courts
- Renovate the tennis courts
- New lighting throughout the park
- Landscaping and Irrigation throughout the park

Additionally, the City would like to expand on this original scope of work by adding the following features to the park design:

- Nighttime lighting for the playground and fitness stations
- Flag Poles
- Storage Building
- Courtyard Water Feature

Additional features to the park would increase the overall quality of the project and be within the project’s design budget that was initially allocated for design engineering services.

CONCLUSION

The City recommends approving the second amendment to the Professional Services Agreement (PSA) to Willdan Engineering Inc, to provide additional design phase engineering services for preparing PS&E (Plan, Specifications, and Estimates) for the Cudahy Park Renovation Project.

STRATEGIC PLAN CORRELATION

Goal A: Community Services, Programs, and Activities for all

Objective:
3. Ensure parks are safe, clean, welcoming, and accessible to all.
FINANCIAL IMPACT

The total cost for the second amendment is $96,400 for a new not to exceed contract cost of $400,632, funded by Proposition 68.

ATTACHMENTS

A. Draft Second Amendment to Professional Services Agreement between the City of Cudahy and Willdan Engineering, Inc.
B. Willdan Fee Proposal
2023
SECOND AMENDMENT TO CONTRACT SERVICES AGREEMENT
(Engagement: Design Engineering Services)
(Parties: City of Cudahy and Willdan Engineering)

THIS SECOND AMENDMENT (hereinafter, “Second Amendment”) to that certain agreement entitled, “Contract Services Agreement” and dated December 6, 2022 (hereinafter, the “Master Agreement”), is hereby made and entered into this 7th day of November 2023 (hereinafter, “Effective Date”) by and between the City of Cudahy, a municipal corporation (hereinafter, “City”) and Willdan Engineering, (hereinafter, “Consultant”). For purposes of this Second Amendment, the capitalized term “Parties” shall be a collective reference to both City and Consultant. The capitalized term “Party” may refer to either City or Consultant, interchangeably as appropriate.

RECITALS

This Second Amendment is made and entered into with respect to the following facts:

WHEREAS, on December 6, 2022, the Parties executed and entered into the Master Agreement for Consultant to provide design engineering services for the Cudahy Park Renovation Project services for the City; and

WHEREAS, the Parties wish to amend the Scope of Work to provide additional design engineering services set forth in EXHIBIT A; and

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SECTION 1. Exhibit A-Scope of Work of the Master Agreement is amended to include the attached “Fee Proposal” dated October 16, 2023.

SECTION 2. Except as otherwise set forth in this Second Amendment, the Master Agreement shall remain binding, controlling, and in full force and effect. The Second Amendment and Master Agreement shall constitute the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed in both documents.

SECTION 3. The provisions of this Second Amendment shall be deemed a part of the Master Agreement and except, as otherwise provided under this Second Amendment, the Master Agreement and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Second Amendment and the provisions of the Master Agreement, the provisions of this Second Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.
IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed on the day and year first appearing above.

CITY:

CITY OF CUDAHY

By: _______________________________
   Alfonso Noyola, ICMA-CM
   City Manager

Date: ____________________________

CONSULTANT:

WILLDAN ENGINEERING

By: _______________________________

Date: ____________________________

APPROVED AS TO FORM:

By: _______________________________
   Stephanie Arechiga
   City Attorney

Date: ____________________________
EXHIBIT A

MASTER AGREEMENT
THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, “Agreement”) is made and entered into this 6th day of December 2022 (hereinafter, the “Effective Date”) by and between the CITY OF CUDAHY, a municipal corporation (hereinafter, “CITY”) and Willdan Engineering Inc., (hereinafter, “CONSULTANT”). For the purposes of this Agreement, CITY and CONSULTANT may be referred to collectively by the capitalized term “Parties.” The capitalized term “Party” may refer to CITY or CONSULTANT interchangeably, as appropriate.

RECITALS

WHEREAS, CITY requires design phase engineering services; and

WHEREAS, CITY staff has determined that CONSULTANT possesses the experience, skills and training necessary to competently provide such services to CITY; and

WHEREAS, the execution of this Agreement was approved by the Cudahy City Council at its Regular Meeting of December 6, 2022.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I. ENGAGEMENT TERMS

1.1 TERM: This Agreement shall have a term commencing from the Effective Date through completion of this project (hereinafter, the “Term”). Nothing in this Section shall operate to prohibit or otherwise restrict the CITY’s ability to terminate this Agreement at any time for convenience or for cause as provided under Article V (Termination), below.

1.2 SCOPE OF SERVICES:

A. Subject to the terms and conditions of this Agreement, CONSULTANT agrees to provide the services and tasks described in that certain Request for Proposals of CITY entitled “Request for Proposal Translation Services” (hereinafter, “CITY RFP”) and the written proposal of CONSULTANT entitled “Design Phase Engineering Services for the preparation of PS&E (Plan, Specifications, and Estimates) for the Cudahy Park Renovation Project” (hereinafter, the “CONSULTANT Proposal”). The CITY RFP and the CONSULTANT Proposal are attached and incorporated hereto as
Exhibit “A” and “B” respectively. The term “Scope of Work” shall be a collective reference to the CITY RFP and the CONSULTANT Proposal. The capitalized term “Work” shall be a collective reference to all the various services and tasks referenced in the Scope of Work. In the event of any conflict or inconsistency between the provisions of the document entitled CITY RFP and the provisions of the document entitled CONSULTANT Proposal, the requirements of the document entitled CITY RFP shall govern and control but only to the extent of the conflict or inconsistency and no further. In the event of any conflict or inconsistency between the provisions of the Scope of Work and the provisions of this Agreement to which the Scope of Work is attached, the provisions of this Agreement shall govern and control."

1.3 PROSECUTION OF WORK:

A. CONSULTANT shall perform the Work contemplated under this Agreement on an on-call, as-needed basis. Nothing in this Agreement shall be construed to grant CONSULTANT the exclusive right to perform any of the types of services or tasks contemplated under this Agreement nor shall anything in this Agreement be construed to entitle CONSULTANT to the receipt of any sums under this Agreement, except to the extent CITY requests the performance of any Work in the manner described below and such Work is in fact performed and completed by CONSULTANT and accepted by CITY. CITY requests for the performance of specific services or tasks contemplated under this Agreement shall be made in the form of a written work order(s) issued by the City Representative (each such written request hereinafter referred to as a “Work Order”). Each Work Order shall include the following information:

1. A detailed description of the specific services or tasks requested;
2. The location of where the particular services or tasks are to be performed, if applicable;
3. A not-to-exceed budget for performing the services or tasks;
4. A timeline for completing the requested services or tasks;
5. Any other information CITY deems necessary and relevant to the requested services or tasks; and
6. The signature of the City Representative, confirming that the services or tasks have been authorized by the City Representative.

B. CONSULTANT shall perform no Work under this Agreement without a written request from the City Representative, containing the information set forth in Section 1.3(A) above;

C. CONSULTANT shall perform the Work continuously and with due diligence so as to complete the Work by the completion date indicated in each Work Order. CONSULTANT shall cooperate with CITY and in no manner interfere with the work of CITY, its employees or other consultants, contractors or agents;
D. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT, or its subconsultants, to have related services or tasks completed in a timely manner;

E. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees; and

F. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.4 COMPENSATION: CONSULTANT shall perform the Work in accordance with the “Fee Estimate Proposal” which is attached and incorporated hereto as Exhibit “C” (hereinafter, the “COMPENSATION RATE”). The foregoing notwithstanding, CONSULTANT’s total compensation for the performance of all Work contemplated under this Agreement, will not exceed the aggregate budgeted sum of THREE HUNDRED EIGHTEEN THOUSAND NINE HUNDRED DOLLARS ($318,900) (hereinafter, the “Not-to-Exceed Sum”) during the Term of this Agreement, unless such added expenditure is first approved by the City Council. In the event CONSULTANT’s charges are projected to exceed the Aggregate Not-to-Exceed Sum prior to the expiration of this Agreement, CITY may suspend CONSULTANT’s performance pending CITY approval of any anticipated expenditures in excess of the Aggregate Not-to-Exceed Sum or any other CITY approved amendment to the compensation terms of this Agreement.

1.5 PAYMENT OF COMPENSATION: The Not-to-Exceed Sum will be paid to CONSULTANT in monthly increments as the Work is completed. Following the conclusion of each calendar month, CONSULTANT will submit to CITY an itemized invoice indicating the services performed and tasks completed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT’s monthly compensation is a function of hours worked by CONSULTANT’s personnel, the invoice should indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY will notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar days of receipt of each invoice, CITY will pay all undisputed amounts included on the invoice. CITY will not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

1.6 ACCOUNTING RECORDS: CONSULTANT will maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY will have the right to access and examine such records, without charge, during normal business hours. CITY will further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
1.7 **ABANDONMENT BY CONSULTANT:** In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT will deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT will only be compensated for the reasonable value of the services, tasks and other Work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT’s cessation or abandonment.

II.

**PERFORMANCE OF AGREEMENT**

2.1 **CITY’S REPRESENTATIVE:** The CITY hereby designates Alfonso Noyola, City Manager (hereinafter, the “CITY Representative”) to act as its representative for the performance of this Agreement. The CITY Representative or their designee will act on behalf of the CITY for all purposes under this Agreement. CONSULTANT will not accept directions or orders from any person other than the CITY Representative or their designee.

2.2 **CONSULTANT REPRESENTATIVE:** CONSULTANT hereby designates Tyrone Peter to act as its representative for the performance of this Agreement (hereinafter, “CONSULTANT Representative”). CONSULTANT Representative will have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or His/Her designee will supervise and direct the performance of the Work, using his best skill and attention, and will be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative will constitute notice to CONSULTANT.

2.3 **COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS:** CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and will be available to CITY staff and the CITY Representative at all reasonable times. All work prepared by CONSULTANT will be subject to inspection and approval by CITY Representative or his or her designees.

2.4 **STANDARD OF CARE; PERFORMANCE OF EMPLOYEES:** CONSULTANT represents, acknowledges and agrees to the following:

A. CONSULTANT will perform all Work skillfully, competently and to the highest standards of CONSULTANT’s profession;

B. CONSULTANT shall at all times employ such force, plant, materials, and tools as will be sufficient in the opinion of the CITY to perform the Services
within the time limits established, and as provided herein. It is understood and agreed that said tools, equipment, apparatus, facilities, labor, and material shall be furnished and said Services performed and completed as required by the Agreement, and subject to the approval of the CITY’s authorized representative.

C. CONSULTANT will perform all Work in a manner reasonably satisfactory to the CITY;

D. CONSULTANT will comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.) CONSULTANT shall be liable for all violations of such laws and regulations in connection with Services. If CONSULTANT performs any work knowing it to be contrary to such laws, rules and regulations, CONSULTANT shall be solely responsible for all costs arising therefrom;

E. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;

F. All of CONSULTANT’s employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and

G. All of CONSULTANT’s employees and agents (including, but not limited to, subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals will be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT will perform, at CONSULTANT’s own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT’s failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT’s employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions will be commenced immediately upon their discovery by either Party and will be completed within seven (7) calendars days from the date of discovery or such other extended period of time authorized by the CITY Representative in writing and in her sole and absolute discretion. The Parties acknowledge and agree that CITY’s acceptance of any work performed by CONSULTANT or on CONSULTANT’s behalf will not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the
Work skillfully, competently and to the highest standards of CONSULTANT’s profession.

2.5 **ASSIGNMENT:** The skills, training, knowledge and experience of CONSULTANT are material to CITY’s willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it will not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT’s duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY’s prior written consent, any attempted assignment or transfer will be ineffective, null and void and will constitute a material breach of this Agreement.

2.6 **SUBSTITUTION OF KEY PERSONNEL:** CONSULTANT has represented to CITY that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, CONSULTANT may substitute other personnel of at least equal competence upon written approval of CITY. In the event that CITY and CONSULTANT cannot agree as to the substitution of key personnel, CITY shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the CITY, or who are determined by the CITY to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the CONSULTANT at the request of the CITY.

2.7 **CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR:** The Work will be performed by CONSULTANT or under CONSULTANT’s strict supervision. CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT’s competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY’s confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and will at all times be under CONSULTANT’s exclusive direction and control. CONSULTANT will pay all wages, salaries and other amounts due such personnel and will assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT will be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers’ compensation insurance and the like.
2.8 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT’s officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representative to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT’s officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant will be promptly removed by CONSULTANT and will not be reassigned to perform any of the Work.

2.9 COMPLIANCE WITH LAWS: CONSULTANT will keep itself informed of and in compliance with all applicable federal, state or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT’s compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements and applicable regulations of the U.S. Department of Housing and Urbanization.

2.10 NON-DISCRIMINATION: CONSULTANT represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

2.11 INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and will at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of CITY. CONSULTANT will be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT will have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE

3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT will procure and maintain the following insurance coverage, at its own expense:

A. Commercial General Liability Insurance: CONSULTANT will procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage...
(occurrence Form CG 0001) or its equivalent. Such CGL Coverage will have minimum limits of no less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.

B. Automobile Liability Insurance: CONSULTANT will procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance will have minimum limits of no less than Two Million Dollars ($2,000,000.00) per accident for bodily injury and property damage.

C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which will indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Work contemplated in this Agreement.

D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT will procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage will have minimum limits of no less than Two Million Dollars ($2,000,000.00) per claim.

3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance will contain an endorsement naming the CITY and CITY’s elected and appointed officials, officers, employees, agents and volunteers as additional insureds.

3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement will be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance will be procured from insurers who, according to the latest edition of the Best’s Insurance Guide, have an A.M. Best’s rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor’s rating of no less than BBB according to the latest published edition the Standard & Poor’s rating guide. As to Workers’ Compensation Insurance/ Employer’s Liability Insurance, the CITY Representative is authorized to authorize lower ratings than those set forth in this Section.

3.4 PRIMACY OF CONSULTANT’S INSURANCE: All policies of insurance provided by CONSULTANT will be primary to any coverage available to CITY or CITY’s elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY’s elected or appointed
officials, officers, employees, agents or volunteers will be in excess of CONSULTANT’s insurance and will not contribute with it.

3.5 **WAIVER OF SUBROGATION:** All insurance coverage provided pursuant to this Agreement will not prohibit CONSULTANT or CONSULTANT’s officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY, its officials, officers, employees, agents and volunteers.

3.6 **VERIFICATION OF COVERAGE:** CONSULTANT acknowledges, understands and agrees, that CITY’s ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY’s financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that it will furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. The certificates of insurance and endorsements for each insurance policy will be signed by a person authorized by that insurer to bind coverage on its behalf, and will be on forms provided by the CITY if requested. All certificates of insurance and endorsements will be received and approved by CITY as a condition precedent to CONSULTANT’s commencement of any Work or any of the Work. Upon CITY’s written request, CONSULTANT will also provide CITY with certified copies of all required insurance policies and endorsements.

3.7 **FAILURE TO MAINTAIN COVERAGE:** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, CITY has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by CITY will be promptly reimbursed by CONTRACTOR or CITY will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CITY may cancel this Agreement effective upon notice.

3.8 **SPECIAL RISKS OR CIRCUMSTANCES.** City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

IV. **INDEMNIFICATION**

4.1 The Parties agree that CITY and CITY’s elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the “CITY Indemnitees”) should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys’ fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees
with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT’s commitment to indemnify, defend and protect CITY as set forth herein. Notwithstanding the foregoing, to the extent CONSULTANT’s services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. CONSULTANT’s obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CITY, its officials, officers, employees, agents or volunteers.

4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys’ fees, expert fees and all other costs, and fees of litigation) of every nature arising out of or in connection with CONSULTANT’s performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.

4.3 CITY shall have the right to offset against the amount of any compensation due to CONSULTANT under this Agreement, any amount due to CITY from CONSULTANT as a result of CONSULTANT’s failure to either pay CITY promptly for any costs associated with CONSULTANT’s obligations to indemnify the CITY Indemnitees under this Article, or related to CONSULTANT’s failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers’ compensation laws.

4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers’ compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY’s elected and appointed officials, officers, employees, agents, and volunteers.

4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth herein this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY’s elected and appointed officials, officers, employees, agents, and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT’s subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys’ fees incurred by counsel of CITY’s choice.
4.6 CITY does not, and shall not waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense.

4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend, and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V. TERMINATION

5.1 TERMINATION WITHOUT CAUSE: CITY may immediately terminate this Agreement at any time for convenience and without cause by giving prior written notice of CITY’s intent to terminate this Agreement which notice shall specify the effective date of such termination. Upon such termination for convenience, CONSULTANT will be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT will be required to provide such Documents and Data within fifteen (15) calendar days of CITY’s written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, will operate to prohibit or otherwise restrict CITY’s ability to terminate this Agreement for convenience as provided under this Section.

5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, “Event of Default”) will occur. For all Events of Default, the Party alleging an Event of Default will give written notice to the defaulting Party (hereinafter referred to as a “Default Notice”) which will specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default will be cured, which will not be less than the applicable cure period set forth under Sections 5.2B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default will constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
B. CONSULTANT will cure the following Events of Defaults within the following time periods:

i. Within ten (10) business days of CITY’s issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY’s employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY’s employees or agents under this Agreement. Prior to the expiration of the 10-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 10-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.i. that exceeds seven (7) calendar days from the end of the initial 10-day cure period; or

ii. Within fourteen (14) calendar days of CITY’s issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT will include, but will not be limited to the following: (i) CONSULTANT’s refusal or failure to perform any of the services or tasks called for under the Scope of Work; (ii) CONSULTANT’s failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT’s and/or its employees’ disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT’s refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) CITY’s discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

C. CITY will cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT’s issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day
cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY’s failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.5, above, will be cured by CITY within five (5) calendar days from the date of CONSULTANT’s Default Notice to CITY.

D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT’s performance under this Agreement pending CONSULTANT’s cure of any Event of Default by giving CONSULTANT written notice of CITY’s intent to suspend CONSULTANT’s performance (hereinafter, a “Suspension Notice”). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT will be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY will operate to prohibit or otherwise restrict CITY’s ability to suspend this Agreement as provided herein.

E. No waiver of any Event of Default or breach under this Agreement will constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder will be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;

ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;

iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT’s breach of the Agreement or to terminate the Agreement; or

iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT will be liable for all legal fees plus other costs and expenses
that CITY incurs upon a breach of this Agreement or in the CITY’s exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT’s sole remedy will be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement will constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto will not operate to terminate any Article, Section or provision contained herein which provides that it will survive the termination or normal expiration of this Agreement.

VI. MISCELLANEOUS PROVISIONS

6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data will be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term “Documents and Data” means and includes all reports, analyses, correspondence, plans, designs, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT will require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY will be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

6.2 CONFIDENTIALITY: All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and will not be disclosed by CONSULTANT without prior written consent by CITY. CITY will grant such consent of disclosure as legally required. Upon request, all CITY data will be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT will not use CITY’s
name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.

6.3 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.

6.4 **NOTICES:** All notices permitted or required under this Agreement will be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

**CONSULTANT:**
Willdan Engineering Inc.
13191 Crossroads Parkway
North, Suite 405
Industry, CA 91746-3443
Attn: Tyrone Peter
Phone: 562-908-6200

**CITY:**
City of Cudahy
Administrative Services Department
5220 Santa Ana Street
Phone: 323-773-5143
Attn: Brenda Rodriguez

Such notices will be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

6.5 **COOPERATION; FURTHER ACTS:** The Parties will fully cooperate with one another, and will take any additional acts or sign any additional documents as are reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.

6.6 **SUBCONTRACTING:** CONSULTANT will not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, will contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.

6.7 **CITY’S RIGHT TO EMPLOY OTHER CONSULTANTS:** CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.

6.8 **PROHIBITED INTERESTS:** CONSULTANT warrants, represents and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee...
working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY will have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CITY, during the term of his or her service with CITY, will have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

6.9 **TIME IS OF THE ESSENCE:** Time is of the essence for each and every provision of this Agreement.

6.10 **GOVERNING LAW AND VENUE:** This Agreement will be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, will be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, will be in the Central District of California located in the City of Los Angeles, California.

6.11 **ATTORNEYS’ FEES:** If either Party commences an action against the other Party, legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation will be entitled to have and recover from the losing Party reasonable attorneys’ fees and all other costs of such action.

6.12 **SUCCESSORS AND ASSIGNS:** This Agreement will be binding on the successors and assigns of the Parties.

6.13 **NO THIRD-PARTY BENEFIT:** There are no intended third-party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.

6.14 **CONSTRUCTION OF AGREEMENT:** This Agreement will not be construed in favor of, or against, either Party but will be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.

6.15 **SEVERABILITY:** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions will continue in full force and effect.

6.16 **AMENDMENT; MODIFICATION:** No amendment, modification or supplement of this Agreement will be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void and invalid.

6.17 **CAPTIONS:** The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or
describe the scope, content, or intent of this Agreement.

6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement will control.

6.19 ENTIRE AGREEMENT: This Agreement, including all attached exhibits, constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, which may have been entered into between CITY and CONSULTANT prior to the execution of this Agreement. Any statements, representations, or other agreements, whether oral or written, made by either Party that is not embodied herein will not be valid or binding on the Parties. No amendment, modification or supplement to this Agreement will be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.

6.20 COUNTERPARTS: This Agreement will be executed in three (3) original counterparts each of which will be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterpart will be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart will be delivered to CONSULTANT and the remaining two original counterparts will be retained by CITY.

(SIGNATURES ON NEXT PAGE)
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF CUDAHY:

By: Alfonso Noyola, City Manager

Date: 1/11/2023

Willdan Engineering Inc.

By: Vanessa Munoz

Name: Vanessa Munoz

Title: President

Date: 12/21/2022

APPROVED AS TO FORM:

By: City Attorney

Date: January 17, 2023
REQUEST FOR PROPOSALS (RFP)
TO PROVIDE DESIGN PHASE ENGINEERING SERVICES
FOR THE PREPARATION OF PS&E (PLAN, SPECIFICATIONS AND ESTIMATES)
FOR THE CUDAHY PARK RENOVATION PROJECT
IN THE CITY OF CUDAHY, CALIFORNIA

October 6, 2022

DELIVERY ADDRESS
City of Cudahy
5220 Santa Ana St,
Cudahy, CA 90201
Attn: Victor Maria Santiago
Parks and Recreation Manager

CONTACT INFORMATION FOR INQUIRIES
contact via e-mail only, no telephone calls
Victor Maria Santiago
Parks and Recreation Manager
vsantiago@cityofcudahyca.gov

REQUIRED NUMBER OF PROPOSALS
Three (3) hard copies and one (1) electronic copy (pdf)

PRE-PROPOSAL MEETING
None

PROPOSAL DUE DATE
November 3, 2022; 3:00 PM
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8. **Consultant Selection Methodology**  
9. **Contract Award**  
10. **Required Format for Technical Proposal Submittal**  
11. **Fee Estimate Proposal Submittal**  
12. **Questions Regarding This RFP**  
13. **Proposal Submittal Protocol**  
14. **Pre-Contractual Expenses In Responding To The RFP Preparation**

**Attachments:**
- **Attachment A** – Affidavit of Non-Collusion
- **Attachment B** – Claims History
- **Attachment C** – Sample Professional Services Agreement
- **Attachment D** – Insurance Requirements
- **Attachment E** – Project Conceptual Scope
REQUEST FOR PROPOSALS (RFP)
TO PROVIDE DESIGN PHASE ENGINEERING SERVICES
FOR THE PREPARATION OF PS&E
(PLAN, SPECIFICATIONS AND ESTIMATES)
FOR THE CUDAHY PARK RENOVATION PROJECT
IN THE CITY OF CUDAHY, CALIFORNIA
November 3, 2022

To interested and qualified Consultants:

The City of Cudahy is soliciting Proposals from qualified firms TO PROVIDE DESIGN PHASE ENGINEERING SERVICES FOR THE PREPARATION OF PS&E (PLAN, SPECIFICATIONS AND ESTIMATES) FOR THE CUDAHY PARK RENOVATION PROJECT.

Requirements for this RFP are enclosed.

In order to be considered in the selection process, interested parties shall submit three (3) hard copies and one (1) electronic copy (pdf) of their Proposals no later than 3:00 PM, November 3, 2022, to:

Victor Maria Santiago
Parks and Recreation Manager
5220 Santa Ana St,
Cudahy, CA 90201

If you have any questions, please contact via email (no telephone calls):
Victor Maria Santiago
Parks and Recreation Manager
vsantiago@cityofcudahyca.gov

Late proposals will not be accepted.

Sincerely,

________________________________________
Victor Maria Santiago
Parks and Recreation Manager
City of Cudahy
REQUEST FOR PROPOSALS (RFP)
TO PROVIDE DESIGN PHASE ENGINEERING SERVICES
FOR THE PREPARATION OF PS&E (PLAN, SPECIFICATIONS AND ESTIMATES)
FOR THE CUDAHY PARK RENOVATION PROJECT
IN THE CITY OF CUDAHY, CALIFORNIA

November 3, 2022

1. INTRODUCTION

The City of Cudahy is soliciting Proposals from qualified firms to provide design phase engineering services for the preparation of PS&E (Plan, Specifications and Estimates) for the Cudahy Park Renovation Project.

2. PROJECT DESCRIPTION

The city has received a $6,902,951 Proposition 68 Statewide Park Development and Community Revitalization Program to renovate Cudahy Park. Total grant amount includes costs for pre-construction, design, construction, and construction management costs. The project focuses on parkwide renovation improvements such as renovating basketball, baseball, tennis courts, as well as the playground and skate park. Additions to the park include a community stage, splash pad, exercise equipment, picnic area, and shade structures. A copy of the concept designs is included in Attachment D.

The project is located in the City of Cudahy, adjacent to the Los Angeles River between Wilcox Avenue and River Road in Cudahy.

3. RFP SCHEDULE

Below is the RFP schedule. Below tentative schedule is subject to change by the City:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Proposals Posted and Issued</td>
<td>Thursday, October 6, 2022</td>
</tr>
<tr>
<td>Deadline for Receipt of Questions</td>
<td>Thursday, October 20, 2022, 4:00 PM</td>
</tr>
<tr>
<td>Addendum (if necessary) to Respond to Questions</td>
<td>Monday, October 24, 2022</td>
</tr>
<tr>
<td>Deadline for Receipt of Proposals (RFP Due Date)</td>
<td>Thursday, November 3, 2022, 3:00 PM</td>
</tr>
<tr>
<td>Contract Awarded by City Council (tentative)</td>
<td>December 2022</td>
</tr>
</tbody>
</table>
4. **SCOPE OF SERVICES**

The project scope includes preparation of all necessary plans and to provide to the City a complete PS&E Bid Package ready for bidding. The following description of work defines the general project requirements. Associated tasks and provisions necessary for a complete project, but not specifically defined herein are to be addressed in the proposal and undertaken within the proposed “Not to Exceed” contract fee.

The following scope of services is provided as a general guidance.

The proposers shall provide a detailed scope of services to provide all necessary services to complete the project in compliance with applicable, standards and requirements and provide the City a complete set of plans, specifications and estimates ready for bidding and provide necessary support services during bidding and construction phases.

**Phase 1. PS&E Phase Services:**

- **Kickoff and Ongoing Meetings:** Meet with City staff at the beginning of project and routinely during this phase to review design components and ensure milestones are being met. Discuss exploring different options for skate park design (Pre-manufactured vs. in-ground skate park).

- **Assemble Existing Data:** Assemble and review available information pertaining to the project, including existing survey data, as-built improvement plans, City map, aerial photographs, utility information, and other available record data.

- **Field Surveys:** Field reviews will be performed to identify and/or verify existing conditions such as potential utility conflicts, etc.

- **Utility Coordination/Notices:** Coordinate with the utility companies in order to identify all existing underground and overhead utility lines which may interfere with the installation of proposed park equipment/amenities. For electrical services, coordinate with Southern California Edison Company. Consultant shall be responsible to send out preliminary utility notices to all utility companies, obtaining utility maps and plans, showing all utilities on the plans and sending final utility notices when the plans are approved.

- **PA & ED (Environmental Studies and Permits):** Prepare project approval and environmental documents to comply with applicable regulatory agencies (NEPA/CEQA requirements, etc).

- **PS&E (plans, specifications, estimates):** Prepare complete Plans, Specifications, and Estimates (PS&E). Include architectural renderings of proposed improvements. Submittals include 30%, 60%, 90% and 100% submittals. Plans must meet all project requirements and limitations, include those
of the landowners, grant guidelines, local, state, and federal regulations, and those created by existing conditions such as existing utility facilities.

- Review land-use covenant between City of Cudahy and Department of Toxic Substances Control (DTSC) and Remediation Plan. Provide recommendations to ensure project design compliance with restrictions.

- **Permitting:** Receive approvals and permits from all required parties, including, LA County Fire, City of Cudahy, and any other involved regulatory agency.

- **Council Presentation:** Attend Council Meeting for approval of design plans before preparation of final working documents.

Design phase shall be completed within 4 months of issuance of City’s NTP.

**Final Product:** PS&E Bid Package ready for bidding, including one wet signed plan set, two hard copies, AutoCAD file of plans, hard copy and Ms Word file of Specifications, hard copy and, Excel file of Estimates, pdf file of all other documents.

**Phase 2. Bidding Phase Services:**

The Consultant shall provide necessary support services, including but not limited to:

- Attending pre-bid meeting (1 assumed).
- Responding to bidder’s questions.
- Provide bid analysis. Review bid costs/schedule of values of 3 low bidders, and inform City if the costs are in line with estimates.
- Recommend lowest and responsive bidder.

**Phase 3. Construction Phase Services:**

- Provide support to City’s on-site Construction Manager to answer questions and clarifying items which relate to the PS&E package prepared by the consultant.
- When requested, review and approve construction submittals and shop drawings to be submitted by the contractor as per the PS&E package.

**Phase 4. Additional Construction Phase Services:**

On-call construction support services as City deems necessary, which may include but
not be limited to the following tasks:

- When requested, attending monthly construction meetings with the City’s Construction Manager, contractor, and other involved parties.
- When requested, reviewing contractor change order requests, and providing necessary information to the City’s Construction Manager as they relate to the consultant’s design.
- When requested, attending project walk-throughs and assisting in preparation of punch list(s).

5. **KEY PERSONNEL**

   It is imperative that the key personnel providing the consulting services have the background, experience, and qualifications to complete the project. The City reserves the right to approve all key personnel individually for work on this contract. All key staff shall be named in the contract. After the contract is signed, the proposer may not replace key staff unless their employment is terminated or agreed upon by the City. The City must approve replacement staff before a substitute person is assigned to the Project. The City reserves the right to request that the proposer replace a staff person assigned to the contract should the City consider such a replacement to be for the good of the project.

6. **CITY’S STANDARD PROFESSIONAL SERVICES AGREEMENT**

   The RFP includes a sample of City’s Professional Services Agreement as Attachment C. Proposers shall review the Agreement and provide a statement that they will comply with all aspects of the Agreement, or provide any comments that they would like the City to consider. The City Attorney will review any comment received and make a final decision if all or part or any of such comments may be considered.

7. **INSURANCE COVERAGE LIMITS AND REQUIREMENTS**

   Consultant shall provide Insurance Coverage Limits and Requirements as indicated in this RFP as provided in Attachment D.
8. **CONSULTANT SELECTION METHODOLOGY**

Upon receipt of Proposals, City's consultant selection committee will rank the responding consultants. The City, at its sole discretion may invite top 3 ranked qualified consultants to for interviews, or negotiate final scope and fee with the most qualified consultant.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Max Points</th>
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<tbody>
<tr>
<td>Compliance with the RFP Requirements</td>
<td>15</td>
</tr>
<tr>
<td>Project Understanding and Approach</td>
<td>25</td>
</tr>
<tr>
<td>Experience</td>
<td>25</td>
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<tr>
<td>Level of effort, schedule and cost effectiveness to provide efficient services.</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

9. **CONTRACT AWARD**

Any contract resulting from this RFP will be awarded to a firm whose Proposal meet the technical requirements of the RFP and is evaluated as the highest ranked proposal. Proposals will be ranked in accordance with the evaluation criteria stated in this RFP.

Negotiations regarding a fair and reasonable price will occur subsequent to consultant selection. Should the City be unable to obtain a fair and reasonable price through negotiations with the highest qualified proposer, the City shall enter into negotiations with the next highest qualified proposer and may award that contract if the parties are able to arrive at a fair and reasonable price. If that is unattainable, the City shall enter into negotiations with the next highest qualified proposer in sequence until an agreement is reached.

10. **REQUIRED FORMAT FOR TECHNICAL PROPOSAL SUBMITTAL**

Please submit your Technical Proposal in the format specified below:

1. **Cover Letter:**

   Emphasize strong points of the project team and the firm’s experience. Include the name, address, telephone number, title, and signature of the firm’s contact person for this proposal. The cover letter shall state that the submittal is valid for 90 days.

2. **Project Specific Approach, Scope of Work:**
Provide your understanding of the project, and describe your approach to accomplishing the City’s goal in the most efficient and cost effective manner (including AQ/QC control).

**Note:** It is expected that the Firms should not simply restate the information contained in this RFP; rather identify critical issues in implementing the proposed improvements, and provide an approach to resolving such critical issues the most efficient and cost effective manner.

3. **Proposed Project Specific Staff:**

This section should include a project organization chart showing proposed staff members and any subconsultants, and resumes of key project persons. It is imperative that the key personnel providing the required services have the background, experience, and qualifications in similar projects.

4. **Similar Projects and References:**

Provide a list of similar projects where your firm and proposed project staff have provided similar services. Also provide minimum 3 Public Agency references that City can contact for similar projects and services.

5. **City Standard Contract:**

The RFP includes City’s Standard Contract as Attachment. Proposers shall review the Agreement and provide any comments that they would like the City to consider.

6. **Required Attachments:**

Below attachments shall be signed and submitted with the proposal:

- Attachment A - Affidavit of Non-Collusion
- Attachment B - Claims History

The Fee Proposal shall be submitted in a separate envelope as indicated in the following section.

11. **FEE ESTIMATE PROPOSAL SUBMITTAL**

The Fee Estimate Proposal shall be submitted in a separate sealed envelope. The fee shall be broken in major project components and phases.
Consultant shall also provide its Schedule of Standard Hourly Fee Rates to determine pricing for on-call construction support services.

12. QUESTIONS REGARDING THIS RFP

All questions regarding this RFP must be submitted via email:
Victor Maria Santiago
Parks and Recreation Manager
vsantiago@cityofcudahyca.gov

Questions regarding this proposal shall be submitted via email no later than 10 calendar days prior to proposal due date. In response to all questions received by this date, City will issue an Addendum no later than 5 calendar days prior to the proposal submittal due date. The addendum will be emailed to all RFP recipients on record.

13. PROPOSAL SUBMITTAL PROTOCOL

In order to be considered in the selection process, interested parties shall submit three (3) copies and one (1) electronic copy (pdf) of their Proposals no later than 3:00 PM, November 3, 2022 to the following address:

Victor Maria Santiago
Parks and Recreation Manager
5220 Santa Ana Street
Cudahy, CA 90201

Late proposals will not be accepted.

15. GENERAL INFORMATION

A. Public Record – All proposals submitted in response to this RFP will become the property of the City upon submission and a matter of public record pursuant to applicable law. City reserves the right to make copies of all proposals available for inspection and copying by interested members of the public as records of the City and City shall be under no obligation to the Proposer to withhold such records. In so far as a proposal contains information that the Proposer regards as proprietary and confidential, it shall be the responsibility of the Proposer (and not the City) to specifically identify which items of information are proprietary and clearly identify in writing which specific pieces of information
are proprietary. It shall be insufficient for the Proposer to merely identify the entire proposal or an entire page or set of pages of proprietary. With respect to information deemed proprietary, the procedures set forth under subsection (T) below shall be observed. Not-to-exceed sums, hourly rates and the like that may be set forth in a proposal shall not constitute proprietary information nor shall any information readily available to the general public or any other information not regarded as proprietary and confidential under federal or state law.

B. **Right to Request Additional Information** – During the evaluation process the City reserves the right, where it may serve the City’s best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

C. **Reserving Rights** - The City reserves the right to reject any and all proposals received as a result of this RFP. City’s potential award of a contract will not be based on any single factor nor will it be based solely or exclusively on the lowest cost proposal. If a contract is awarded, it will be awarded to the proposer who in the judgment of the City has presented an optimal balance of relevant experience, technical expertise, technological innovation, price, quality of service, work history and other factors which the City may consider relevant and important in determining which proposal is best for the City.

D. **Discrimination** - The Proposer and all subcontractors must not discriminate, nor permit discrimination against any person on the grounds of race, national origin, sex, handicap, sexual orientation, or veteran status in their employment practices, in any of their contractual arrangements, in all services and accommodations they offer the public or in their business operations.

E. **Gratuity Prohibition** - Proposer shall not offer any gratuities, favors or anything of monetary value to any official, employee or agent of the City for the purpose of influencing consideration of this proposal.

**15. PRE-CONTRACTUAL EXPENSES IN RESPONDING TO THE RFP PREPARATION**

The City shall not be liable for any pre-contractual expenses incurred by any proposer or by any selected consultant. Each proposer shall protect, defend, indemnify, and hold harmless the City from any and all liability, claims, or expenses whosoever incurred by, or on behalf of, the entity participating in the preparation of its response to this RFP. Pre-contractual expenses are defined as expenses incurred by proposers and the selected consultant, if any, in:

- Preparing and submitting information in response to this RFP
Negotiations with the City on any matter related to this procurement
Costs associated with interviews, meetings, travel or presentations
All other expenses incurred by a proposer/consultant prior to the date of award and a formal notice to proceed.

The City reserves the right to amend, withdraw and cancel this RFP. The City reserves the right to reject all responses to this request at any time prior to contract execution, or only award a partial contract for a limited scope of work. The City reserves the right to waive minor irregularities and request or obtain additional information about any and all proposals.

END OF RFP

ATTACHMENTS TO FOLLOW

<table>
<thead>
<tr>
<th>Attachment A</th>
<th>Affidavit of Non-Collusion</th>
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<tbody>
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<td>Attachment B</td>
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<tr>
<td>Attachment C</td>
<td>Sample Professional Services Agreement</td>
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<td>Attachment D</td>
<td>Insurance Requirements</td>
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<tr>
<td>Attachment E</td>
<td>Project Conceptual Scope</td>
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ATTACHMENT A

AFFIDAVIT OF NON-COLLUSION

I state that I am _____________________________________ (title) of ____________________________________ (name of firm) and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this Offer.

I state that:

(1) The price(s) and amount of this Offer have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

(2) That neither the price(s) nor the amount of this Offer, and neither the approximate price(s) nor approximate amount of this Offer, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed before Solicitation opening.

(3) No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit an Offer higher than this Offer, or to submit any intentionally high or noncompetitive Offer or other form of complementary Offer.

(4) The Offer of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Offer.

(5) ____________________________________ (name of firm), its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted of or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as described in the attached appendix.

I state that________________________________________ (name of firm) understands and acknowledges that the above representations are material and important, and will be relied on by the City of Cudahy in awarding the contract(s) for which this Offer is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the City of Cudahy of the true facts relating to the submission of Offers for this contract.

_________________________________________________
(Authorized Signature)

_________________________________________________
(Name of Company/Position)

Sworn to and subscribed before me this _______ day of ______________________, 20__.

_________________________________________________
Notary Public for California

My Commission Expires: ______________________
ATTACHMENT B

CLAIMS HISTORY

Each Consultant shall submit a summary of whether or not any of the following events have occurred within the past (10) years and, if so, a brief description of the circumstances involved (including, without limitation, the names of parties involved, current status and final disposition of the matter of dispute):

Failure to disclose any circumstances requested in the following paragraphs is grounds for disqualification.

- Failure by Consultant or any sub-consultant to enter into a contract to which it has received an award by a public entity.
- Forfeiture of a bid or proposal bond by proposer or any sub-consultant.
- Termination for default under a contract awarded by a public entity to Consultant or any sub-consultant.
- Debarment of Consultant or any sub-consultant by any municipal, county, state, federal, or local agency (note: debarment is grounds for automatic disqualification).
- The filing of a lawsuit or arbitration in which the Consultant or a sub-consultant was a defendant or cross-defendant at any time within the past ten (10) years that involved the performance of project, program, or engineering services and that involved an amount in controversy sought to be recovered from Consultant or the sub-consultant of more than $100,000.00.
- Conviction of Consultant, a sub-consultant, or any of their principals or officers for violation of a state or federal antitrust law involving bid rigging, collusion, or restriction on competition between bidders, or conviction of violating any other federal or state law relating to bidding or contract performance (note: such conviction is grounds for automatic disqualification).
- Any publications involving firm or principals alleging or claiming corruption (such claims are grounds for automatic disqualification).
- Any suspension, revocation, or other disciplinary proceeding relating to a contracting or professional license issued to proposer or a sub-consultant.
ATTACHMENT C

Professional Services Contract
ATTACHMENT D

Insurance Requirements
ATTACHMENT E

Project Conceptual Scope
City of Cudahy

Proposal

Provide Design Phase Engineering Services for the Preparation of PS&E for the Cudahy Park Renovation Project

November 3, 2022
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In accordance with the City’s RFP, Willdan’s Fee Estimate Proposal has been submitted in a separate sealed envelope.
1. Cover Letter

November 3, 2022

City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201
Attn: Victor Maria Santiago
Parks and Recreation Manager

Subject: Proposal for Design Phase Engineering Services for the Preparation of PS&E (Plan, Specifications and Estimates) for the Cudahy Park Renovation Project

The City of Cudahy is interested in contracting with an experienced and qualified firm to provide professional design services for the Cudahy Park renovations. Willdan’s qualifications include:

Industry Leader with Significant Park Renovation Experience

Willdan Engineering (Willdan), a Southern California-based firm, has been a consistent industry leader for more than 58 years providing all aspects of municipal and infrastructure engineering, building and safety, public works, public financing, planning, and construction management services. Willdan has assembled a team who are committed to providing top-quality services to the City of Cudahy (City). We believe that we are highly qualified to undertake this assignment because of the special challenges involved in the project.

Deep Understanding of the City’s Requirements

Willdan thoroughly understands the City’s priorities and processes. We currently have staff working at the City through our On-call City Engineering contract including our proposed Technical Advisor Mr. Sal Lopez, who is serving as the City’s Community Development Director. During the last five-plus years, Mr. Lopez has shepherded the adoption of the City’s General Plan and Zoning Code update, successfully acquiring grant funding to support the update to the city’s Housing Element and the adoption of an Inclusionary Housing Element. He continues to assist the City with their Successor Agency needs, and was instrumental in the City’s pursuit of Proposition 68 funding for the proposed improvements to Cudahy Park. He is very familiar with the site and its opportunities and challenges.

Strong and Talented Leadership

Leading our Willdan team, as the Project Manager, is Mr. John Hidalgo. Mr. Hidalgo’s background is a blend of public and private practice. He is very experienced in park planning, sports facilities, recreational developments, residential, streetscape and urban beautification projects; as well as regional, community, and neighborhood parks. Mr. Hidalgo will be fully supported by our in-house staff of civil, geotechnical, planning and construction management professionals.

Willdan’s proposed personnel are all experienced in working as an integral part of agency staff and, therefore, are familiar with municipal standards, guidelines, and procedures. This knowledge and experience will allow Willdan to be most responsive to your requirements. As a multidisciplinary firm, we have a full complement of resources under one roof to provide thorough and accurate design and project management.
Specialty Consultants

Augmenting our Willdan staff our four specialty subconsultants with experience and qualifications in the City’s scope of work. **M Y Engineering, Inc.** (Electrical and Lighting Design) is a professional consulting engineering firm providing full mechanical, electrical, plumbing (MEP) on-call engineering services. **ELMT** (Contaminated Soils) has 50+ years of experience providing timely and cost-effective environmental solutions and planning services. **Spohn Ranch** (Skate Park Design) is an award-winning skate park design-build firm with 30 years of municipal skate park projects spanning 40+ states in the nation. **AWu Government Services** (Architectural Design) is a full-service architectural firm with a professional staff of architects, planners, and design specialists who have completed over 2,000 projects for over 50 different municipalities/public agencies.

Highly Relevant Park Renovation Experience

Willdan has provided landscape architectural design services for a vast number of park renovations, including:

- Children’s play areas
- Walking trails
- Sports fields
- General recreational facilities modifications
- Shade shelters
- Fitness facilities
- Water play
- Skate parks

Our experience also includes over 40 public use facilities with similar features including recreational and fitness facilities, residential uses, schools, bike paths, redevelopment districts, city beautification projects, and high-profile multi-use venues including Artesia Live I and II Specific Plans and the new Sofi Stadium in Inglewood.

As Principal-in-Charge, I will ensure Willdan Engineering resources are made available to meet the needs of the project task assignments and will be available to the City throughout the duration of the contract. Willdan acknowledges the receipt of the City’s Response to Q&A and the Land Use Covenant issued on 10/27/2022. Willdan’s submittal is valid for 90 days.

If you have any questions or need additional information, you may contact me at 657-223-8557 and/or by email at tpeter@willdan.com. You may also contact Mr. Hidalgo at (562) 364-8505 and/or by email at jhidalgo@willdan.com. I hope we convey herein our sincere interest in working with the City, and I look forward to further discussing how Willdan Engineering may continue to assist you with meeting your park renovation goals for this contract.

Respectfully submitted,

**WILLDAN ENGINEERING**

Tyrone Peter, PE
Deputy Director of Engineering
2401 E. Katella Avenue, Suite 300
Anaheim, CA 92806
P: (657) 223-8557
2. Project Specific Approach, Scope of Work

Introduction

Willdan Engineering (Willdan), a California Corporation, is part of Willdan Group, Inc. (WGI), a NASDAQ publicly traded Delaware Corporation and nationwide firm serving more than 800 public agencies and private sector clients. Founded in 1964 and headquartered in Anaheim, California, Willdan was originally established as a civil engineering firm specializing in providing solutions for our public agency clients. Since that time, we have evolved into a professional consulting firm offering a broad array of services that allows us to provide a comprehensive and integrated approach to our clients’ planning, engineering, financial, economic, public facility, public safety, and energy sustainability solutions.

Today, Willdan has over 1,500 employees operating in 56 offices across 26 states. We have supported the implementation of community visions through engineering, construction management, inspection, planning, building safety, and staff augmentation services. Willdan has completed various types of projects for over 90 percent of the cities and counties in California.

Throughout our 58-year history, Willdan has sustained consistently healthy financial performance.

Willdan has the financial strength and wherewithal to complete all projects we undertake. This is due, in part, to a respected reputation in the municipal engineering industry for providing timely, cost-effective, innovative engineering solutions that exceed our clients’ expectations and for providing exceptional customer service to our many clients. The firm has the resources and appropriate staffing to perform and complete all contractual project obligations. Financial information, including information on revenue, earnings, and cash flow, is issued quarterly and can be found on the Investors page of our website at https://ir.willdangroup.com/.

Willdan possesses expertise in most facets of the public sector marketplace. The varied experience and background of our staff experience is an added value of our services. No other firm matches Willdan’s combined breadth of directly relevant technical and operational expertise and depth of experience.

Willdan’s corporate-wide capabilities include a full range of civil and structural engineering, land planning, financial and economic consulting, geology and geotechnical engineering, environmental health and safety, and energy efficiency solutions consulting services.

We provide professional services in all phases of City activities from project development, grant funding application assistance and administration, site analysis, and conceptual development to final design, construction management, observation, and project close-out.
Among all the services we provide, Willdan’s Landscape Architecture Department plays a key role in providing a unique sense of place for our clients in developing their park projects.

Landscape Architecture
Willdan has registered landscape architects with support personnel. In developing quality projects and plans, these landscape architects apply their talents and knowledge in site analysis, user needs programming, site design, urban design, landscape preservation, park master planning, land management, and water conservation. With their combined experience on almost 70 major parks, mostly in California, our landscape architects offer an essential array of services and expertise that adds long-term value to projects and communities.

Willdan’s landscape architects enjoy the support of related disciplines such as survey, civil, structural, traffic engineering, building and safety, environmental and construction management and observation. In-house peer review at critical stages is practiced.

Unlike most firms, Willdan works primarily for governmental entities, thereby minimizing potential conflicts of interest. Willdan’s staff assists its clients to economically streamline projects from concept through planning, design, construction and management. This approach ensures long-term relationships with the jurisdictions we service and allows Willdan to add the necessary staffing to meet the needs of our clients and maintain mutually beneficial relationships.

Services
The list below illustrates services that are currently offered by Willdan’s landscape architectural group:

**Design**
- Recreation Facilities
- Park and Master Plans
- Urban Beautification
- Bidding and Construction Documents
- Design Manual and Guidelines
- Irrigation Systems Inventories
- Drought Adaptive Plantings

**Urban Forestry**
- Street Tree Inventory
- Arboriculture

**Landscape Management**
- Construction and Administration
- Plan Check Services
- Maintenance Specifications

**Planning**
- Site
- Urban
Firm’s Understanding of Objectives

In general, it is the City’s goal to transform the existing park into an aesthetically pleasing productive park with the installation of a variety of amenities and uses that a broad spectrum of the community can benefit from and utilize. Cudahy Park is estimated at 5.9 acres. The entire Cudahy complex encompasses an estimated 8 acres. The complex includes the civic center such as City Hall, a branch of the Los Angeles County Public Library system and a community building for multi-purpose uses named Bedwell Hall. The shape of the site is primarily rectangular with a relatively flat topography with mature trees. The park site is bordered by residential, an elementary school and the Los Angeles River. The existing park has mature trees; therefore, careful attention will be made to protect in place those trees and design the improvements away from any root intrusion. A few of the trees will need to be removed to accommodate the new improvements.

The City conducted a series of community workshops to obtain input and feedback regarding the planning for the renovations. A final schematic site plan was prepared and accepted by the community and City representatives. The funding for the improvements is made available through a Statewide Park Development and Community Revitalization Grant program in the amount of $6.9 million.

It is our understanding, based on the City-furnished schematic plan, the City would like the following improvements at Cudahy Park:

- New shaded all-inclusive ADA accessible playground
- New ADA-accessible drinking fountains
- New trash receptacles and bench seating
- New stage
- Renovate the basketball courts
- Renovate the multi-purpose fields
- Renovate the tennis courts
- Renovate the skate park
- Renovate the playground
- New shaded splash pad
- New walking trails
- New shaded fitness stations
- New area lighting
- New shaded area for picnic tables and barbeques
- Upgrade irrigation system to meet California Model Water Efficient Landscape Ordinance (MWELO), e.g., “Smart” technology
- The installation of a planting palette consisting of trees, shrubs and groundcovers that are California native and drought-adaptive species for this geographic region of the Los Angeles basin

Additionally, it is our understanding that the park site currently has onsite parking and offsite parking. Our scope of work will include reviewing the existing park for ADA-compliant parking stalls and ADA path of travel routes to the various park amenities.
Furthermore, Willdan understands that the City has in place a “Covenant to Restrict Use of Property” (recorded in Los Angeles County) between the Department of Toxic Substances Control. Two locations within the park project limits will require specific requirements regarding the development in those respective areas.

**Proposed Improvements – Discussion on the Major Items**

**Playground and Fitness Stations.** The playground equipment will be selective based on an all-inclusive playground system that promotes a high-value experience for the various age groups. These play systems will encourage and challenge the park user. Additionally, the play equipment can improve coordination and strength along the way.

The exercise stations will be selected based on accessibility and ease of use to accommodate multiple types of physical fitness levels for strength building and coordination. Additionally, the selection of the equipment will be based on a fitness circuit approach that can be utilized by the users as an option.

**Rubberized Surfacing.** The surface material for the playgrounds and fitness areas will be the latest technology in rubberized components and one that is sustainable and produced with recycled materials. The surface material will be one of having long-lasting durability and wearability and having the proper coefficient of friction suitable for this type of play and exercise value.

**Walkways and Park Lighting.** These areas are designed per Illumination Institute Standards (IES) with special attention paid to energy efficiency. We have started to use L.E.D. fixtures in addition to the standard Metal Halide approach when cost effective. Time clocks and photo-cell control will also be included, along with vandal resistance and glare. The lighting fixtures will be selected based on the latest advanced technology in lighting efficiency. Reducing glare to adjacent properties is especially important and will be controlled through fixture type and aiming. The optimum light direction will be determined to set the pole heights, the pole placement, and the light levels required for this park site.

**Basketball Courts, Tennis Courts and Multi-Use Fields.** The multi-use fields will be designed with the latest technology in sub-soil base and amendments for proper drainage and moisture retention. The basketball and tennis courts’ design will be a regulation size full court size with a non-slip surfacing suitable for outdoor play. The proper placement of expansion joints and control joints enables resistance for concrete crack control.

**Sports Lighting.** The lighting fixtures will be selected based on the latest advanced technology in lighting efficiency. Reducing glare to adjacent properties is very important and will be controlled through fixture type and aiming. Due to various leagues using these fields, the optimum “class of play” must be determined to set the pole heights, the pole placement, and the light levels required for the most restrictive use. This can be determined after meetings with the stakeholders and City staff.

**Picnic Shade Shelters and Community State Architectural Design.** Willdan will be utilizing the services of a design-build and manufacturing company that specializes in pre-engineered shade shelters and community stage coverings. As we have learned in past projects, this is a cost-effective and time-sensitive approach for this type of construction in a park environment. The manufacturing company makes available many options and amenities that allow for a customized appearance. The shelters will be designed with the most current in construction materials technology. Special attention will be placed on the use of recycled materials for the shelters. For lighting consideration, the use of photovoltaic (solar) systems will be implemented. The specified products and materials for the shelter will be the latest in "Green" technology and efficiency.
Walking Paths and General Pedestrian Circulation. Many park users come to this park for both sports and leisure activities. Willdan's design will look at the walking paths throughout the improvement areas and ensure the pathway network has a continuous paved surface. This pathway will include access from the street and other various locations. In addition, these improvements will facilitate a designated pathway for the pedestrian, thus offering a safe and understood environment within the park site. Furthermore, the walks/pathways will be designed to comply with current guidelines under the Americans with Disabilities Act (ADA).

Energy Conservation. Consideration will be given to any concepts the City would like used, including photo-voltaic solar systems and LED lighting. Other emerging technologies will be used as they become cost-effective.

Irrigation and Planting. The development of the landscape design will incorporate all aspects of local and state water conservation standards, including meeting the requirements of the California Model Landscape Efficient Ordinance (MWEO). The turf species selected for the open field use will be for its low maintenance, good durability, fast recovery, pest resistance and suitability for this particular geographic region. It has been our experience that the second most important aspect of turf fields (first being irrigation coverage) is the backfill mix within the root zone. Having the proper mixture of organic and inorganic materials in the soil mix allows adequate percolation as well as inhibits soil compaction. Furthermore, the routine maintenance of soil amendments, such as humate soil conditioners, strengthens the turf for drought tolerance, durability and recovery.

The tree, shrub and groundcover palette will be comprised of drought-tolerant species suitable for the geographic area, along with a well-designed irrigation system that delivers the highest efficiency. All plants will be chosen based on low maintenance requirements such as trimming/pruning cycles, mowing, fertilization needs, and hardiness. Willdan has demonstrated experience in integrating drought-tolerant and low-maintenance plant materials in major urban designs such as sports complexes, city streetscapes, freeways and demonstration gardens.

For the irrigation systems, careful analysis and assessment will be considered. New irrigation mainlines and points of connection (meter and backflow prevention location) will be part of the renovations, along with all new sprinklers/dripline/rotors that achieve maximum water distribution to the planting material. This will start a clean slate for many years to come.

Site Amenities. Along with these major improvements, simple amenities such as bicycle racks, trash receptacles, drinking fountains, and benches will be incorporated into the park site. In addition, overhead shading structures are planned for the playground and picnic table. All these amenities noted will be selected based on sustainability materials, ease of replacement parts and durability for public park use.

Splash Pad. The splash pad design will include a variety of experiences for the users. Options will be presented to the City prior to the final design. The water output among the various spray fountains and water collection buckets will offer unique play values. The mechanical equipment such as pumps, sanitizing reservoirs, filters, and electronics will be the latest technology in efficiency and water conservation.

Bioswales. Willdan will include an analysis and design to include bioswale facilities within the park in accordance with the guidelines outlined in the LA County LID Manual.
**Water and Sewer Improvements.** Willdan will include water and sewer design for connections and pipelines to service the splash pad and drinking fountains in accordance with the water purveyor and County of Los Angeles Department of Health Standards.

**Key Issues**

Willdan identifies the following “key” issues that may be encountered on the Project based on our prior experiences.

**Utilities**

Willdan’s initial review of existing utilities within the project area will be conducted based on available contract documents or as-built plans from City and County records. Utilities that appear to be impacted by the project will be identified, field verified and discussed with the utility owner so that both physical and cost impacts can be appropriately addressed in the design. Willdan will coordinate and maintain a liaison with known area utilities. Potholing for underground utilities impacted by subsurface construction activities may be necessary to determine actual depths and locations of known utilities (this will be performed as additional services if necessary). Willdan will send notifications to utility companies so that planned utility installations are performed prior to park construction. In addition, Willdan will submit a set of preliminary plans to each affected utility company for comments and coordinate the potholing of utilities that interfere with proposed improvements, either by the utility company or by an independent contractor as extra work if the utility has prior rights. Furthermore, we will submit a set of final plans to each affected utility company with final notification for the completion of utility work. Finally, Willdan will provide the City with a brief written summary of the utility coordination status upon delivery of final construction contract documents to the City.

**Site Grading and Drainage and Topographic Survey**

In general, the park site topography is relatively flat, and all four sides of the site are bounded by hardscape surfaces, e.g., asphalt paving, and concrete sidewalks. For this reason, site grading will be straightforward, with the goal of ensuring sufficient slope to maintain drainage and the retention of current drainage patterns. Some of the modifications will include area drain relocation and additions. A topographic survey will be performed to document current conditions such as existing grades, surface culture and any other existing items/structures, along with assisting with designing/placement of the new developments, e.g., community stage.

Water quality management measures will be implemented for this project. Those structures include bio-swales and stormwater filtration chambers. Furthermore, Willdan will work closely with the jurisdictions/agencies of the storm drainage system involved in the adjacent/vicinity of the park site.

**Post Construction**

Along with a well-thought-out design, the long-term effects regarding the maintenance of the facilities are a consideration we feel is highly important. An area may appear to be optimal, but the cost of maintenance is a question that sometimes gets overlooked. Our design will address maintenance concerns, such as low, medium or high maintenance, along with budgets to consider. Willdan believes good, effective design should be compatible with reasonable maintenance costs. Such elements of the design we look at include planting material selection, paving materials and transitions, and general access for serviceability.
Tree Preservation

Willdan will make tree preservation a priority when designing the new improvements. Our site reconnaissance will assist in determining proper distances from tree trunks with respect to the walkways and other significant features.

Hazardous Material Remediation:

Hazardous material remediation design will include the recommendations of the Los Angeles Department of Toxic Substances Control (DTSD) Covenant and Agreement with the City regarding the presence of toxic materials along the River Road Areas and the Tree Areas. A Soil Management Plan has been included in our scope and any related design would address the required remediation of the excavation soils based on the recommendations of the City/DTSD Covenant and Agreement.

Project-Specific Approach

Projects, no matter how big or small, are approached similarly by the Willdan team in that they are thought out clearly and carefully during the earliest stages of the project. This equates to a detailed study of the project requirements during the proposal stage, the assignment of a project manager experienced in those project requirements, and the establishment of a project team with individual expertise in their assigned tasks.

Our vision is that the park renovations should be unique, an asset to the surrounding community and maintain its identity as a recreational environment.

Good planning is an essential element of any design – whether the design is for a recreational park or institutional facility. Willdan understands the importance of well-designed park planning and is experienced in integrating solid design and planning into any setting. As we envision, community parks are divided into several components corresponding to their various uses and are situated in park-like settings complete with walkways, sitting areas and shade areas. This tranquil and aesthetically pleasing setting translates into an effective and conducive space for play and relaxation. Willdan shall strive to create a unique experience for the park improvements that is harmonious with the surroundings and strive for congruency within the project site.

Furthermore, safety and circulation are important factors in design, particularly in a well-planned park environment. These two basic design elements in a public space cannot be compromised or over-emphasized. Indeed, one of the most important functions of landscape architecture in a park environment is to convey safe and comfortable surroundings. A well-designed park environment can only generate enthusiasm among its users.

The above considerations will be the driving force behind the design throughout this project. While minor subtleties can occur in smaller spaces such as small gathering plazas, the overall design should offer diversity while maintaining a common thread in the landscape that unifies the park site as a whole.

Willdan’s design philosophy follows the Frank Lloyd Wright maxim: Form Follows Function. This does not mean rigidity in any sense, but that a successful design must work for its intended use. The logical design process then is:

- Determine the users.
- Ascertain goals and needs.
- Development spatial requirements for the intended uses.
- Analyze the site for constraints and opportunities to meet desired spatial needs.
- Develop use/space relationships that integrate like uses and segregate unlike uses. (Conceptual alternatives in relation to site opportunities.)
- Use circulation as the means of connecting spaces and creating form. Use plantings to define spaces, including buffers.
- In the construction drawing implementation, use the economy of means principle. This, basically, is value engineering. It is concerned with a useful life, constructability, efficiency of maintenance, low water use, etc.

The final result is a design product that is creative in landscape personality, respective of site attributes, and provides the client and public the most value for their tax dollars. Landscape architecture should be unique; an asset to the surrounding area yet maintain its identity in its final form and function.

**Project Execution** - Over the course of the past 52 years, Willdan has developed very practical and successful techniques to project development and delivery. In essence, the following summarizes our approach to delivering your projects on time and within budget.

Once the course of action is established, Willdan will develop a project schedule. The schedule will be circulated to the City and other pertinent stakeholders for review and acceptance. The schedule will be developed with the City’s project completion date in mind and will include and measurable milestones to ensure the project completion date is met and is consistent with the City’s timeline. Below is a summary of work:

- Willdan will conduct regular project progress meetings with the City to report progress, any outstanding issues, and proposed resolutions including updating the City with status reports regarding other agency(s) having jurisdiction with this project. Meeting minutes with action items will be provided.
- Willdan will coordinate with City and pertinent stakeholders to schedule the review of project deliverables.
- Willdan will coordinate with the City and pertinent stakeholders to schedule the required meetings with regulatory agencies for deliverables review and approval.
- Willdan will complete all required revisions and obtain approval from the City and regulatory agencies for the project deliverables.

**Quality Assurance and Control Procedures** - Quality assurance and control procedures are critical to ensuring sound technical practices are in place and quality deliverables are produced. Willdan operates daily under a company-wide Quality Assurance/Control Program.
Ms. Vanessa Muñoz, PE, TE, PTOE will serve as Quality Assurance Manager for the Cudahy Park renovation contract. In this role, she will be responsible for ensuring Willdan’s quality assurance/control policies are followed and will coordinate with our project staff to develop and implement project-specific quality assurance/control activities at the beginning of the project. Typical activities entail:

- Assigning appropriate technical staff
- Developing and implementing proper project technical approach
- Establishing project schedule meeting City deadlines
- Determining the proper level of quality assurance/control reviews

To provide quality deliverables to all our clients, Willdan has implemented strict quality control review processes and procedures. Mr. Hidalgo will be responsible for the planning and successful execution of the quality assurance reviews. All deliverables must be reviewed under our quality assurance procedures. The two major components of the review are technical and editorial reviews ensuring:

- Data is interpreted correctly
- Calculations are complete and accurate
- Conclusions or recommendations are sound and appropriate
- Deliverables meet the requirements of the scope of work

The technical editorial review ensures deliverables are well organized, easy for the non-technical reader to understand and follow, adheres to Willdan’s standards and the City’s requirements, and all grammatical and spelling errors are corrected. There are three levels of our quality assurance/control review for project deliverables:

- Level 1 - peer technical review and consultation
- Level 2 - peer technical review and consultation and editorial review (document)
- Level 3 - peer technical review and consultation, editorial review, and professional engineer review

In general, the appropriate review level will be determined during the planning stage and reviewers will be identified to ensure the quality assurance reviewer can participate throughout the project. All reviews and corrective actions will be documented and incorporated in the project file for future reference.

Mr. Hidalgo will perform a final quality assurance review to monitor quality assurance/control activities to ensure the City’s project objectives are met at the completion of the project with project deliverables provided within identified timeframes.
**Scope of Work**

Willdan acknowledges and understands the scope of work and deliverables presented in the City’s request for proposal. The scope of services below provides additional information related for the implementation of the project.

**Preliminary Design**

**Kick-Off Meeting.** Upon receiving the notice to proceed from the City, Willdan will prepare a project schedule based on the scope of work presented in the proposal. The schedule will be submitted to the City for review and acceptance. If other items come up after the original schedule was accepted, Willdan will revise/update the schedule to meet the City’s timeframe. Willdan will participate in a kick-off meeting to include the decision-makers from the City and other agencies such as gas and electrical and other agencies that become known to us resulting from our research. The meeting will be used to discuss project scope and schedule including design goals and criteria, roles and responsibilities, work program, budgeting, utility coordination, plan and specifications preparation, cost estimate, submittal reviews, and anticipated construction issues.

**Topographic Survey, Field Review, Research and Data Gathering.** Willdan will conduct a field investigation to verify existing topographic conditions and identify unusual or special conditions and review available improvement plans, utility plans, and data records within the project area. A topographic survey will be performed to document current conditions such as existing grades, surface culture and any other existing items/structures, along with assisting with designing/placement of the renovations/improvements.

As part of our field review, research and data gathering, Willdan would like to arrange a meeting with the City’s maintenance facilities managers and/or supervisor to obtain as much detailed information as possible regarding the proposed improvements (e.g., drainage, hardscape, circulation, irrigation, plant material, etc.). This input will provide specific recommendations pertaining to the improvements for the purposes of maximizing the budgets. Additionally, the purpose of the meeting is to get first-hand knowledge about the existing irrigation system and discuss proposed modifications to accommodate the new landscaping. Furthermore, this field review will also identify potential design constraints and conflicts and observe general site conditions.

**Geotechnical Investigation.** Willdan will review the available subsurface data or published geologic and geotechnical maps and documents to determine general subsurface conditions at the project site; and determine the most appropriate locations for borings. The proposed field investigation will include site reconnaissance and subsurface exploration. Geotechnical laboratory testing will be performed on representative samples of soil to evaluate the engineering characteristics of these materials. This information will be valuable in determining the subsurface drainage as well as the footing design for the structural design of the shade shelter and community stage, general paving installations, bioswales and water quality management, thus managing the construction costs at the beginning. Known clearance of subsurface utilities from Underground Service Alert will be obtained prior to commencement of field exploration.

**Utilities.** Willdan will conduct a utilities investigation (i.e., water, sewer, gas, electrical, cable, telephone, stormwater) of known utilities within and near the project improvements. The investigation will identify any potential or conflicting issues that can have a significant impact on the project. By knowing this information at the beginning stage, the limits and constraints can be planned accordingly.
Willdan will review and present specific requirements for utility facilities including protection, relocation, right-of-way, and construction methods within the vicinity of the utility.

Utility information will be requested from each utility company that has facilities within the limits of the project. This information will be incorporated into the design plans and plotted per the atlases provided by each utility company. Willdan will forward plans to the utility companies requesting verification. At this time, any potential utility conflicts will be identified and presented to the City for discussion and proposed solutions. (Note: Willdan will provide a fee proposal for design services for utility relocation, if required.) A review of the utility information will be performed to determine the impact of the project on the various utilities and any required potholing by utility companies will be coordinated.

Environmental. Willdan will review the environmental documents to determine whether there are any mitigation measures that are required to be fulfilled in the design of the proposed improvements. Said mitigation measures will be incorporated into the design of the park and associated park improvements.

Design Development Plan and Preliminary Opinion of Probable Costs. Following the survey, research, site data gathering and base mapping, Willdan will prepare a design development plan based on the descriptions of improvements presented in the City-furnished schematic plan. The design development plan will address in further detail an understanding of the spatial requirements and relationship for the renovation improvements including circulation functions, landscape and irrigation, utility infrastructure, shade shelter and community stage architecture, electrical engineering, and grading and drainage systems. In addition, specific items that will be illustrated in the plan are:

- Address easements and drainage patterns.
- Address the footprint of the pre-engineered shade shelter and community stage including elevations.
- Address fencing materials.
- Address the playgrounds.
- Address the skate park.
- Address the fitness station equipment.
- Address the rubberized surfacing for the playgrounds and fitness stations.
- Address planting palette suggestions for trees, shrubs, and groundcovers, along with their respective locations. Species shall include drought-adaptive and California native plants.
- Address irrigation systems and relocation (i.e., smart controllers, control valves, and low-flow drip).
- Address hardscape and softscape surfacing materials for the walkways such as PCC concrete and stabilized decomposed granite.
- Address the preservation of trees and/or other noteworthy features.
- Address pedestrian circulation.
- Address site amenities, (i.e., tables, benches, trash receptacles, urns and drinking fountains).
- Identify infrastructure, (i.e., electrical and storm drainage).
- Address low retaining walls and seat walls
- Address ADA-accessible pathways and path of travel.
- Address area lighting.
- Address the hazardous materials locations within the park site.
Willdan will submit the design development plan design to the City for review and comments. Upon the review and comments from the City staff, Willdan will present a final site design development plan design for final review and acceptance that addresses the comments from all parties. The construction documents for the improvements will not commence until the City has reviewed and accepted the final design development plan design.

All illustrative renderings and drawings submitted will be in a form suitable for public presentations such as City and stakeholders' meetings.

**Preliminary Opinion of Probable Cost Estimation and Construction Schedule.** Based on the City-accepted design development plan, Willdan will prepare a detailed cost estimate for the categories of work to be performed in construction. If the cost estimate exceeds the available funding, Willdan will make the necessary revisions and adjustments to meet the financial limitations of the City. Once the City reviews and accepts the opinion of probable costs, Willdan will proceed with the preparation of the final construction documents.

Based on the scope of work depicted on the City-accepted construction opinion of probable costs, Willdan will prepare an estimated project schedule for construction. Milestones for the schedule shall include the bidding period, bid opening, award of project, preconstruction/kick-off meeting, start of construction, the midpoint of construction, final construction, closeout and notice of completion.

**Final Construction Drawings, Specifications, and Cost Estimate**

**Construction Documents.** This task will be for the entire construction document package encompassing specific plans drawn to a measured scale with construction notes that provide clear direction for the contractor. The package will include technical specifications with special provisions in "Greenbook" format (Standard Specifications for Public Works Construction, current edition the City has adopted), and a final detailed engineer's estimate. The plans, specifications, and estimate (PS&E) will be prepared and submitted to the City at four stages – 30 percent, 60 percent, 90 percent, and final 100 percent. The construction document package will be completed in a form sufficient for the solicitation of competitive public bidding.

The construction documents shall address the requirements of governing agencies. In addition, Willdan shall obtain approvals from governing agencies prior to advertising of public bidding. If any of the permitting agencies require lengthy submittal processes, Willdan shall alert the City of a potential slowdown or stoppage of the project.

Our scope of work for the improvements includes:

1. Prepare detail sheets with the required cross sections and details, including conformance with accessibility requirements for ADA path of travel.
2. Prepare a demolition plan for the removal of existing improvements and existing trees, shrubs, etc. conflicting with proposed improvements.
3. Prepare a grading plan for the playground and fitness stations surfacing, shade shelter and community stage locations, skate park, seat walls, PCC sidewalks, and elevations for compliance with accessibility requirements, and for proper drainage.
4. Prepare a site amenities plan showing the locations/placements of the benches, tables, shade shelters, community stage, fitness stations, drinking fountain, and trash receptacles.
5. Prepare the landscape and irrigation modification plans.
6. Prepare a playground and fitness stations layout plan with associated details.
7. Prepare the electrical plans for the lighting layout.
8. Prepare a Soil Management Plan for the hazardous materials areas.

The project will include the following submittals and deliverables. The deliverables will be in electronic form (PDF format) and paper hard copies in full-size 24-inch by 36-inch sheet size.

**Preliminary Plans, Specifications and Estimates at 30, 60 and 90 Percent Stages.**

Preliminary plans, specifications and cost estimate will be prepared in conformance with the approved design development plan. These documents will be prepared in AutoCAD (and converted to PDF format) and submitted to the City and other responsible parties/governing agencies for preliminary review and acceptance.

**Final Plans, Specifications and Estimates at 100 percent Stage.** Following the review and acceptance of the 30, 60 and 90-percent stages, Willdan will adjust the plans, specifications, and cost estimate to conform to plan check requirements and comments of the City. The final construction PS&E will be completed in detail and submitted to the City and responsible parties/governing agencies for review and final acceptance, including the city building department and governing fire department. The contract documents will be completed in a form sufficient for the solicitation of competitive public bids, along with all permit compliances. Willdan shall advise the City of any adjustments to previous estimates of probable construction cost indicated by changes in requirements or general market conditions. The final submittal and deliverable materials will include:

- 100-percent construction plans stamped by the landscape architect, civil and electrical engineers, and structural engineer as required.
- 100-percent technical specifications and special provisions including bid items schedule and city boilerplate specifications
- Final engineer’s estimate including bid items unit cost.

A summary of anticipated plans for the construction document package will include:

- Title sheet with vicinity map, general notes, signature and approvals blocks, legend, sheet index, and utility contact information.
- Detail sheets with construction notes – scale as required
- Civil/grading improvement plans – 20 scale
- Typical sections and details – scale as required
- Erosion control plan – 20 scale
- Demolition plan – 20 scale
- Construction layout plan – 20 scale
- Playground equipment and fitness equipment layout plan and details – 10 scale
- Skate Park – 20 scale
- Splash Pad – 20 scale
- Utility plan (sewer, water and electrical) – 40 scale
- Planting and irrigation modification plans – 20 scale
- Hardscape layout and site amenities plan – 20 scale
- Architectural plans for the pre-engineered shade shelters and community stage shelter – 1/8 scale
- Electrical and lighting plans and details – 20 scale
Property/topographic survey
Water quality and LID plan – 20 scale

A summary of anticipated specifications and reports for the construction document package will include:

- Construction specifications with special provisions and technical specifications.
- Construction cost estimate.
- Geotechnical report (for the shade shelter, community stage, infiltration rates and general pavement installations).
- LID Report.
- Drainage Report.
- Soil Management Plan.

**Constructability Review.** Willdan will provide a constructability review of the project as part of the design process. This review is a standard quality control measure used by Willdan to help prevent change orders. This review will include a) performing a job walk, reviewing the existing improvements, and identifying potential conflicts, including pedestrian, access, utilities, and right-of-way issues, and b) reviewing the design and specifications to identify potential construction issues.

**Deliverables.**

A summary of anticipated deliverables for the plans, specifications and cost estimate ready for bidding includes:

- One wet-signed mylar plan set.
- Six hard copies wet signed.
- AutoCAD files of plans.
- Microsoft Word file of Specifications.
- Excel file of cost estimates.
- PDF files of all other documents.

**Bid Support Services**

**Bidding Assistance.** Willdan will be available throughout the bid period to review and respond to questions and provide analysis and interpretation of the drawings and specifications.

Willdan will provide the City with the following items during the bidding period:

- Attend one pre-bid meeting.
- Respond to questions during the project advertising phase.
- Assist with the preparation of addenda.
- Assist with reviews of "or equal" products prior to bid opening.
- Review and analyze bid results and prepare bid summary.
- Verify contractor’s references, and contractor’s license.
- Provide recommendations to award project
Construction Support Services

Willdan will be available to provide the analysis and interpretation of the drawings and specifications, review and respond to material submittals and review shop drawings for compliance with the contract. We have assumed twenty material submittals and fifteen request for information (RFI) requests.

- **Shop Drawings Review** - Willdan will review the contractor's shop drawings, material submittals and respond to requests for information (RFI). The shop drawings and submittals will be logged in once we received them and a project file setup for record-keeping and tracking purposes. Turnaround time for the reviews will be between 5-7 working days, depending on the complexity of the submittal.

Additional Construction Support Services

Willdan will assist the City during the construction phase by attending a pre-construction meeting. Additionally, Willdan can assist the City with reviewing change orders and prepare project bulletins.

Furthermore, Willdan will be available for a pre-final and final acceptance observation walk-through with associated punch list items and the preparation of as-built record drawings. Our services are described in detail below:

- **Acceptance Inspection (Punch List)** - Willdan will perform a pre-final walk-through and follow-up with a final check of the project to ensure that the work is completed as intended, along with assisting the City in obtaining required turnover items. A punch list (at the pre-final and final) will be prepared by Willdan prior to final acceptance by the City.

**As-Built Record Drawings** - Willdan will review and approve the contractor's as-built drawings. In preparing the record drawings, Willdan will take the original construction drawings (and any bulletins issued during construction and redlines by the contractor) and make drafting notations to reflect as-built conditions and submit to the City as record drawings. The final deliverables will be on mylar plan sheets.

**EXCLUSIONS**

- Perform hazardous materials (asbestos, lead paint, aerially deposited lead, etc.) testing and related services.
- Plan check, permit, or similar fees to governmental agencies.
- Removal or treatment of hazardous materials encountered on or at the site.
- Acoustic analysis, reports, design, or consultation by an acoustical consultant.
- SWPPP - Note, this document will be noted in the construction documents to be prepared and furnished by the awarding Contractor.
3. Proposed Project Specific Staff

Organizational Chart

Willdan’s organization is shown below. Our team brings significant experience in park planning, sports facilities, recreational developments, residential, streetscape and urban beautification projects; as well as regional, community, and neighborhood parks.

![Organizational Chart Image]

**Project Staffing**

Willdan proposes to assign **Mr. John Hidalgo, RLA**, as **Project Manager** and **Principal Landscape Architect**. Mr. Hidalgo has over 31 years of diverse experience in park design, urban streetscapes, and a full range of landscape architectural projects. Mr. Hidalgo has completed numerous recreational projects in Southern California, including a variety of special facilities. His experience includes the development of an 8-acre Salud Park in the City of Paramount, California. The park consists of multi-use trails, planting areas with California native vegetation, play fields, exercise stations, 400-meter rubberized track, restroom buildings, picnic shelters, parking lot and playgrounds. In the Town of Pahrump, Nevada, Mr. Hidalgo was the Project Manager for a Draft Master Development Plan for Last Chance Mountain Park. The park consists of 1,520 acres in Bureau of Land Management property. The
Design Phase Engineering Services for the Preparation of PS&E for the Cudahy Park Renovation

**City of Cudahy**

The master plan document includes park general standards/details for mapping of trails, equestrian facilities, restrooms, points of interest signage, hiking markers and information kiosks.

Another project was the 22-acre Fountain Valley Recreation Center Expansion and in the City of Blythe, prior to employment with Willdan, Mr. Hidalgo was the landscape architect responsible for the design of the 18-acre Quechan Regional Park adjacent to the Colorado River. The project included city and local governing agencies (Bureau of Land Management and Palos Verdes Water District) review and approvals, construction drawings, cost estimates and construction observation. The park consists of trails, a new roadway into the park, parking lots, picnic shelters, a restroom building, soccer/baseball fields, regional-specific planting material, a beach area along the river’s edge, large open lawn areas and a future water park area.

As Project Manager, Mr. Hidalgo will:

- Establish appropriate organizational staffing to best provide the services needed;
- Monitor, review and report on the project’s status to the City at regular intervals;
- Participate in presentations to the City and other stakeholders;
- Solicit information from and coordinate reviews by the City;
- Be the primary contact and focus of project correspondence in order to maximize communications between the City, other agencies, and the Willdan team; and
- Monitor the general progress of the project and will thoroughly review all major documents prior to submittal to the City.

As the project manager, Mr. Hidalgo will ensure that Willdan’s staff is efficiently utilized and dedicated to fulfilling the desires of the City. Mr. Hidalgo will monitor the general progress of the project and will thoroughly review all major documents prior to submission to the City. His responsibilities will include administrative supervision of the project and quality assurance.

Mr. Hidalgo’s background is a blend of public and private practice. He is experienced in park planning, sports facilities, recreational developments, residential, streetscape and urban beautification projects; as well as regional, community, and neighborhood parks. His experience extends from project planning and development through design, construction and maintenance. This broad base of experience, which is specifically relevant to expected project requirements, provides the necessary credentials to guide your projects through various phases and tasks to a successful completion.

Summary qualifications of the Willdan team are presented on the following pages. Our subconsultant team is introduced below.

**Subconsultants**

**M Y Engineering, Inc.** (Electrical and Lighting Design – Splash Pad, Community Stage, Sports Courts and Play Fields) is a professional consulting engineering firm providing full mechanical, electrical, plumbing (MEP) engineering services. The firm applies a full-service approach to a wide variety of sectors, including recreational facilities, commercial buildings, educational institutions, industrial buildings, residential areas, health care facilities, and government establishments. M Y Engineering has provided on-call engineering services to the City of Rosemead, City of Monrovia, City of Covina and County of Los Angeles Internal Services Department (responsible for Beaches and Harbors, Fire Department, Health Services, Library, Parks & Recreation, Probation, Registrar-Recorder / County Clerk, Sheriff, and Superior Courts). The firm
recently completed work on an amphitheater power and lighting system with new park lighting for the City of Covina.

**ELMT** (Contaminated Soils) has 50+ years of experience providing timely and cost-effective environmental solutions and planning services. The firm provides biological resource assessments, Biological Resources Studies, Jurisdictional Delineations, Cultural/Historical/Archeological & Paleontological Studies, Climate Change/Air Quality/Greenhouse Gas (GHG) Studies, Transportation & Traffic Studies, Noise Studies, Health Risk Studies, Phase I and Phase II Environmental Site Assessments, Arborist Studies, Light/Glare Studies, Energy Analyses, and Environmental Remediation Planning and Project Management. ELMT has worked with Mr. Hidalgo on previous projects and is highly qualified to perform the respective services.

**Spohn Ranch** (Skate Park Design) is an award-winning skate park design-build firm with 30 years of municipal skate park projects spanning 40+ states in the nation. With a firsthand passion for skateboarding and wheel sports, Spohn Ranch’s highly skilled designers, and craftsmen – including iron workers, grading wizards and ACI-certified shotcrete nozzlemen – pride themselves on designing and building skate parks. The firm has won numerous awards for its skate parks including:

- Award for Excellence in Design, 2020 (Manzanita Skate Park - Anaheim, CA), California Park and Recreation Society
- Project of the Year, 2017 (Marine Park Skate Park – Manhattan Beach, CA), APWA Southern California Chapter
- Award of Excellence in Park Planning, 2017 (Stanton Skate Park – Stanton, CA), California Park and Recreation Society
- Finalist for “Crews that Rock” Award, 2011 & 2013 (Dew Tour Bowl & BSA Summit), World of Concrete
- Award for Excellence Nominee, 2010 (Daybreak Skate Park – South Jordan, UT), American Society of Landscape Architects
- Award of Excellence for Recreation, 2009 (Fontana Skate Parks – Fontana, CA), California Park and Recreation Society
- The Future of Skatepark Design,” 2008 (Daybreak Skate Park – South Jordan, UT), Huck Magazine

**AWu Government Services** (Architectural Design – Community Stage) is a full-service architectural firm located in Torrance, California. Since 1956, the firm’s professional staff of architects, planners, and design specialists have completed over 2,000 projects for over 50 different municipalities / public agencies. AWu has designed government facilities for city, county, state, federal, other municipal government agencies, military, and school districts. The firm has designed, produced construction documents and provided construction administration for various projects in the City of Rancho Palos Verdes including Eastview Park and Hesse Park. Since 1987, AWu has worked on more than 40 projects for the City of Torrance.
## Key Project Team Members

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<thead>
<tr>
<th>Team Member, Yrs of Experience, &amp; Role</th>
<th>License/Certifications</th>
<th>Qualifications</th>
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<tbody>
<tr>
<td><strong>John Hidalgo, RLA</strong> 31 Years of Experience Project Manager &amp; Landscape Architect Lead</td>
<td>Landscape Architect, California No. 3551 Licensed Contractor, California C-27, No. 713613</td>
<td>BS, Landscape Architecture, California State Polytechnic University, Pomona, CA</td>
</tr>
<tr>
<td><strong>Salvador Lopez Jr.</strong> 22 Years of Experience Technical Advisor &amp; Environmental Lead</td>
<td>Advance and Environmental Planning Active Transportation Planning (ATP)</td>
<td>BS, Urban and Regional Planning, California State Polytechnic University, Pomona</td>
</tr>
<tr>
<td><strong>Vanessa Muñoz, PE, TE</strong> 25 Years of Experience QA/QC Manager</td>
<td>Civil Engineer, California No. 67583 Professional Traffic Operations Engineer Traffic Engineer, California No. 2341 Doppler Traffic Operator</td>
<td>BS, Civil Engineering, California State Polytechnic University, Pomona</td>
</tr>
<tr>
<td><strong>Bryan Nguyen, RLA</strong> 19 Years of Experience Landscape Architect</td>
<td>Landscape Architect, California No. 4967</td>
<td>BS, Landscape Architecture, California State Polytechnic University, Pomona, CA</td>
</tr>
<tr>
<td><strong>Carlos Espinoza, RLA</strong> 13 Years of Experience Landscape Architect</td>
<td>Landscape Architect, California No. 6534</td>
<td>BS, Landscape Architecture, California State Polytechnic University, Pomona, CA Skills Certificate in Geographical Information Computer Systems (ArcGIS 9.2), Mt. San Antonio College, Walnut, CA</td>
</tr>
<tr>
<td><strong>Tyrone Peter, PE</strong> 16 Years of Experience Civil Engineering Lead</td>
<td>Civil Engineer, California No. 81888</td>
<td>BS, Engineering and Civil Engineering, Tamil Nadu College of Engineering Civil Engineering, Murugappa Polytechnic</td>
</tr>
<tr>
<td><strong>Gary Gordon, PE</strong> 37 Years of Experience Structural Engineer</td>
<td>Civil Engineer, California No. 42176</td>
<td>BS, Civil Engineering, California State University, Chico</td>
</tr>
<tr>
<td><strong>Ross Khiabani, PE, GE</strong> 47 Years of Experience Geotechnical Engineer</td>
<td>Civil Engineer, California No. 37156 Geotechnical Engineer, California No. 2202</td>
<td>MS, Geotechnical Engineering, California State University, Long Beach Geology, Pahlavi University, Iran</td>
</tr>
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### Team Member, Yrs of Experience, & Role

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<th>Team Member, Yrs of Experience, &amp; Role</th>
<th>License/Certifications</th>
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<tr>
<td>David Woolley, PLS 31 Years of Experience Survey</td>
<td>Professional Land Surveyor, California PLS No. 7304</td>
<td>Survey &amp; Mapping Coursework at Santiago Canyon College. Courses: Ethics, Business &amp; Professions Code, ALTA/NSPS Courses, Copyright Law and Land Surveying</td>
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<tr>
<td>Diane Rukavina, PE 36 Years of Experience Grant Funding</td>
<td>Civil Engineer, California No. 36380</td>
<td>BS, Civil Engineering, Loyola Marymount University</td>
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<tr>
<td>Jeffrey Lau, PE, TE, ENV SP 19 Years of Experience Traffic Engineering Lead</td>
<td>Civil Engineer, California No. 83887 Traffic Engineer, California No. 2835 Doppler Radar Operator</td>
<td>BS, Civil Engineering Polytechnic State University, Pomona</td>
</tr>
<tr>
<td>Kevin Custado, EIT, ENV SP 8 Years of Experience Electrical (Site Lighting)</td>
<td>Engineer-in-Training, California No. 153964; Envision Sustainability Professional</td>
<td>BS, Civil Engineering, California Polytechnic State University, Pomona</td>
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</tbody>
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Salvador Lopez Jr.
Technical Advisor and Environmental Lead

Profile Summary

Education:  
- BS, Urban and Regional Planning, California State Polytechnic University, Pomona

Experience:  
- 22 Years

Mr. Salvador Lopez possesses planning expertise and experience spanning all aspects of planning, including current, advance, and environmental planning, as well as active transportation planning and housing and community development. He is highly experienced at managing multi-disciplinary teams in the development of policy and long-range planning documents for public agencies. Mr. Lopez has provided planning services to the City of Cudahy since 2017. In his capacity as Interim Community Development Director, Mr. Lopez has successfully maintained the stability of the department while the city recruited a permanent Director. During the last five-plus years, Mr. Lopez has shepherded the adoption of the General Plan and Zoning Code update, successfully acquiring grant funding to support the update to the city’s Housing Element and the adoption of an Inclusionary Housing Element. He continues to assist the City with their Successor Agency needs, and was instrumental in the City’s pursuit of Proposition 68 funding for the proposed improvements to Cudahy Park. Mr. Lopez’s institutional knowledge of the city, experience in grants administration and environmental expertise make him a key asset to this project.

Relevant Project Experience

**Contract Planning Services, City of Cudahy, California.** Project Manager responsible for overall project management and oversight for staffing resources provided to the City. Willdan provides full-time contract planning services for the City's Planning Division as well as for Interim Community Development Director.

**On-Call CEQA/NEPA Planning Services, City of Claremont, California.** Project Manager responsible for overall project management and oversight for CEQA/NEPA documentation services necessary to implement the City's planned developments. Willdan's planning project managers prepare environmental documents pursuant to CEQA and NEPA and other environmental documentation or technical studies and assist with securing and complying with required regulatory permits. The range of environmental documents encompasses initial studies, negative/mitigated negative declarations, and environmental impact reports pursuant to CEQA, categorical exclusions, environmental assessments/findings of no significant impacts, and environmental impact statements pursuant to NEPA.

**Contract Planning Services, City of Long Beach, California.** Project Manager responsible for overall project management and oversight for staffing resources provided to the City. Staff planners assist with current planning, advance planning, special projects planning, development project review, entitlement processing, CEQA document preparation and review, historic assessments, community outreach, and other long-range planning activities.

**Contract Planning Services, City of Ojai, California.** Project Manager responsible for overall project management and oversight for staffing resources provided to the City. Staff planners assist with day-to-day current planning activities, design review, entitlement processing, counter assistance, and environmental review. Willdan is providing on-call planning services – including contract staff augmentation – to assist the Planning Division with general current planning activities.
On-Call Current Planning Services, City of Elk Grove, California. Project Manager responsible for overall project management and oversight of planning services provided to the City. Assigned planners will be responsible for on-call current planning services for all types of projects requiring entitlements, including but not limited to conditional use permits, variances, design reviews, rezones, zoning and general plan amendments, and tentative subdivision maps.

On-Call Planning Services, City of Desert Hot Springs, California. Project Manager responsible for overall project management and oversight of on-call planning services provided to the City. Contract planning services emphasize discretionary case processing and long-range advanced planning programs. Programs involved land use planning; complex land use development projects; general administration of City-initiated planning work and studies; conceptual plans; land use entitlement applications; general plan, specific plan, and zoning code updates and map amendments; and initial studies under the California Environmental Quality Act and related environmental documents. Associated staff reports, resolutions, and ordinances were prepared and presented as needed.

Special Project Planning Services, City of Artesia, California. Project Manager responsible for overall project management and oversight of on-call planning services provided to the City. Contract planning services encompass reviewing and processing land use entitlement applications; preparing general plan text or map amendments; preparing or amending specific plans; preparing zoning code text or map amendments; and preparing related environmental studies. Performance of these responsibilities requires expertise and knowledge in general plan compliance and implementation, CEQA/NEPA conformance, project management, and general planning procedures.

On-Call Planning Services, City of Willows, California. Program Manager responsible for overall on-call project assignment management and oversight for staffing resources provided to the City. Staff planners assist with current, advanced, and special project planning; development project review; entitlement processing, including general plan and zoning amendments; CEQA document preparation and review; and other long-range planning activities.

Garfield Avenue Corridor Improvements, City of Paramount, California. Environmental Task Manager responsible for overall environmental services necessary for the street improvements. Willdan provided design engineering services for street improvements through the Garfield Avenue corridor between the North and South City limits. The design involved street widening to accommodate a third lane in each direction; street resurfacing; two concrete intersections; concrete sidewalk, curb and gutter, and driveway approach reconstruction; catch basin construction; streetscape improvements for raised landscaped medians and modifications to existing medians; two entry monument signs; and traffic signal modifications at nine locations along the Garfield Avenue corridor. Services included civil, traffic, and drainage engineering; survey and mapping; utility relocation; landscape architecture; and pavement management. Willdan prepared an initial study checklist and a mitigated negative declaration pursuant to CEQA requirements.

Firestone Boulevard Corridor Capacity Enhancement, City of South Gate, California. Environmental Task Manager responsible for overall environmental services necessary for the street improvements. Willdan provided engineering services for the complete rehabilitation of roadway improvements from Alameda Street to Hunt Avenue. Improvements included but are not limited to increasing the number of lanes from 4 to 6, pavement rehabilitation along with localized removal and replacement of the failed portions of the roadway; installation of landscaped and hardscaped medians with drought-resistance plants, irrigation system, and lighting system; reconstruction of any deficient sidewalk, curb and gutter, driveway approaches, non-compliant ADA curb ramps; and street parkway trees without irrigation.
John J. Hidalgo, RLA
Project Manager and Landscape Architecture Lead

Profile Summary

| Education: | BS, Landscape Architecture, California State Polytechnic University, Pomona |
| Registration: | Landscape Architect, California No. 3551 |
| Experience: | 31 Years |

Mr. John Hidalgo possesses in-depth expertise in landscape architecture design development, preparation of plans and specifications, plan reviews, and construction observation. Mr. Hidalgo is familiar with various local, state, and federal codes, regulations, procedures, and standards relating to construction, safety, park and facility planning, and other landscape and irrigation amenities. He has successfully completed projects in compliance with these various standards. Mr. Hidalgo has experience representing project owners during the plan review process. He possesses comprehensive experience in both field observation and construction. Mr. Hidalgo responsibilities include managing park and street beautification design, stormwater management/low-impact developments, plan reviews, and construction observation.

Relevant Project Experience

Salud Park, City of Paramount, CA. Project Manager. Willdan was involved with this 8-acre park project from the very beginning of planning, through the grant application submittal and the preparation of construction documents and construction management services. The project includes synthetic turf play fields, a 400-meter walking/running track, multi-use soft-footed trails, exercise stations, parking, security lighting, and enclosed decorative steel fencing for the entire park. The park development is located within Southern California Edison right-of-way, therefore went through a lengthy review process and adhered to all requirements set forth in SCE conditions of approval. Funding for this park development was available through a park grant from Proposition 84.

La Puente Park Beautification Project, Paramount, California. Project Manager. Willdan provided landscape architecture design services involving the enhancement of an existing community park. The park is estimated at 20 acres and encompasses a variety of activities such as baseball, softball and football fields, playgrounds, open lawn areas, a community center, picnic shelters, restrooms, and City maintenance yard. The new additions include an expanded decorative concrete promenade area for the softball and little league fields, parking lot reconfiguration, ballfield lighting, shade trees, benches, pedestrian lighting and a new landscape and state-of-the-art irrigation system. Willdan is currently providing construction management and inspections.

Recreation Center Master Plan Expansion, Fountain Valley, California. Project Manager. Responsible for the rehabilitation of an existing 55-acre sports complex and an addition of 23 acres to produce a new 78-acre regional sports facility. The project provides the community with six new softball fields, six Little and Pony League fields, four soccer fields, a utility field, a large concert-in-the-park and assembly area, two new concession/restroom buildings, a new maintenance building and over one mile of natural hiking trails that connect to the existing County hiking trail system in Mile Square Park. The new improvements add to the existing tennis courts, indoor and outdoor basketball courts, handball and racquetball courts and recreation building.
Riverfront Park, City of Maywood, California. Project Manager/Landscape Architect. Responsible for the design and preparation of construction documents and specifications of a 7.3-acre park. Portions of the land were considered “Brown Fields” (contaminated soil). A thorough remediation program administered by the Environmental Protection Agency allowed the reclamation of the land for public use. Development of the park includes restroom facilities, retaining walls, landscaping, sidewalks, bicycle paths, a staging area for those using the Los Angeles River bicycle trail, a bridge, trails, a demonstration garden, lawn and picnic areas, a basketball court, a soccer field, and the incorporation of a swale to add to a natural habitat setting and aid in the control of runoff.

Orange Line Extension, Metropolitan Transportation Authority. Task Manager. Responsible for providing landscape design for this design-build project for the 4-mile extension of the rapid bus line along Canoga Avenue. Scope included preparation of arborist report, tree inventory plans, tree replacement plans, planting and irrigation plans as well as coordinating all landscape and irrigation aspects for the implementation of the design-build process. Site work included, a multi-purpose trail, raised landscaped medians, an irrigation system, ADA Access curb ramps, bio-retention basins, bicycle paths, park and ride and parking lot facilities.

Urban Greening Bicycle Trail, City of Lynwood, California. Landscape Architecture Task Manager responsible for providing and overseeing all landscape and irrigation design required to develop a sustainable, integrated, and efficient design for a bicycle trail within the community consistent with the City's year-round recreational programs. The $2.85 million, 1.2-mile project improvements are being designed to meet the City's general plan objectives and incorporate landscaping and decorative/commemorative points of interest along the trail. The ultimate bicycle path will provide safe connectivity between parks, bus and light rail transit stops, city hall, and other City attractions and shopping areas. Willdan is providing full engineering design services encompassing field surveys, right-of-way engineering, geotechnical engineering and inspection, landscape architecture, environmental documentation, preliminary and final design, drainage and water quality, utility coordination, traffic design, and safety and visibility lighting design.

Lakewood Boulevard Regional Corridor Capacity Enhancement, City of Lakewood, California. Landscape Architecture Task Manager responsible for providing and overseeing all landscape and irrigation design required for complete street/green street improvements between the north city limits and Del Amo Boulevard. Improvements involved street widening and median improvements; Class II bike lanes in both directions; turn lanes; landscape planting and irrigation; overhead distribution and transmission power undergrounding; sidewalk, curb and gutter, and driveway approach reconstruction; street resurfacing; catch basin construction; stormwater quality improvements to comply with Green Streets policy; bike lockers, bus shelter, and traffic signal modifications. Services include civil, traffic, pavement, drainage, and geotechnical engineering; landscape architecture, survey and right-of-way engineering, and utility coordination and relocation.

Paramount Boulevard Urban Renovation and Complete Street Improvements, City of Paramount, California. Landscape Architecture Task Manager responsible for providing and overseeing all landscape and irrigation design required for street improvements necessary to transform Paramount Boulevard from a four-lane arterial roadway into a scenic, multi-modal complete street corridor lined with shade trees and LED lighting to foster a more walkable and vibrant downtown atmosphere. The improvements involved traffic-calmed vehicle lanes with bulb-outs, two mid-block pedestrian crossings enhanced with rectangular rapid flashing beacons, a new traffic signal, LED street and pedestrian lighting, a parklet, bus shelters, new sidewalks, monument signs, and drought-tolerant streetscaping.
Vanessa Muñoz, PE, TE
QA/QC Manager

Profile Summary

Education:
  • BS, Civil Engineering, California State Polytechnic University, Pomona

Registration:
  • Civil Engineer, California No. 67583
  • Professional Traffic Operations Engineer
  • Traffic Engineer, California No. 2341
  • Doppler Traffic Operator

Experience: 25 Years

Ms. Vanessa Muñoz is an accomplished engineer for multi-discipline and multi-agency traffic and transportation projects and has designed over 1,000 signalized intersections and supervised the completion of over 2,000 projects for a variety of large- to small-scale projects. She has 25 years of traffic engineering and transportation planning experience in traffic impact studies, engineering and traffic surveys, design and operations, municipal engineering, and operational analyses. Ms. Muñoz is responsible for the analysis, coordination, and preparation of plans, specifications, and estimate for traffic signals, signing, striping, traffic control, flashing beacons, street lighting, interconnect, parking lots, street widening and resurfacing projects. She has performed street lighting inventories for master plans, developed design plans and performed energy audits for street lighting conversions and street lighting upgrades. Ms. Muñoz serves on an on-call basis as the City Traffic Engineer for the Cities of Rolling Hills and Inglewood and has served in a traffic engineer capacity or as City Traffic Engineer for the Cities of Arcadia, Camarillo, and Fontana.

Ms. Muñoz has secured funding through the Safe Routes to School (SR2S) and Highway Safety Improvement Program (HSIP) grants and has managed projects that include federal funds such as SRTS, HSIP, ARRA, STIP, and STPL. She is extremely familiar with the Local Assistance Procedures Manual and has coordinated the approval of NEPA/CEQA, understands the procedures for allocation of construction funds and issuance of the E-76 form.

Relevant Project Experience

Palos Verdes Drive North Bike Lane, City of Rolling Hills Estates, California. Project Manager responsible for securing federal STPL funds in the amount of $2,081,000 (Call for Projects Grant) and state fund in the amount of $554,580 (SR2S Grant) that will serve as the local match for the design and construction of the Palos Verdes Drive North Bike Lanes between Crenshaw Boulevard and the West City Limits. Willdan Engineering provided engineering and construction engineering services to the City of Rolling Hills Estates for the Palos Verdes Drive North Bike Lane Project. The design aspect of the project included the roadway widening approximately 1.26 miles long for the addition of 5-foot bike lanes within a 200-foot right-of-way, as well as the addition of a second through lane at major intersections to increase capacity. The improvements included the installation of raised medians, street resurfacing and traffic signal modifications. Other services provided by Willdan Engineering and essential to the success of the project included utility coordination/relocation, federal funding administration; environmental clearance (NEPA and CEQA); contract administration and construction inspection.

Richmond Road Bike Path, City of Ridgecrest, California. Lead Traffic Engineer. Lead Traffic Engineer for the design of a new Class I bike path on Richmond Road between Ridgecrest Blvd and the Bowman Bike Path. Willdan provided professional engineering and environmental compliance services for the
extension of the existing Class I Bowman Bike Path along Richmond Road from the existing bike path (north of Upjohn Avenue) to Ridgecrest Boulevard.

12 Park Lighting Analysis, City of Norwalk, California. Project Manager. Willdan Engineering provided professional energy and engineering services for the lighting analysis and audit on 12 parks in the City of Norwalk. The City is interested in retrofitting the existing parks’ lighting fixtures in order to reduce the energy consumption throughout the parks, as well as supplementing the existing lighting with additional lighting to improve safety in and around the parks and reduce crime. Furthermore, three parks have ballfields that are not currently lit and the City is requesting a lighting analysis be performed to assess how much it would cost to install energy-efficient ballfield lighting. Willdan Energy will perform Park Lighting Energy audits that will meet or exceed the minimum requirements of ASHRAE energy audit guidelines (RP-669). For sites where it is not appropriate or customary to include certain elements and/or deliverables outlined in the ASHRAE Level 2 audit (for example, pools and sports complexes), it is allowable to not address all specified components and deliverables noted in the audit description.

Drummonds Avenue Widening Project (HSIP), City of Ridgecrest, California. Project Manager. Responsible for providing engineering services to perform environmental, design engineering, and federal compliance services for the City’s Drummond Avenue Widening project. The project includes the design of new curb, gutter, sidewalks, crosswalks, ADA curb ramps, asphalt concrete paving, signing and striping along Drummond Avenue between Downs Street and Inyo Street. We understand that the proposed improvements are funded by the Highway Safety Improvement (HSIP) federal programs and require the services of a consultant with expertise in the management of federally-funded projects. The grant amount is $293,000. The Drummond Avenue widening will provide two lanes of travel for each direction and will align with the existing cross section at Downs Street and Inyo Street. Willdan prepared the NEPA Categorical Exclusion with technical studies including hazardous material, biological resources and cultural studies. The CEQA was a negative declaration or mitigated negative declaration documents. The grant paperwork included preliminary engineering, field review and right of way certifications. Other services provided by Willdan included geotechnical study and utility coordination.

Firestone Boulevard Capacity Enhancement, City of South Gate, California. California. Project Manager. Responsible for traffic engineering design and studies required for the corridor improvements from Alameda Street to Hunt Avenue. The improvements involved roadway widening from four to six lanes; pavement rehabilitation; landscape and hardscape medians; median lighting; sidewalk, curb and gutter, and driveway approach reconstruction; ADA-compliant ramps; parkway trees; artistic elements and corridor entrance monument; bus shelter and bus turnouts; and traffic signal modifications. Services provided included civil, traffic, pavement, and drainage engineering; landscape architecture, survey and right-of-way engineering; and utility relocation.

Lakewood Boulevard Regional Corridor Capacity Enhancement, City of Lakewood, California. Project Manager. Responsible for oversight of traffic engineering services provided for 1½-mile complete street/green street improvements between the north City limit and Del Amo Boulevard to provide for a regional bicycle path in compliance with the Gateway Council of Governments Active Transportation Plan and improve pedestrian access to retail/commercial establishments. The design entailed coordination of pedestrian and bicycle movements into the current County Traffic Signal Synchronization Program, undergrounding utility distribution and transmission, Green Streets stormwater quality treatment, and drought-tolerant landscaping. Other improvements involved upgraded traffic signal equipment to improve safety, bicycle parking and lockers, improved transit stops, sidewalk additions within the corridor to meet ADA requirements, street resurfacing, and irrigation.
Bryan Nguyen, RLA
Landscape Architect

Profile Summary

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<tr>
<td></td>
<td>Street Tree Seminars</td>
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<tr>
<td>Registration:</td>
<td>Landscape Architect, California No. 4967</td>
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<td>Experience:</td>
<td>19 Years</td>
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Mr. Bryan Nguyen has over 19 years of landscape architecture and graphic design experience. Mr. Nguyen’s experience includes the development of conceptual landscape plans with extensive graphic vignettes such as photographic before and after simulations; the preparation of construction documents; and plan checking services for many public agencies. Mr. Nguyen is proficient in AutoCAD, MicroStation, SketchUp Pro, LandFX, and Adobe Photoshop. Other duties include the preparation of irrigation water and landscape management construction documents and performing third-party landscape plan reviews.

Relevant Project Experience

**As-Needed Landscape Architecture Staff Augmentation for the Los Angeles County Department of Public Works, Design Division. Landscape Architect.** Willdan provided landscape architectural staff augmentation services to the Los Angeles County Department of Public Works, Design Division. Duties include assisting the County’s landscape architect project manager with various tasks, e.g. construction documentation preparation, conceptual exhibits preparation, construction plan and specification reviewing etc.

**Prop 84 Implementation Grant Application, City of Lakewood, CA. Grant Application Preparer.** Willdan was retained to assist in the preparation of Prop 84 Implementation Grant Application related to water conservation in the landscape. Grant funding paid for the conversion of existing turf medians to drought-adaptive low water use landscape. Scope of work included project information questionnaire, a Powerpoint presentation, cost estimates and view simulations of the proposed improvements. The City was awarded the requested $1 million dollars, and the project was completed in the spring of 2020.

**Salud Park, City of Paramount, CA. Designer.** Funding for this 8-acre park development was through a park grant from Proposition 84. Willdan was involved with this project from the very beginning of planning, through the grant application submittal and the preparation of construction documents. Willdan also handled the construction management services. The project includes a synthetic turf play fields, 400-meter walking/running track, multi-use soft-footed trails, exercise stations, parking, security lighting, and enclosed decorative steel fencing for the entire park. Willdan went through a lengthy review process and adhered to all requirements set forth in SCE conditions of approval.

**Metropolitan Transit Authority (MTA) Right-of-Way (ROW) Multi-Purpose Trail, City of Paramount, CA. Landscape Architect.** The project involved the construction of an estimated ½ mile multi-purpose trail consisting of decorative overhead lighting, benches, bollards, landscape and irrigation, trash receptacles, and bicycles racks. The project is located within the MTA ROW easements, from Lakewood Boulevard to Somerset Boulevard. This segment is part of the City’s 2.5 miles of trails within the MTA ROW that are currently in the planning stage and will be constructed when funds are available. Willdan was responsible for the conceptual plans and illustrations, construction documents, and construction support services. As which included the preparation of; and preparation of construction documents.
Carlos A. Espinoza
Landscape Architect

Profile Summary

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<tbody>
<tr>
<td>Skills Certificates in Landscape Irrigation Science and Turf Grass Management Mt. San Antonio College, Walnut, CA</td>
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<tr>
<td>Skills Certificate in Geographical Information Computer Systems (ArcGIS 9.2) Mt. San Antonio College, Walnut, CA</td>
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<tr>
<td>BS, Landscape Architecture, California State Polytechnic University, Pomona</td>
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<td>Landscape Architecture Study Abroad, Castiglione Fiorentino, Italy</td>
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<td>ITALART Associazione Culturale Centro Studi, S. Chiara. Cal Poly Pomona Tuscany, Italy</td>
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<td>AA, General Education, Chaffey College, Rancho Cucamonga, California</td>
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<td>Landscape Architect, California No. 6534</td>
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Mr. Carlos Espinoza has been involved in the preparation of planting, irrigation, and hardscape construction documents for county and municipal entities, large commercial sites, and custom-built residential. He prepares documents including site inventories documenting existing conditions. Mr. Espinoza managed and executed planting selection, and coordinated with nurseries for plant availability, and allocation of planting material per availability. He observed the planting process to ensure accurate onsite installation per specifications. He coordinated with outside consultants on multiple aspects of projects, including structural engineers and civil engineers to ensure the timely completion of landscape projects. Mr. Espinoza performed pre-construction and post-construction site visits to ensure that landscape plans, specifications and details are followed. He prepared cost-estimation documents. He is proficient in ArcGIS 9.2, AutoCAD, MS Office Suite, Adobe Photoshop, and Sketch-Up software. Mr. Espinoza is fluent in the Spanish language, both written and spoken.

Relevant Project Experience

As Needed Landscape Architecture & Engineering Design Services, County of Los Angeles, CA. Designer. The County of Los Angeles retained Willdan to provide as-needed landscape architectural design services for staff augmentation at the Alhambra office location.

Clarksdale Skate Park Renovations, City of Hawaiian Gardens, CA. Field Observer. Willdan was retained to design a skate park at Clarksdale Park. The skating elements will be a combination of concrete elevated bowls and ramps along with jump boxes and stair rails. Our services include concepts, construction drawings and bidding support.

Quality Control Inspection/Customer Services, City of Yorba Linda, CA. Landscape Architect/Task Manager Assistant. As part of Willdan's current on-call services with the City of Yorba Linda, the City's Landscape Department has requested a landscape Inspection/Quality Control Staff Member to assist with the City's Landscape Maintenance District day-to-day operations. Services include field visits and interaction with contractors and local residents; plans reviewer; construction management services for the renovations of landscape medians to drought adaptive planting material- citywide; additionally, has requested for the preparation of a construction documents for the conversion of city medians to drought adaptive landscapes.
Tyrone Peter, PE
Civil Engineering Lead

Profile Summary

| Education: | BS, Engineering and Civil Engineering, Tamil Nadu College of Engineering
|           | Civil Engineering, Murugappa Polytechnic |
| Registration: | Civil Engineer, California No. 81888 |
| Experience: | 16 Years |

Mr. Tyrone Peter is an accomplished civil engineer for multi-discipline and multi-agency infrastructure projects and is known for providing innovative, quality engineering services to ensure project delivery within budget and schedule. His years of experience managing and designing all types of public works projects provide a solid foundation to understand what is needed to deliver a successful project and make him the perfect fit for overseeing the entire project as well as specific civil engineering tasks. Mr. Peter's comprehensive experience includes the design of state highway, new street, street widening, street realignment, pavement rehabilitation, light rail and railroad, grade separation, flood control facility, water, and sewer projects. He has supervised feasibility study, project study report, project report, construction document preparation as well as grade certification issuance, construction administration, and construction inspection.

Relevant Project Experience

City of Westlake Village Westlake Village Community Park and YMCA Building, Westlake Village, California. Project Manager. Willdan provided project management design environmental clearance and construction management and inspection services for this multi-phased project to construct a new 20-acre park and YMCA facility. Construction contracts completed for this project encompass mass grading drainage improvements on-site utility installations, three booster pump stations enclosed within new buildings, two concessions, restroom buildings, retaining walls, access roads, a skate park, playground and fitness areas, beach volleyball courts, baseball and soccer fields and a 10,000-square-foot YMCA building. Overall earthwork involved remediation and cut-and-fill quantities of over 1 million cubic yards of earth. The design involved backbone storm drain infrastructure as well as debris and retention basin. The site utility plan included services for water, sanitary sewer, gas and electric. Willdan managed the design of MIG Inc. and provided on-site design as necessary for aspects of the work such as ADA-compliant ramp installations, slope landscaping redesign and fire lane permitting. Willdan procured coordinated and managed dozens of contracts and oversaw all aspects of building and safety water pressure health and safety and construction, acting as the general contractor to support the City Council’s direction to phase the work out and use inventive procurement methods to reduce the cost of installations like grates lighting poles and a gazebo. This state-of-the-art project would be impossible for most cities the size of Westlake Village; but the cohesive commitment by the City Council, City management and City staff added to the dedication and effort of the Willdan team made this amazing park possible.

Urban Greening Bicycle Trail, City of Lynwood, California. Project Manager responsible for overall project management and oversight required to develop a sustainable, integrated, and efficient design for a bicycle trail within the community consistent with the City's year-round recreational programs. The $2.85 million, 1.2-mile project improvements were designed to meet the City's general plan objectives and incorporate landscaping and decorative/commemorative points of interest along the trail. The
The ultimate bicycle path provides safe connectivity between parks, bus and light rail transit stops, city hall, and other City attractions and shopping areas.

**Lakewood Boulevard and Del Amo Boulevard Hot Spot Intersection Improvements, City of Lakewood, California.** Project Manager responsible for overall project management and oversight of all services required for the intersection improvements. Improvements encompassed widening the west side of Lakewood Boulevard north of Del Amo Boulevard, modifying/removing the median island on Lakewood Boulevard, widening the south side of Del Amo Boulevard, modifying the median island on Del Amo Boulevard, modifying the traffic signal, relocating street lights per street/median island modifications, box culvert/channel wall modifications, extending Del Amo Boulevard Class 2 bike lanes east of Lakewood Boulevard, and converting a bike path to a recreational path.

**Centinela Avenue Median, ADA, and Traffic Signal Improvements, City of Inglewood, California.** Quality Assurance Manager responsible for ensuring services and deliverables required SB-1 and HSIP-funded improvements. The HSIP segment of the project involved installing raised median islands and protected left-turn phasing and upgrading traffic signals between La Cienega Boulevard and La Brea Avenue. The SB1-funded improvements entailed improvements between La Cienega Boulevard and Florence Avenue and involved reconstructing the curb and gutter, resurfacing with asphalt-rubber hot-mix; reconstructing damaged and uplifted concrete sidewalk; installing access curb ramps in compliance with ADA requirements; installing landscaping along the parkway; signing and striping; street lighting; and fiber optic interconnects. Both project segments were designed simultaneously and bid as one construction package with two separate bid schedules.

**Firestone Boulevard Capacity Enhancement, City of South Gate, California.** Project Manager responsible for overall project management and oversight required for the corridor improvements from Alameda Street to Hunt Avenue. The improvements involved roadway widening from four to six lanes; pavement rehabilitation; landscape and hardscape medians; median lighting; sidewalk, curb and gutter, and driveway approach reconstruction; ADA-compliant ramps; pathway trees; artistic elements and corridor entrance monument; bus shelter and bus turnouts; and traffic signal modifications. Services provided included civil, traffic, pavement, and drainage engineering; landscape architecture, survey and right-of-way engineering; and utility relocation.

**Alpine Pedal Path, City of Big Bear Lake, California.** Project Manager responsible for overall project management and oversight of all services required for the bike path improvements. Providing the separated multi-use trail resulted in safer and more user-inviting travel options. The addition of this path affected the existing Sandalwood Creek. To minimize the impacts to the creek, Willdan designed extended storm drain culverts with head, end, and wing walls added. Additional design elements entailed final alignment grade, drainage, utility relocation coordination, retaining and sound walls, landscape and irrigation, right-of-way acquisition and easement, and legal descriptions and exhibits. The work required coordination with local bus transit and Caltrans District 8.

**South Laguna Streetscape, City of Laguna Beach, California.** Design Engineer responsible for the preparation of the plans, specifications, and estimate design documents Willdan prepared both the CEQA and NEPA documentation for various aesthetic streetscape and pedestrian safety improvements along Coast Highway in the South Laguna Business District. The work involves the installation of new sidewalks, pedestrian lighting, ADA ramp improvements, landscaping, and bus stop shelters. The preparation of both environmental documents was coordinated with Caltrans District 12 as the project is partially being federally funded through Caltrans’ Local Assistance Program.
Gary Gordon, PE
Structural Engineer

Profile Summary

| Education: | * BS, Civil Engineering, California State University, Chico |
| Registration: | * Civil Engineer, California No. 42176 |
| Experience: | 37 Years |

Mr. Gary Gordon possesses comprehensive public works experience that encompasses project management; design and construction management of roadway, bridge, traffic signal, waterline, sewer line, drainage system, and airport projects. He has extensive experience administering federal-aid projects and is intimately familiar with the various program requirements from both project management and construction management standpoints. He helped the County of Glenn successfully apply for over $36 million in federal HBP funds for 12 different off-system, structurally deficient, or functionally-obsolete bridges since 2010 – also applying Toll Credits as a match to the HBP funds with no local matching funds required from the County. Mr. Gordon successfully lobbied Caltrans for additional approach funding beyond the typical limits. He has written project study reports to qualify projects for STIP funding, time extension requests to Caltrans and the California Transportation Commission, and specifications utilizing various formats such as Caltrans and the American Public Works Association Green Book. Mr. Gordon’s career includes serving as a staff member of the Shasta County Department of Public Works, Caltrans Division of Structures, and City of Redding’s Department of Public Works.

Relevant Project Experience

Urban Greening Bicycle Trail, City of Lynwood, California. Structural Engineering Task Manager responsible for all structural design and studies required to develop a sustainable, integrated, and efficient design for a bicycle trail within the community consistent with the City's year-round recreational programs. The $2.85 million, 1.2-mile project improvements were designed to meet the City's general plan objectives and incorporate landscaping and decorative/commemorative points-of-interest along the trail. The ultimate bicycle path provides safe connectivity between parks, bus and light rail transit stops, city hall, and other City attractions and shopping areas.

Willows Memorial Park and Orland Memorial Park Clean California Grant Estimates, County of Glenn, California. Project Manager responsible for collaborating with Department of General Services staff to develop park improvement exhibits and cost estimates. The quick-turnaround project required a specific Caltrans format to qualify the park projects for Clean California Grant funding. The project was completed in less than a week with Willdan and County staff working collaboratively via phone calls and video meetings to ensure exhibits reflected the County's vision and were within the budgetary limits of the grant. The County was awarded $4.4 million in March 2022.

Lakewood Boulevard and Del Amo Boulevard Hot Spot Intersection Improvements, City of Lakewood, California. Structural Engineering Task Manager responsible for all structural design and studies required for the intersection improvements. Improvements encompassed widening the west side of Lakewood Boulevard north of Del Amo Boulevard, modifying/removing the median island on Lakewood Boulevard, widening the south side of Del Amo Boulevard, modifying the median island on Del Amo Boulevard, modifying the traffic signal, relocating street lights per street/median island modifications, box culvert/channel wall modifications, extending Del Amo Boulevard Class 2 bike lanes east of Lakewood Boulevard, and converting a bike path to a recreational path. Willdan provided assistance by
obtaining a County of Los Angeles construction permit and license agreement for work within the channel.

**Hamilton City Community Hall and Chester Walker Memorial Library ADA Improvements Upgrades, City of Glenn, California.** Project Manager/Specification Writer responsible for coordinating the architectural design and delivering the plans, specifications, and cost estimate to remodel the Community Hall and the Library in Hamilton City to meet ADA standards. Services extended into construction to provide submittal reviews and RFI responses.

**Departmental Office Floor Space Re-Allocation, County of Glenn, California.** Project Manager responsible for collaborating with Department of General Services staff to update floor area allocations among various County departments to establish appropriate General Service maintenance and custodial cost allocations for each department's occupied space. Willdan maintains and updates the CAD files reflecting office layouts by County building and floor level. As usage changes, CAD files along with each department's allocated square footage are updated in a master spreadsheet. Adobe Acrobat files of each floor with allocated area for each department are prepared for the County's use.

**Various Bridge Replacements and Roadway Improvements, County of Glenn, California.** Project Manager responsible for overall project management and services provided for projects throughout the County, including 11 HBP-funded bridge replacement projects. Common elements of all projects include project management, surveying, right-of-way engineering, utility coordination, geotechnical investigation, hydrologic/hydraulic analysis, preliminary engineering studies, environmental documentation, roadway approach design, bridge design, right-of-way clearance and certification, PS&E preparation, bid assistance, and construction support.

**Five Bridge Replacements and Bridge Preventive Maintenance, County of Mariposa, California.** Project Manager responsible for overall project management and oversight of design services for five bridge replacements and two Bridge Preventive Maintenance Program projects consisting of over 20 bridges. Services encompass project management, surveying/right-of-way engineering, hydrology/hydraulics, geotechnical, environmental permitting, bridge and road design, appraisal and acquisition, utility coordination, and Caltrans Local Programs assistance.

**Mattole River Bridge on Briceland Road, County of Mendocino, California.** Project Engineer responsible for the design of this bridge replacement project located on a rural county road that provides access to Sinkyone Wilderness State Park within Mendocino County’s costal wilderness area. Briceland Road over Mattole Creek Bridge’s approach roadway alignment is a series of curves and rolling hills. The existing bridge was constructed in 1967 and is a single-lane structure that consists of two railroad flat cars placed side by side. It has been rated functionally obsolete. In addition, the existing bridge is scour critical; field review indicates that extensive scour has occurred at the bridge foundations. Willdan’s replacement option is a single-span precast prestressed box girders that eliminates the need for falsework in this environmentally sensitive area.

**County Engineering Services, County of Glenn, California.** Project Manager responsible for overall project management and services provided for various bridge replacement projects throughout the county, including 10 HBP-funded bridge replacement projects. Common elements of all projects include project management, surveying, right-of-way engineering, utility coordination, geotechnical investigation, hydrologic/hydraulic analysis, preliminary engineering studies, environmental documentation, roadway approach and bridge design, right-of-way clearance and certification, PS&E preparation, bid assistance, and construction support.
Ross Khiabani, PE, GE
Geotechnical Engineer

Profile Summary

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<tr>
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<th>MS, Geotechnical Engineering, California State University, Long Beach</th>
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<tbody>
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<td></td>
<td>Geology, Pahlavi University, Iran</td>
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<tr>
<td>Registration:</td>
<td>Civil Engineer, California No. 37156</td>
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<td></td>
<td>Geotechnical Engineer, California No. 2202</td>
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<td>Experience:</td>
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Mr. Ross Khiabani has more than 47 years of professional experience in performing diversified geotechnical assignments involving soil mechanics and foundation engineering, soil stabilization, landslide analysis and stabilization, settlement evaluations, liquefaction studies, slope stability analyses, laboratory testing, and inspection services during construction operations. His vast experience includes providing engineering services for commercial, industrial, institutional, ports and harbors, public works, transportation (including major bridges, local roads, freeways and toll roads) and water and wastewater facilities projects. This broad base of experience has given him a unique insight into local geotechnical and seismic conditions, and construction processes. Mr. Khiabani has kept in close communication with local, city, county, and state reviewers and is familiar with governing codes and requirements.

Relevant Project Experience

On-Call Geotechnical Services, City of Calabasas, California. Geotechnical Engineer. Willdan provides review of geotechnical and engineering geology reports and plans submitted by developer’s soils engineers and/or engineering geologist using City established policies and procedures and within City timeframes. Prepare review comments and conditions of approval. Review responses to review comments provided by the developer’s geotechnical consultant and work with the developer’s soils engineer to resolve issues generated by review comments. Attend meetings with developers, builders, engineers, and consultants in a timely manner to resolve issues generated during the report review process or during construction. Review soils reports submitted by the developer’s geotechnical consultant for proposed changes during grading. Provide technical support to the City for geotechnical engineering and geologic-related issues on an as-needed basis.

On-Call Geotechnical Services, City of Diamond Bar, California. Geotechnical Engineer. Willdan provides review of geotechnical and engineering geology reports and plans submitted by developer’s soils engineers and/or engineering geologist using City established policies and procedures and within City timeframes. Prepare review comments and conditions of approval. Review responses to review comments provided by the developer’s geotechnical consultant and work with the developer’s soils engineer to resolve issues generated by review comments. Attend meetings with developers, builders, engineers, and consultants in a timely manner to resolve issues generated during the report review process or during construction. Review the soils reports submitted by the developer’s geotechnical consultant for proposed changes during grading. Provide technical support to the City for geotechnical engineering and geologic-related issues on an as-needed basis.

Fitness Park, City of Paramount, California. Geotechnical Engineering Task Leader responsible for geotechnical engineering and testing services required for improvements to the park. The project includes synthetic turf play fields, 400-meter walking/running track, multi-use soft-footed trails, exercise stations, parking, security lighting, and enclosed decorative steel fencing for the entire park. The park is
located within Southern California Edison's right-of-way – requiring a lengthy review and adherence to all SCE conditions of approval requirements.

**Golden West College Student Services Site Underground HVAC Piping-Huntington Beach, California.** Coast Community College District. Project Manager. Geotechnical material testing and inspection services, Golden West College Student Services site underground HVAC piping.

**Kanan Road and Highway 101 Interchange, City of Agoura Hills, California.** Project Manager closely working with Caltrans oversight staff performed a geotechnical investigation for the City of Agoura Hills. This project included the development of drilling work plans, permit acquisition, traffic control, soil and rock logging, sampling, laboratory tests, and foundation recommendations for highway improvements consisting of removal of existing off-ramps, relocation, and widening of streets, construction of bridges and relocation and construction of new on- and off-ramps.

**Fedde Middle School Sports Field Master Plan/The Irving Moskowitz Stadium, City of Hawaiian Gardens, California.** Geotechnical Engineering Task Leader responsible for geotechnical engineering and testing services required for the sports park master plan for the school site. The master plan consisted of soccer/football fields, baseball diamonds, 400-meter running track and handball courts. Site amenities included concession/restroom buildings, grandstands, stage and playground area. In addition, the City has requested a conceptual design/study for a parking lot over the adjacent Los Angeles County flood control channel.

**La Mirada Aquatics Center, La Mirada Unified School District, La Mirada, California.** Geotechnical Engineer. Responsible for site investigation and services during construction. Willdan performed the civil design in conjunction with the architectural design team for this unique City-owned project. Additionally, Willdan served as the construction manager, on-site building official, and construction inspector for this project that has four distinct components: a 20,000-square-foot aquatics building - accommodating locker rooms, bathrooms, offices, multi-purpose areas; construction of three pools - a 50-meter competitive pool, a 25-meter practice pool and a smaller indoor pool and lazy river pool; expansion and interior tenant improvements of the public safety building - a one-story masonry addition with lighting; and parking and site improvements to the surrounding park areas - approximately 180 additional stalls.

**Orange Coast Community College, Newport Learning Center, Newport Beach, California.** Providing geotechnical engineering, materials testing and inspection services for the construction of the Newport Learning Center, a 3-story type II-B building with 112,795 ASF, associated site development including a large bio-filtering facility, and parking/driveway areas. Services consist of geotechnical observation and testing during remedial grading, over-excavation, mass grading, foundation excavations and utility trench backfill. Testing and Inspection services also include Special Inspection for poured-in-place caissons and 138 soil anchors/tiebacks necessitated by the load demand imposed by a special design element – outward leaning external walls.

**Walmart Construction Management & Inspection Services, City of Ridgecrest, California.** Materials Testing Manager. Was responsible for quality assurance materials testing during construction of offsite and onsite improvements. Willdan performed complete Construction Management, Geotechnical and Inspection services. In addition, we performed technical inspection services for onsite and offsite grading, street construction, drainage channel construction, drainage culvert construction, asphalt placement, concrete construction and earthwork activities. Provided geotechnical consultation, testing and verification services to meet City of Ridgecrest design standards and per Walmart-approved plans.
David Woolley
Survey

Profile Summary

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<th>Education:</th>
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<tr>
<td></td>
<td>Courses: Ethics, Business &amp; Professions Code, ALTA/NSPS Courses, Copyright Law and Land Surveying</td>
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<td>Registration:</td>
<td>Professional Land Surveyor, California PLS 7304</td>
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<td>Experience:</td>
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Mr. David Woolley is an expert in land surveying; standard of care; construction surveying; boundary line determination and analysis; boundary disputes; deed interpretation; boundary reconstruction; easement analysis and construction; map preparation; and construction and constructability. He has expertise in the Professional Land Surveyor’s Act and the Subdivision Map Act; ALTA surveys; documentation of construction defects; settlement/displacement surveys. land surveying; standard of care; construction surveying; boundary line determination and analysis; boundary disputes; deed interpretation; boundary reconstruction; easement analysis and construction; map preparation; construction and constructability, Mr. Woolley is a recognized land title expert with a proven ability to resolve complex boundary and title review issues and to provide surveys for cases involved in complex litigation throughout the state.

Relevant Project Experience

Survey and Mapping Services, City of Inglewood, California. Survey/Mapping Review. Willdan provided map checking and legal description checking for the City of Inglewood’s engineering department. Through the on-call services contract, Willdan provided technical reviews of parcel maps, tract maps, lot line adjustment, certificates of compliance, and lot mergers. Willdan was heavily involved in checking various items for the Stadium project.

Survey Services, City of Lakewood, California. Survey/Mapping Review. Willdan performed a topographic survey and partial boundary survey at Lakewood Equestrian Park.

Long Beach Blvd ADA Curb Ramps, City of Lynwood, California. Survey Lead. Willdan provided the design of 21 ADA curb ramps within the Long Beach/Freeway 105 interchange. The scope also included the installation of five ramps for the park and ride and one ramp on the westbound onramp. Willdan surveyed 21 curb ramps for the City of Lynwood within Caltrans ROW at Long Beach Blvd and Freeway 105 interchange so that the redesign would be in compliance with ADA. The scope also included acquiring the Caltrans encroachment permit and engineering support during construction.

Plan Check Services, City of Rialto, California. Survey/Mapping Review. Willdan is providing the City of Rialto with on-call plan-checking services. Plan checking services are provided on engineering plans and studies that are submitted for review by the development community. Plan check services may include but are not limited to grading plans, street improvement plans, sewer and water plans, storm drain plans, traffic plans, landscape plans and all associated studies and reports. Willdan is working with the City to develop an electronic plan check process to allow for all electronic submittals.

Orange County Surveyor’s Office, Reviewed Over 1000 Tract Maps, 500 Parcel Maps and 300 Record of Surveys, California. Former supervisor of the Lot Line Adjustment, Certificate of Compliance, Records of Survey, Parcel Map and Tract Map compliance checking section of the Orange County Surveyor’s office. Was responsible for compliance with state laws, local ordinances and boundary determination. In
addition to the preparation of Records of Survey, reviewed over 1000 Tract Maps, 500 Parcel Maps and 300 Records of Survey prepared by Professional Land Surveyors.

**Long Beach City Surveyor, California.** Interim City Surveyor for the City of Long Beach. Was responsible for the land surveying functions of preparing right-of-way documents (i.e. vacations, dedications, acquisitions, etc. or checking the same when prepared by consultants, private property developers, or other agencies). Additionally, as the Contract City Surveyor, reviewed all right-of-way and land surveying work for compliance with state laws (i.e. Government Code (Subdivision Map Act), Civil Code, Civil Procedures, Streets and Highways Code, Public Resource Code, Professional Land Surveyors Act and the agency's local ordinances). This required familiarity with the laws but the ability to work with the private engineers, surveyors, owners, developers, other agencies and protect the interest of the Department.
Diane Rukavina, PE
Grant Funding

**Profile Summary**

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<tr>
<td>Registration:</td>
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Ms. Diane Rukavina has 36 years of experience in municipal engineering. Presently, she administers federal/state funding administration projects in the Cities of Hawaiian Gardens, La Cañada Flintridge, Lakewood, La Puente, Maywood, Norwalk, Paramount, Pico Rivera, Rancho Palos Verdes, South Gate, and South Pasadena. Ms. Rukavina has processed over 60 federal and state-funded projects (STPL, TEA-21, SAFETEA-LU, ARRA, HSIP, TCSP, ER, CMAQ, SRTS, and SR2S) from requests for authorization to final invoicing for 22 cities. Currently, she is coordinating 28 federal and state-funded projects at various stages in the funding process. Ms. Rukavina also serves as Project Manager for six capital improvement projects for the City of Paramount, performs various city engineering-related tasks, and has organized GASB 34 infrastructure inventories for the Cities of Seal Beach, Rosemead, Monrovia, and Bell Gardens in preparation for value assessment.

Ms. Rukavina has over 15 years of experience preparing and submitting documentation to Metropolitan Transportation Agency and Caltrans for federal- and state-funded projects, including STPL, TEA-21, SAFETEA-LU, ARRA, HSIP, TCSP, ER, CMAQ, SRTS, and SR2S. Although each program encompasses different components and requirements, the general process remains the same – following the Caltrans Local Assistance Procedures Manual. Ms. Rukavina keeps abreast of revisions (LPPs) to procedures and forms in the manual.

**Relevant Project Experience**

**Sunset Avenue/Francisquito Avenue Traffic Signal Modification HSIP Cycle 6, City of West Covina, California.** Funding Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for a traffic signal modification at the intersection. The City was awarded a $165,200 HSIP Cycle 6 grant to upgrade the traffic signal by installing protected left-turn phasing on West Francisquito Avenue at Sunset Avenue, modifying lighting, and installing a pedestrian countdown head.

**Traffic Signal Improvements at Seven Intersections HSIPL Cycle 2, City of Lakewood, California.** Grant Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for an E-76 for construction through the final reimbursement of federal funds. Documentation included field review, preliminary environmental study, right-of-way certification, request for authorization to proceed with construction, construction contract award submittal, progress invoicing, and final report of expenditures for submittal to Caltrans.

**Garfield Avenue Corridor Improvements, City of Paramount, California.** Grant Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for street improvements between the north City and the south city limits. The design involved street widening to accommodate a third lane in each direction; street resurfacing; two concrete intersections; concrete sidewalk, curb and gutter, and driveway approach reconstruction; catch basin construction; streetscape improvements for raised landscaped medians and modifications to existing medians; two entry monument signs; and traffic signal modifications at nine locations along the Garfield Avenue corridor.
Services included civil, traffic, and drainage engineering; survey and mapping; utility relocation; landscape architecture; and pavement management.

**Firestone Boulevard and California Avenue Traffic Signal Modifications HSIP Cycle 4, City of South Gate, California.** Grant Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for federally funded Cycle 4 HSIP installation of protected left-turn phasing on Firestone Boulevard at State Street and on California Avenue at Tweedy Boulevard. The City received $531,000 in federal funds and anticipates the total project cost being $590,000. The intersection of Firestone Boulevard at State Street will require vehicle detection upgrades and countdown pedestrian head installation beside the protected/permission left turn phasing. The intersection of California Avenue and Tweedy Boulevard will require research for the modification of existing decorative poles to accommodate the fully protected left turn phasing. Other services provided by Willdan included grant administration and utility coordination.

**Crenshaw Boulevard and Crestridge Road Traffic Signal Improvements HSIPL Cycle 1, City of Rancho Palos Verdes, California.** Funding Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for an E-76 for preliminary engineering and construction through final reimbursement of federal funds. Documentation included the request for authorization to proceed with preliminary engineering, field review, preliminary environmental study, right-of-way certification, request for authorization to proceed with construction, construction contract award submittal, progress invoicing, and final report of expenditures for submittal to Caltrans.

**Garfield Avenue and Petterson Lane Traffic Signal Improvements HSIPL Cycle 2, City of Paramount, California.** Funding Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for an E-76 for construction through the final reimbursement of federal funds. Documentation included the field review, preliminary environmental study, right-of-way certification, request for authorization to proceed with construction, construction contract award submittal, progress invoicing, and final report of expenditures for submittal to Caltrans.

**Roadside Avenue Bridge Widening, City of Agoura Hills, California.** Funding Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for widening the bridge. The project involved widening the bridge and approaches to accommodate a sidewalk and increasing the traveled way to meet current geometric standards. Willdan's services entailed preliminary engineering; environmental compliance and permits; final design, including construction drawings, special provisions, and cost estimating; environmental mitigation program; right-of-way; local, state, and federal agency permit coordination; grant funding administration and compliance; Local Assistance reports and document preparation; stormwater pollution prevention plan preparation; and bidding and construction support services.

**La Brea Avenue Intersection Realignment and Reconstruction, City of Inglewood, California.** Funding Administration Task Leader responsible for all administrative filings and reporting to satisfy funding requirements for the two-phased $8.5 million, federally-funded improvements to reconfigure street intersections; construct street improvements; install traffic signals at Brea Avenue, Market Street, Spruce Avenue, and La Palma Avenue; and reconstruct pavement on La Brea Avenue between 104th Street and Hawthorne Boulevard. The street improvements project scope entailed PCC bus pads, minor concrete with utility frame cover adjustments, a new traffic signal and modification of two existing traffic signals, sidewalks, driveways, median curbs, automatic irrigation system, tree planting, striping, and signage.
Jeffrey Lau, PE, TE, ENV SP
Traffic Engineering Lead

Profile Summary

| Education: | BS, Civil Engineering Polytechnic State University, Pomona |
| Registration: | Civil Engineer, California No. 83887 |
| | Traffic Engineer, California No. 2835 |
| | Doppler Radar Operator |
| Experience: | 19 Years |

Mr. Jeffrey Lau possesses expertise in various facets of traffic engineering, including field investigations, traffic data collection and analysis, traffic design, and project management. Mr. Lau has been involved in fieldwork, design, and drafting on a variety of traffic engineering projects, including traffic signals, signing and striping, street lighting, and construction traffic control. He has assisted with the preparation of traffic impact studies and analyses, plan reviews, engineering and traffic survey studies, and re-certifications/updates. Mr. Lau is highly proficient in numerous traffic software programs such as AutoCAD, MicroStation, Synchro, HCS+, PC-Warrants, AGi32, and Crossroads Collision Database.

Relevant Project Experience

**Paramount Boulevard Urban Renovation and Complete Street Improvements, City of Paramount, California.** Traffic Engineering Designer responsible for providing traffic engineering design for improvements required for street improvements necessary to transform Paramount Boulevard from a four-lane arterial roadway into a scenic, multi-modal complete street corridor lined with shade trees and LED lighting to foster a more walkable and vibrant downtown atmosphere. The improvements involved traffic-calmed vehicle lanes with bulb-outs, two mid-block pedestrian crossings enhanced with rectangular rapid flashing beacons, a new traffic signal, LED street and pedestrian lighting, parklet, bus shelters, new sidewalks, monument signs, and drought-tolerant streetscaping.

**Coyote Creek Bicycle Trail and Park, City of Los Alamitos, California.** Traffic Engineering Task Leader responsible for oversight of traffic engineering services provided for the bicycle trail and park improvements. The improvements encompassed new sculptural/artistic gates, landscaping, and wayfinding and interpretive graphics/features at trailheads at Katella Avenue and Willow Street, Oak Academy Park and Oak Street, Cerritos Avenue, and Los Alamitos Boulevard and Nor-walk Boulevard. The project involved removing and reconstructing deteriorated pavement sections and adjusting water valve covers to grade. Permits for environmental clearance and construction were obtained through a collaborative effort with the U.S. Army Corps of Engineers along with a negotiated cooperative maintenance agreement with the Los Angeles County Department of Public Works.

**West Santa Ana Branch Bicycle Trail STP Application, City of Paramount, California.** Traffic Engineering Task Leader responsible for oversight of traffic engineering services required to prepare an ATP Cycle 3 application for the City’s bicycle trail improvement project. The necessary application documents were completed and narrative questions were researched and answered. Services encompassed attending meetings; gathering collision data; researching grant application projects by reviewing City master plans, general plans, and regional plans; performing field investigations; preparing cross sections and alignment concepts; assessing conflicts; identifying right-of-way takes; assessing environmental impacts; and preparing an engineering estimate.
Garfield Avenue Class II Bicycle Lanes ATP Application, City of South Gate, California. Project Manager responsible for overall project management and oversight for preparing ATP Cycle 3 applications for the City’s bicycle trail improvement project. The necessary application documents were completed and narrative questions were researched and answered. Services encompassed attending meetings; gathering collision data; researching grant application projects by reviewing City master plans, general plans, and regional plans; performing field investigations; preparing cross sections and alignment concepts; assessing conflicts; identifying right-of-way takes; assessing environmental impacts; and preparing an engineering estimate.

Long Valley Road/Valley Circle Boulevard/U.S. 101 On-Ramp Improvements. City of Hidden Hills, California. Traffic Engineering Task Leader responsible for traffic engineering design and studies required to improve traffic congestion and pedestrian access at the Long Valley Road on-ramp intersection. The improvements encompass sidewalks, right turn-out lane, a paved public parking lot and staging area for City entry, an on-ramp sidewalk, shoulder paving, and other improvements at the heavily congested intersection of Long Valley Road and U.S. 101 on-ramp. Willdan is providing civil, drainage, landscape architectural, and traffic design; environmental compliance documentation; survey; geotechnical engineering and materials testing; grant funding administration; utility coordination; NPDES, SWPPP, and erosion control; right-of-way engineering; and construction support for this Measure R improvement project.

Firestone Boulevard Capacity Enhancement, City of South Gate, California. California. Traffic Engineering Task Leader responsible for traffic engineering design and studies required for the corridor improvements from Alameda Street to Hunt Avenue. The improvements involved roadway widening from four to six lanes; pavement rehabilitation; landscape and hardscape medians; median lighting; sidewalk, curb and gutter, and driveway approach reconstruction; ADA-compliant ramps; parkway trees; artistic elements and corridor entrance monument; bus shelter and bus turnouts; and traffic signal modifications. Services provided included civil, traffic, pavement, and drainage engineering; landscape architecture, survey and right-of-way engineering; and utility relocation.

Lakewood Boulevard Regional Corridor Capacity Enhancement, City of Lakewood, California. Traffic Engineering Task Leader responsible for oversight of traffic engineering services provided for 1½-mile complete street/green street improvements between the north City limit and Del Amo Boulevard to provide for a regional bicycle path in compliance with the Gate-way Council of Governments Active Transportation Plan and improve pedestrian access to retail/commercial establishments. The design entailed coordination of pedestrian and bicycle movements into the current County Traffic Signal Synchronization Program, undergrounding utility distribution and transmission, Green Streets stormwater quality treatment, and drought-tolerant landscaping. Other improvements involved upgraded traffic signal equipment to improve safety, bicycle parking and lockers, improved transit stops, sidewalk additions within the corridor to meet ADA requirements, street resurfacing, and irrigation. Willdan provided preliminary and final design, NEPA/CEQA documentation and permitting, transit partnering outreach, Corridor Committee meeting participation, and construction funding application preparation.

Palos Verdes Drive North Bicycle Lane RPSTPLE/SR2S Improvements, City of Rolling Hills Estates, California. Traffic Engineering Designer responsible for providing traffic engineering design provided for a $4 million improvement project adding bicycle lanes between Crenshaw Boulevard and the west city limits. Willdan provided preliminary and final design and construction management for the 1.26-mile roadway widening. The improvements were necessary to accommodate a second through lane at major intersections to increase capacity and add 5-foot bicycle lanes within a 200-foot right-of-way.
Kevin Custado, EIT, ENV SP
Electrical (Site Lighting)

Profile Summary

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<tr>
<td>Registration:</td>
<td>Engineer-in-Training, California No. 153964; Envision Sustainability Professional</td>
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<td>Experience:</td>
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Mr. Kevin N. Custado specializes in traffic engineering investigations and planning and is knowledgeable in highway engineering processes and their application to operating systems. He is experienced in park lighting, traffic signalization and the geometric design of transportation projects, including alignment reconfiguration, quantity estimates, plan and profile generation using AASHTO and Caltrans design manuals, and coordinating with other disciplines. Mr. Custado clearly conveys design intent in engineering drawings and specifications and has developed a thorough understanding of construction methods and issues that arise as engineering drawings and specifications are translated into the constructed product.

Relevant Project Experience

Norwalk 12 Park Lighting Analysis, City of Norwalk, California. Design Engineer. Willdan provided energy and engineering services for the lighting analysis and audit of 12 parks in the City of Norwalk. The City is interested in retrofitting the existing parks’ lighting fixtures in order to reduce the energy consumption throughout the parks, as well as supplementing the existing lighting with additional lighting to improve safety in and around the parks and reduce crime. Furthermore, three parks have ballfields that are not currently lit and the City is requesting a lighting analysis be performed to assess how much it would cost to install energy-efficient ballfield lighting.

Traffic Signal Design, City of La Mirada, California. Design Engineer. Willdan is responsible for the preparation of plans, specifications and estimates (PS&E) for the design of three (3) traffic signal modifications at the intersections of La Mirada Boulevard and Rosecrans Avenue, Imperial Highway and Santa Gertrudes Avenue, and Imperial Highway and Ocaso Avenue. The objective is to upgrade the existing traffic signals to meet current design standards, including but not limited to the replacement of pedestrian heads, 8-inch vehicle heads, pedestrian push buttons, as well as add additional vehicle heads for thru lanes, upgrade safety lighting to LED, and replace IISNS with RSNS on a cantilever arm.

Firestone/Atlantic Design, City of South Gate, California. Design Engineer. Willdan provided surveying, civil engineering, geotechnical engineering, and utility coordination services for street improvements on Firestone Boulevard from Dorothy Avenue to Lotta Avenue and on Atlantic Avenue from Patata Street to Branyon Avenue. As part of our design services, Willdan provided final civil plans, including street design, storm drain, sewer and water relocation, traffic signal modification and installation, signing and striping, street lighting, contract specifications, and engineer's estimate for widening both Firestone Boulevard and Atlantic Avenue. In addition, Willdan prepared a project report and cost estimates, including aerial topography and street centerlines; roadway geometrics; hydrology study; sewer study; water study; utility relocation concepts; geotechnical recommendations; turn pocket lengths; landscaping.
Traffic Signal at Palos Verdes Drive North and Rolling Hills Road, City of Rolling Hills Estates, California. Design Engineer. Willdan provided engineering services for design and utility coordination for the traffic signal modification project at the intersection of Palos Verdes Drive North and Rolling Hills Road in the City of Rolling Hills Estates. Presently, the traffic signal poles have a decorative wood cover. In order to retain a similar look, the traffic signal modification will include new decorative poles designed by South Coast Lighting, including the modified foundations. The primary purpose of the traffic signal modification is to provide protected/permissive left-turn phasing for both directions on Palos Verdes Drive North and the replacement of all the traffic signal poles with new decorative poles and the City has a budget of $240,000. Preparation of plans, specifications and estimate will be completed within a one-month period to expedite the process and get the project to construction within a six-month period. Willdan will assist the City with the procurement of long-lead time equipment such as the traffic signal controller cabinet and traffic signal poles to minimize delays on the project.

Foothill Blvd-Dalton Avenue Traffic Signal Installation Design, City of Azusa, California. Design Engineer. Willdan Engineering provided professional traffic engineering design services for the City of Azusa. The project required professional engineering design services for the preparation of plans, specifications and estimates (PS&E) for the traffic signal installation at the intersection of Foothill Boulevard at Dalton Avenue. Minor signing and striping modifications were required and were shown on the traffic signal plan. Due to the close proximity of the proposed traffic signal to the adjacent traffic signal at Foothill Boulevard and Alameda Avenue, a signal interconnect plan was also prepared. A field investigation, utility coordination and turning movement counts were also conducted during this design service.

Imperial Highway Project (P610) Traffic Improvement Plans, City of Inglewood, California. Traffic Designer responsible for assisting with the design to prepare traffic signal modification plans for Simms Avenue, Ardath Avenue, Yukon Avenue, and Doty Avenue and signing and striping plans for the project limits. Services encompassed utility coordination, engineering during construction, and coordination with the County of Los Angeles to incorporate their resurfacing plans and bid items into Willdan's plans, specifications, and estimate package. Coordination with the County was required for future implementation of the Imperial TSSP project at its intersections with Prairie Avenue, Crenshaw Boulevard, and Van Ness Avenue.

Foothill Blvd-Dalton Ave Traffic Signal Installation Design, City of Azusa, California. Design Engineer. Willdan Engineering provided professional traffic engineering design services for the City of Azusa. The project required professional engineering design services for the preparation of plans, specifications and estimates (PS&E) for the traffic signal installation at the intersection of Foothill Boulevard at Dalton Avenue. Minor signing and striping modifications were required and were shown on the traffic signal plan. Due to the proximity of the proposed traffic signal to the adjacent traffic signal at Foothill Boulevard and Alameda Avenue, a signal interconnect plan was also prepared. A field investigation, utility coordination and turning movement counts were also conducted during this design service.
4. Similar Projects and References

Willdan designs and develops quality parks and recreation facilities with a strong sense of place through a thoughtful planning, design, and implementation process that saves costs and optimizes long-term maintenance. We have completed dozens of parks and recreation facilities that combine functional, visually pleasing environments and build strong community connections. Below is a list of our similar park projects.

<table>
<thead>
<tr>
<th>Project/Client</th>
<th>Improvements</th>
<th>Scope of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salud Fitness Park, City of Paramount</td>
<td></td>
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<tr>
<td>La Puente Park Beautification Project, City of Paramount</td>
<td></td>
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</tr>
<tr>
<td>Recreation Center Master Plan Expansion, City of Fountain Valley</td>
<td></td>
<td></td>
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<tr>
<td>Riverfront Park, City of Maywood</td>
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<tr>
<td>Police Department Remodel, City of Palm Springs</td>
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<tr>
<td>Rails-to-Trails Walking, Running, and Bicycle Route Improvements, City of Rialto</td>
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<td>Bud Bender Park Rehabilitation, City of Rialto</td>
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<tr>
<td>Anderson Park, Rialto City Park, and Frisbie Park Concession and Restroom Facilities, City of Rialto</td>
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<tr>
<td>Chittick Field Renovation, City of Long Beach</td>
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<tr>
<td>Discovery Sports Complex, City of Downey</td>
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<tr>
<td>Whittier Dog Park, City of Whittier</td>
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<tr>
<td>Paramount Park Expansion, City of Paramount</td>
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<tr>
<td>Cesar Chavez Park, City of South Gate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Project/Client

<table>
<thead>
<tr>
<th>Project/Client</th>
<th>Improvements</th>
<th>Scope of Services</th>
</tr>
</thead>
</table>
Willdan is pleased to provide the following reference projects performed during the past five years. These projects were completed within the agency’s timeframe and the construction costs were within the allocated budgets. Reference contact information is provided with each project description.

### Salud Park, Paramount, California

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>David Johnson, Director of Community Services and Recreation, City of Paramount, 14522 Garfield Ave, Paramount, CA 90723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone: (562) 220-2138</td>
<td>Proposed Staff Involvement: John Hidalgo, RLA, Project Manager</td>
<td>Total Project Cost: $4,600,000</td>
</tr>
</tbody>
</table>

Funding for this 8-acre park development was available through a park grant from Proposition 84. Willdan was involved with this project from the very beginning of planning, through the grant application submittal and the preparation of construction documents. Willdan also handled the construction management services. The project includes synthetic turf play fields, a 400-meter walking/running track, multi-use soft-footed trails, exercise stations, parking, security lighting, and enclosed decorative steel fencing for the entire park. The park development is located within Southern California Edison right-of-way, therefore went through a lengthy review process and adhered to all requirements set forth in the SCE conditions of approval.
Willdan provided landscape architecture design services involving the enhancement of an existing community park. The park is estimated at 20 acres and encompasses a variety of activities such as baseball, softball and football fields, playgrounds, open lawn areas, a community center, picnic shelters, restrooms, and City maintenance yard. The new additions include an expanded decorative concrete promenade area for the softball and little league fields, parking lot reconfiguration, ballfield lighting, shade trees, benches, pedestrian lighting and new landscape and state of the art irrigation system. Willdan is currently providing construction management and inspections.
<table>
<thead>
<tr>
<th><strong>Client Project Manager:</strong></th>
<th><strong>Services:</strong></th>
<th><strong>Start-End Dates:</strong></th>
</tr>
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<tbody>
<tr>
<td>Hyejin Lee, Director of Public Works, City of Fountain Valley, 10200 Slater Ave, Fountain Valley, CA 92708</td>
<td>Project Management, Design, Landscape Architecture, Construction Management</td>
<td>2009-2012</td>
</tr>
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**Phone:** (714) 593-4434; hyejin.lee@fountainvalley.org

<table>
<thead>
<tr>
<th><strong>Proposed Staff Involvement:</strong></th>
<th><strong>Total Project Cost:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>John Hidalgo, RLA, Project Manager</td>
<td>$17,100,000</td>
</tr>
</tbody>
</table>

Willdan was responsible for the rehabilitation of an existing 55-acre sports complex and an addition of 23 acres to produce a new 78-acre regional sports facility. The project provides the community with six new softball fields, six Little and Pony League fields, four soccer fields, a utility field, a large concert-in-the park and assembly area, two new concession/restroom buildings, a new maintenance building and over one mile of natural hiking trails that connect to the existing County hiking trail system in Mile Square Park. The new improvements add to the existing tennis courts, indoor and outdoor basketball courts, handball and racquetball courts and recreation building.
Willdan was retained to develop a 7-acre park site that was considered a “brownfield” by the EPA. Portions of the site tested positive for contaminants and were thus declared a Superfund site. This site was occupied previously by a railroad track spur, a metal plating company, a battery manufacturer, and residential properties. A thorough remediation program administered by the Environmental Protection Agency has allowed the reclamation of the land for public use. Willdan assisted in securing various grant funding along with working closely with the EPA in developing and ensuring mandated mitigation measures were met for site reclamation. Over ten governing agencies were involved in developing/overseeing this park site.

The park consists of 7.3 acres adjacent and overlooking the Los Angeles River. Development of the park includes street vacation, extensive network of monitoring wells relocation and adjustments, parking lot, restroom facilities, retaining walls, large gathering spaces, landscaping, sidewalks, bicycle paths, a staging/resting area for those using the Los Angeles river trail, a bridge, walking trails, lawn and picnic areas, a basketball court, a passive playfield, a California native demonstration gardens reflecting the river’s natural plant community habitat, the incorporation of a swale to add to a natural habitat setting and aid in the control of runoff, community art sculptures and plenty of shade trees to sit under. Field and security lighting is provided for evening use of the park. Willdan prepared plans, specifications, and estimates for Riverfront Park with funds made available through Trust for Public Land, Coastal Conservancy, and various park bond measures.

By meeting all the strict mitigations imposed on the site, Willdan successfully completed the construction of the park site which integrated character and personality to the local community along the LA River Corridor.
5. **City Standard Contract**

Willdan has reviewed the City’s Agreement, has no exceptions or comments for the City to consider, and will comply with all aspects of the Agreement. Willdan will also provide the Insurance Coverage Limits and Requirements indicated in the City’s RFP, as provided in Attachment D.
6. Required Attachments

Attachment A – Affidavit of Non-Collusion

ATTACHMENT A

AFFIDAVIT OF NON-COLLUSION

I state that I am __________Deputy Director of Engineering________ (title) of __________Willdan Engineering________ (name of firm) and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this Offer.

I state that:

1. The price(s) and amount of this Offer have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

2. That neither the price(s) nor the amount of this Offer, and neither the approximate price(s) nor approximate amount of this Offer, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed before Solicitation opening.

3. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit an Offer higher than this Offer, or to submit any intentionally high or noncompetitive Offer or other form of complementary Offer.

4. The Offer of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Offer.

5. __________Willdan Engineering________ (name of firm), its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted of or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as described in the attached appendix.

I state that __________Willdan Engineering________ (name of firm) understands and acknowledges that the above representations are material and important, and will be relied on by the City of Cudahy in awarding the contract(s) for which this Offer is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the City of Cudahy of the true facts relating to the submission of Offers for this contract.

[Signature]

(Authorized Signature)

Willdan Engineering/Deputy Director of Engineering
(Name of Company/Position)

See attached California Notarial Certificate

Sworn to and subscribed before me this ________day of ________, 20__.

[Signature]

Notary Public for California

My Commission Expires: ________
Attachment B - Claims History

attachment b

claims history

Each Consultant shall submit a summary of whether or not any of the following events have occurred within the past (10) years and, if so, a brief description of the circumstances involved (including, without limitation, the names of parties involved, current status and final disposition of the matter of dispute):

Failure to disclose any circumstances requested in the following paragraphs is grounds for disqualification.

- Failure by Consultant or any sub-consultant to enter into a contract to which it has received an award by a public entity. None.
- Forfeiture of a bid or proposal bond by proposer or any sub-consultant. None.
- Termination for default under a contract awarded by a public entity to Consultant or any sub-consultant. None.
- Debarment of Consultant or any sub-consultant by any municipal, county, state, federal, or local agency (note: debarment is grounds for automatic disqualification). None.
- The filing of a lawsuit or arbitration in which the Consultant or a sub-consultant was a defendant or cross-defendant at any time within the past ten (10) years that involved the performance of project, program, or engineering services and that involved an amount in controversy sought to be recovered from Consultant or the sub-consultant of more than $100,000.00. See Attached
- Conviction of Consultant, a sub-consultant, or any of their principals or officers for violation of a state or federal antitrust law involving bid rigging, collusion, or restriction on competition between bidders, or conviction of violating any other federal or state law relating to bidding or contract performance (note: such conviction is grounds for automatic disqualification). None.
- Any publications involving firm or principals alleging or claiming corruption (such claims are grounds for automatic disqualification). None.
- Any suspension, revocation, or other disciplinary proceeding relating to a contracting or professional license issued to proposer or a sub-consultant. None.

Tyrone Peter, PE
Deputy Director of Engineering
Willdan Engineering
WILLDAN ENGINEERING CLAIMS HISTORY

(5 Years)

Civil Investigation or Litigation. Initiated against Willdan Engineering within the last 5 years:

City of Elk Grove v. Willdan Engineering. Contra Costa County Superior Court (case #MSC20-00512). The City of Elk Grove alleges design and construction defect to a city project. Willdan hired SWA to perform the design work. Investigation has revealed the defect was due to construction which was performed by a contractor separately contracted with the City. SWA has accepted Willdan’s tender of defense and indemnification. There is no exposure to Willdan.

Bear Valley Community District v. Willdan Engineering. Kern County Superior Court (BCV20-102949). Bear Valley alleges design and construction defect to their road and road rehab project. Discovery is ongoing. Willdan Engineering believes the design was proper and that the cracks in the roadway were due to normal wear and tear.

Ramirez v. City of Paramount. Los Angeles Superior Court (BC668662). Plaintiff was involved in an auto accident in the City of Paramount. Plaintiff alleges negligent design of traffic light against Willdan Engineering. Willdan prevailed on demurrer motion and recently has settled the case for $10,000.

Gist v. City of Westlake Village. Los Angeles Superior Court (20VEC01171). Plaintiff alleges his property was damaged due to water intrusion. While plaintiff was aware of a depression in the driveway that they had to repair but said he has consulted with several engineer that the slope adjacent to his house was improperly designed which caused water flooding his property. Discovery is ongoing.

Tyrone Peter, PE
Deputy Director of Engineering
Willdan Engineering
EXHIBIT “C”
COMPENSATION RATE
City of Cudahy

Fee Proposal
Provide Design Phase Engineering Services for the Preparation of PS&E for the Cudahy Park Renovation Project

November 3, 2022
November 3, 2022

City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201
Attn: Victor Maria Santiago
Parks and Recreation Manager

Subject: Fee Proposal for Design Phase Engineering Services for the Preparation of PS&E (Plan, Specifications and Estimates) for the Cudahy Park Renovation Project

Willdan Engineering (Willdan) is pleased to submit this Fee Proposal to provide Design Phase Engineering Services to the City of Cudahy.

If you have any questions or need additional information, you may contact me at 657-223-8557 and/or by email at tpeter@willdan.com.

Respectfully submitted,

WILL丹 ENGINEERING

[Signature]

Tyrone Peter, PE
Deputy Director of Engineering
FEE ESTIMATE PROPOSAL

Willdan’s fee estimate is shown below, and our Schedule of Standard Hourly Fee Rates is presented on the following page.

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Engineering Plans</td>
<td>$35,800</td>
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<tr>
<td>Topographic Survey</td>
<td>$13,300</td>
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<tr>
<td>Geotechnical Investigations</td>
<td>$28,600</td>
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<tr>
<td>Structural Engineering</td>
<td>$8,400</td>
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<tr>
<td>Site Amenities Plans</td>
<td>$11,300</td>
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<tr>
<td>Landscape and Irrigation Plans</td>
<td>$44,500</td>
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<tr>
<td>Shade Shelter Plans</td>
<td>$15,700</td>
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<tr>
<td>Playground and Fitness Stations Plans</td>
<td>$12,200</td>
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<tr>
<td>Basketball Courts Renovations</td>
<td>$14,900</td>
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<tr>
<td>Community Stage Plans</td>
<td>$8,800</td>
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<tr>
<td>Multi-Purpose Fields Renovations</td>
<td>$13,300</td>
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<td>Splash Pad Plans</td>
<td>$8,500</td>
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<tr>
<td>Specifications and Cost Estimates</td>
<td>$9,500</td>
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<tr>
<td>Bidding Assistance</td>
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<td>Construction Support Services</td>
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<td>Project Management</td>
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<td><strong>Total Not to Exceed Fee</strong></td>
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Sub-Consultant

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<th>Fee</th>
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<td>M Y Engineering, Inc. (Electrical and Lighting Design)</td>
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<tr>
<td>ELMT (Soils Management Plan)</td>
<td>$6,000</td>
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<tr>
<td>Spohn Ranch (Skate Park Plans)</td>
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<tr>
<td>AWu Government Services (Community Stage Overhead)</td>
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## WILLDAN ENGINEERING

**Schedule of Hourly Rates**

**Effective July 1, 2022 to June 30, 2023**

### DESIGN ENGINEERING

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<th>Position</th>
<th>Hourly Rate</th>
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<td>CAD Operator I</td>
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<td>CAD Operator III</td>
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<td>GIS Analyst I</td>
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<tr>
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<td>Environmental Analyst III</td>
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<tr>
<td>Environmental Specialist I</td>
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<td>Designer I</td>
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<td>Program Manager II</td>
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<td>Director</td>
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<td>Principal Engineer</td>
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### BUILDING AND SAFETY

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<td>Director</td>
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### PLANNING

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### ADMINISTRATIVE

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### LANDSCAPE ARCHITECTURE

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**For Non-Prevailing Wage Project**

**For Prevailing Wage Project**

Mileage/Fuel Vehicle usage will be charged at the rate in accordance with the current FTR mileage reimbursement rate, subject to negotiation.

Additional billing classifications may be added to the above listing during the year as new positions are created. Consultation in connection with litigation and court appearances will be quoted separately. The above schedule is for straight time. Overtime will be charged at 1.5 times, and Sundays and holidays, 2.0 times the standard rates. Blueprinting, reproduction, messenger services, and printing will be invoiced at cost plus fifteen percent (15%). A sub consultant management fee of fifteen percent (15%) will be added to the direct cost of all sub consultant services to provide for the cost of administration, consultation, and coordination. Valid July 1, 2022 thru June 30, 2023, thereafter, the rates may be raised once per year to the value between the 12-month % change of the Consumer Price Index for the Los Angeles/Orange County/Sacramento/San Francisco/San Jose area and five percent. For prevailing wage classifications, the increase will be per the prevailing wage increase set by the California Department of Industrial Relations.

Rev 08.09.2022V03

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Fee Proposal – Design Phase Engineering Services for the Preparation of PS&E for the Cudahy Park Renovation
October 16, 2023

Victor Maria Santiago
Parks and Recreation Manager
City of Cudahy
5220 Santa Ana Street

Subject: Fee Proposal for Additional Design Services for Cudahy Park Renovation Project - Design Phase Engineering Services for the Preparation of Plans, Specifications and Estimate Amendment No. 2

Dear Mr. Santiago,

This proposal supplements our professional services agreement dated December 6, 2022, for the preparation of PS&E for the Cudahy Park Renovation Project. Please find below our project understanding, scope of work and fee for the above-mentioned subject title.

PROJECT UNDERSTANDING

As per the updated concept plan dated 9/25/2023, the City of Cudahy would like to include additional park features for the Cudahy Park renovation project. Those items include:

1) Nighttime lighting for the playground and fitness stations.
2) Flag poles.
3) Storage building.
4) Courtyard water feature.

The additional services shown on the updated concept plan will be a part of the final construction documents package consisting of plans, specifications and estimate suitable for public bidding.

Please find below the scope of services for the two major items of this amendment, the storage building and courtyard water feature.

SCOPE OF WORK FOR STORAGE BUILDING

Design Criteria

1. New 20’ x 30’ (600 square foot) storage building.
2. Items to be stored in the building: youth sports equipment (i.e., baseball equipment, flag footballs, soccer equipment, etc.). Two (2) GEM electric vehicles. No hazardous materials or products.
3. A concrete block building with brick veneer finish to match the adjacent library building. Note: The storage building shall be designed assuming no interference of outside elements, adjacent building footings, easements, underground utilities, etc. If additional coordination or drawings revisions are needed due to these elements, those shall be provided at the hourly rates for the architectural services.
4. Standing seam metal roof.
5. Proposed minimum interior clear height: 12'-0".
6. Open web steel or wood truss joist roof framing structure, factory finish with finish color coat.
7. No ceiling; exposed to the roof structure above.
8. Basic interior shop lighting.
9. Basic exterior lighting to match existing library building lighting.
11. Ventilation louvers throughout as needed.
12. One (1) 8’x10’ roll-up door and one (1) 3’x7’ steel person door.
13. No window openings.
14. One (1) 200-amp electrical panel, and outlets every 12’ (8 to 10 outlets anticipated, including one (1) or two (2) 220 outlets, to be strategically located within the space).
15. Title-24 as required.

Code Compliance - Architect shall put forth reasonable professional effort to comply with applicable laws, codes, and regulations in effect as of the date of the submission of documents to building authorities. Design changes made necessary by new laws, codes, and regulations enacted after this proposal date will be billed at the hourly rates for the required changes.

Site Documentation (Allow 6 hours maximum for this scope)
- Walk site to observe the premises based on the proposed project program and points of interest.
- Perform cursory exterior field measurements.
- Verify proposed building placement.
- Observe utilities point of connections (water, electrical panels, sewer lateral, etc.).
- Photograph the premises.

Agencies Coordination & City Meetings (Allow 37 hours maximum for this scope)
- Schedule a preliminary plan check meeting with the City’s planning and building & safety departments to review the proposed project and code review. Review proposed storage building placement in relation to the existing library building and determine minimum distance allowance between the buildings.
- Coordinate with City and Los Angeles County governing agencies as needed.
- City submittals and processing of plan checks and addressing agencies comments.

Design and Programming
- Collection of facts and data.
- Receive and review list of space and equipment needs.
- Provide field measurements and approximate square footage of the premises.
- Prepare floor plan, roof plan, and exterior elevations.
- Assist the City in making preliminary finish selections for review and approval.

Construction Documents
- Prepare documents in detail for the construction and obtain approval from governing agencies to secure building permits.
- Coordinate City comments for inclusion into construction documents.
- Submit a 90% and 100% completion set of plans for review.
- Respond to and coordinate responses to governing agencies comments- two plan check submittals maximum.
- Deliverables – Print three signed sets of the construction documents- to be issued for permitting.

Construction Support (Allow 17 hours maximum including 4 site visits for this scope)
- Attend a pre-construction meeting.
- Respond to the contractor’s requests for information (RFIs) and coordinate with the project consultants.
- Attend field visits to observe the construction. Note, a) Contractor shall manage, coordinate, and distribute all construction field visits/meetings notes and follow-ups; and b) Contractor shall provide weekly construction progress photographs, including overall views and detailed close-up views.
- Attend one punch list site visit at the end of construction and follow up with a list of items to be addressed for completion of the project.
- Process and review shop drawings and materials samples.
- Note: Change orders are to be brought to the Architect’s attention immediately. The contractor shall provide recommendations regarding costs, time, and materials for Architect’s review and approval.

SCOPE OF WORK FOR COURTYARD WATER FEATURE

Design Criteria
1. Water feature will be built according to its environmental criteria and budgetary goals including issues of environmental sustainability, safety, and reasonable maintenance.
2. Below grade equipment vault is included and will be within 50-feet of the water feature.
3. Water cascading with minimal to zero ponding at ground level.
4. Recirculating water.

Concept Design
- Review project’s location for the purpose of evaluating scale, form, space, circulation, and other important design issues and influences.
- Assess the technical implications for water features opportunities and constraints.
- Participate in a design teleconference to establish and agree to the design direction.
- Prepare six to ten conceptual water feature ideas for review.
- Address and present the water feature design material recommendations.
- Follow up with one City accepted final concept design for the preparation of construction drawings. The final concept will be rendered in color and sent in a PDF Format. The concept will display the water character and finish materials reference photography.

Construction Documents
- Prepare construction drawings of the water feature’s design character with articulate construction drawings, annotated with dimensions and notes. Includes layout plans, elevations, sections, details, piping and instrumentation diagrams, and specifications. Materials and finishes are identified, and dimensions noted in scale.
- Prepare water feature hydraulic design.
- Prepare equipment vault design, inclusive of filtration system.
- Coordinate other trades (plumbing, electrical, civil) regarding technical integration issues.
- Prepare and submit 90% and 100% completion construction drawings.
- Address City comments from the construction drawings submittals and provide responses to any questions that arise from the submittals.
- Prepare cost estimate for water feature fabrication, equipment and specialty components.

Construction Support
- Review contractor submittals, comment and approve shop drawings for conformance with the design and compliance with the construction drawings.
- Monitor construction progress and keep the City apprised. Provide availability to review and resolve outstanding issues with the City and contractor.
- Review and respond to request for information (RFI’s) as needed.
SUMMARY OF FEES

The following list of fees reflects the services noted herein and additional design services that are associated with this Amendment No. 2 for the completion of the construction documents.

Storage Building Design $49,900
  Site Documentation ($1,100)
  Agencies Coordination ($7,500)
  Design and Programming ($2,400)
  Construction Documents ($35,500)
  Construction Support ($3,400)

Courtyard Water Feature Design $16,600
Survey for Storage Building and Water Feature $5,100
Lighting Design for Playground & Fitness Stations $5,100
Civil Engineering $15,500
Flag Poles $4,200

Total Not to Exceed Fee $96,400

Services not Included

1. Entitlement services and/or conditional use permit applications and city planning department design approval (preparation and presentation of drawings, color boards, plans, color perspective presentation drawings, and revisions thereof, and presentation to the City).
2. Any City planning & zoning requirements and revisions.
3. Processing legal documents i.e., lot ties, variances, etc.
4. Parking requirements studies, investigations and/or shared parking agreements.
5. Any additional work or changes to drawings as required by the building department, health department, or industrial waste department.
6. Budgeting information, cost-saving studies or value engineering.
7. Selection of non-fixed equipment and furniture.
8. Building commissioning services.
9. LEED certification or similar design alternatives.
10. Fees required by governing agencies.
11. Identifying or abating asbestos, mold, lead paint, and/or other hazardous materials.
12. Illustrator perspective presentation drawing(s) for City review.
13. Preparation for and attendance of public hearings or City presentation meetings.
14. Preparation of as-built documents of architectural, structural, electrical, and mechanical conditions.
15. Fire protection systems (fire alarm design, fire sprinklers design, and/or fire suppression design, including smoke evacuation calculations and design).
16. Security, telecommunication data, cameras, or audio systems design.
17. Providing permitting criteria (building codes and permits, health department, etc.).
18. Construction contract administration.
19. Testing of materials within the building footprint limits.
20. Anything not described in this proposal.
Requested Information from City

1. Library building record drawings or construction drawings.
2. Any available record drawings, not limited to existing site plan, existing library building floor plans, building elevations, mechanical, electrical and plumbing drawings, etc.
3. Information regarding present structures, present zoning requirements, building restrictions in deed, property restrictions, and easements.
4. Necessary information regarding sewer, water, gas, and/or electrical services.

Scope of Work Assumptions
1. Unless noted otherwise, the scope of work assumes a single design iteration of each element and a single set of construction documents to be permitted in a single phase, and on a normal design-bid-build schedule.
2. Any revisions after permit submittal will be considered additional services.
3. Existing soil is not contaminated.

Respectfully Submitted,

WILLDAN ENGINEERING

[Signature]

John Hidalgo, RLA
Principal Project Manager
Landscape Architectural Services
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager
By: Aaron Hernandez-Torres, Public Works Director/City Engineer
Subject: Consideration to Approve a Contract Services Agreement to Award Unlimited Environmental, Inc., for the 5256 & 5260 Elizabeth St (SITE 1) Demolition Project

RECOMMENDATION

The City Council is requested to:

1. Approve a Contract Services Agreement with Unlimited Environmental, Inc., the lowest responsive and responsible bidder, for an amount of $99,400.00 to undertake the 5256 & 5260 Elizabeth St (SITE 1) Demolition Project.

BACKGROUND

1. On September 25, 2023, the Engineering Department in coordination with the City Clerk Office issued a Notice to Contractors to procure construction services for the aforementioned project. The project was properly advertised on September 25, 2023, and October 2, 2023, in the newspaper.

2. On October 12, 2023, the city conducted a mandatory pre-bid meeting at the site with all contractors interested in the project.

3. On October 19, 2023, the City Clerk’s Office conducted a bid opening ceremony at City Chambers. A total of three bids were received for this project, ranging in cost from $99,400 to $154,444 (Total Base Bid Amount). Unlimited Environmental, Inc. submitted a bid proposal in the total base bid amount of $99,400 and is the lowest responsive and responsible bidder.
ANALYSIS

The City of Cudahy and its Redevelopment Dissolution Successor Agency own the properties located at 5256 & 5260 Elizabeth St (SITE 1) in the City of Cudahy, and currently vacant (also referred as, “Site 1”). The properties have suffered break-ins, congregations, people loitering, and the City has also observed evidence of fires and campsites and has had to respond to such on numerous occasions. The buildings have also sustained damage, including broken windows and steps, causing any immediate hazard to anyone who trespasses onto the Sites. Despite the constant efforts to secure the buildings from unlawful entry (including boarding up the properties), the conditions leave these properties very vulnerable, and the recurrence of these conditions is sure to increase with constant transients’ activity at the subject sites.

As it known the city and its Redevelopment Dissolution Successor Agency are in the process of considering selling and/or development on the subject sites. Accordingly, investing in repairing these buildings just to keep vagrants out is not financially feasible. Further, due to the economic downturn caused by the COVID-19 pandemic, the effort to secure a trusted full-time tenant on a temporary basis to fit the City’s needs with the hopes that occupancy of the building will mitigate the public safety and health hazards is not a practical option.

In order to keep these properties and area safe for the public and immediate adjacent neighbors, it is the City Staff recommendation to demolish and clean up these properties and remove and properly dispose existing debris. In addition, demolition of the red tagged existing structures will avoid future fires and to also stop transients coming in into the property looking for shelter. Furthermore, by completing this project the City will reduce/avoid potential liability due to fire damage to adjacent and nearby properties, vandalism, and criminal activity from transients getting in and out of these properties.

The project scope of work for this demolition project includes without limitation, furnishing all necessary labor, materials, equipment, and other incidental and appurtenant Work necessary to satisfactorily complete the Project, consists of and includes demolition of building and pre-demolition haz-mat abatement and other relevant work at 5260 Elizabeth St (SITE 1) and 5256 Elizabeth St, Cudahy, CA 90201 as more specifically described in the Contract Documents.

The proposed project is categorically exempt pursuant to CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000–15387), Article 19. Categorical Exemptions, Section 15301, Existing Facilities as a Class 1 paragraph (l) Demolition and removal of individual small structures listed in this subdivision.
Site 1 Assessor Parcel Numbers (5256 & 5260 Elizabeth St)

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<td>6224-001-901</td>
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<td>5260 Elizabeth Street</td>
<td>6224-001-902</td>
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City Staff followed the regular bidding process for this project per Public Works Contract Code. In preparation for this, the Engineering Department (thru an environmental consultant) performed required hazmat testing and asbestos report for the Site. Accordingly, the Engineering Department in coordination with City Clerk Office issued a Notice to Contractors to procure construction services for the aforementioned project. The project was properly advertised on September 25, and October 2, 2023, in the newspaper. A bid opening ceremony took place on October 19, 2023, at City Chambers. A total of three bids were received for this project, ranging in cost from $99,400 to $154,444 (Total Bid Amount).

Unlimited Environmental, Inc. submitted a bid proposal in the total base bid amount of $99,400 and is the lowest responsive and responsible bidder.

CONCLUSION

City Council approval of the Construction Contract Services Agreement with Unlimited Environmental, Inc., would resolve the need of clean-up, maintenance, and transients’ activity in the above-mentioned 5256 & 5260 Elizabeth St (SITE 1) – City of Cudahy and its Redevelopment Dissolution Successor Agency. In addition, approval of the plan and associated contract will prevent much more costly maintenance and repairs in the future.

STRATEGIC PLAN CORRELATION

Goal E (City Infrastructure and Service Delivery)

FINANCIAL IMPACT

The funds of the Successor Agency Administration budget will be used to pay the contractor for this project.
ATTACHMENTS

A. Bid Opening Minutes
B. Bid Proposal
C. Sample contract to be executed.
Attachment No. 2 –
Bid Opening Minutes
**BID OPENING MINUTES**

Contracting Agency: **City of Cudahy**
Agency Representative: **Richard Iglesias, City Clerk**
Project Name: **Elizabeth St Properties Demolition Project (Site 1) – City of Cudahy and its Redevelopment Dissolution Successor Agency**
Bid Due Date: **October 19, 2023**
Bid Opening Date: **October 19, 2023**
Time of Bid Opening: **3:00 PM**
Place of Bid Opening: **City Hall**

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# LATE BID SUBMISSION

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# CERTIFICATION

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<th>AARON HERNANDEZ-TORRES</th>
<th>AURELIO TRUSILLO</th>
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# BIDS OPENED BY:

RICHARD IGLESIAS
CITY CLERK

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Attachment No. 3 –
Unlimited Environmental Inc. Bid
BIDDING AND CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS
for
5256 & 5260 Elizabeth St (SITE 1)
Demolition Project
City of Cudahy and Its Redevelopment Dissolution Successor Agency
CITY PROJECT #100-4930-6724

Date Issued: September 25, 2023

Approved by: __________________________
Aaron Hernandez-Torres, P.E.
Public Works Director/City Engineer
City of Cudahy

Mandatory Pre-Bid Meeting Date:
October 12, 2023, 11:00 AM
Meeting Location: 256 & 5260 Elizabeth St, Cudahy, CA 90201

Bid Due Date:
October 19, 2023, at 3:00 pm

Submit bids to:
Office of the City Clerk
City of Cudahy
5220 Santa Ana Street, Cudahy, CA 90201
BID
5256 & 5260 ELIZABETH ST (SITE1)
DEMOLITION PROJECT
CITY OF CUDAHY AND ITS REDEVELOPMENT DISSOLUTION SUCCESSOR AGENCY

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CUDAHY:

The undersigned, as Bidder, declares that: (1) this Bid is made without collusion with any other person and that the only persons or parties interested as principals are those named herein; (2) the undersigned has carefully examined the Contract Documents (including all Addenda) and the Project site; and (3) the undersigned has investigated and is satisfied as to the conditions to be encountered, the character, quality and quantities of Work to be performed, and the materials to be furnished. Furthermore, the undersigned agrees that submission of this Bid shall be conclusive evidence that such examination and investigation have been made and agrees, in the event the Contract be awarded to it, to execute the Contract with the City of Cudahy to perform the Project in accordance with the Contract Documents in the time and manner therein prescribed, and to furnish or provide all materials, labor, tools, equipment, apparatus and other means necessary so to do, except as may otherwise be furnished or provided under the terms of the Contract Documents, for the following stated unit prices or lump-sum price as submitted on the Bid herein.

Bidder acknowledges receipt of all addenda, as follows:

Addendum No. 1 Date: 10/1/23

Addendum No. Date: 

Addendum No. Date: 

Addendum No. Date: 

The undersigned submits as part of this Bid a completed copy of its Industrial Safety Record. This Safety Record includes all construction Work undertaken in California by the undersigned and any partnership, joint venture or corporation that any principal of the undersigned participated in as a principal or owner for the last five (5) calendar years and the current calendar year before the date of Bid submittal. Separate information is being submitted for each such partnership, joint venture, or corporate or individual Bidder. The undersigned may attach any additional information or explanation of data that it would like to be taken into consideration in evaluating the Safety Record. An explanation of the circumstances surrounding any and all fatalities is attached.

Accompanying this Bid is cash, a cashier’s check, a certified check or a Bid Bond in an amount equal to at least ten percent (10%) of the total aggregate Bid price based on the quantities shown and the unit prices quoted. The undersigned further agrees that, should it be awarded the Contract and thereafter fail or refuse to execute the Contract and provide the required evidence of insurance and Bonds within fifteen (15) Days after delivery of the Contract to the undersigned, then the cash, check or Bid Bond shall be forfeited to the City to the extent permitted by law.

The undersigned certifies to have a minimum of three (3) consecutive years of current experience in the type of Work related to the Project and that this experience is in actual operation of the firm with permanent employees performing a part of the Work as distinct from a firm operating entirely
by subcontracting all phases of the Work. The undersigned also certifies to be properly licensed by the State as a contractor to perform this type of Work. The undersigned possesses California Contractor’s License Number 668511, Class B, C21, C22, ANR, HAZ, which expires on 3/31/25.

Bidder’s Name: Unlimited Environmental, Inc.

Signature: [Signature]
Jill Hunt-Dupleich Title: Vice President Date: 10/18/23

Signature: [Signature]
W. Scott Lange Title: President Date: 10/18/23
CITY OF CUDAHY
5256 & 5260 ELIZABETH ST (SITE 1)
DEMOLITION PROJECT
CITY OF CUDAHY AND ITS REDEVELOPMENT DISSOLUTION SUCCESSOR AGENCY

Bidder's Name: Unlimited Environmental, Inc.

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the City Engineer, at the following prices:

**BID SCHEDULE:**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT PRICES</th>
<th>EXTENDED AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pre-Demolition Haz-Mat Abatement, including all necessary relevant work, and notices and processing through AQMD and other required Agencies. For abatement scope of work and requirements, see Appendix B, HAZ-MAT REPORTS.</td>
<td>1</td>
<td>LS</td>
<td>$50,946.00</td>
<td>$50,946.00</td>
</tr>
</tbody>
</table>

2. Remove existing wrought iron gates, pilasters and wrought iron fence on top of existing retaining wall. Protect in Place retaining wall along sidewalk and mature trees along back of wall. Remove existing driveway and adjacent retaining walls, grade slope no more than 1:20 once retaining walls at driveway have been removed.

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT PRICES</th>
<th>EXTENDED AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Construct new 6 feet high chain link fence including footings per SPPWC std plan no: 600-4. (Approximate length is 120 feet) with 12' double swing gate where existing driveway is to be removed for site access. Install privacy fence screen that shall not join adjacent properties at the east and west side behind the retaining wall and mature trees of the property. For additional information and scope, see APPENDIX A, PROJECT PLANS.</td>
<td>1</td>
<td>LS</td>
<td>$9,140.00</td>
<td>$9,140.00</td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION</td>
<td>QTY</td>
<td>UNIT</td>
<td>UNIT PRICES</td>
<td>EXTENDED AMOUNT</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----</td>
<td>------</td>
<td>-------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>3.</td>
<td>Install temporary chain link construction privacy fence screen around the perimeter of the work site throughout construction until the project is accepted by the City.</td>
<td>1</td>
<td>LS</td>
<td>$2,614.00</td>
<td>$2,614.00</td>
</tr>
<tr>
<td>4.</td>
<td>For additional information and scope, see APPENDIX A. PROJECT PLANS – INFORMATION, Note 2</td>
<td>1</td>
<td>LS</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION</td>
<td>QTY</td>
<td>UNIT</td>
<td>UNIT PRICES</td>
<td>EXTENDED AMOUNT</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>-----</td>
<td>------</td>
<td>-------------</td>
<td>-----------------</td>
</tr>
</tbody>
</table>
| 5.      | 5260 & 5256 Elizabeth St (SITE 1)  
Demolition of existing structures on raised foundation and/or concrete slab on grade (demolish and dispose abandoned and fire damage residential structures and garages).  
Includes clean-up, removal, hauling, and proper disposal of debris and materials from demolition work. All materials to be properly disposed per applicable code and regulations (CEQA, AQMD, etc.). Contractor to use city’s contractor “republic services” for hauling services and disposal of materials or provide certificate of weight (self-hauling). Pricing shall include trucking and disposal, labor, equipment, and consumables as required to load out all debris. If asbestos is present per asbestos report provided by city, contractor is responsible for asbestos abatement (and any other recommended measure from report) before demolition. Clean-up of the entire Property is part of the project scope of work (includes debris from demolition work and all those materials/debris already present at the Site, including removal of weeds and removal of existing wrought iron fence and gates. Contractor to cap-off all utilities; electrical, gas, sewer pipes & drains and remove plumbing under floor joists. Includes all other miscellaneous items and appurtenances required to complete the work such as traffic control and coordination and approval from SC AQMD. | 1 | LS | $36,200.00 | $36,200.00 |
The award of Contract shall be based on the TOTAL BID AMOUNT.

In the case of discrepancies in the amount of bid, unit prices shall govern over extended amounts, and words shall govern over figures.

Full compensation for the items listed to the right as Items A, B, C, D and E are considered as inclusive in each Bid Item listed above in the Bid Schedule as applicable, and no additional and/or separate compensation will be allowed.

A. Mobilization / Demobilization
B. Traffic Control
C. NPDES, WVECP, and Best Management Practices (BMPs), Public Convenience and Safety
D. Construction Staking by Land Surveyor
E. Clearing and Grubbing

The bid prices shall include any and all costs, including labor, materials, appurtenant expenses, taxes, royalties and any and all other incidental costs to complete the project, in compliance with the Bid and Contract Documents and all applicable codes and standards.

The City reserves the right to add, delete, increase, or decrease the amount of any quantity shown and to delete any item from the contract and pay the contractor at the bid unit prices so long as the total amount of change does not exceed 25% (plus or minus) of the total bid amount for the entire project. If the change exceeds 25%, a change order may be negotiated to adjust unit bid prices.

All other work items not specifically listed in the bid schedule, but necessary to complete the work per bid and contract documents and all applicable codes and standards are assumed to be included in the bid prices.

A bid is required for the entire work, that the quantities set forth in the Bid Schedule are to calculate total bid amount, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

TOTAL BID PRICE IN DIGITS: $99,400.00
TOTAL BID PRICE IN WORDS: Ninety Nine Thousand Four Hundred

Signature: [Signature] Jill Hunt-Dupleich Title: Vice President Date: 10/18/23
Signature: [Signature] W. Scott Lange Title: President Date: 10/18/23

QUESTIONNAIRE FORM

Fill out all of the following information. Attach additional sheets if necessary.

(1) Bidder's Name: Unlimited Environmental, Inc.
(2) If the Bidder's name is a fictitious name, who or what is the full name of the registered owner? If the Bidder's name is not a fictitious name, write "N/A" in the response to this question. If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement.

N/A

(3) Business Address: 2300 E. Curry St, Bldg B, Long Beach, CA 90805

(4) Telephone: 562-981-6600 Facsimile: 562-912-4415

(5) Type of Firm – Individual, Partnership, LLC or Corporation: Corporation

(6) Corporation organized under the laws of the State of: California

(7) California State Contractor's License Number and Class: 668511 - B, C21, C22, ASB, HAZ

Original Date Issued: 4/2/93 Expiration Date: 3/31/25

(8) DIR Contractor Registration Number: 1000000088

(9) List the name and title of the person(s) who inspected the Project site for your firm:

Walter Mejia, Project Manager and Freddy Mena, Assistant Project Manager

(10) The Bidder declares that he/she has carefully read and examined the plans, specifications, bid documents, and he/she has made a personal examination of the site (indicate name of the person, representing the bidder, who inspected the site and date below) and that he/she understands the exact scope of the Project WITHOUT QUESTION.

Name of Person who inspected the site: Walter Mejia and Freddy Mena

Date of Inspection: 10/12/23

(11) Number of years' experience the company has as a contractor in construction work: 22

(12) List the names, titles, addresses and telephone numbers of all individuals, firm members, partners, joint venturers, and company or corporate officers having a principal interest in this Bid:

Jill Hunt-Dupleich, 11781 Emerald St, Garden Grove, CA 92845, 562-577-0861

W. Scott Lange, 1200 South Irena Ave, Redondo Beach, CA 90277, 310-629-8509

(13) List all current and prior D.B.A.'s, aliases, and fictitious business names for any principal having interest in this Bid:

N/A
(14) List the dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this Bid:

N/A

(15) For all arbitrations, lawsuits, settlements, and the like (in or out of court) that the company or any principal having an interest in this Bid has been involved with in the past five (5) years:

a. List the names, addresses and telephone numbers of contact persons for the parties:

N/A

b. Briefly summarize the parties’ claims and defenses:

N/A

c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

N/A

(16) Has the company or any principal having an interest in this Bid ever had a contract terminated by the owner or agency? If yes, explain.

No.
(17) Has the company or any principal having an interest in this Bid ever failed to complete a project? If yes, explain.

No.

(18) Has the company or any principal having an interest in this Bid ever been terminated for cause, even if it was converted to a "termination of convenience"? If yes, explain.

No.

(19) For projects that the company or any principal having an interest in this Bid has been involved with in the last five (5) years, did you have any claims or actions:

a. By you against the owner? Circle one: Yes  No

b. By the owner against you? Circle one: Yes  No

c. By any outside agency or individual for labor compliance? Circle one: Yes  No

d. By Subcontractors? Circle one: Yes  No

e. Are any of these claims or actions unresolved or outstanding? Circle one: Yes  No

If your answer is "yes" to any part or parts of this question, explain.

N/A

(20) List the last three (3) projects you have worked on or are currently working on for the City of Cudahy:

None to date.

Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience, or other additional information.
Failure to provide truthful answers to the questions above or in the following References Form may result in the Bid being deemed non-responsive.

The Bidder certifies under penalty of perjury under the laws of the State of California that the information provided above is true and correct.

Company: Unlimited Environmental, Inc.

Signature: [Signature]

Title: Jill Hunt-Dupleich, Vice President

Date: 10/18/23

Signature: [Signature]

Title: W. Scott Lange, President

Date: 10/18/23
REFERENCES FORM

For all public agency projects in excess of $15,000 that you are currently working on or have worked on in the past two (2) years, provide the following information:

**Project 1 Name/Number** Great Park ARDA Site Bldg 643 - #23-010

**Project Description** Demolition of existing buildings and structures

**Approximate Construction Dates** From: 5/18/23 To: 11/3/23

**Agency Name:** City of Irvine

**Contact Person:** Joel Belding Telephone: 951-897-3156

**Address:** Cadence and Pusan Way, Irvine, Ca 92618

**Original Contract Amount:** $1,999,000.00 **Final Contract Amount:** $TBD

If final amount is different from original amount, please explain (change orders, extra work, etc.). N/A

Did you or any Subcontractor, file any claims against the Agency? Circle one: Yes [No]

Did the Agency file any claims against you? Circle one: Yes [No]

If you answered yes to either of the above two questions, please explain and indicate outcome of claims. N/A

---

**Project 2 Name/Number** Texas Street Demo - #23-002

**Project Description** Abatement and Demolition

**Approximate Construction Date** From: 7/24/23 To: 11/24/23

**Agency Name:** City of Fairfield

**Contact Person:** Melvin Aquino Telephone: 707-428-7743

**Address:** 1110,1120,1116,1118 Texas St, Fairfield, CA 94533

**Original Contract Amount:** $445,000.00 **Final Contract Amount:** $TBD
If final amount is different from original amount, please explain (change orders, extra work, etc.).

N/A

______________________________

Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes  **No**

Did the Agency file any claims against you? Circle one: Yes  **No**

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

______________________________

**Project 3** Name/Number  **Golden West General Education Building Demo - #23-070**

Project Description  **Demolition of the existing Golden West college General Education Building.**

Approximate Construction Dates  From:  **8/28/23**  To:  **11/27/23**

Agency Name:  **Coast Community College District**

Contact Person:  **Mike Golden**  Telephone:  **714-855-8974 X 58974**

Address:  **15744 Goldenwest St, Huntington Beach, CA 92647**

Original Contract Amount:  **$634,000.00**  Final Contract Amount:  **$TBD**

If final amount is different from original amount, please explain (change orders, extra work, etc.).

N/A

______________________________

Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes  **No**

Did the Agency file any claims against you? Circle one: Yes  **No**

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A
Project 4 Name/Number  Demo & Removal of Fire Damaged Structure P5 - #23-065

Project Description  P5 Asbestos Abatement and Demolition

Approximate Construction Dates  From: 9/25/23  To: 12/1/23

Agency Name:  City of Placentia

Contact Person:  Jeannette Ortega  Telephone:  714-933-8264

Address:  207 Chapman Ave, Placentia, CA 92870

Original Contract Amount:  $60,000.00  Final Contract Amount:  $ TBD

If final amount is different from original amount, please explain (change orders, extra work, etc.).

N/A

Did you or any Subcontractor, file any claims against the Agency? Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

Project 5 Name/Number  KCSOS Richardson CDC Mod - #23-041

Project Description  Selective Building Demolition, Lead and Asbestos Abatement

Approximate Construction Dates  From: 7/5/23  To:  TBD

Agency Name:  Kern County Superintendent of Schools

Contact Person:  Francisco Garcia  Telephone:  661-315-0100

Address:  1515 feliz Drive, Bakersfield, CA 93307

Original Contract Amount:  $1,014,444.00  Final Contract Amount:  $ TBD

If final amount is different from original amount, please explain (change orders, extra work, etc.).

N/A
Did you or any Subcontractor, file any claims against the Agency?  
Circle one: Yes  No

Did the Agency file any claims against you?  Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A

Project 6 Name/Number  Vacaville TSI Removal - #23-082
Project Description  Asbestos Abatement

Approximate Construction Dates  From: 10/2/23  To: 10/13/23

Agency Name: California Department of Corrections and Rehabilitation

Contact Person: Anthony Torres  Telephone: 707-448-6841

Address: 1600 California Dr, Vacaville, CA 95687

Original Contract Amount: $28,900.00  Final Contract Amount: $28,900.00

If final amount is different from original amount, please explain (change orders, extra work, etc.).

N/A

Did you or any Subcontractor, file any claims against the Agency?  
Circle one: Yes  No

Did the Agency file any claims against you?  Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

N/A
RESUME

Attach to this Bid the experience resume of the person who will be designated as General Construction Superintendent or on-site Construction Manager for the Project.
NESTOR REYES

VICE PRESIDENT OF OPERATIONS

ASBESTOS ABATEMENT | LEAD REMEDIATION | SOIL CONTAMINATION DEMOLITION | TRANSITE PIPE | SPOT ABATEMENT | ESTIMATING

Nestor Reyes has over 24 years of extensive knowledge and experience in estimating and project management for the Abatement and Remediation industry. He has worked successfully with hundreds of clients including the following southern California school Districts (list not comprehensive):

- Long Beach Unified School District
- Little Lake Unified School District
- Whitter Union High School District
- Los Angeles Unified School District
- Santa Maria Joint Union High School District
- Santa Ana Unified School District
- Grossmont Union High School District

EDUCATION & TRAINING

- Asbestos Abatement Contractor/Supervisor
  EPA Accredited & Mold Supervisor Certified
- Worker/Competent Person—Lead Based Paint Abatement and Inspection Procedures
- Mold Supervisor Certified
- Trained in AQMD, HUD & OSHA Regulations
- DHS Lead Certified
VIC REYES

PROJECT MANAGER/ESTIMATOR

ASBESTOS ABATEMENT | LEAD REMEDIATION | SOIL CONTAMINATION DEMOLITION | TRANSITE PIPE | SPOT ABATEMENT | ESTIMATING

RECENT PROJECT EXPERIENCE

- Leffingwell Elementary School Modernization, Whittier, CA; completed May 2022
- Joint Forces Training Base Building 16 Demolition, Los Alamitos, CA; completed April 2022
- Cal State Fullerton–MH675, Fullerton, CA; completed April 2022
- St. Genevieve Catholic Church Abatement, Panorama City, CA; completed April 2022
- Ceres Elementary School Modernization, East Whittier, CA; completed March 2022

EDUCATION & TRAINING

- Asbestos Abatement Contractor/Supervisor
- EPA Accredited & Mold Supervisor Certified
- Worker/Competent Person –Lead Based Paint Abatement and Inspection Procedures
- Mold Supervisor Certified
- Trained in AQMD, HUD & OSHA Regulations
- DHS Lead Certified
DESIGNATION OF SUBCONTRACTORS
[Public Contract Code Section 4104]

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor's total Bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half percent (0.5%) of the Contractor’s total Bid or $10,000, whichever is greater. If all Subcontractors do not fit on this page, attach another page listing all information for all other Subcontractors.

Contractor must employ an asbestos abatement contractor for the asbestos abatement activities that has a California C22 Contractor’s License in good standing with the Contractor’s State License Board and is registered with the California Division of Occupational Safety & Health (‘DOSH’ or ‘Cal/OSHA’). The registered asbestos abatement subcontractor must be listed on the below form where its work will exceed one-half of one percent (½%) of Bidder’s total price offered. The asbestos abatement contractor must also provide workers and supervisors certified through the California Department of Public Health (CDPH) lead-related construction program.

<table>
<thead>
<tr>
<th>Name under which Subcontractor is Licensed and Registered</th>
<th>CSLB License Number(s) and Class(es)</th>
<th>DIR Contractor Registration Number</th>
<th>Address and Phone Number</th>
<th>Type of Work (e.g., Electrical)</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>So Cal Fence</td>
<td>951632</td>
<td>1000002412</td>
<td>163 Sixth Ave, City of Industry, CA 800-850-8871</td>
<td>Fencing</td>
<td>$11,754.00</td>
</tr>
</tbody>
</table>

1 The percentage of the total Bid shall represent the “portion of the work” for the purposes of Public Contract Code Section 4104(b).

Contractor shall perform, with its own organization (rather than with Subcontractors), Work amounting to at least fifty percent (51%) of the Contract Price.
## INDUSTRIAL SAFETY RECORD FORM

**Bidder’s Name**  Unlimited Environmental, Inc.

<table>
<thead>
<tr>
<th>Current Year of Record</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of contracts</td>
<td>TBD</td>
<td>142</td>
<td>80</td>
<td>123</td>
<td>175</td>
<td>197</td>
</tr>
<tr>
<td>Total dollar amount of contracts (in thousands of dollars)</td>
<td>TBD</td>
<td>$15,483,000</td>
<td>$6,280,000</td>
<td>$9,525,438</td>
<td>$16,007,123</td>
<td>$15,681,000</td>
</tr>
<tr>
<td>Number of fatalities</td>
<td>TBD</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of lost workday cases</td>
<td>TBD</td>
<td>0</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Number of lost workday cases involving permanent transfer to another job or termination of employment</td>
<td>TBD</td>
<td>0</td>
<td>82</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

The above information was compiled from the records that are available to me at this time and I declare under penalty of perjury under the laws of the State of California that the information is true and accurate within the limitations of those records.

**Signature:**

**Title:** Jill Hunt-Dupleich, Vice President

**Date:** 10/18/23

**Signature:**

**Title:** W. Scott Lange, President

**Date:** 10/18/23
BID BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Cudahy ("City"), has issued an invitation for Bids for the Work described as follows: 5256 & 5260 ELIZABETH ST (SITE) DEMOLITION PROJECT*  

WHEREAS Unlimited Environmental, Inc. - 2300 East Curry St. Bldg B, Long Beach, CA 90805  
(Name and address of Bidder)

("Principal"), desires to submit a Bid to City for the Work.

WHEREAS, Bidders are required to furnish a form of Bidder's security with their Bids.

NOW, THEREFORE, we, the undersigned Principal, and  
Developers Surety and Indemnity Company - 17771 Cowan Suite #100, Irvine, CA 92614  
(Name and address of Surety)

("Surety"), a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of______________________________

Ten Percent of Total Amount Bid——  
Dollars ($ 10% of Bid—)

being not less than ten percent (10%) of the total Bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal is awarded the Contract for the Work by the City and, within the time and in the manner required by the bidding specifications, enters into the written form of Contract included with the bidding specifications, furnishes the required Bonds (one to guarantee faithful performance and the other to guarantee payment for labor and materials), and furnishes the required insurance coverage, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

In case suit is brought upon this instrument, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of Civil Code Section 2845.

* CITY OF CUDAHY AND ITS REDEVELOPMENT DISSOLUTION SUCCESSOR AGENCY

BID

BIDDER SHALL COMPLETE AND SUBMIT ALL DOCUMENTS AND PAGES IN SECTION "BID"
IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: October 16, 2023

"Principal"

Unlimited Environmental, Inc.

By: ____________________________

its: ____________________________

By: ____________________________

its: ____________________________

"Surety"

Developers Surety and Indemnity Company

By: ____________________________

its: ____________________________

By: ____________________________

its: ____________________________

Note: This Bond must be dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.
CALIFORNIA ALL-PURPOSE
CERTIFICATE OF 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 October 18, 2023, before me, B.G. Williams, 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.

Notary Public Signature

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

[Title or description of attached document]

[Title or description of attached document continued]

Number of Pages — Document Date 10/18/23

CAPACITY CLAIMED BY THE SIGNER

☐ Individual(s)
☐ Corporate Officer
☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
  - Securely attach this document to the signed document with a staple.
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 Orange  

On 10/16/2023 before me, Alma Karen Hernandez, Notary Public:

Date: ____________________________
Here Insert Name and Title of the Officer

personally appeared Rebecca Haas-Bates

Name(s) of Signer(s): ________________________________

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

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

WITNESS my hand and official seal.

Signature: ________________________________
Signature of Notary Public: ________________________________

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Bid Bond
Number of Pages: Two (2)
Document Date: 10/16/2023

Capacity(ies) Claimed by Signer(s)
Signer's Name: Rebecca Haas-Bates
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☑ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer is Representing:
Developers Surety and Indemnity Company

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

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POWER OF ATTORNEY FOR
CORPOINTE INSURANCE COMPANY
DEVELOPERS SURETY AND INDEMNITY COMPANY
59 Maiden Lane, 43rd Floor, New York, NY 10038
(212) 228-7120

KNOW ALL BY THESE PRESENTS that, except as expressly limited herein, CORPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY, do hereby make, constitute and appoint

William Syrkin, Richard Adlar, and Rebecca Haas-Bates

of Irvine, CA

as its true and lawful Attorney-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said companies, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said company could do, but restricting to each of said company all power of substitution and reappointment, and all of the acts of said Attorney-in-Fact, pursuant to these presents, are hereby ratified and confirmed. This Power of Attorney is effective October 16, 2023 and shall expire on December 31, 2025.

This Power of Attorney is granted and is signed under and by authority of the following resolutions adopted by the Board of Directors of CORPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY (collectively, “Company”) on February 10, 2023.

RESOLVED, that Sam Zaza, President, Surety Underwriting, James Bell, Vice President, Surety Underwriting, and Celia Davison, Executive Underwriter, Surety, each an employee of AmTrust North America, Inc., an affiliate of the Company (the “Authorized Signers”), are hereby authorized to execute a Power of Attorney, qualifying attorney(s)-in-fact named in the Power of Attorney to execute, on behalf of the Company, bonds, undertakings and contracts of suretyship, or other suretyship obligations; and that the Secretary or any Assistant Secretary of the Company be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney.

RESOLVED, that the signature of any one of the Authorized Signers and the Secretary or any Assistant Secretary of the Company, and the seal of the Company must be affixed to any such Power of Attorney, and any such signature or seal may be affixed by facsimile, and such Power of Attorney shall be valid and binding upon the Company when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, CORPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY have caused these presents to be signed by the Authorized Signer and attested by their Secretary or Assistant Secretary this March 27, 2023.

By: ________________________________

Printed Name: Sam Zaza

Title: President, Surety Underwriting

ACKNOWLEDGEMENT:

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 Orange

On this 27th day of March, 2023 before me, Hoang-Quyen Phu Pham, personally appeared Sam Zaza who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument and acknowledged to me that they executed the same in their authorized capacity, and that by the signature on the instrument the entities upon behalf which the person acted, executed this 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 ________________________________

CORPORATE CERTIFICATION

The undersigned, the Secretary or Assistant Secretary of CORPOINTE INSURANCE COMPANY and DEVELOPERS SURETY AND INDEMNITY COMPANY, does hereby certify that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in this Power of Attorney are in force as of the date of this Certification.

This Certification is executed in the City of Cleveland, Ohio, this March 19, 2023.

By: ________________________________

Printed Name: Barry W. Moses, Assistant Secretary

POA No: N/A

DocuSignEnvelopeID:3352BFD6-5E9D-4796-837E-C1E455E6230F
NONCOLLUSION DECLARATION FORM
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID
[Public Contract Code Section 7106]

The undersigned declares:

I am the Vice President and President of Unlimited Environmental, Inc., the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham Bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, Bid depository, or to any member or agent thereof, to effectuate a collusive or sham Bid, and has not paid, and will not pay, any Person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 10/18/23 [date], at Long Beach [city], California [state].

Signature: [Signature]
Printed Name: Jill Hunt-Dupuis, Vice President
Date: 10/18/23

Signature: [Signature]
Printed Name: W. Scott Lange, President
Date: 10/18/23
UNLIMITED ENVIRONMENTAL, INC.
a California corporation

UNANIMOUS WRITTEN CONSENT OF SOLE DIRECTOR

IN LIEU OF ANNUAL MEETING

December 31, 2020

The undersigned, being the sole director of UNLIMITED ENVIRONMENTAL, INC., a California corporation, does hereby vote for, consent to and authorize the following actions, it being understood that the execution of this consent is in lieu of holding an annual meeting of the Board:

I. ELECTION OF OFFICERS/AUTHORIZED SALARIES

RESOLVED, that the following person is hereby nominated and elected to serve as an officer of this Corporation in the office and for the annual salary this calendar year as indicated in corporate financial records in possession of the Treasurer, and reviewed and authorized by the Board:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>W. Scott Lange</td>
<td>President</td>
</tr>
<tr>
<td>Jill Hunt-Duplich</td>
<td>Vice-President</td>
</tr>
<tr>
<td>W. Scott Lange</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>W. Scott Lange</td>
<td>Secretary</td>
</tr>
</tbody>
</table>

II. SALARY AND BONUS AMOUNTS

RESOLVED, that the salary and bonus (if applicable) as indicated in corporate financial records in possession of the Treasurer, reviewed and authorized by the Board of Directors, and paid to each officer during the last calendar year by reason of the contribution of such officer to the financial success of the corporation, is hereby ratified and approved.

III. ADDITIONAL BONUS

RESOLVED, that this Corporation may, but shall not be required to pay to each of said officers one or more bonuses during each calendar year of their employment with this Corporation as incentive compensation for their continued contributions to the profits of the Corporation.
IV.
SALARIES/BONUS TIMING OF PAYMENT

RESOLVED, that bonuses and salaries shall be paid to the officers in such intervals and increments as the Corporation and the officers shall agree taking into consideration the cash position and requirements of the Corporation.

V.
DECLARATION OF NO DIVIDEND

WHEREAS, based on the results of the operations of this Corporation for the past fiscal year and after taking into consideration its working capital requirements and probable capital expenditures, this Corporation is not in a position to declare a dividend at this time; and

RESOLVED, that after due consideration, the sole director is of the opinion that it would be in the best interests for this Corporation not to declare and pay a dividend at the present time.

VI.
AUTHORIZATION TO BORROW MONEY

RESOLVED, that this Corporation is hereby authorized to borrow at any time and from time to time from one or more of this Corporation’s shareholders, officers, directors, related parties and third parties such amounts of funds for the business interests of this Corporation as the officers may from time to time deem appropriate in their discretion.

RESOLVED FURTHER, that the officers of this Corporation are authorized to take any and all necessary or appropriate actions in entering such loan transactions, negotiating the terms and conditions thereof, executing the related loan documents (including any security and collateral arrangements), performing the Corporation’s obligations thereunder, and enforcing its rights thereunder.

VII.
AUTHORIZATION TO LEND MONEY

RESOLVED, the officers of the Corporation are authorized to lend money from time to time to related parties and to third parties if done so for the best interests of the Corporation and according to reasonable and fair terms and conditions.

RESOLVED FURTHER, that the officers of this Corporation are authorized to take any and all necessary or appropriate actions in entering such loan transactions, negotiating the terms and conditions thereof, executing the related loan documents (including any security and collateral arrangements), performing the Corporation’s obligations thereunder, and enforcing its rights thereunder.
VIII.
AUTHORIZATION TO EXECUTE CONTRACTS

RESOLVED, that W. Scott Lange, President, and Jill Dupleich, Vice President, are authorized to execute contract documents and/or to execute a bid submittal on behalf of Unlimited Environmental, Inc. This action is hereby confirmed, ratified, and approved.

IX.
RATIFICATION OF OFFICERS' ACTIONS

RESOLVED FURTHER, that inasmuch as the members of the Board of Directors are familiar with the business, affairs, and operation of the Corporation, all acts and actions taken by the officers of the Corporation since the last annual meeting of the Board of Directors are hereby confirmed, ratified, and approved.

X.
CONSENT IN LIEU OF MEETING

RESOLVED, that this Annual Action By Unanimous Written Consent of the Board of Directors is taken in lieu of an annual meeting of the Board of Directors and any requirement for such a meeting is hereby waived.

XI.
CLOSING

RESOLVED, that the acts and resolutions of the officers of this Corporation since the date of the last Board of Directors’ Minutes are hereby ratified and approved.

RESOLVED FURTHER, that upon execution of these Minutes, the Secretary of this Corporation is instructed to cause said Minutes to be inserted in their proper place in the Corporate Minute Book.

W. Scott Lange, Director

Unlimited Environmental, Inc.
2020 Annual Minutes of Board of Directors, p. 3 of 4
CLOSING CONSENT

The undersigned, having been duly elected as officers of UNLIMITED ENVIRONMENTAL, INC., pursuant to the above Unanimous Written Consent of the Board of Directors, do hereby accept election and appointment as an officer, in the capacities set forth above.

W. Scott Langer

Jill Hunt-Dupleich
Attachment No. 1 –
Agreement with Unlimited Environmental Inc.
THIS AGREEMENT “Agreement” is made and entered into this 7th day of November 2023, by and between the CITY OF CUDAHY, a Municipal Corporation located in the County of Los Angeles, State of California hereinafter called CITY, and UNITED ENVIRONMENTAL, INC. (hereinafter called “CONTRACTOR”). For the purposes of this Contract, CITY and CONTRACTOR may be referred to collectively referred to as the capitalized term “PARTIES”. The capitalized term “PARTY” may refer to CITY of CONTRACTOR interchangeably.

RE bâtals

CITY, by its Notice Inviting Bids, duly advertised for written bids to be submitted on or before October 19th, 2023, for the following:

5256 & 5260 ELIZABETH ST (SITE 1) DEMOLITION PROJECT
CITY PROJECT # 100-4930-6724

in the City of CUDAHY, California, hereinafter called PROJECT.

At 3:00 pm on October 19th, 2023, on said date, in the CUDAHY Council Chambers, said bids were duly opened.

At its regular meeting held on _________________, the CITY Council duly accepted the bid of CONTRACTOR for said PROJECT as being the lowest reasonable bid received and directed that a written contract be entered into with CONTRACTOR.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, said parties do hereby agree as follows:

ARTICLE I – CONTRACT DOCUMENTS

The CONTRACT DOCUMENTS for the PROJECT shall consist of:

- document titled:
  CONTRACT DOCUMENTS PLANS AND SPECIFICATIONS
  for
  5256 & 5260 ELIZABETH ST (SITE 1) DEMOLITION PROJECT
  CITY PROJECT # 100-4930-6724
• CONTRACTOR’s Proposal
• Section 3 Clause & Requirements
• Current Federal DOL Wage Decision
• Federal EEO and Affirmative Action Requirements
• and all referenced specifications, details, standard drawings, and appendices, together with this contract and all required bonds, insurance certificates, permits, notices and declarations, affidavits, and also including any and all addenda or supplemental agreements clarifying, amending, or extending the work contemplated as may be required to insure its completion in an acceptable manner.

All of the above-mentioned documents are intended to complement the other documents so that any work called for in one, and not mentioned in the others, or vice versa, is to be executed the same as if mentioned in all of said documents. The document comprising the complete contract are hereinafter referred to as the CONTRACT DOCUMENTS and are incorporated herein by this reference and made and part hereof as though they were fully set forth herein.

All of the rights and obligations of the CITY and CONTRACTOR are fully set forth and described in the CONTRACT DOCUMENTS.

In the event there is a conflict between the terms of the Contract Documents, the more specific or stringent provision shall govern. City shall decide which option is the more specific or stringent provision.

ARTICLE II - AGREEMENT

For and in consideration of the payments and agreements be made and performed by CITY, CONTRACTOR hereby agrees to furnish all materials and perform all work required for the PROJECT and to fulfill all other obligations as set forth in the CONTRACT DOCUMENTS.

ARTICLE III - COMPENSATION

CONTRACTOR hereby agrees to receive and accept the total amount Ninety Nine Thousand Four Hundred dollars ($99,400), based upon those certain unit prices set forth in CONTRACTOR’s Bid Schedule, a copy of which is attached hereto as Exhibit “A” and by this reference incorporated herein and made a part hereof, as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder.

Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the CONTRACT DOCUMENTS, and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.
The sum identified in Article III is not subject to escalation, the CONTRACTOR having satisfied himself with said CONTRACT price, which includes all labor and material increases anticipated throughout the duration of this CONSTRUCTION CONTRACT.

CITY shall retain five percent (5%) of said CONTRACT price until said time as the provisions of Article XIV herein have been met.

Progress payments shall be made in accordance with Section 9 of the Standard Specifications for Public Works as amended by the General Provisions and Special Provisions.

Upon receipt of a properly presented payment request, the Contract Officer shall process the payment request in accordance with Public Contracts Code Section 20104.50. The Contract Officer shall review the payment request as soon as possible. If the Contract Officer rejects the payment request, it shall be returned to the Contractor within seven days of its receipt by the City with an explanation for the reasons of its rejection. If the payment request is approved in writing by the Contract Officer, payment shall be made within thirty (30) days of receipt of an undisputed and properly presented payment request. Late payments shall bear interest at the legal rate of interest in accordance with Code of Civil Procedure 685.010. City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the period covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security.

Substitution of Securities for Retention. The contractor may deposit securities in lieu of the 5% progress payment retentions in accordance with California Public Contracts Code 22300.

CITY’s obligation is payable only and solely from Community Development Block Grant (CDBG) funds appropriated from the United States Department of Housing and Urban Development (HUD) and for the purpose of this CONTRACT. All funds are appropriated every fiscal year beginning July 1. In the event this CONTRACT extends into the succeeding fiscal year and funds have not been appropriated, this CONTRACT will automatically terminate as of June 30 of the current fiscal year. The CITY will notify the CONTRACTOR in writing in ten (10) days of receipt of the non-appropriation notice.

ARTICLE IV - CONTRACTOR REPRESENTATIONS

CITY hereby promises and agrees to employ, and does hereby employ, CONTRACTOR to provide the materials, do the work, and fulfill the obligations according to the terms and conditions herein contained and referred to, for the said amounts set forth in Article III hereof, and hereby agrees to pay the same at the time, in the manner, and upon the conditions set forth in the CONTRACT DOCUMENTS.

In addition, CONTRACTOR hereby promises and agrees to comply with all of the provisions of both State and Federal law with respect to the employment of unauthorized aliens.

Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or services covered by this contract, and should the Federal Government impose sanctions against the CITY for such use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, reimburse CITY for the cost of all such sanctions imposed, together with any and all costs, including attorney’s fees, incurred by the CITY in connection therewith.
Furthermore, CONTRACTOR hereby represents and warrants that it is not currently, and has not at any time within the past five (5) calendar years been, suspended, debarred, or excluded from participating in, bidding on, contracting for, or completed any project funded in whole or in part by any federally funded program, grant or loan, or any project funded in whole or in part by a program, loan or grant from the State of California, and that CONTRACTOR currently has and for the past five (5) calendar years has maintained in good standing, a valid California contractor’s license. CONTRACTOR agrees to complete and execute any statement or certificate to this effect as may be required by the City or by any federal or State of California program, loan or grant utilized on this PROJECT.

ARTICLE V – COMMENCEMENT DATE

CONTRACTOR shall commence work on the date specified in the Notice to Proceed to be issued to said CONTRACTOR by the Director of Public Works of CITY and shall complete work on the PROJECT within 20 working days after commencement.

ARTICLE VI – NO DISCRIMINATION

CONTRACTOR shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in the performance of this CONTRACT and shall comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3, Title 2 of the California Government Code; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations issued pursuant to such acts and order.

CONTRACTOR hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 USCA 1101, et seq.), as amended; and, in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should the Federal Government impose sanctions against the CITY for such use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, reimburse CITY for the cost of all such sanctions imposed, together with any and all costs, including attorney’s fees, incurred by the CITY in connection therewith.

ARTICLE VII – LABOR CODE REQUIREMENTS

Compliance with SB 854 Registration: This Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations. No prime contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. No prime contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. The Contractor will be required to post job site notices as described in 8 California Code of Regulation section 16451(d).
Contractor acknowledges that under California Labor Code sections 1810 and following, 8 hours of labor constitutes a legal day’s work. Contractor will forfeit as a penalty to City the sum of $25.00 for each worker employed in the execution of this Agreement by Contractor or any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code section 1810. (Labor Code § 1813).

Copies of the determination of the Director of the Department of Industrial Relations of the prevailing rate of per diem wages for each craft, classification or type of worker needed to execute this Agreement will be made available upon request from the City Engineer’s Office.

Contractor must post at the work site, or if there is no regular work site then at its principal office, for the duration of the Contract, a copy of the determination by the Director of the Department of Industrial Relations of the specified prevailing rate of per diem wages. (Labor Code § 1773.2). The Contractor shall post WH-1321 ENGLISH and WH-1321 SPANISH at the work site.

Contractor, and any subcontractor engaged by Contractor, must pay not less than the specified prevailing rate of per diem wages to all workers employed in the execution of the contract. (Labor Code § 1774.) Contractor is responsible for compliance with Labor Code section 1776 relative to the retention and inspection of payroll records.

Contractor must comply with all provisions of Labor Code section 1775. Under Section 1775, Contractor may forfeit as a penalty to City up to $50.00 for each worker employed in the execution of the Contract by Contractor or any subcontractor for each calendar day, or portion thereof, in which the worker is paid less than the prevailing rates. Contractor may also be liable to pay the difference between the prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate.

Nothing in this Contract prevents Contractor or any subcontractor from employing properly registered apprentices in the execution of the Contract. Contractor is responsible for compliance with Labor Code section 1777.5 for all apprenticeable occupations. This statute requires that contractors and subcontractors must submit contract award information to the applicable joint apprenticeship committee, must employ apprentices in apprenticeable occupations in a ratio of not less than one hour of apprentice’s work for every five hours of labor performed by a journeyman (unless an exception is granted under §1777.5), must contribute to the fund or funds in each craft or trade or a like amount to the California Apprenticeship Council, and that contractors and subcontractors must not discriminate among otherwise qualified employees as apprentices solely on the ground of sex, race, religion, creed, national origin, ancestry or color. Only apprentices defined in Labor Code section 3077, who are in training under apprenticeship standards and who have written apprentice contracts, may be employed on public works in apprenticeable occupations.

This is a federally-assisted CONSTRUCTION CONTRACT. Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. In the event of a conflict between Federal and State wages rates, the higher of the two will prevail. Modification of Federal Wage Rates published within ten (10) days prior to the scheduled Bid Opening date shall apply to the contract.
The Contractor shall submit payroll records to the City weekly for each week in which any contract work is performed. The Contractor is also responsible for the submission of payroll records by all its Subcontractors performing any contract work on this Project.

The payroll records submitted shall set out accurately and completely all of the information required to be maintained under Section 5.5(a)(3)(j) of 29 C.F.R. Part 5. Each payroll submitted shall be accompanied by a Statement of Compliance signed by the Contractor or Subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract, and shall certify the following:

- The payroll records for the payroll period contains the information required to be maintained under Section 5.5(a)(3)(j) of 29 C.F.R. Part 5, and that such information is correct and complete;
- Each employee employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 C.F.R. Part 3;
- Each employee has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the Contract.

This information may be submitted in any form desired, however, Form WH-347 is provided as an optional template. The Contractor shall submit a Statement of Non-Performance for each week of work for which craft work was not performed.

The falsification of any of the above certifications may subject the Contractor or Subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

The Contractor shall submit copies of apprentice certification(s) for each apprentice performing work on the Contract to accompany the first payroll record in which that apprentice appears. The City will recognize apprentice certifications from the U.S. Department of Labor and the California Division of Apprenticeship Standards. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed.

The CONTRACTOR’s duty to pay State prevailing wages can be found under Labor Code Section 1770 et seq. and Labor Code Sections 1775 and 1777.7 outline the penalties for failure to pay prevailing wages and employ apprentices including forfeitures and debarment.

The Contractor agrees that the City, through its authorized representatives, has the right, at all reasonable times, to make site visits to review Project accomplishments and for other reasons, such as employee interviews. If any site visit is made by the City on the premises of the Contractor or any of its Subcontractors under this Contract, the Contractor shall provide and shall require its Subcontractors to provide, all reasonable facilities and assistance for the safety and convenience of City representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly delay work being conducted by the Contractor or Subcontractor(s).

If the work involves excavation of any trench five feet or more in depth the contractor shall submit a detailed plan of shoring, bracing, sloping or other provisions to be made for worker protection. Such plan shall be approved by a qualified representative of the City. (LC 6705).
ARTICLE VIII - PROVISIONS REQUIRED BY LAW

Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Project. Such laws, rules and regulations shall include, but not be limited to the following.

Contractor’s License.

The Contractor shall possess a type Class B, C21, C22, ASB, HAZ California Contractor’s license at the time of award of the Contract.

Ineligible Contractor Prohibited.

Any contractor or subcontractor who is ineligible to perform work on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code is prohibited from performing work under this Contract.

Unfair Business Practices Claims.

The Contractor or subcontractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the City renders final payment to the Contractor without further acknowledgment by the parties. (Section 7103.5, California Public Contract Code.).

Hazardous Materials and Unknown Conditions.

A. CONTRACTOR shall, without disturbing the condition, notify CITY in writing as soon as CONTRACTOR, or any of CONTRACTOR’s subcontractors, agents or employees have knowledge and reporting is possible, of the discovery of any of the following conditions:

1. The presence of any material that the CONTRACTOR believes is hazardous waste, as defined in Section 25117 of the Health and Safety Code;

2. Subsurface or latent physical conditions at the site differing from those indicated in the specifications; or,

3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of this character provided for in this Contract.

B. Pending a determination by CITY of appropriate action to be taken, CONTRACTOR shall provide security measures (e.g., fences) adequate to prevent the hazardous waste or physical conditions from causing bodily injury to any person.

C. CITY shall promptly investigate the reported conditions. If CITY, through its Director of Public Works, or her designee, and in the exercise of its sole discretion, determines that the conditions
do materially differ, or do involve hazardous waste, and will cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, then CITY shall issue a change order.

D. In the event of a dispute between CITY and CONTRACTOR as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, CONTRACTOR shall not be excused from any scheduled completion date, and shall proceed with all work to be performed under the Contract. CONTRACTOR shall retain any and all rights which pertain to the resolution of disputes and protests between the parties.

ARTICLE IX - INDEMNITY

CONTRACTOR shall assume the defense of and indemnify and save harmless the CITY, its elective and appointive boards, officers, agents and employees, and volunteers from all claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the performance of the CONTRACTOR’s work, regardless of responsibility of negligence; and from any and all claims, loss, damage, injury and liability, howsoever the same may be caused, resulting directly or indirectly from the nature of the work covered by the contract, regardless of responsibility of negligence; provided

(a) That CITY does not, and shall not, waive any rights against CONTRACTOR which it may have by reason for the aforesaid hold-harmless AGREEMENT because of the acceptance by CITY or the deposit with CITY by CONTRACTOR, of any of the insurance policies hereinafter described in this AGREEMENT.

(b) That the aforesaid hold-harmless AGREEMENT by CONTRACTOR shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of CONTRACTOR, or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.
ARTICLE X - BONDS

Warranty & Guarantee

New Materials. Contractor guarantees that all materials and equipment furnished will be new unless otherwise specified in the Contract Documents.

One Year Guarantee. Contractor guarantees all materials and equipment furnished and Work performed for a period of one (1) year from the date of substantial completion is free from all defects due to faulty materials or workmanship. Contractor shall promptly make such corrections as may be necessary by reasons of such defects including the repairs of any damage to other property, whether real or personal. The City will give notice of observed defects with reasonable promptness. If Contractor fails to make such repairs, or other Work that may be made necessary by such defects, the City may do so and charge the Contractor the cost thereby incurred, plus 10% for administrative expenses. The Performance Bond shall remain in full force and effect through the guarantee period. Contractor shall execute the Public Improvement Warranty.

Bonds.

Contractor shall provide a payment bond consistent with the terms of this section and City may not waive this requirement. Contractor shall also provide a performance bond consistent with the terms of this section, unless City waives such requirement in writing. Each bond shall (1) be in writing; (2) signed by at least one admitted surety insurer under oath; (3) if a bond is signed by more than one surety insurer, include a statement that the sureties are jointly and severally liable on the obligations required hereunder; (4) list the address at which the principal and surety/sureties may be served with notices, papers, and other documents under this chapter; (5) be in the form of a bond and not in a deposit in lieu of a bond; (6) be consistent with any other requirements of the City that reasonably relate to a guarantee that the project will be completed at no cost to the City.

Payment Bond. Contractor shall furnish and file with City a bond in the sum of one hundred percent (100%) of the Compensation. Consistent with Civil Code § 3248, the bond shall provide that if the Contractor or any subcontractors hired by Contractor fails to pay (1) any of the persons named in Civil Code § 3181; (2) amounts due under the Unemployment Insurance Code with respect to work or labor performed under this Agreement; or (3) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors pursuant to Unemployment Insurance Code §13020 with respect to the work and labor that the sureties will pay for the same, and also, in case suit is brought upon the bond, a reasonable attorney’s fee, to be fixed by the court. The bond shall, by its terms, inure to the benefit of any of the persons named in Civil Code § 3181 so as to give a right of action to those persons or their assigns in any suit brought upon the bond. The bond provided under this section shall be released by written authorization of the City Engineer at the completion of the one year warranty period described in section 0, above, provided that Contractor is not in default on any provision of this Agreement.

Performance Bond. Contractor shall provide City with a bond in the sum of one hundred percent (100%) of the Compensation to guarantee the completion of the Work, to protect City if Developer is in default of this Agreement, and to secure Contractor’s one-year guarantee and warranty. The City Council may, in its sole and absolute discretion and upon recommendation of the City Engineer, partially release a portion or portions of the security provided under this section as the Public Improvements are accepted by City.
provided that Contractor is not in default on any provision of this Agreement. All security provided under this section shall be released at the end of the warranty period described in section 0, above, provided that Contractor is not in default on any provision of this Agreement.

**ARTICLE XI - INSURANCE**

CONTRACTOR shall not commence work under this contract until CONTRACTOR shall have obtained all insurance required by the CONTRACT DOCUMENTS and such insurance shall have been approved by CITY as to form, amount and carrier, nor shall CONTRACTOR allow any subcontractor to commence work on any subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved.

(a) **COMPENSATION INSURANCE** - CONTRACTOR shall take out and maintain, during the life of this contract, Worker’s Compensation Insurance for all of CONTRACTOR’s employees employed at the site of improvement; and, if any work is sublet, CONTRACTOR shall require the subcontractor similarly to provide Worker’s Compensation Insurance for all of the latter’s employees, unless such employees are covered by the protection afforded by CONTRACTOR. If any class of employees engaged in work under this contract at the site of the PROJECT is not protected under any Workers’ Compensation law, CONTRACTOR shall provide and shall cause each subcontractor to provide adequate insurance for the protection of employees not otherwise protected. CONTRACTOR shall indemnify CITY for any damage resulting to it from failure of either CONTRACTOR or any subcontractor to take out or maintain such insurance.

(b) **COMPREHENSIVE GENERAL LIABILITY, PRODUCTS/COMPLETED OPERATIONS HAZARD, COMPREHENSIVE AUTOMOBILE LIABILITY AND CONTRACTUAL GENERAL LIABILITY INSURANCE.** CONTRACTOR shall take out and maintain during the life of this contract such comprehensive general liability, products/completed operations hazard, comprehensive automobile liability and contractual general liability insurance as shall protect CITY, its elective and appointive boards, officers, agents and employees, CONTRACTOR, and any subcontractor performing work covered by this contract, from claims for damage for personal injury, including death, as well as from claims for property damage which may arise from CONTRACTOR’s or any subcontractor’s operations under this contract, whether such operations be by CONTRACTOR or by any subcontractor, or by anyone directly or indirectly employed by either CONTRACTOR or any subcontractor, and the amounts of such insurance shall be as follows:

1. **Public Liability Insurance** in an amount of not less than TWO MILLION DOLLARS ($2,000,000);

2. **Products/Completed Operations Hazard Insurance** in an amount of not less than TWO MILLION DOLLARS ($2,000,000);

3. **Comprehensive Automobile Liability Insurance** in an amount of not less
than TWO MILLION DOLLARS ($2,000,000);

(4) Contractual General Liability Insurance in an amount of not less than TWO MILLION DOLLARS ($2,000,000).

A combined single limit policy with aggregate limits in an amount of not less than TWO MILLION DOLLARS ($2,000,000) shall be considered equivalent to the said required minimum limits set forth hereinabove.

(c) PROOF OF INSURANCE - The insurance required by this AGREEMENT shall be with insurers which are Best A rated, and California Admitted or better. The CITY and shall be named as “additional insured” on all policies required hereunder, and CONTRACTOR shall furnish CITY, concurrently with the execution hereof, with satisfactory proof of carriage of the insurance required, and adequate legal assurance that each carrier will give CITY at least thirty (30) days’ prior notice of the cancellation of any policy during the effective period of the contract.

(d) NOTICE TO COMMENCE WORK - The CITY will not issue any notice authorizing CONTRACTOR or any subcontractor to commence work under this contract until CONTRACTOR has provided to the CITY the proof of insurance as required by subparagraph (c) of this article.

ARTICLE XII - ATTORNEY FEES

If either party to this Contract is required to initiate or defend, or is made a party to, any action or proceeding in any way connected with this Contract, the party prevailing in the final judgment in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorney’s fees and costs. Attorney’s fees shall include reasonable costs for investigating such action.

ARTICLE XIII - LIQUIDATED DAMAGES

The parties agree that it would be impractical and extremely difficult to fix the actual damages to the CITY in the event the PROJECT is not commenced and/or completed on or before the dates specified for commencement and completion of the PROJECT in the CONTRACT DOCUMENTS. The parties have considered the facts of a breach of this contract and have agreed that the liquidated damages sum hereinafter set forth is reasonable as liquidated damages in the event of a breach, and that said sum shall be presumed to be the amount of the damages sustained by the CITY in the event such work is not begun and/or completed and accepted by the times so specified in the CONTRACT DOCUMENTS, the sum of Five Hundred Dollars ($500) shall be presumed to be the amount of damages suffered by the CITY for each calendar day’s delay in the starting and/or completion and acceptance of said PROJECT after the dates specified in the CONTRACT DOCUMENTS for the start and/or completion thereof, and CONTRACTOR hereby agrees to pay said sum of Five Hundred Dollars ($500) as liquidated damages for each calendar day of delay in the starting and/or completing and acceptance of said PROJECT beyond the dates specified in the CONTRACT DOCUMENTS. Any and all such liquidated damages assessed shall be done so in accordance with that certain edition of the Standard Specification for Public Works Construction currently in effect on the execution date of this CONTRACT. The payment of such liquidated damages is not
intended as a forfeiture or penalty within the meaning of California Civil Code § 3275 or § 3369.

CONTRACTOR: UNITED ENVIRONMENTAL, INC. 

a California Corporation

by: __________________________

President

CITY OF CUADAHY

a Municipal Corporation

by: __________________________

Mayor

ARTICLE XIV - NOTICE OF COMPLETION

Upon completion of PROJECT and acceptance of same by the CITY Council, the CITY Manager shall have cause to be recorded a Notice of Completion with the office of the Los Angeles County Recorder; and, after thirty-five (35) days from the date said Notice of Completion is recorded, the Director of Finance of CITY shall release the funds retained pursuant to Article III hereof; provided there have been no mechanics' liens or stop notices filed against said work which have not been paid, withdrawn or eliminated as liens against said work.

ARTICLE XV - NO - ASSIGNMENT

This contract shall not be assignable, either in whole or in part, by the CONTRACTOR without first obtaining the written consent of the CITY thereto.

ARTICLE XVI - CUMULATIVE RIGHTS

The provisions of this AGREEMENT are cumulative and in addition to and not in limitation of any rights or remedies available to CITY.

ARTICLE XVII - TERMINATION

A. Termination for Convenience. The CITY may terminate this contract, in whole or in part, with 30 days 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 the CITY, the CONTRACTOR will account for the same, and dispose of it in the manner the CITY directs. The CONTRACTOR may terminate this contract, in whole, with 90 days written notice to the CITY.

B. Termination for Default. If at any time the CONTRACTOR is determined to be in material breach of the Contract, a Notice of Potential Breach of Contract shall be prepared by the CITY, and will be served upon the CONTRACTOR and its sureties. If the CONTRACTOR continues to neglect or refuses to comply with the Contract or with the Notice of Potential Breach of Contract to the satisfaction of the CITY within the time specified in such Notice, the CITY shall have the authority to terminate the Contract for this Project.
C. 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 term, covenant, or condition of the Contract.

ARTICLE XVIII – FEDERAL REQUIREMENTS

Notwithstanding any other provision of this Agreement, if the construction work covered under this Agreement is financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of Federal funding, Contractor shall also comply with and cause its subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in the periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010) available from the Agency’s Compliance Division. If Contractor is required to comply with the Davis-Bacon Act, Contractor shall pay the higher of Davis-Bacon Act or state prevailing wages, on a trade-by-trade basis. By entering into this Agreement, Contractor certifies that it is not a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or if HUD funds are involved, to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24. Contractor agrees to include, or cause to be included, the above provision, to be applicable to contractors and subcontractors, in each contract and subcontract for work covered under this Agreement.

Contractor shall comply with all 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.

The City, the federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents papers and records of the Contractor and any subcontractors which are directly pertinent to this Agreement, for the purpose of making audit, examination, excerpts and transcriptions. Contractor shall maintain all required records for three years after City makes final payments and all other pending matters are closed.

Contractor shall comply with the Copeland “Anti-Kick Back” Act, 18 U.S.C. §874, as supplemented in Department of Labor regulations. (29 C.F.R. part 3.)

Contractor shall ensure compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 327 – 33, as supplemented by Department of Labor regulations. See 29 C.F.R. part 5.

Contractor and any subcontractors must comply with Executive Order 11246 as amended by Executive Order 11375 and as supplemented in Department of Labor regulations. (41 C.F.R. part 3.)

If the Compensation exceeds $100,000, Contractor shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency (EPA) regulations, which prohibit the use under non-
exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. *(See e.g. 47 C.F.R. §18.36(i)(12).)*

If the Compensation exceeds $100,000 for construction or facility improvements, Contractor must observe the building requirements contained in Attachment B of OMB Circular A-110.

--------SIGNATURES ON FOLLOWING PAGE--------
IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed on the _____ day of ______________________, 20__, by their respective officers duly authorized in that behalf.

CITY OF CUDAHY
a Municipal Corporation

by: __________________________
    __________________________, Mayor

ATTEST:

by: __________________________
    __________________________, City Clerk

CONTRACTOR
a California Corporation

by: __________________________
    __________________________, President

by: __________________________
    __________________________, Secretary

APPROVED AS TO FORM

by: __________________________
    __________________________, City Attorney
On ______________________, 20__, the City of CUDAHY accepted as complete and meeting the standards of City, the following public improvement(s):

_________________________________________________________________________________
_________________________________________________________________________________
_____________________________________, built and constructed by or for _________________, ("Contractor")

Contractor hereby warrants and guarantees the aforementioned public improvements as to the material used and workmanship performed for a period of one (1) year following the date set forth above.

In the event of a defect, malfunction, or failure to conform to the improvement specifications and all applicable local standards, the Contractor shall repair or replace said improvements at Contractor's own and sole expense within a reasonable time from notice of the defect from City. Should Contractor fail to cure any defect within a reasonable period of time, Contractor agrees to reimburse City for any and all costs of City's efforts to cure any defect once City has provided notice to the Contractor of the defect and the City's intent to cure such defect.

Should litigation be necessary to enforce the provisions of this warranty, the prevailing party shall be entitled to reimbursement for attorneys fees and court and related costs.

Executed at ______________________, California, on the day and year first written above.

CONTRACTOR

By:__________________________

Signature

By:__________________________

(Typed Name)

Its:__________________________

Title

By:__________________________

Signature

By:__________________________

(Typed Name)

Its:__________________________

Title

[NOTARY REQUIRED]
KNOW ALL MEN BY THESE PRESENTS that ________________________________, as CONTRACTOR and ________________________________, as SURETY, are held and firmly bound unto the City of CUDAHY, in the penal sum of ________________________________ dollars ($ ), which is 100 percent of the total contract amount for the above stated project, for the payment of which sum, CONTRACTOR and SURETY agree to be bound, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas CONTRACTOR has been awarded and is about to enter into the annexed Contract with the City for the above stated project, if CONTRACTOR faithfully performs and fulfills all obligations under the contract documents in the manner and time specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of the City; provided that any alternations in the obligations or time for completion made pursuant to the terms of the contract documents shall not in any way release either CONTRACTOR or SURETY, and notice of such alternations are hereby waived by SURETY.

IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and seals this ___ day of __________, 20__.  

CONTRACTOR* _________________________________________________________________________

_________________________________________________________________________

SURETY* _________________________________________________________________________

_________________________________________________________________________

* Provide CONTRACTOR/SURETY name, address and telephone number and the name, title, address and telephone number for authorized representative.

Subscribed and sworn to this _____ day of ________________, 20__.

NOTARY PUBLIC: ________________________________________________________________
MATERIAL AND LABOR BOND
5256 & 5260 ELIZABETH ST (SITE 1) DEMOLITION PROJECT
CITY PROJECT # 100-4930-6724

KNOW ALL MEN BY THESE PRESENTS that _________________________________, as CONTRACTOR and _________________________________, as SURETY, are held and firmly bound unto the City of CUDAHY, in the penal sum of _______________________________ dollars ($_______), which is 100 percent of the total contract amount for the above stated project, for the payment of which sum, CONTRACTOR and SURETY agree to be bound, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas CONTRACTOR has been awarded and is about to enter into the annexed Contract with the City for the above stated project, if CONTRACTOR faithfully performs and fulfills all obligations under the contract documents in the manner and time specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of the City; provided that any alternations in the obligations or time for completion made pursuant to the terms of the contract documents shall not in any way release either CONTRACTOR or SURETY, and notice of such alternations are hereby waived by SURETY.

IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and seals this ____day of ________________, 20__. 

CONTRACTOR* ____________________________________________________________

________________________________________________________________________

SURETY*

________________________________________________________________________

________________________________________________________________________

* Provide CONTRACTOR/SURETY name, address and telephone number and the name, title, address and telephone number for authorized representative.

Subscribed and sworn to this ______ day of ________________, 20__. 

NOTARY PUBLIC: __________________________________________________________
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager
By: Aaron Hernandez-Torres, Public Works Director/City Engineer
Subject: Consideration to Approve a Contract Services Agreement to Award American Pride Builders Co. for the Clara Park Improvement Project, 4835 Clara St, Cudahy, CA 90201

RECOMMENDATION

The City Council is requested to:

1. Approve a Contract Services Agreement with American Pride Builders Co., the lowest responsive and responsible bidder, for an amount of $205,730.00 to undertake the Clara Park Improvement Project, 4835 Clara St, Cudahy, CA 90201.

2. Adopt proposed Resolution No. 23-50 Augmenting the City of Cudahy Fiscal Year (FY 2023-2024 City Budget).

BACKGROUND

1. On September 18, 2023, the Engineering Department in coordination with City Clerk Office issued a Notice to Contractors to procure construction services for the aforementioned project. The project was properly advertised on September 18, 2023, and September 25, 2023, in the newspaper.

2. On September 28, 2023, the city conducted a mandatory pre-bid meeting at the site with all contractors interested in the project.

3. On October 10, 2023, the City Clerk’s Office conducted a bid opening ceremony at City Chambers. One bid was received for this project for $205,730 (Total Base Bid Amount). American Pride Builders Co. submitted a bid proposal in the total base bid amount of
$205,730 and is the only responsive and responsible bidder.

**ANALYSIS**

The City of Cudahy needs new office spaces due to staff augmentation at the Clara Park Community Center, located at 4835 Clara St, Cudahy, CA 90201 in the City of Cudahy. In addition to the new office spaces, there is a need for additional security for staff vehicle which was added to the Bid Package.

The project scope of work for this project includes, without limitation, furnishing all necessary labor, materials, equipment, and other incidental and appurtenant Work necessary to satisfactorily complete the Project, which consists of and includes Interior work: two new offices, front lobby and gym lobby waiting area. Demolition of double swing doors, counters, ceiling, lighting, and other relevant work as needed. Installation of walls, noise/soundproofing insulation, doors, bulletin board, ceiling tiles, electrical outlets, light fixtures, and vents. Exterior work: new commercial vehicular sliding gate, solid single swing gate in between building. Demolition of single swing gate, double swing gates, asphalt paving, trenching, and turf area between building and trash enclosure. Installation of sliding gate, single swing gates including hardware, electrical conduit to run from Electrical room to sliding gate motor at Clara Park, 4835 Clara St, Cudahy, CA 90201 as more specifically described in the Contract Documents.

City Staff followed the regular bidding process for this project per Public Works Contract Code. In preparation for this, the Engineering Department (thru an environmental consultant) performed required hazmat testing and asbestos report for the Site. Accordingly, the Engineering Department in coordination with City Clerk Office issued a Notice to Contractors to procure construction services for the aforementioned project. The project was properly advertised on September 18, 2023, and September 25, 2023, in the newspaper. One bid was received for this project for $205,730 (Total Base Bid Amount).

American Pride Builders Co. submitted a bid proposal in the total base bid amount of $205,780 and is the only responsive and responsible bidder.

**CONCLUSION**

City Council approval of the Construction Contract Services Agreement with American Pride Builders Co. for the Clara Park Improvement Project, 4835 Clara St, Cudahy, CA 90201.

**STRATEGIC PLAN CORRELATION**
Goal E (City Infrastructure and Service Delivery)

FINANCIAL IMPACT

General Funds in the amount of $82,425 will be used to pay for the construction of the new offices. This project expense has been included in the FY 23/24 City's Budget (Account No. 100-4020-6955-000 Facility Improvements).

Development Impact Fees Fund in the amount of $123,305 will be used to pay for the exterior work and installation of a new commercial vehicular sliding gate and all required appurtenances to complete the work.

ATTACHMENTS

A. Draft Resolution No. 23-50 – Budget Augmentation
B. Budget Amendment Detail
C. Bid Opening Minutes
D. Bid Proposal
E. Sample contract to be executed.
RESOLUTION NO. 23-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA AUGMENTING ITS OPERATING AND CAPITAL BUDGET FOR THE 2023-2024 FISCAL YEAR

WHEREAS, the budget for fiscal year 2023-2024 of the City of Cudahy has been adopted by this Council in its original form and said budget will need to be augmented at times to fulfill the goals of the City; and

WHEREAS, the City departments may not exceed their appropriations by character of expenditure with the character of expenditure being defined as personnel services, operating costs, and capital expenditures and transfers without the consent of the City Manager; and

WHEREAS, the City Manager and Finance Director may transfer appropriations, between accounts, departments, programs and funds, as long as those appropriations do not exceed the grant total budget approved by Council; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, AS FOLLOWS:

SECTION 1. The City Council of the City of Cudahy augments its Fiscal Year 2023-2024 budget as defined in Attachment B to the Staff Report accompanying this resolution per the budget augmentation recommendations.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 7th day of November 2023.

Daisy Lomelí
Mayor

ATTEST:

__________________________
Richard Iglesias
City Clerk
CERTIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF CUDAHY

I, Richard Iglesias, City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 23-50 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 7th day of November 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________
Richard Iglesias
City Clerk
## Budget Augmentation

### Fiscal Year 2023-24

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<td>Project Fund</td>
<td>Facilities Improvements</td>
<td>123,305</td>
<td>Commercial vehicular sliding gate for Clara Park</td>
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Attachment No. 2 –

Bid Opening Minutes
# BID OPENING MINUTES

**Contracting Agency:** City of Cudahy  
**Agency Representative:** Richard Iglesias, City Clerk  
**Project Name:** Clara Park Improvement Project  
**Federal Project Number:** 100-40200-6995  
**City Project Number:**  
**Bid Opening Date:** October 17, 2023  
**Place of Bid Opening:** City Hall Chamber  
**Time of Bid Opening:** 3:00 PM  

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<th>NAME OF COMPANY</th>
<th>BID SUBMITTED</th>
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<tr>
<td><strong>American Pride Builders</strong></td>
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<td>$205,780.00</td>
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# LATE BID SUBMISSION

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# CERTIFICATION

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<td>Sean Rodriguez, Engineer Assistant</td>
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<td>10/17/2023</td>
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<th>Witness (Name / Title)</th>
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<th>Date</th>
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<tbody>
<tr>
<td>Aaron Hernandez-Torres, Public Works Director</td>
<td></td>
<td>10/17/2023</td>
</tr>
</tbody>
</table>

BIDS OPENED BY:

RICHARD ILESIAS, ASSISTANT CITY CLERK AND AARON HERNANDEZ-TORRES, P. E., ASSISTANT CITY ENGINEER

Richard Iglesias, City Clerk:  

10/17/2023
Attachment No. 3 –
American Pride Builders Co. Bid
CITY OF CUDAHY, CALIFORNIA

BIDDING AND CONTRACT DOCUMENTS, PLANS AND SPECIFICATIONS
for
Clara Park Improvement Project
4835 Clara St, Cudahy, CA 90201
CITY PROJECT #100-40200-6995

Date Issued:
Monday, September 18, 2023

Approved by: ____________________
Aaron Hernandez-Torres, P.E.
Public Works Director/City Engineer
City of Cudahy

Mandatory Pre-Bid Meeting Date:
Thursday, September 28, 2023, 11:00 AM
Meeting Location: 5220 Santa Ana Street, Cudahy, CA 90201

Bid Due Date:
Tuesday, October 10, 2023, at 3:00 pm

Submit bids to:
Office of the City Clerk
City of Cudahy
5220 Santa Ana Street, Cudahy, CA 90201
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<th>SECTION</th>
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NOTICE INVITING BIDS
FOR
CLARA PARK IMPROVEMENT PROJECT
4835 CLARA ST, CUDAHY, CA 90201

NOTICE IS HEREBY GIVEN that the City of Cudahy, California ("City") invites sealed Bids for the Project. The City will receive such Bids at the City Clerk’s office, City Hall, 5220 Santa Ana Street, Cudahy, CA 90201 up to 3:00 PM on Tuesday, October 10, 2023, at which time they will be publicly opened and read aloud.

SCOPE OF WORK. The Project includes, without limitation, furnishing all necessary labor, materials, equipment, and other incidental and appurtenant Work necessary to satisfactorily complete the Project, which consists of and includes Interior work: two new offices, front lobby and gym lobby waiting area. Demolition of double swing doors, counters, ceiling, lighting, and other relevant work as needed. Installation of walls, noise/soundproofing insulation, doors, bulletin board, ceiling tiles, electrical outlets, light fixtures, and vents. Exterior work: new commercial vehicular sliding gate, solid single swing gate in between building and solid double swing gates at trash enclosure. Demolition of single swing gate, double swing gates, asphalt paving, trenching, and turf area between building and trash enclosure. Installation of sliding gate, single and double swing gates including hardware, electrical conduit to run from Electrical room to sliding gate motor at Clara Park, 4835 Clara St, Cudahy, CA 90201 as more specifically described in the Contract Documents. This Work will be performed in strict conformance with the Contract Documents, permits from regulatory agencies with jurisdiction, and applicable regulations. The quantity of Work to be performed and materials to be furnished are approximations only, being given as a basis for the comparison of Bids. Actual quantities of Work to be performed may vary at the discretion of the City Engineer.

OBTAINING BID DOCUMENTS. Bidders may obtain free copies of the Plans, Specifications and other Contract Documents as follows:

1. Please email your request with your contact information to: duane.tut@transtech.org
   Upon receipt of your e-mail, you will be registered as a plan holder, and a pdf file of the Bidding and Contract Documents, Plans and Specifications will be e-mailed to you at no cost.

TIME OF COMPLETION. The Contractor shall complete all work within 50 working days of the issuance of the Notice to Proceed.

MANDATORY PRE-BID MEETING AND SITE VISIT. A mandatory pre-bid meeting will be held on Thursday, September 28, 2023 at 11:00 AM at 5220 Santa Ana Street, Cudahy, CA 90201. Every Bidder is required to attend the pre-bid meeting and Project site visit. Failure of a Bidder to attend will render that Bidder’s Bid non-responsive. No allowances for cost adjustments will be made if a Bidder fails to adequately examine the Project site before submitting a Bid.

REGISTRATION WITH THE DEPARTMENT OF INDUSTRIAL RELATIONS. In accordance with Labor Code Sections 1725.5 and 1771.1, no contractor or subcontractor shall be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Section 1725.5 [with limited exceptions for bid purposes only under Labor Code Section 1771.1(a)].
PREVAILING WAGES. In accordance with Labor Code Section 1770 et seq., the Project is a "public work." The selected Bidder (Contractor) and any Subcontractors shall pay wages in accordance with the determination of the Director of the Department of Industrial Relations ("DIR") regarding the prevailing rate of per diem wages. Copies of those rates are on file with the Director of Public Works and are available to any interested party upon request. The Contractor shall post a copy of the DIR’s determination of the prevailing rate of per diem wages at each job site. This Project is subject to compliance monitoring and enforcement by the DIR.

DBE: There is no mandatory DBE Participation requirement. All bidders are required to comply with all applicable competitive bidding and labor compliance laws including, but not limited to, active solicitation of subcontract bids from minority-owned businesses, women-owned businesses, and businesses owned by disabled veterans. The City hereby notifies all qualified bidders that it will affirmatively ensure that qualified minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the basis of race, color, national origin, ancestry, sex, religion, or handicap in consideration for an award. Attention is directed to the provisions of Section 1777.5 (Chapter 1411, Statutes of 1968) and 1777.5 of the Labor Code concerning the employment of apprentices by the Contractor’s or any such subcontractors under hire. The bidders and the selected Contractor shall not allow discrimination in employment practices based on race, color, national origin, ancestry, sex, religion, or handicap.

BONDS. Each Bid must be accompanied by a cash deposit, cashier’s check, certified check or Bidder’s Bond issued by a Surety insurer, made payable to the City and in an amount not less than ten percent (10%) of the total Bid submitted. Personal or company checks are not acceptable. Upon Contract award, the Contractor shall provide faithful performance and payment Bonds, each in a sum equal to the Contract Price. All Bonds must be issued by a California admitted Surety insurer using the forms set forth in the Contract Documents, or in any other form approved by the City Attorney. Failure to enter the Contract with the City, including the submission of all required Bonds and insurance coverages, within fifteen (15) Days after the date of the mailing of written notice of contract award to the Bidder, shall subject the Bid security to forfeiture to the extent provided by law.

RETENTION OF RECORDS RELEVANT TO AUDITS AND REVIEWS. The Contractor and subcontractors working in the City of Maywood must retain records pertaining to said project for a minimum of five (5) years. Record to be retained include but not limited to documents regarding payroll, change orders, field directives, as-built plans, etc.

LICENSES. Each Bidder shall possess a valid Class B Contractor’s license issued by the California State Contractors License Board at the time of the Bid submission, unless this Project has any federal funding, in which case the successful Bidder must possess such a license at the time of Contract award. The successful Contractor must also possess a current City business license.

RETENTION SUBSTITUTION. Five percent (5%) of any progress payment will be withheld as retention. In accordance with Public Contract Code Section 22300, and at the request and expense of the Contractor, securities equivalent to the amount withheld may be deposited with the City or with a State or federally chartered bank as escrow agent, which shall then pay such moneys to the Contractor. Upon satisfactory completion of the Project, the securities shall be returned to the Contractor. Alternatively, the Contractor may request that the City make payments of earned retentions directly to an escrow agent at the Contractor’s expense. No such substitutions shall be accepted until all related documents are approved by the City Attorney.
BIDDING PROCESS. The City reserves the right to reject any Bid or all Bids, and to waive any irregularities or informalities in any Bid or in the bidding, as deemed to be in its best interest.

LIQUIDATED DAMAGES. Liquidated damages is $500 per calendar day.

If there are any questions regarding this project, please contact in writing via e-mail:
Duane Tut, PM, duane.tut@transtech.org

All inquiries must be submitted in writing.
INSTRUCTIONS TO BIDDERS

FORM OF BID. Bids shall be made on the Bid forms found herein. Bidders shall include all forms and fill in all blank spaces, including inserting “N/A” (for not applicable) where necessary. Each Bid must be submitted in a sealed envelope bearing the Bidder’s name and addressed to the City Clerk with the Project name and identification number (as described in the Notice Inviting Bids) typed or clearly printed on the lower left corner of the envelope.

DELIVERY OF BIDS. The Bid shall be delivered by the time and date, and to the place specified in the Notice Inviting Bids. No oral, faxed, emailed, or telephonic Bids or alternatives will be considered. The time of delivery shall be conclusively determined by the time-stamping clock located at the City Clerk’s office. Bidders are solely responsible for ensuring that their Bids are received in proper time, and Bidders assume all risks arising out of their chosen means of delivery. Any Bid received after the Bid submission deadline shall be returned unopened. Bidders are invited to be present for Bid opening. Accepted Bids shall become the property of the City.

AMENDED BIDS. Unauthorized conditions, limitations or provisos attached to a Bid may cause the Bid to be deemed incomplete and non-responsive.

WITHDRAWAL OF BID. A Bid may be withdrawn without prejudice upon written request by the Bidder filed with the City Clerk before the Bid submission deadline. Bids must remain valid and shall not be subject to withdrawal for sixty (60) Days after the Bid opening date.

BIDDER’S SECURITY. Each Bid shall be accompanied by cash, a certified or cashier’s check payable to the City, or a satisfactory Bid Bond in favor of the City executed by the Bidder as principal and an admitted surety insurer as Surety, in an amount not less than ten percent (10%) of the amount set forth in the Bid. The cash, check or Bid Bond shall be given as a guarantee that, if selected, the Bidder will execute the Contract in conformity with the Contract Documents, and will provide the evidence of insurance and furnish the specified Bonds, within fifteen (15) Days after the date of delivery of the Contract Documents to the Bidder. In case of the Bidder’s refusal or failure to do so, the City may award the Contract to the next lowest responsible bidder, and the cash, check, or Bond (as applicable) of the lowest Bidder shall be forfeited to the City to the extent permitted by law. No Bid Bond will be accepted unless it conforms substantially to the form provided in these Contract Documents.

QUANTITIES APPROXIMATE. Any quantities shown in the Bid form or elsewhere herein shall be considered as approximations listed to serve as a general indication of the amount of Work or materials to be performed or furnished, and as basis for the Bid comparison. The City does not guarantee that the actual amounts required will correspond with those shown. As deemed necessary or convenient, the City may increase or decrease the amount of any item or portion of Work or material to be performed or furnished or omit any such item or portion, in accordance with the Contract Documents.

ADDENDA. The City Engineer may, from time to time, issue Addenda to the Contract Documents. Bidders are responsible for ensuring that they have received any and all Addenda. Each Bidder is responsible for verifying that it has received all Addenda issued, if any. Bidders must acknowledge receipt of all Addenda, if any, in their bids. Failure to acknowledge receipt of all Addenda may cause a Bid to be deemed incomplete and non-responsive.

FACSIMILE NUMBER AND EMAIL ADDRESS. Bidders shall supply the City Engineer with a facsimile number and email address to facilitate transmission of Addenda and other information.
related to these Contract Documents. If the Addenda and other information are emailed, the City shall also send all documents by facsimile or U.S. Mail. Failure to provide such a facsimile number and email address may result in late notification. The City does not guarantee that it will provide any information by facsimile, email, or both. A Bidder shall be responsible for all Addenda regardless of whether Bidder received any such fax or email, and a Bidder shall have no recourse due to not receiving such facsimile, email, or both.

DISCREPANCIES IN BIDS. Each bidder shall set forth as to each item of Work, in clearly legible words and figures, a unit or line item Bid amount for the item in the respective spaces provided for this purpose.

In case of discrepancy between the unit price and the extended amount set forth for the item, the unit price shall prevail. However, if the amount set forth as a unit price is ambiguous, unintelligible, or uncertain for any cause, or is omitted, or if the unit price is the same amount as the entry in the “extended amount” column, then the amount set forth in the “extended amount” column for the item shall prevail in accordance with the following:

1. As to lump sum items, the amount set forth in the “extended amount” column shall be the unit price.
2. As to unit price items, the amount set forth in the “extended amount” column shall be divided by the estimated quantity for the item set forth in the Bid documents, and the price thus obtained shall be the unit price.

In case of discrepancy between words and figures, the words shall prevail.

COMPETENCY OF BIDDERS. In evaluating Bidder responsibility, consideration will be given not only to the financial standing, but also to the general competency of the Bidder for the performance of the Project. Each Bidder shall set forth in the designated area of the Bid form a statement of its experience. No Contract will be executed with a Bidder that is not licensed and registered with the DIR in accordance with State law, and with any applicable specific licensing requirements specified in these Contract Documents. These licensing and registration requirements for Contractors shall also apply to all Subcontractors.

BIDDER’S EXAMINATION OF SITE AND CONTRACT DOCUMENTS. Each Bidder must carefully examine the Project site and the entirety of the Contract Documents. Upon submission of a Bid, it will be conclusively presumed that the Bidder has thoroughly investigated the Work and is satisfied as to the conditions to be encountered and the character, quality, and quantities of Work to be performed and materials to be furnished. Upon Bid submission, it also shall be conclusively presumed that the Bidder is familiar with and agrees to the requirements of the Contract Documents, including all Addenda. No information derived from an inspection of records or investigation will in any way relieve the Contractor from its obligations under the Contract Documents nor entitle the Contractor to any additional compensation. The Contractor shall not make any claim against the City based upon ignorance or misunderstanding of any condition of the Project site or of the requirements set forth in the Contract Documents. No claim for additional compensation will be allowed which is based on a lack of knowledge of the above items. Bidders assume all risks in connection with performance of the Work in accordance with the Contract Documents, regardless of actual conditions encountered, and waive and release the City with respect to any and all claims and liabilities in connection therewith, to the extent permitted by law.

TRADE NAMES OR EQUALS. Requests to substitute an equivalent item for a brand or trade name item must be made by written request submitted no later than the date specified in Section 4-6 of the General Provisions. Requests received after this time shall not be considered. Requests shall clearly describe the product for which approval is requested, including all data necessary to demonstrate acceptability.
DISQUALIFICATION OF BIDDERS. No Person shall be allowed to make, file or be interested in more than one Bid for the Project, unless alternate Bids are specifically called for. A Person that has submitted a sub-bid to a Bidder, or that has quoted prices of materials to a Bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Bidders or from making a prime Bid. If there is a reason to believe that collusion exists among the Bidders, all affected Bids will be rejected.

RETURN OF BID SECURITY. The successful Bidder’s Bid security shall be held until the Contract is executed. Bid security shall be returned to the unsuccessful Bidders within a reasonable time, which in any case shall not exceed sixty (60) Days after the successful Bidder has signed the Contract.

AWARD OF CONTRACT. The City reserves the right to reject any or all Bids or any parts thereof or to waive any irregularities or informalities in any Bid or in the bidding. The Contract award, if made, will be to the lowest responsible, responsive Bidder and is anticipated to occur within sixty (60) Days after the Bid opening. The Contract award may be made after that period if the selected Bidder has not given the City written notice of the withdrawal of its Bid.

DETERMINATION OF LOWEST BID. In accordance with Public Contract Code Section 20103.8, the lowest Bid shall be determined as indicated in Section B - BID.

TRENCHING. If the Project involves the construction of a pipeline, sewer, sewage disposal system, boring and jacking pits, or similar trenches or open excavations, which are five (5) feet deep or more, then each Bidder must submit, as a Bid item, adequate sheeting, shoring, and bracing, or an equivalent method, for the protection of life or limb, which shall conform to applicable safety orders. This final submission must be accepted by the City in advance of excavation and must include a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from caving ground during the excavation Work. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

LISTING SUBCONTRACTORS; SELF-PERFORMANCE. Each Bidder shall submit a list of the proposed Subcontractors on the Project, as required by the Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100, et seq.). Contractor shall self-perform not less than 50% of the Work, in accordance with Section 3-2 of the Standard Specifications.

EXECUTION OF CONTRACT. The selected Bidder shall execute the Contract in the form included in these Contract Documents within fifteen (15) Days from the date of delivery of the Contract Documents to the Bidder. Additionally, the selected Bidder shall also secure all insurance and Bonds as herein specified, and provide copies to the City, within fifteen (15) Days from the date of delivery of the Contract Documents to the Bidder. Failure or refusal to execute the Contract or to conform to any of the stipulated requirements shall be just cause for the annulment of the award and forfeiture of the Bidder’s security. In such event, the City may declare the Bidder’s security forfeited to the extent permitted by law, and the City may award the Contract to the next lowest responsible Bidder or may reject all bids.

NO COMPENSATION FOR COSTS INCURRED PRIOR TO CONTRACT EXECUTION. All costs incurred by the selected Bidder prior to Contract award and execution of the Contract by the City shall be at the Bidder’s sole risk. City shall have no liability for costs incurred prior to its execution of the Contract.
SIGNATURES. The Bidder shall execute all documents requiring signatures and shall cause to be notarized all documents that indicate such a requirement. Bids submitted as joint ventures must so state and be signed by each joint venturer. The Bidder shall provide evidence satisfactory to the City, such as an authenticated resolution of its board of directors, a certified copy of a certificate of partnership acknowledging the signer to be a general partner, or a power of attorney, indicating the capacity of the person(s) signing the Bid to bind the Bidder to the Bid and any Contract arising therefrom. Alternatively, Bids submitted by corporations must be executed as specified in Corporations Code Section 313, and Bids submitted by partnerships must be executed by all partners comprising the partnership.

INSURANCE AND BONDS. The Contractor shall not begin Work until it has given the City evidence of all required insurance coverage (including all additional insured endorsements), a Bond guaranteeing the Contractor’s faithful performance of the Contract, and a Bond securing the payment of claims for labor and materials.

WORKER’S COMPENSATION. In accordance with the provisions of Section 3700 of the Labor Code, the Contractor shall secure the payment of compensation to his employees. The Contractor shall sign and file with the City the following certificate prior to performing the work under this contract. The form of such certificate is included as part of the contract documents. "I am aware of the provisions of Section 3700 of the Labor Code which require 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."

EMPLOYMENT OF APPRENTICES. Attention is directed to Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code and Title 8, California Administrative Code, Section 200 seq. to ensure compliance and complete understanding of the law regarding apprentices. The Contractor and any subcontractor under him shall comply with the requirements of said sections in the employment of apprentices; however, the Contractor shall have full responsibility for compliance with said Labor Code section, for all apprenticeable occupations, regardless of any other contractual or employment relationships alleged to exist. In addition to the above State Labor Code Requirements regarding the employment of apprentices and trainees, the Contractor and all subcontractors shall comply with Section 5 a. 3, Title 29 of the Code of Federal Regulations (29CFR).

CONFLICT OF INTEREST. In the procurement of supplies, equipment, construction and services by sub-recipients, the conflict-of-interest provision including, but not limited to, 2 CFR part 200, Subpart B, 200.112, 24 CFR Part 570.611 and 24 CFR part 85, Section 85.36 (b), respectively, shall apply. No employee, officer or agent of the subrecipient shall participate in selection or in award of administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

TELEPHONES. Bidders are hereby notified that the City will not provide telephones for their use at the time of Bid submission.

INTERPRETATION OF CONTRACT DOCUMENTS. Any Bidder that is in doubt as to the intended meaning of any part of the Contract Documents, or that finds discrepancies in or omissions from the Contract Documents, may submit to the City Engineer a written request for an interpretation or correction not later than ten (10) Days before the Bid submission deadline. Requests for clarification received after this date will be disregarded. Please indicate the Project and identification number in the request for clarification. Telephonic requests will not be taken.
Any interpretation or correction of the Contract Documents will be made only by a written Addendum. No oral interpretation of any provision in the Contract Documents shall be binding.

**TAXES.** Except as may be otherwise specifically provided herein, all sales and/or use taxes assessed by federal, State, or local authorities on materials used or furnished by the Contractor in performing the Work shall be paid by the Contractor. The Bidder shall calculate payment for all sales, unemployment, pension, and other taxes imposed by federal, State, and local law and shall include these payments in computing the Bid.
CHECKLIST FOR BIDDERS

The following information is required of all Bidders at the time of Bid submission:

- ✓ Completed and Signed Bid Cover Form
- ✓ Completed and Signed Bid Sheets
- ✓ Completed and Signed Questionnaire
- ✓ Completed References Form
- ✓ Resume of General Construction Superintendent/On-Site Construction Manager
- ✓ Completed Subcontractor Designation Form
- ✓ Completed and Signed Industrial Safety Record Form
- ✓ Completed, Signed and Notarized Bid Bond or Other Security Form
- ✓ Signed Non-collusion Declaration Form
- ✓ Evidence satisfactory to the City indicating the capacity of the person(s) signing the Bid to bind the Bidder.

Failure of the Bidder to provide all required information in a complete and accurate manner may cause the Bid to be considered non-responsive.
BID

CITY OF CUDAHY

CLARA PARK IMPROVEMENT PROJECT
4835 CLARA ST, CUDAHY, CA 90201

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CUDAHY:

The undersigned, as Bidder, declares that: (1) this Bid is made without collusion with any other person and that the only persons or parties interested as principals are those named herein; (2) the undersigned has carefully examined the Contract Documents (including all Addenda) and the Project site; and (3) the undersigned has investigated and is satisfied as to the conditions to be encountered, the character, quality and quantities of Work to be performed, and the materials to be furnished. Furthermore, the undersigned agrees that submission of this Bid shall be conclusive evidence that such examination and investigation have been made and agrees, in the event the Contract be awarded to it, to execute the Contract with the City of Cudahy perform the Project in accordance with the Contract Documents in the time and manner therein prescribed, and to furnish or provide all materials, labor, tools, equipment, apparatus and other means necessary so to do, except as may otherwise be furnished or provided under the terms of the Contract Documents, for the following stated unit prices or lump-sum price as submitted on the Bid herein.

Bidder acknowledges receipt of all addenda, as follows:

<table>
<thead>
<tr>
<th>Addendum No.</th>
<th>Date</th>
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<tbody>
<tr>
<td>1</td>
<td>09/25/2023</td>
</tr>
<tr>
<td>2</td>
<td>09/29/2023</td>
</tr>
<tr>
<td>3</td>
<td>10/10/2023</td>
</tr>
</tbody>
</table>

The undersigned submits as part of this Bid a completed copy of its Industrial Safety Record. This Safety Record includes all construction Work undertaken in California by the undersigned and any partnership, joint venture or corporation that any principal of the undersigned participated in as a principal or owner for the last five (5) calendar years and the current calendar year before the date of Bid submittal. Separate information is being submitted for each such partnership, joint venture, or corporate or individual Bidder. The undersigned may attach any additional information or explanation of data that it would like to be taken into consideration in evaluating the Safety Record. An explanation of the circumstances surrounding any and all fatalities is attached.

Accompanying this Bid is cash, a cashier’s check, a certified check or a Bid Bond in an amount equal to at least ten percent (10%) of the total aggregate Bid price based on the quantities shown and the unit prices quoted. The undersigned further agrees that, should it be awarded the Contract and thereafter fail or refuse to execute the Contract and provide the required evidence of insurance and Bonds within fifteen (15) Days after delivery of the Contract to the undersigned, then the cash, check or Bid Bond shall be forfeited to the City to the extent permitted by law.

The undersigned certifies to have a minimum of three (3) consecutive years of current experience in the type of Work related to the Project and that this experience is in actual operation of the firm.
with permanent employees performing a part of the Work as distinct from a firm operating entirely by subcontracts all phases of the Work. The undersigned also certifies to be properly licensed by the State as a contractor to perform this type of Work. The undersigned possesses California Contractor's License Number 1072094, Class B, which expires on 12/31/2024.

Bidder's Name: American Pride Builders Co

Signature: 

Title: Owner/CFO Date: 10/09/2023

Signature: 

Title: 

Date: 

BID

BIDDER SHALL COMPLETE AND SUBMIT ALL DOCUMENTS AND PAGES IN SECTION "BID"
CITY OF CUDAHY
REVISED BID SHEETS PER ADDENDUM 2 FOR
CLARA PARK IMPROVEMENT PROJECT
4835 CLARA ST, CUDAHY, CA 90201

Bidder's Name: American Pride Builders Co

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the City Engineer, at the following prices:

REVISED BID SCHEDULE PER ADDENDUM 2:

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT PRICES</th>
<th>EXTENDED AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>For abatement scope of work and requirements, see APPENDIX A, HAZ-MAT REPORTS.</td>
<td>1</td>
<td>LS</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>A1</td>
<td>Trench and install electrical lines inside of metal conduit to gate motor Liftmaster IHSL24UL industrial DC vehicular slide gate operator, or city approved equal. Install with all accessories as need to operate.</td>
<td>140</td>
<td>LF</td>
<td>$190</td>
<td>26,600</td>
</tr>
<tr>
<td>A2</td>
<td>Furnish and Install 30' L x 8' H metal sliding gate Ameristar Transport Traverse II ornamental picket cantilever gate, or city approved equal. Install with all accessories as needed to operate.</td>
<td>30</td>
<td>LF</td>
<td>$960</td>
<td>28,800</td>
</tr>
<tr>
<td>A3</td>
<td>Furnish and Install 8' H metal Ameristar Montage Commercial Invincible fence, or city approved equal. Install post footings and attachments as needed.</td>
<td>25</td>
<td>LF</td>
<td>$888</td>
<td>22,200</td>
</tr>
<tr>
<td>A4</td>
<td>Remove existing single swing gate. Furnish &amp; Install 8' Solid metal Ameristar Exodus egress gate system Single Swing Gate, or city approved equal. Install Posts, Heavy Duty Hinges, and High Security Hasp and padlock.</td>
<td>1</td>
<td>LS</td>
<td>$13,750</td>
<td>13,750</td>
</tr>
<tr>
<td>A5</td>
<td>Remove existing double swing gate. Furnish and Install 8' Solid metal Ameristar EXODUS EGRESS GATE SYSTEM Double Swing Gates, or city approved equal. Install Posts, Heavy Duty Hinges, cane bolts, and High Security Hasp and padlock.</td>
<td>1</td>
<td>LS</td>
<td>$24,855</td>
<td>24,855</td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION</td>
<td>QTY</td>
<td>UNIT</td>
<td>UNIT PRICES</td>
<td>EXTENDED AMOUNT</td>
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</tr>
<tr>
<td>A.6</td>
<td>Furnish and install 6&quot;x42&quot; Baseplate Mounted Carbon Steel Bollards</td>
<td>3</td>
<td>EA</td>
<td>$1750</td>
<td>$5,250</td>
</tr>
<tr>
<td>A.7</td>
<td>Furnish and install backflow cage</td>
<td>1</td>
<td>EA</td>
<td>$1,850</td>
<td>$1,850</td>
</tr>
<tr>
<td></td>
<td><strong>FRONT OFFICE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1.</td>
<td>Remove existing double doors and jamb at Turner and Main Lobby. Install CMU block</td>
<td>1</td>
<td>LS</td>
<td>$9,750</td>
<td>$9,750</td>
</tr>
<tr>
<td></td>
<td>wall to match existing, include footing and tie to align with existing wall</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to close opening. Plaster, prime and paint as need to match existing wall</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>on Turner Hall side.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2.</td>
<td>Furnish &amp; Install dry wall and office door, including footings, jamb, frame,</td>
<td>1</td>
<td>LS</td>
<td>$13,700</td>
<td>$13,700</td>
</tr>
<tr>
<td></td>
<td>insulation, plaster, prime, and paint as need. refer to Front Office</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction Plan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3.</td>
<td>Install electrical (1) outlet and (1) light switches, including any wiring</td>
<td>1</td>
<td>LS</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td></td>
<td>needed to operate to code. as shown on the Electrical Plan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4.</td>
<td>Install Owens Corning Selectsound black acoustic noise/soundproofing</td>
<td>1</td>
<td>LS</td>
<td>$8,750</td>
<td>$8,750</td>
</tr>
<tr>
<td></td>
<td>insulation or city approved equal.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Install on all walls and ceiling as needed to screen noise.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5.</td>
<td>Remove existing lighting, ceiling panels and frame as shown on the Front</td>
<td>12</td>
<td>EA</td>
<td>$430</td>
<td>$5,160</td>
</tr>
<tr>
<td></td>
<td>Office Demolition Ceiling Plans. Furnish and install 13.5&quot; x 13.5&quot; LED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>light fixture RBCW500 series, BCW500 CANOPY retrofit solution, or city</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>approved equal. Install ceiling tiles as needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B6.</td>
<td>Remove existing air conditioning vent at Main Lobby. Furnish &amp; install new</td>
<td>1</td>
<td>LS</td>
<td>$2,600</td>
<td>$2,600</td>
</tr>
<tr>
<td></td>
<td>duct work and vent grates as shown on the Front Office Reflective Ceiling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B7.</td>
<td>Patch, Primer &amp; Sealer (BEHR PRIMER COATINGS® Interior/Exterior Multi-Surface</td>
<td>1</td>
<td>LS</td>
<td>$5,850</td>
<td>$5,850</td>
</tr>
<tr>
<td></td>
<td>Stain-Blocking Primer) and Paint (BEHR PREMIUM PLUS® Interior Eggshell Enamel),</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>or city approved equal. Apply to all Walls and adjacent areas affected by</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>the removal and installation of work or city approved equal.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION</td>
<td>QTY</td>
<td>UNIT</td>
<td>UNIT PRICES</td>
<td>EXTENDED AMOUNT</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td>-----</td>
<td>------</td>
<td>-------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>C1.</td>
<td>Remove existing high &amp; low office counter. Remove half of the counter wall at high counter to meet wheelchair access. Plaster edge of walls affected by the removal. Install high &amp; low office counters. Plaster, prime, and paint as need to match existing walls</td>
<td>1</td>
<td>LS</td>
<td>$9,750</td>
<td>$9,750</td>
</tr>
<tr>
<td>C2.</td>
<td>Remove and Salvage existing bulletin board adjacent office counter and install dry wall, and plaster to wall to make smooth.</td>
<td>1</td>
<td>LS</td>
<td>$2,350</td>
<td>$2,350</td>
</tr>
<tr>
<td>C3.</td>
<td>Furbish &amp; install dry wall and 3' office door including footings, jamb, frame, insulation, plaster, prime, and paint as need. refer to Front Office Construction Plan.</td>
<td>1</td>
<td>LS</td>
<td>$13,700</td>
<td>$13,700</td>
</tr>
<tr>
<td>C4.</td>
<td>Remove existing lighting, ceiling panels and frame at the as shown on Gym Demolition Ceiling Plan. Furnish and install 13.5&quot; x 13.5&quot; LED light fixture RBCW500 series, BCW500 CANOPY retrofit solution, or city approved equal. Install ceiling tiles as needed</td>
<td>8</td>
<td>EA</td>
<td>$430</td>
<td>$3,440</td>
</tr>
<tr>
<td>C5.</td>
<td>Patch, Primer &amp; Sealer (BEHR PRIMER COATINGS® Interior/Exterior Multi-Surface Stain-Blocking Primer) and Paint (BEHR PREMIUM PLUS® Interior Eggshell Enamel), or city approved equal. Apply to all Walls and adjacent areas affected by the removal and installation of work or city approved equal.</td>
<td>1</td>
<td>LS</td>
<td>$5,875</td>
<td>$5,875</td>
</tr>
</tbody>
</table>

**TOTAL BID AMOUNT**

$205,780

**BID ALTERNATE:**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QTY</th>
<th>UNIT</th>
<th>UNIT PRICES</th>
<th>EXTENDED AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>BID ITEM 8. Remove existing double doors and jamb at Turner and Main Lobby. Install Dry wall, include footing and tie to align with existing wall to close opening. Plaster, prime and paint as need to match existing wall on Turner Hall side.</td>
<td>7</td>
<td>LF</td>
<td>$5,850</td>
<td>$5,850</td>
</tr>
</tbody>
</table>

**TOTAL BID AMOUNT**

$201,880
The award of Contract shall be based on the TOTAL BID AMOUNT.

In the case of discrepancies in the amount of bid, unit prices shall govern over extended amounts, and words shall govern over figures.

Full compensation for the items listed to the right as Items A, B, C, D and E are considered as inclusive in each Bid Item listed above in the Bid Schedule as applicable, and no additional and/or separate compensation will be allowed.

A. Mobilization / Demobilization
B. Traffic Control
C. NPDES, WWECPS, and Best Management Practices (BMPs), Public Convenience and Safety
D. Construction Staking by Land Surveyor
E. Clearing and Grubbing

The bid prices shall include any and all costs, including labor, materials, appurtenant expenses, taxes, royalties and any and all other incidental costs to complete the project, in compliance with the Bid and Contract Documents and all applicable codes and standards.

The City reserves the right to add, delete, increase, or decrease the amount of any quantity shown and to delete any item from the contract and pay the contractor at the bid unit prices so long as the total amount of change does not exceed 25% (plus or minus) of the total bid amount for the entire project. If the change exceeds 25%, a change order may be negotiated to adjust unit bid prices.

All other work items not specifically listed in the bid schedule, but necessary to complete the work per bid and contract documents and all applicable codes and standards are assumed to be included in the bid prices.

A bid is required for the entire work, that the quantities set forth in the Bid Schedule are to calculate total bid amount, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed.

TOTAL BID PRICE IN DIGITS: $205,780.00

TOTAL BID PRICE IN WORDS: Two hundred and five thousand, seven hundred and eighty dollars

Signature: [Signature] Title: Owner/CFO Date: 10/09/2023

Signature: [Signature] Title: [Title] Date: [Date]

QUESTIONNAIRE FORM

Fill out all of the following information. Attach additional sheets if necessary.

(1) Bidder's Name: American Pride Builders Co

(2) If the Bidder's name is a fictitious name, who or what is the full name of the registered owner? If the Bidder's name is not a fictitious name, write "N/A" in the response to this question. If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement.

N/A

(3) Business Address: 3725 Firestone Blvd unit C Southgate CA 90280

(4) Telephone: (323) 605-9753 Facsimile: __________________________

(5) Type of Firm – Individual, Partnership, LLC or Corporation: Corporation

BID

BIDDER SHALL COMPLETE AND SUBMIT ALL DOCUMENTS AND PAGES IN SECTION "BID"
(6) Corporation organized under the laws of the State of: California

(7) California State Contractor's License Number and Class: 1072094 General B

Original Date Issued: 08/31/2020 Expiration Date: 12/31/2024

(8) DIR Contractor Registration Number: PW-LR-100111071

(9) List the name and title of the person(s) who inspected the Project site for your firm:

Emmanuel Nila (Owner), Erick Herrera (Director)

(10) The Bidder declares that he/she has carefully read and examined the plans, specifications, bid documents, and he/she has made a personal examination of the site (indicate name of the person, representing the bidder, who inspected the site and date below) and that he/she understands the exact scope of the Project WITHOUT QUESTION.

Name of Person who inspected the site: Emmanuel Nila

Date of Inspection: 09/28/2023

(11) Number of years' experience the company has as a contractor in construction work: 3

(12) List the names, titles, addresses and telephone numbers of all individuals, firm members, partners, joint venturers, and company or corporate officers having a principal interest in this Bid:

Emmanuel Nila (Owner/CFO) 7822 Liberty rd S Salem OR 97306 tel: (323)605-9753

(13) List all current and prior D.B.A.'s, aliases, and fictitious business names for any principal having interest in this Bid:

N/A

(14) List the dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this Bid:

N/A

(15) For all arbitrations, lawsuits, settlements, and the like (in or out of court) that the company or any principal having an interest in this Bid has been involved with in the past five (5) years:

N/A
a. List the names, addresses and telephone numbers of contact persons for the parties:

N/A

b. Briefly summarize the parties' claims and defenses:

N/A
c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

N/A

(16) Has the company or any principal having an interest in this Bid ever had a contract terminated by the owner or agency? If yes, explain.

N/A

(17) Has the company or any principal having an interest in this Bid ever failed to complete a project? If yes, explain.

N/A
(18) Has the company or any principal having an interest in this Bid ever been terminated for cause, even if it was converted to a “termination of convenience”? If yes, explain.

N/A

(19) For projects that the company or any principal having an interest in this Bid has been involved with in the last five (5) years, did you have any claims or actions:

a. By you against the owner? Circle one: Yes ✗ No

b. By the owner against you? Circle one: Yes ✗ No

c. By any outside agency or individual for labor compliance?
   Circle one: Yes ✗ No

d. By Subcontractors? Circle one: Yes ✗ No

e. Are any of these claims or actions unresolved or outstanding?
   Circle one: Yes ✗ No

If your answer is “yes” to any part or parts of this question, explain.

(20) List the last three (3) projects you have worked on or are currently working on for the City of Cudahy:

1. Wood replacement for a roofing project

2. Run dedicated circuits to Marquee signs

3. Run conduit and wire to feed subpanel in mobile offices
Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience, or other additional information.

Failure to provide truthful answers to the questions above or in the following References Form may result in the Bid being deemed non-responsive.

The Bidder certifies under penalty of perjury under the laws of the State of California that the information provided above is true and correct.

Company

Signature: _____________________________
Title: Owner/CFO
Date: 10/09/2023

Signature: _____________________________
Title: _____________________________
Date: _____________________________
REFERENCES FORM

For all public agency projects in excess of $15,000 that you are currently working on or have worked on in the past two (2) years, provide the following information:

Project 1 Name/Number: City of Cudahy

Project Description: Create partition walls for new offices, electrical, drywall, paint and doors

Approximate Construction Dates: From: 04/22 To: 05/22

Agency Name: City of Cudahy

Contact Person: Aurelio Telephone: (323)855-8893

Address: 5220 Santa Ana st cudahy ca 90201

Original Contract Amount: $14,600 Final Contract Amount: $28,700

If final amount is different from original amount, please explain (change orders, extra work, etc.):
Extra framing, drywall, lighting, and plumbing

Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes No

Did the Agency file any claims against you? Circle one: Yes No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

Project 2 Name/Number: Run dedicated electrical circuits

Project Description: Run dedicated electrical circuits for marquee signs at clara and lugo park

Approximate Construction Date: From: 06/23 To: 07/23

Agency Name: City of Cudahy

Contact Person: Aurelio Telephone: (323)855-8893

Address: 5220 Santa Ana st cudahy ca 90201

Original Contract Amount: $18,000 Final Contract Amount: $18,000
If final amount is different from original amount, please explain (change orders, extra work, etc.).

Did you or any Subcontractor, file any claims against the Agency? Circle one: Yes  No
Did the Agency file any claims against you? Circle one: Yes  No
If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

Project 3 Name/Number  Wood replacement
Project Description  Replace damaged boards on a building for a roof replacement
Approximate Construction Dates  From: 05/23  To: 05/23
Agency Name:  City of Cudahy
Contact Person: aurelio  Telephone: (323)855-8893
Address:  5220 Santa Ana st cuahy ca 90201
Original Contract Amount: $ 22,000  Final Contract Amount: $ 29,000
If final amount is different from original amount, please explain (change orders, extra work, etc.).

Did you or any Subcontractor, file any claims against the Agency? Circle one: Yes  No
Did the Agency file any claims against you? Circle one: Yes  No
If you answered yes to either of the above two questions, please explain and indicate outcome of claims.
Project 4 Name/Number  Feed a electrical subpanel

Project Description  Do trench, run conduit and wire to feed an electrical subpanel

Approximate Construction Dates  From: 09/23  To: 10/23

Agency Name: City of Cudahy

Contact Person: Justin  Telephone: (323)382-2261

Address: 5220 Santa Ana st cudahy ca 90201

Original Contract Amount: $12,300  Final Contract Amount: $16,650

If final amount is different from original amount, please explain (change orders, extra work, etc.).

Extra conduit was run, and additional subpanel was added

Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

Project 5 Name/Number

Project Description

Approximate Construction Dates  From:  To:

Agency Name:

Contact Person:  Telephone:

Address:

Original Contract Amount: $  Final Contract Amount: $

If final amount is different from original amount, please explain (change orders, extra work, etc.).
Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

__________________________________________________________

__________________________________________________________

Project 6 Name/Number

Project Description

Approximate Construction Dates From: To:

Agency Name:

Contact Person: Telephone:

Address:

Original Contract Amount: $ Final Contract Amount: $

If final amount is different from original amount, please explain (change orders, extra work, etc.).

__________________________________________________________

__________________________________________________________

Did you or any Subcontractor, file any claims against the Agency?
Circle one: Yes  No

Did the Agency file any claims against you? Circle one: Yes  No

If you answered yes to either of the above two questions, please explain and indicate outcome of claims.

__________________________________________________________

__________________________________________________________
RESUME

Attach to this Bid the experience resume of the person who will be designated as General Construction Superintendent or on-site Construction Manager for the Project.

Please attachment at the end of the package.
DESIGNATION OF SUBCONTRACTORS
[Public Contract Code Section 4104]

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor’s total Bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half percent (0.5%) of the Contractor’s total Bid or $10,000, whichever is greater. If all Subcontractors do not fit on this page, attach another page listing all information for all other Subcontractors.

<table>
<thead>
<tr>
<th>Name under which Subcontractor is Licensed and Registered</th>
<th>CSLB License Number(s) and Class(es)</th>
<th>DIR Contractor Registration Number</th>
<th>Address and Phone Number</th>
<th>Type of Work (e.g., Electrical)</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nation electric &amp; construction inc</td>
<td>lic# 1005572 -C-10 -General B</td>
<td>PW-LR-1001112950</td>
<td>369 s Doheny #246 Beverly Hills CA 90211</td>
<td>Electrical and General</td>
<td>Approx. $20,000</td>
</tr>
</tbody>
</table>

1 The percentage of the total Bid shall represent the "portion of the work" for the purposes of Public Contract Code Section 4104(b).

Contractor shall perform, with its own organization (rather than with Subcontractors), Work amounting to at least fifty percent (51%) of the Contract Price.

BID
BIDDER SHALL COMPLETE AND SUBMIT ALL DOCUMENTS AND PAGES IN SECTION "BID"
INDUSTRIAL SAFETY RECORD FORM

Bidder's Name: American Pride Builders Co

<table>
<thead>
<tr>
<th>Current Year of Record</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of contracts</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total dollar amount of contracts (in thousands of dollars)</td>
<td>$63,500</td>
<td>$28,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of fatalities</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of lost workday cases</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of lost workday cases involving permanent transfer to another job or termination of employment</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above information was compiled from the records that are available to me at this time and I declare under penalty of perjury under the laws of the State of California that the information is true and accurate within the limitations of those records.

Signature: [Signature]
Title: Owner/CFO
Date: 10/09/2023

Signature:
Title:
Date:
BID BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Cudahy ("City"), has issued an invitation for Bids for the Work described as follows: Clara Park Improvement Project

WHEREAS American Pride Builders CO, 3725 Firestone Blvd Ste C, South Gate, CA 90280

("Principal"), desires to submit a Bid to City for the Work.

WHEREAS, Bidders are required to furnish a form of Bidder's security with their Bids.

NOW, THEREFORE, we, the undersigned Principal, and

Merchants Bonding Company (Mutual), 6700 Westown Pkwy, W Des Moines IA 50266

("Surety"), a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of Twenty Thousand Five Hundred Seventy-Eight

Dollars ($20,578.00)

(10%) of the total Bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal is awarded the Contract for the Work by the City and, within the time and in the manner required by the bidding specifications, enters into the written form of Contract induded with the bidding specifications, furnishes the required Bonds (one to guarantee faithful performance and the other to guarantee payment for labor and materials), and furnishes the required insurance coverage, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

In case suit is brought upon this instrument, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of Civil Code Section 2845.
IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereeto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: October 17, 2023

"Principal"  

By: [Signature]  
Its: [Signature]

"Surety"  

Merchants Bonding Company (Mutual)  
6700 Westown Pkwy, W Des Moines IA 50266  

By: [Signature]  
Its: [Signature]

By: [Signature]  
Its: [Signature]

Note: This Bond must be dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.
POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY (in California only) (herein collectively called the "Companies") do hereby make, constitute and appoint, individually:

Betty Moreno; Christian Sturdvant; Elizabeth Marsh; Franci Zalon; James A Holter; Jennifer Esparza; Joel Zavala; Lor Ann Farmer Lopez; Margie Perry; Maria Washington; Mary Elizabeth Erba; Noel Salva; Sandra Asseltyne; Tamara Scott; Vincent Jacobellis, William A Anderson

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of MERCHANTS BONDING COMPANY (MUTUAL) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of MERCHANTS NATIONAL BONDING, INC., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 8th day of December, 2022.

MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
d/b/a MERCHANTS NATIONAL INDEMNITY COMPANY

By

[Signature]
President

STATE OF IOWA
COUNTY OF DALLAS ss.
On this 8th day of December, 2022, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.

[Signature]
Notary Public

Kim Lee
Commission Number 702737
My Commission Expires
April 14, 2024

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 17th day of October, 2023.

[Signature]
Secretary

William Warner Jr.

POA 0018 (10/22)
CALIFORNIA 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 10-17-23 before me, Maria Glenda J. Washington, Notary Public, here insert name and title of the officer personally appeared Elizabeth Marsh, Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: ______________________________________
Document Date: _____________________________ Number of Pages: ________
Signer(s) Other Than Named Above: ______________________________________

Capacity(ies) Claimed by Signer(s)
Signer’s Name: ______________________________________
☐ Corporate Officer – Title(s): _____________________________
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: ______________________________________
Signer is Representing: ______________________________________

☐ Corporate Officer – Title(s): _____________________________
☐ Partner – ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: ______________________________________
Signer is Representing: ______________________________________

©2019 National Notary Association
NONCOLLUSION DECLARATION FORM
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID
[Public Contract Code Section 7106]

The undersigned declares:

I am the Owner/CFO of American Pride Builder Co., the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham Bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham Bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, Bid depository, or to any member or agent thereof, to effectuate a collusive or sham Bid, and has not paid, and will not pay, any Person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 10/09/2023 [date], at Southgate [city], California [state].

Signature: ____________________________

Printed Name: Emmanuel Nla

Date: 10/09/2023

BID

BIDDER SHALL COMPLETE AND SUBMIT ALL DOCUMENTS AND PAGES IN SECTION "BID"
EMMANUEL NILA

Owner and CFO of American Pride Builders Co. Second generation contractor with 20 years of experience working on residential and commercial projects in the Los Angeles and Orange county area. Licensed, bonded and ensured.

SKILLS

- Project management
- Building codes and regulations
- Reading blueprints
- Project budgeting
- Creating and interpreting contracts
- Permit processing
- Task and time management
- Knowledge of building materials and tools
- Design experience
- Quality control

WORK EXPERIENCE

Laborer
2004-2011

Painting, masonry, stucco, plumbing, framing, drywall, flooring, window installation, electrical and roofing

Project Manager
2011-2020

Overseeing job sites, scheduling, contract management, customer service, crew management, ordering materials, conflict resolution, and inspection management

General Contractor, Owner and CFO
2020- present

Accounts receivable, workflow, drafting contracts, legal documentation, safety protocol management, crew member hiring, and collaboration with architects, engineers, designers and subcontractors.

- ADUs
- New Construction
- Whole Home Renovations
- Commercial Projects

EDUCATION

Bachelor’s Degree: Computer Engineering and Programming
2012

California State University, Long Beach
CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/16/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER 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
b/BERK
P.O. Box 113247
Stamford, CT 06911

CONTACT
PHONE (Ac No. Ext.): 844-472-0967
FAX (Ac No.): 203-654-3613
E-MAIL ADDRESS: customerservice@bIBERK.com

INSURER(S) AFFORDING COVERAGE NAIC #
INSURER A: Berkshire Hathaway Direct Insurance Company 10391

INSURED
AMERICAN PRIDE BUILDERS CO
3725 FIRESTONE BLVD UNIT C
South Gate, CA 90280

INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

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A WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANYPROPRIETOR_rights|EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)
If yes, describe under DESCRIPTION OF OPERATIONS below

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N9WC109822 10/17/2023 10/17/2024 X PER STATUTE OTHER $1,000,000 $1,000,000 $1,000,000

Professional Liability (Errors & Omissions): Claims-Made
Per Occurrence/Aggregate

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

CERTIFICATE HOLDER
CSLB
P.O. BOX 26000
Sacramento, CA 95826

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD
# BID OPENING MINUTES

Contracting Agency: **City of Cudahy**
Agency Representative: **Richard Iglesias, City Clerk**
Project Name: **Clara Park Improvement Project**
Federal Project Number: 
City Project Number: **100-40200-6995**
Bid Opening Date: **October 17, 2023**
Time of Bid Opening: **3:00 PM**
Place of Bid Opening: **City Hall Chamber**

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<tr>
<th>NAME OF COMPANY</th>
<th>BID SUBMITTED</th>
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<td><strong>American Pride Builders</strong></td>
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### LATE BID SUBMISSION

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### CERTIFICATION

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<th>Witness (Name / Title)</th>
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<td>Sean Rodriguez, Engineer Assistant</td>
<td>Aaron Hernandez-Torres, Public Works Director</td>
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### BIDS OPENED BY:

RICHARD ILESIAS, ASSISTANT CITY CLERK AND AARON HERNANDEZ-TORRES, P. E., ASSISTANT CITY ENGINEER

Richard Iglesias, City Clerk: [Signature] 10/17/2023
Attachment No. 1 –
Agreement with American Pride Builders Co.
CITY OF CUDAHY

PUBLIC WORKS CONTRACT

Clara Park Improvement Project
4835 Clara St, Cudahy, CA 90201
CITY PROJECT #100-40200-6995

THIS AGREEMENT “Agreement” is made and entered into this 7\textsuperscript{th} day of November 2023, by and between the CITY OF CUDAHY, a Municipal Corporation located in the County of Los Angeles, State of California hereinafter called CITY, and AMERICAN PRIDE BUILDERS CO.(hereinafter called “CONTRACTOR”). For the purposes of this Contract, CITY and CONTRACTOR may be referred to collectively referred to as the capitalized term “PARTIES”. The capitalized term “PARTY” may refer to CITY of CONTRACTOR interchangeably.

RECITALS

CITY, by its Notice Inviting Bids, duly advertised for written bids to be submitted on or before October 10\textsuperscript{th}, 2023, for the following:

Clara Park Improvement Project
4835 Clara St, Cudahy, CA 90201
CITY PROJECT #100-40200-6995

in the City of CUDAHY, California, hereinafter called PROJECT.

At 3:00 pm on October 10\textsuperscript{th}, 2023 on said date, in the CUDAHY Council Chambers, said bids were duly opened.

At its regular meeting held on ________________________, the CITY Council duly accepted the bid of CONTRACTOR for said PROJECT as being the lowest reasonable bid received and directed that a written contract be entered into with CONTRACTOR.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, said parties do hereby agree as follows:

ARTICLE I – CONTRACT DOCUMENTS

The CONTRACT DOCUMENTS for the PROJECT shall consist of:

- document titled:
  CONTRACT DOCUMENTS PLANS AND SPECIFICATIONS
  for
  Clara Park Improvement Project
  4835 Clara St, Cudahy, CA 90201
  CITY PROJECT #100-40200-6995
• CONTRACTOR’s Proposal
• Section 3 Clause & Requirements
• Current Federal DOL Wage Decision
• Federal EEO and Affirmative Action Requirements
• and all referenced specifications, details, standard drawings, and appendices, together with this contract and all required bonds, insurance certificates, permits, notices and declarations, affidavits, and also including any and all addenda or supplemental agreements clarifying, amending, or extending the work contemplated as may be required to insure its completion in an acceptable manner.

All of the above-mentioned documents are intended to complement the other documents so that any work called for in one, and not mentioned in the others, or vice versa, is to be executed the same as if mentioned in all of said documents. The document comprising the complete contract are hereinafter referred to as the CONTRACT DOCUMENTS and are incorporated herein by this reference and made and part hereof as though they were fully set forth herein.

All of the rights and obligations of the CITY and CONTRACTOR are fully set forth and described in the CONTRACT DOCUMENTS.

In the event there is a conflict between the terms of the Contract Documents, the more specific or stringent provision shall govern. City shall decide which option is the more specific or stringent provision.

ARTICLE II - AGREEMENT

For and in consideration of the payments and agreements be made and performed by CITY, CONTRACTOR hereby agrees to furnish all materials and perform all work required for the PROJECT and to fulfill all other obligations as set forth in the CONTRACT DOCUMENTS.

ARTICLE III - COMPENSATION

CONTRACTOR hereby agrees to receive and accept the total amount Two Hundred Five Thousand Seven Hundred Thirty dollars ($205,730), based upon those certain unit prices set forth in CONTRACTOR’s Bid Schedule, a copy of which is attached hereto as Exhibit “A” and by this reference incorporated herein and made a part hereof, as full compensation for furnishing all materials, performing all work, and fulfilling all obligations hereunder.

Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of the work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole thereof in the manner and time specified in the CONTRACT DOCUMENTS, and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

Page: APPENDIX A.2
The sum identified in Article III is not subject to escalation, the CONTRACTOR having satisfied himself with said CONTRACT price, which includes all labor and material increases anticipated throughout the duration of this CONSTRUCTION CONTRACT.

CITY shall retain five percent (5%) of said CONTRACT price until said time as the provisions of Article XIV herein have been met.

Progress payments shall be made in accordance with Section 9 of the Standard Specifications for Public Works as amended by the General Provisions and Special Provisions.

Upon receipt of a properly presented payment request, the Contract Officer shall process the payment request in accordance with Public Contracts Code Section 20104.50. The Contract Officer shall review the payment request as soon as possible. If the Contract Officer rejects the payment request, it shall be returned to the Contractor within seven days of its receipt by the City with an explanation for the reasons of its rejection. If the payment request is approved in writing by the Contract Officer, payment shall be made within thirty (30) days of receipt of an undisputed and properly presented payment request. Late payments shall bear interest at the legal rate of interest in accordance with Code of Civil Procedure 685.010. City shall pay Contractor a sum based upon ninety-five percent (95%) of the contract price apportionment of the labor and materials incorporated into the work under the contract during the period covered by said statement. The remaining five percent (5%) thereof shall be retained as performance security.

Substitution of Securities for Retention. The contractor may deposit securities in lieu of the 5% progress payment retentions in accordance with California Public Contracts Code 22300.

CITY’s obligation is payable only and solely from Community Development Block Grant (CDBG) funds appropriated from the United States Department of Housing and Urban Development (HUD) and for the purpose of this CONTRACT. All funds are appropriated every fiscal year beginning July 1. In the event this CONTRACT extends into the succeeding fiscal year and funds have not been appropriated, this CONTRACT will automatically terminate as of June 30 of the current fiscal year. The CITY will notify the CONTRACTOR in writing in ten (10) days of receipt of the non-appropriation notice.

ARTICLE IV - CONTRACTOR REPRESENTATIONS

CITY hereby promises and agrees to employ, and does hereby employ, CONTRACTOR to provide the materials, do the work, and fulfill the obligations according to the terms and conditions herein contained and referred to, for the said amounts set forth in Article III hereof, and hereby agrees to pay the same at the time, in the manner, and upon the conditions set forth in the CONTRACT DOCUMENTS.

In addition, CONTRACTOR hereby promises and agrees to comply with all of the provisions of both State and Federal law with respect to the employment of unauthorized aliens.

Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or services covered by this contract, and should the Federal Government impose sanctions against the CITY for such use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, reimburse CITY for the cost of all such sanctions imposed, together with any and all costs, including attorney’s fees, incurred by the CITY in connection therewith.
Furthermore, CONTRACTOR hereby represents and warrants that it is not currently, and has not at any time within the past five (5) calendar years been, suspended, debarred, or excluded from participating in, bidding on, contracting for, or completed any project funded in whole or in part by any federally funded program, grant or loan, or any project funded in whole or in part by a program, loan or grant from the State of California, and that CONTRACTOR currently has and for the past five (5) calendar years has maintained in good standing, a valid California contractor’s license. CONTRACTOR agrees to complete and execute any statement or certificate to this effect as may be required by the City or by any federal or State of California program, loan or grant utilized on this PROJECT.

**ARTICLE V – COMMENCEMENT DATE**

CONTRACTOR shall commence work on the date specified in the Notice to Proceed to be issued to said CONTRACTOR by the Director of Public Works of CITY and shall complete work on the PROJECT within 20 working days after commencement.

**ARTICLE VI – NO DISCRIMINATION**

CONTRACTOR shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in the performance of this CONTRACT and shall comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3, Title 2 of the California Government Code; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations issued pursuant to such acts and order.

CONTRACTOR hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 USCA 1101, et seq.), as amended; and, in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONTRACTOR so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should the Federal Government impose sanctions against the CITY for such use of unauthorized aliens, CONTRACTOR hereby agrees to, and shall, reimburse CITY for the cost of all such sanctions imposed, together with any and all costs, including attorney’s fees, incurred by the CITY in connection therewith.

**ARTICLE VII – LABOR CODE REQUIREMENTS**

Compliance with SB 854 Registration: This Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations. No prime contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. No prime contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. The Contractor will be required to post job site notices as described in 8 California Code of Regulation section 16451(d).
Contractor acknowledges that under California Labor Code sections 1810 and following, 8 hours of labor constitutes a legal day’s work. Contractor will forfeit as a penalty to City the sum of $25.00 for each worker employed in the execution of this Agreement by Contractor or any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code section 1810. (Labor Code § 1813).

Copies of the determination of the Director of the Department of Industrial Relations of the prevailing rate of per diem wages for each craft, classification or type of worker needed to execute this Agreement will be made available upon request from the City Engineer’s Office.

Contractor must post at the work site, or if there is no regular work site then at its principal office, for the duration of the Contract, a copy of the determination by the Director of the Department of Industrial Relations of the specified prevailing rate of per diem wages. (Labor Code § 1773.2). The Contractor shall post WH-1321 ENGLISH and WH-1321 SPANISH at the work site.

Contractor, and any subcontractor engaged by Contractor, must pay not less than the specified prevailing rate of per diem wages to all workers employed in the execution of the contract. (Labor Code § 1774.) Contractor is responsible for compliance with Labor Code section 1776 relative to the retention and inspection of payroll records.

Contractor must comply with all provisions of Labor Code section 1775. Under Section 1775, Contractor may forfeit as a penalty to City up to $50.00 for each worker employed in the execution of the Contract by Contractor or any subcontractor for each calendar day, or portion thereof, in which the worker is paid less than the prevailing rates. Contractor may also be liable to pay the difference between the prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate.

Nothing in this Contract prevents Contractor or any subcontractor from employing properly registered apprentices in the execution of the Contract. Contractor is responsible for compliance with Labor Code section 1777.5 for all apprenticeable occupations. This statute requires that contractors and subcontractors must submit contract award information to the applicable joint apprenticeship committee, must employ apprentices in apprenticeable occupations in a ratio of not less than one hour of apprentice’s work for every five hours of labor performed by a journeyman (unless an exception is granted under §1777.5), must contribute to the fund or funds in each craft or trade or a like amount to the California Apprenticeship Council, and that contractors and subcontractors must not discriminate among otherwise qualified employees as apprentices solely on the ground of sex, race, religion, creed, national origin, ancestry or color. Only apprentices defined in Labor Code section 3077, who are in training under apprenticeship standards and who have written apprentice contracts, may be employed on public works in apprenticeable occupations.

This is a federally-assisted CONSTRUCTION CONTRACT. Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. In the event of a conflict between Federal and State wages rates, the higher of the two will prevail. Modification of Federal Wage Rates published within ten (10) days prior to the scheduled Bid Opening date shall apply to the contract.
The Contractor shall submit payroll records to the City weekly for each week in which any contract work is performed. The Contractor is also responsible for the submission of payroll records by all its Subcontractors performing any contract work on this Project.

The payroll records submitted shall set out accurately and completely all of the information required to be maintained under Section 5.5(a)(3)(i) of 29 C.F.R. Part 5. Each payroll submitted shall be accompanied by a Statement of Compliance signed by the Contractor or Subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract, and shall certify the following:

- The payroll records for the payroll period contains the information required to be maintained under Section 5.5(a)(3)(i) of 29 C.F.R. Part 5, and that such information is correct and complete;
- Each employee employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 C.F.R. Part 3;
- Each employee has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the Contract.

This information may be submitted in any form desired, however, Form WH-347 is provided as an optional template. The Contractor shall submit a Statement of Non-Performance for each week of work for which craft work was not performed.

The falsification of any of the above certifications may subject the Contractor or Subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

The Contractor shall submit copies of apprentice certification(s) for each apprentice performing work on the Contract to accompany the first payroll record in which that apprentice appears. The City will recognize apprentice certifications from the U.S. Department of Labor and the California Division of Apprenticeship Standards. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed.

The CONTRACTOR’s duty to pay State prevailing wages can be found under Labor Code Section 1770 et seq. and Labor Code Sections 1775 and 1777.7 outline the penalties for failure to pay prevailing wages and employ apprentices including forfeitures and debarment.

The Contractor agrees that the City, through its authorized representatives, has the right, at all reasonable times, to make site visits to review Project accomplishments and for other reasons, such as employee interviews. If any site visit is made by the City on the premises of the Contractor or any of its Subcontractors under this Contract, the Contractor shall provide and shall require its Subcontractors to provide, all reasonable facilities and assistance for the safety and convenience of City representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly delay work being conducted by the Contractor or Subcontractor(s).

If the work involves excavation of any trench five feet or more in depth the contractor shall submit a detailed plan of shoring, bracing, sloping or other provisions to be made for worker protection. Such plan
shall be approved by a qualified representative of the City. (LC 6705).

ARTICLE VIII - PROVISIONS REQUIRED BY LAW

Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Project. Such laws, rules and regulations shall include, but not be limited to the following.

Contractor’s License.

The Contractor shall possess a type Class B California Contractor's license at the time of award of the Contract.

Ineligible Contractor Prohibited.

Any contractor or subcontractor who is ineligible to perform work on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code is prohibited from performing work under this Contract.

Unfair Business Practices Claims.

The Contractor or subcontractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the City renders final payment to the Contractor without further acknowledgment by the parties. (Section 7103.5, California Public Contract Code.).

Hazardous Materials and Unknown Conditions.

A. CONTRACTOR shall, without disturbing the condition, notify CITY in writing as soon as CONTRACTOR, or any of CONTRACTOR’s subcontractors, agents or employees have knowledge and reporting is possible, of the discovery of any of the following conditions:

1. The presence of any material that the CONTRACTOR believes is hazardous waste, as defined in Section 25117 of the Health and Safety Code;

2. Subsurface or latent physical conditions at the site differing from those indicated in the specifications; or,

3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of this character provided for in this Contract.

B. Pending a determination by CITY of appropriate action to be taken, CONTRACTOR shall provide security measures (e.g., fences) adequate to prevent the hazardous waste or physical conditions from causing bodily injury to any person.
C. CITY shall promptly investigate the reported conditions. If CITY, through its Director of Public Works, or her designee, and in the exercise of its sole discretion, determines that the conditions do materially differ, or do involve hazardous waste, and will cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, then CITY shall issue a change order.

D. In the event of a dispute between CITY and CONTRACTOR as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the CONTRACTOR’s cost of, or time required for, performance of any part of the work, CONTRACTOR shall not be excused from any scheduled completion date, and shall proceed with all work to be performed under the Contract. CONTRACTOR shall retain any and all rights which pertain to the resolution of disputes and protests between the parties.

ARTICLE IX - INDEMNITY

CONTRACTOR shall assume the defense of and indemnify and save harmless the CITY, its elective and appointive boards, officers, agents and employees, and from all claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the performance of the CONTRACTOR’s work, regardless of responsibility of negligence; and from any and all claims, loss, damage, injury and liability, howsoever the same may be caused, resulting directly or indirectly from the nature of the work covered by the contract, regardless of responsibility of negligence; provided

(a) That CITY does not, and shall not, waive any rights against CONTRACTOR which it may have by reason for the aforesaid hold-harmless AGREEMENT because of the acceptance by CITY or the deposit with CITY by CONTRACTOR, of any of the insurance policies hereinafter described in this AGREEMENT.

(b) That the aforesaid hold-harmless AGREEMENT by CONTRACTOR shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of CONTRACTOR, or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.
ARTICLE X - BONDS

Warranty & Guarantee

New Materials. Contractor guarantees that all materials and equipment furnished will be new unless otherwise specified in the Contract Documents.

One Year Guarantee. Contractor guarantees all materials and equipment furnished and Work performed for a period of one (1) year from the date of substantial completion is free from all defects due to faulty materials or workmanship. Contractor shall promptly make such corrections as may be necessary by reasons of such defects including the repairs of any damage to other property, whether real or personal. The City will give notice of observed defects with reasonable promptness. If Contractor fails to make such repairs, or other Work that may be made necessary by such defects, the City may do so and charge the Contractor the cost thereby incurred, plus 10% for administrative expenses. The Performance Bond shall remain in full force and effect through the guarantee period. Contractor shall execute the Public Improvement Warranty.

Bonds

Contractor shall provide a payment bond consistent with the terms of this section and City may not waive this requirement. Contractor shall also provide a performance bond consistent with the terms of this section, unless City waives such requirement in writing. Each bond shall (1) be in writing; (2) signed by at least one admitted surety insurer under oath; (3) if a bond is signed by more than one surety insurer, include a statement that the sureties are jointly and severally liable on the obligations required hereunder; (4) list the address at which the principal and surety/sureties may be served with notices, papers, and other documents under this chapter; (5) be in the form of a bond and not in a deposit in lieu of a bond; (6) be consistent with any other requirements of the City that reasonably relate to a guarantee that the project will be completed at no cost to the City.

Payment Bond. Contractor shall furnish and file with City a bond in the sum of one hundred percent (100%) of the Compensation. Consistent with Civil Code § 3248, the bond shall provide that if the Contractor or any subcontractors hired by Contractor fails to pay (1) any of the persons named in Civil Code § 3181; (2) amounts due under the Unemployment Insurance Code with respect to work or labor performed under this Agreement; or (3) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and subcontractors pursuant to Unemployment Insurance Code §13020 with respect to the work and labor that the sureties will pay for the same, and also, in case suit is brought upon the bond, a reasonable attorney’s fee, to be fixed by the court. The bond shall, by its terms, inure to the benefit of any of the persons named in Civil Code § 3181 so as to give a right of action to those persons or their assigns in any suit brought upon the bond. The bond provided under this section shall be released by written authorization of the City Engineer at the completion of the one year warranty period described in section 0, above, provided that Contractor is not in default on any provision of this Agreement.

Performance Bond. Contractor shall provide City with a bond in the sum of one hundred percent (100%) of the Compensation to guarantee the completion of the Work, to protect City if Developer is in default of this Agreement, and to secure Contractor’s one-year guarantee and warranty. The City Council may, in its sole and absolute discretion and upon recommendation of the City Engineer, partially release a portion or portions of the security provided under this section as the Public Improvements are accepted.
by City, provided that Contractor is not in default on any provision of this Agreement. All security
provided under this section shall be released at the end of the warranty period described in section 0,
above, provided that Contractor is not in default on any provision of this Agreement.

ARTICLE XI - INSURANCE

CONTRACTOR shall not commence work under this contract until CONTRACTOR shall have obtained all
insurance required by the CONTRACT DOCUMENTS and such insurance shall have been approved by
CITY as to form, amount and carrier, nor shall CONTRACTOR allow any subcontractor to commence work
on any subcontract until all similar insurance required of the subcontractor shall have been so obtained
and approved.

(a) COMPENSATION INSURANCE - CONTRACTOR shall take out and maintain, during
the life of this contract, Worker’s Compensation Insurance for all of
CONTRACTOR’s employees employed at the site of improvement; and, if any
work is sublet, CONTRACTOR shall require the subcontractor similarly to provide
Worker’s Compensation Insurance for all of the latter’s employees, unless such
employees are covered by the protection afforded by CONTRACTOR. If any
class of employees engaged in work under this contract at the site of the
PROJECT is not protected under any Workers’ Compensation law, CONTRACTOR
shall provide and shall cause each subcontractor to provide adequate insurance
for the protection of employees not otherwise protected. CONTRACTOR shall
indemnify CITY for any damage resulting to it from failure of either
CONTRACTOR or any subcontractor to take out or maintain such insurance.

(b) COMPREHENSIVE GENERAL LIABILITY, PRODUCTS/ COMPLETED OPERATIONS
HAZARD, COMPREHENSIVE AUTOMOBILE LIABILITY AND CONTRACTUAL
GENERAL LIABILITY INSURANCE. CONTRACTOR shall take out and maintain
during the life of this contract such comprehensive general liability,
products/completed operations hazard, comprehensive automobile liability and
contractual general liability insurance as shall protect CITY, its elective and
appointive boards, officers, agents and employees, CONTRACTOR, and any
subcontractor performing work covered by this contract, from claims for
damage for personal injury, including death, as well as from claims for property
damage which may arise from CONTRACTOR’s or any subcontractor’s
operations under this contract, whether such operations be by CONTRACTOR or
by any subcontractor, or by anyone directly or indirectly employed by either
CONTRACTOR or any subcontractor, and the amounts of such insurance shall be
as follows:

(1) Public Liability Insurance in an amount of not less than TWO MILLION
DOLLARS ($2,000,000);

(2) Products/Completed Operations Hazard Insurance in an amount of not
less than TWO MILLION DOLLARS ($2,000,000);
(3) **Comprehensive Automobile Liability Insurance** in an amount of not less than TWO MILLION DOLLARS ($2,000,000);

(4) **Contractual General Liability Insurance** in an amount of not less than TWO MILLION DOLLARS ($2,000,000).

A combined single limit policy with aggregate limits in an amount of not less than TWO MILLION DOLLARS ($2,000,000) shall be considered equivalent to the said required minimum limits set forth hereinabove.

(c) **PROOF OF INSURANCE** - The insurance required by this AGREEMENT shall be with insurers which are Best A rated, and California Admitted or better. The CITY and shall be named as “additional insured” on all policies required hereunder, and CONTRACTOR shall furnish CITY, concurrently with the execution hereof, with satisfactory proof of carriage of the insurance required, and adequate legal assurance that each carrier will give CITY at least thirty (30) days’ prior notice of the cancellation of any policy during the effective period of the contract.

(d) **NOTICE TO COMMENCE WORK** - The CITY will not issue any notice authorizing CONTRACTOR or any subcontractor to commence work under this contact until CONTRACTOR has provided to the CITY the proof of insurance as required by subparagraph (c) of this article.

**ARTICLE XII - ATTORNEY FEES**

If either party to this Contract is required to initiate or defend, or is made a party to, any action or proceeding in any way connected with this Contract, the party prevailing in the final judgment in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorney’s fees and costs. Attorney’s fees shall include reasonable costs for investigating such action.

**ARTICLE XIII - LIQUIDATED DAMAGES**

The parties agree that it would be impractical and extremely difficult to fix the actual damages to the CITY in the event the PROJECT is not commenced and/or completed on or before the dates specified for commencement and completion of the PROJECT in the CONTRACT DOCUMENTS. The parties have considered the facts of a breach of this contract and have agreed that the liquidated damages sum hereinafter set forth is reasonable as liquidated damages in the event of a breach, and that said sum shall be presumed to be the amount of the damages sustained by the CITY in the event such work is not begun and/or completed and accepted by the times so specified in the CONTRACT DOCUMENTS, the sum of Five Hundred Dollars ($500) shall be presumed to be the amount of damages suffered by the CITY for each calendar day’s delay in the starting and/or completion and acceptance of said PROJECT after the dates specified in the CONTRACT DOCUMENTS for the start and/or completion thereof, and CONTRACTOR hereby agrees to pay said sum of Five Hundred Dollars ($500) as liquidated damages for each calendar day of delay in the starting and/or completing and acceptance of said PROJECT beyond
the dates specified in the CONTRACT DOCUMENTS. Any and all such liquidated damages assessed shall be done so in accordance with that certain edition of the Standard Specification for Public Works Construction currently in effect on the execution date of this CONTRACT. The payment of such liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code § 3275 or § 3369.

CONTRACTOR: AMERICAN PRIDE BUILDERS CO. 
CITY OF CUDAHY
a California Corporation 
a Municipal Corporation

by:___________________________    by:____________________________
President       Mayor

ARTICLE XIV - NOTICE OF COMPLETION

Upon completion of PROJECT and acceptance of same by the CITY Council, the CITY Manager shall have cause to be recorded a Notice of Completion with the office of the Los Angeles County Recorder; and, after thirty-five (35) days from the date said Notice of Completion is recorded, the Director of Finance of CITY shall release the funds retained pursuant to Article III hereof; provided there have been no mechanics’ liens or stop notices filed against said work which have not been paid, withdrawn or eliminated as liens against said work.

ARTICLE XV - NO - ASSIGNMENT

This contract shall not be assignable, either in whole or in part, by the CONTRACTOR without first obtaining the written consent of the CITY thereto.

ARTICLE XVI - CUMULATIVE RIGHTS

The provisions of this AGREEMENT are cumulative and in addition to and not in limitation of any rights or remedies available to CITY.

ARTICLE XVII - TERMINATION

A. Termination for Convenience. The CITY may terminate this contract, in whole or in part, with 30 days 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 the CITY, the CONTRACTOR will account for the same, and dispose of it in the manner the CITY directs. The CONTRACTOR may terminate this contract, in whole, with 90 days written notice to the CITY.

B. Termination for Default. If at any time the CONTRACTOR is determined to be in material breach of the Contract, a Notice of Potential Breach of Contract shall be prepared by the CITY, and will be
served upon the CONTRACTOR and its sureties. If the CONTRACTOR continues to neglect or refuses to comply with the Contract or with the Notice of Potential Breach of Contract to the satisfaction of the CITY within the time specified in such Notice, the CITY shall have the authority to terminate the Contract for this Project.

C. 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 term, covenant, or condition of the Contract.

ARTICLE XVIII – FEDERAL REQUIREMENTS

Notwithstanding any other provision of this Agreement, if the construction work covered under this Agreement is financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of Federal funding, Contractor shall also comply with and cause its subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in the periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010) available from the Agency’s Compliance Division. If Contractor is required to comply with the Davis-Bacon Act, Contractor shall pay the higher of Davis-Bacon Act or state prevailing wages, on a trade-by-trade basis.

By entering into this Agreement, Contractor certifies that it is not a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or if HUD funds are involved, to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24. Contractor agrees to include, or cause to be included, the above provision, to be applicable to contractors and subcontractors, in each contract and subcontract for work covered under this Agreement.

Contractor shall comply with all 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.

The City, the federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents papers and records of the Contractor and any subcontractors which are directly pertinent to this Agreement, for the purpose of making audit, examination, excerpts and transcriptions. Contractor shall maintain all required records for three years after City makes final payments and all other pending matters are closed.

Contractor shall comply with the Copeland “Anti-Kick Back” Act, 18 U.S.C. §874, as supplemented in Department of Labor regulations. (29 C.F.R. part 3.)

Contractor shall ensure compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. §§ 327 – 33, as supplemented by Department of Labor regulations. See 29 C.F.R. part 5.

Contractor and any subcontractors must comply with Executive Order 11246 as amended by Executive Order 11375 and as supplemented in Department of Labor regulations. (41 C.F.R. part 3.)
If the Compensation exceeds $100,000, Contractor shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency (EPA) regulations, which prohibit the use under non-exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. (See e.g. 47 C.F.R. §18.36(i)(12).)

If the Compensation exceeds $100,000 for construction or facility improvements, Contractor must observe the building requirements contained in Attachment B of OMB Circular A-110.

--------SIGNATURES ON FOLLOWING PAGE--------
IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed on the _____ day of __________________, 20__, by their respective officers duly authorized in that behalf.

CITY OF CUDAHY
a Municipal Corporation

by:______________________________
________________, Mayor

CONTRACTOR
a California Corporation

by:______________________________
________________, President

by:______________________________
________________, Secretary

ATTEST:

by:______________________________
________________, City Clerk

APPROVED AS TO FORM

by:______________________________
________________, City Attorney
PUBLIC IMPROVEMENTS WARRANTY
Clara Park Improvement Project
4835 Clara St, Cudahy, CA 90201
CITY PROJECT #100-40200-6995

On ________________________, 20__, the City of CUDAHY accepted as complete and meeting the standards of City, the following public improvement(s):

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________, built and constructed by or for _____________________,
("Contractor")

Contractor hereby warrants and guarantees the aforementioned public improvements as to the material used and workmanship performed for a period of one (1) year following the date set forth above.

In the event of a defect, malfunction, or failure to conform to the improvement specifications and all applicable local standards, the Contractor shall repair or replace said improvements at Contractor's own and sole expense within a reasonable time from notice of the defect from City. Should Contractor fail to cure any defect within a reasonable period of time, Contractor agrees to reimburse City for any and all costs of City's efforts to cure any defect once City has provided notice to the Contractor of the defect and the City's intent to cure such defect.

Should litigation be necessary to enforce the provisions of this warranty, the prevailing party shall be entitled to reimbursement for attorneys fees and court and related costs.

Executed at _________________________, California, on the day and year first written above.

CONTRACTOR

By:__________________________
Signature

By:__________________________
(Typed Name)

Its:__________________________
Title

By:__________________________
Signature

By:__________________________
(Typed Name)

Its:__________________________
Title

[NOTARY REQUIRED]
KNOW ALL MEN BY THESE PRESENTS that _____________________________________________, as CONTRACTOR and_____________________________________, as SURETY, are held and firmly bound unto the City of CUDAHY, in the penal sum of _______________________________ dollars ($ ), which is 100 percent of the total contract amount for the above stated project, for the payment of which sum, CONTRACTOR and SURETY agree to be bound, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas CONTRACTOR has been awarded and is about to enter into the annexed Contract with the City for the above stated project, if CONTRACTOR faithfully performs and fulfills all obligations under the contract documents in the manner and time specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of the City; provided that any alternations in the obligations or time for completion made pursuant to the terms of the contract documents shall not in any way release either CONTRACTOR or SURETY, and notice of such alternations are hereby waived by SURETY.

IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and seals this ____day of ____________, 20__.  

CONTRACTOR* _________________________________________________________________________  
_________________________________________________________________________  
SURETY*  
_________________________________________________________________________  
_________________________________________________________________________  

* Provide CONTRACTOR/SURETY name, address and telephone number and the name, title, address and telephone number for authorized representative.

Subscribed and sworn to this ______ day of ________________, 20__.  

NOTARY PUBLIC: _________________________________________________________________________
MATERIAL AND LABOR BOND
Clara Park Improvement Project
4835 Clara St, Cudahy, CA 90201
CITY PROJECT #100-40200-6995

KNOW ALL MEN BY THESE PRESENTS that ________________________________, as CONTRACTOR and ________________________________, as SURETY, are held and firmly bound unto the City of CUDAHY, in the penal sum of ________________________________ dollars ($ ), which is 100 percent of the total contract amount for the above stated project, for the payment of which sum, CONTRACTOR and SURETY agree to be bound, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas CONTRACTOR has been awarded and is about to enter into the annexed Contract with the City for the above stated project, if CONTRACTOR faithfully performs and fulfills all obligations under the contract documents in the manner and time specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of the City; provided that any alternations in the obligations or time for completion made pursuant to the terms of the contract documents shall not in any way release either CONTRACTOR or SURETY, and notice of such alternations are hereby waived by SURETY.

IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and seals this ____ day of ______________, 20__.  

CONTRACTOR* ____________________________________________________________________________  

__________________________________________________________________________ 

SURETY*  

__________________________________________________________________________  

* Provide CONTRACTOR/SURETY name, address and telephone number and the name, title, address and telephone number for authorized representative.

Subscribed and sworn to this _____ day of ______________, 20__.

NOTARY PUBLIC: ________________________________________________________________
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager/Executive Director
By: Juan Arauz, AICP, Community Development Director
Subject: Approval of a Resolution to Authorize the City’s Representative to Vote to Terminate the Eco-Rapid Transit Joint Powers Authority

RECOMMENDATION

Staff recommends that the City Council of the City of Cudahy (the “City”):

1. Adopt Resolution No. 23-51, authorizing the City’s representative to vote to terminate the Orangeline Development Authority, dba Eco-Rapid Transit.

BACKGROUND

Established in 2003, the Orangeline Development Authority, dba Eco-Rapid Transit (ERT), is a Joint Powers Authority established with a mission to ensure collaboration among member agencies to increase economic development through environmentally sustainable public transit and transportation. The West Santa Ana Branch (WSAB) transit corridor is one of their major projects, and the City is a member agency.

Due to ongoing financial difficulties that make sustaining ERT infeasible without a substantially large increase in annual membership dues, the ERT Board of Directors unanimously approved ERT’s Executive Director and General Counsel to begin the formal termination process of ERT as a Joint Powers Authority (JPA) under the relevant provisions of the Joint Exercise of Powers Agreement.

DISCUSSION/ANALYSIS

Section 3.2(i) of the amended and restated joint exercise of powers agreement provides that the JPA shall terminate and its assets be distributed to its remaining member agencies in accordance with the agreement’s provisions upon the unanimous vote of its members. In order to achieve this, each of the Member Agency’s City Councils must approve a resolution authorizing its representative on the ERT Board of Directors to vote to terminate ERT. The vote will take place at the final regular meeting of ERT on December 13, 2023. If dissolution is approved, ERT’s final day of operation will be January 1, 2024, at which time there will be a 90-
day close out period to settle all remaining agreements, debts, and audits. The City will not be responsible for any debts of ERT, but any remaining assets following debt payment will be divided among member cities.

In its place, the Gateway Cities Council of Governments (COG) will establish the WSAB Corridor Cities Committee in early January 2024. Membership will be open to cities along the WSAB corridor and require an estimated annual membership fee of $10,000 to $17,000.

STRATEGIC PLAN CORRELATION

The Project supports the following strategies identified in the City’s Strategic Plan as adopted by the City Council.

Goal F

1. Develop the Cudahy brand.
2. Create a sense of place and establish the community’s identity.
3. Use the Cudahy brand to provide visual identity of the City, including signage.
4. Identify methods to connect with community members, including soliciting input on a regular basis.
5. Increase the City’s social media presence.
6. Explore opportunities for efficiency through insourcing and outsourcing.
7. Foster relationship building among residents.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Project has been environmentally reviewed pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000, et seq (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq), and the City’s Local CEQA Guidelines. Pursuant to CEQA Guidelines 15061(b)(3), the Project is not subject to CEQA because there is no possibility that the execution of the attached resolution may have a significant effect on the environment.

FINANCIAL IMPACT

There is no fiscal impact on the General Fund associated with the adoption of the attached resolution. Proposition A local return funds have been used to pay the City’s annual membership dues to ERT, and those funds are eligible to use to pay any future membership dues for the COG WSAB Corridor Cities Committee once it is formed.

ATTACHMENT

A. Resolution No. 23-51
RESOLUTION NO. 23-51

A RESOLUTION OF THE CITY OF CUHADY
AUTHORIZING THE TERMINATION OF ECO-RAPID TRANSIT

WHEREAS, Eco-Rapid Transit (“ERT”), formally known as Orangeline Development Authority, is a Joint Powers Authority formed in 2003 to pursue development of a transit system along the Gateway Cities Corridor that moves as rapidly as possible, uses grade separation as appropriate, and is environmentally friendly and energy efficient; and

WHEREAS, the City of Cudahy has been a member of ERT since December 15, 2003; and

WHEREAS, the City of Cudahy has chosen Vice Mayor Jose R. Gonzalez, to serve on the ERT Board of Directors as its representative; and

WHEREAS, in part due to ERT’s advocacy, Los Angeles County Metropolitan Transportation Authority (“LA Metro”) has resolved to develop the West Santa Ana Branch Transit Corridor (“WSAB”) project – a light rail transit line that will connect southeast LA County to downtown Los Angeles; and

WHEREAS, ERT has therefore served its purpose; and

WHEREAS, during ERT’s July 12, 2023 Regular Meeting, the ERT Board of Directors approved an annual budget through Resolution No. 2023-05, with the intention of restructuring the agency by December 31, 2023; and

WHEREAS, during ERT’s September 13, 2023 Regular Meeting, the ERT Board of Directors authorized ERT Executive Director and ERT General Counsel’s Office to take steps to terminate ERT subject to final Board approval; and

WHEREAS, under Section 3.2(i) of the ERT Joint Powers Agreement, ERT may terminate upon the unanimous vote of its Members; and

WHEREAS, under Section 3.2(a)(7) of the ERT Joint Powers Agreement, any debts of ERT are its own debts, not debts of its members, including the City of Cudahy.

WHEREAS, the ERT Board of Directors desires to terminate ERT.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF CUHADY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Authorizes its ERT representative to vote to terminate ERT under Section 3.2(i) of the ERT Joint Powers Agreement.
SECTION 2. Directs the City Manager/Agency Executive Director and staff to take all needed actions to complete the City of Cudahy’s withdrawal from ERT, including paying any amounts owed to ERT as final membership dues.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 7th day of November 2023.

Daisy Lomelí
Mayor

CERTIFICATION

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )  SS:
CITY OF CUDAHY     )

I, Richard Iglesias, City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 23-51 was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 7th day of November 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Richard Iglesias
City Clerk
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor/Chair and City Council/Agency Members
From: Alfonso Noyola, City Manager/Executive Director
By: Richard Iglesias, City Clerk
Subject: Consideration to Appoint Erica Dominguez to the Planning Commission

RECOMMENDATION

The City Council is requested to appoint Erica Dominguez to the Planning Commission, Vice Mayor J. Gonzalez’s appointment.

BACKGROUND AND ANALYSIS

On May 17, 2022, City Council adopted Ordinance No. 722, amending Chapter 2.36 of Title 2, attached for reference.

In accordance with Ordinance No. 722, each Council Member shall appoint one commissioner to the Planning Commission. The appointed commissioner shall serve concurrently with the Council Member who appointed them.

The Planning Commission serves in an advisory capacity to the City Council on land-use policy planning matters which guide the City's future growth, development, and beautification, including public and private buildings and works, subdivisions, streets, parks and playgrounds, and unimproved real property. This Commission meets on the third Monday of each month at 6:30 p.m.

To qualify to serve on the planning commission, individuals must meet one of the following:

- Cudahy Resident
- City Business Owners
• Employed in the City
• Nonprofit that provides services in the City

City Council Members may appoint commission applicants or choose to bring forward their nominee, and staff can verify after the fact if they meet qualifications.

CONCLUSION

Currently, the Planning Commission has one vacancy. Therefore, the City Council is recommended to appoint Erica Dominguez to the Planning Commission, Vice Mayor J. Gonzalez’s appointment.

STRATEGIC PLAN CORRELATION

Goal F
4. Identify methods to connect with community members, including soliciting input on a regular basis.

7. Foster relationship building among residents.

FINANCIAL IMPACT

There is no fiscal impact in the review and selection of commission appointees.

ATTACHMENT

A. Applications
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk's Office
5220 Santa Ana Street, Cudahy, CA 90201
(323) 773-5143

Instructions (Please Type or Print Clearly)
All requested information must be furnished on the application itself. Resumes, attachments, and other supporting documentation may be included but cannot be substituted for an application form. It is important that you answer all questions on your application fully and accurately. If additional space is needed to answer questions, attach additional sheets. Please be aware that all applications and accompanied documents are considered public information and may be disclosed/released pursuant to the California Public Records Act. Applications are submitted to City Council for appointment at a regular Council meeting.

(Please check the commission on which you wish to serve, if you wish to apply to multiple commissions, please rank them using numbers 1-4 with number 1 being the most preferred commission)

☐ Senior and Community Services Commission
(Meeting date to be determined by resolution by the Commission)

☐ Parks and Environmental Justice Commission
(Meeting date to be determined by resolution by the Commission)

☐ Planning Commission
(Meets every 3rd Monday of the month at 6:30 p.m.)

☐ Recreation, Art, and Cultural Heritage Commission
(Meeting date to be determined by resolution by the Commission)

Full Name: Erica Dominguez
Residence Address: [redacted]
Email Address: [redacted]@email.com
Primary Phone: [redacted] Secondary Phone: [redacted]

No person shall be qualified for appointment to any commission unless such person is either a resident of the City, business owner in the City, is employed in the City, or employed at a nonprofit that provides services for the City. Current elected officials from the City and all City employees are prevented from serving on any commission. (Cudahy Municipal Code Section 2.32.010)

(Check all that apply)

☒ Resident
☐ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):
College A.A, Real Estate License, Banking Certificate.

List any volunteer activities or organizations you are involved with:
- Chilo Foundation-partnered with URM (Union Rescue Mission) in skid row to end homelessness.
- Running Mami's-partnered with Nike, motivating moms to stay active make new connections with other moms.
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

I believe that this position presents a unique opportunity to contribute to the betterment of our community. Over the years I have had the privilege of actively engaging in various community initiatives, from volunteering to advocating for policies that improve the lives of our residents.

What background and/or experience makes you a suitable candidate for appointment?

My background in business, residential and commercial real estate has equipped me with the skills necessary to effectively address the challenges and opportunities that our city faces.

What do you see as the objectives and goals of the commission?

I am eager to collaborate with other commissioners, city officials, and our community members to find innovative solutions and make well-informed decisions.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

Each person seeking a position on a Commission shall complete an application and submit to a Live Scan background check upon appointment and before swearing into office. Some Commissions may be requested to file a Conflict of Interests Statement pursuant to Fair Political Practices regulations. Information will be provided by the Office of the City Clerk.

AUTHORIZATION AND RELEASE

I understand that in connection with this application for appointment, the information contained herein will be made available to the general public upon request. I further understand that if appointed, I will be required to take an oath (or affirmation) of office and may be subject to requirements for filing financial disclosure statements.

I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719, Ordinance No. 722 and Resolution No. 22-40, have read them in their entirety, and I am willing to fulfill this commitment if appointed. (Initial here: [ ])

[Redacted]

Applicant’s Signature

[Redacted]

Date

Date of Appointment: ___________________________  Appointed By: ___________________________
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk’s Office
5220 Santa Ana Street, Cudahy, CA 90201
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   (Meeting date to be determined by resolution by the Commission)

☐ Recreation, Art, and Cultural Heritage Commission
   (Meeting date to be determined by resolution by the Commission)

Full Name: Aureliano Sanchez

Residence Address: 

Email Address: @outlook.com

Primary Phone:  Secondary Phone: 

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(Check all that apply)

☐ Resident

☐ Business Owner

☐ Employed in the City

☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

Currently Employed at National Freight Logistics.

Company Address: 

List any volunteer activities or organizations you are involved with.

I currently help out in my church, also mentor and help those in need find jobs.
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

I am interested in serving as a commissioner as I would like to help businesses grow in the community.

During these troubled times, I would like to help save jobs, as well implement new ones. I see homelessness as a big issue in our community and would want to help them find housing as well as jobs. I would like to have the opportunity to learn and be more informed on community issues.

What background and/or experience makes you a suitable candidate for appointment?

In my current field I am in charge of safety guidelines, this has shown me to be extremely organized. It has also allowed me to expand my knowledge on preparing and being able to foresee possible future restrictions. I have the ability to negotiate, this is vital, as you will need to be able to meet many different community needs and desires.

What do you see as the objectives and goals of the commission?

One of the goals I see is to keep the community safe and assist with current and future zoning.

Also, acquiring the knowledge to be able to do what’s best for the community’s needs and desires.

Another objective is to attract more businesses, and improve employment opportunities.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

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AUTHORIZED AND RELEASE

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I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719, Ordinance No. 723 and Resolution No. 22-45, have read them in their entirety, and I am willing to fulfill this commitment if appointed: (Initial here: ___)

Applicant’s Signature 2/21/2023 Date

________________________________________________________OFFICE USE ONLY________________________________________________________

Date of Appointment: ____________________  Appointed By: ____________________
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk’s Office
5220 Santa Ana Street, Cudahy, CA 90201
(323) 773-5143

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   (Meeting date to be determined by resolution by the Commission)

☒ Planning Commission
   (Meets every 3rd Monday of the month at 6:30 p.m.)

☐ Recreation, Art, and Cultural Heritage Commission
   (Meeting date to be determined by resolution by the Commission)

Full Name: Briana Alexis Ramirez

Residence Address: 

Email Address: @yahoo.com

Primary Phone:  
Secondary Phone: 

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(Check all that apply)

☐ Resident
☒ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

B.A in Business Economics with a minor in Management

List any volunteer activities or organizations you are involved with.

Volunteer in helping feed those in need through the year.
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

I would like to be more involved and be a voice for the community as well as improve the city in an economical light

I feel as if the city is in need of a change, and of growth. I would like to be given the opportunity to help Cudahy reach its full potential.

I would also like to increase employment, and set new expectations for this city, one project at a time.

What background and/or experience makes you a suitable candidate for appointment?

With a bachelor’s in business economics I learned about the financial and organizational issues corporations face and how to solve such issues.

This knowledge will be beneficial when it would come to becoming a planning commissioner, as one would need to be able to grow the city, while having financial and environmental restrictions. As a business owner, I also have a dual perspective on what the city needs in both a business and residential light.

What do you see as the objectives and goals of the commission?

There are various objectives I see as a goal of the commission, the most important one being improving employment and economic well-being as well as setting zoning. Especially within such a small city it is important to use the land we have wisely and properly as a way to protect property values, while still giving our city the opportunity to grow.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

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Applicant’s Signature: ___________________________  Date: 2/20/23

Date of Appointment: ___________________________  Appointed By: ___________________________
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk's Office
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(Meeting date to be determined by resolution by the Commission)

☐ Recreation, Art, and Cultural Heritage Commission
(Meeting date to be determined by resolution by the Commission)

Full Name: [Redacted]
Residence Address: [Redacted]
Email Address: [Redacted]@gmail.com
Primary Phone: [Redacted] Secondary Phone: [Redacted]

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(Check all that apply)

☑ Resident
☐ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

Profesional Ingeniería Civil (Trunca)
(2 años).

List any volunteer activities or organizations you are involved with.

Realizo cada año una limpieza comunitaria en mi ciudad Cudahy este sería mi 3 año realizando el evento del día del niño, entrega de mochilas útiles escolares, entrega de pañales, día de las madres, entrega de despensas, he hecho alcance con las votaciones todos 2020, etc. Todo en mi ciudad de Cudahy.
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

Me interesa siempre el bienestar de mi familia y mi comunidad. Estoy trabajando en un proyecto del Calentamiento global con la NASA, estoy apoyando el CLCV y estoy en el proyecto del LINK para renovar el parque de la Clave y la construcción del Jardín comunitario en Clave, etc.

What background and/or experience makes you a suitable candidate for appointment?

He abogado por las causas justas, procurando el bienestar de las familias, importa la edad, soy una persona resiliente. Estoy en el concierto de la escuela, importante para la educación de nuestros niños, soy muy empáticamente.

What do you see as the objectives and goals of the commission?

Atraer grandes y buenos proyectos a nuestra ciudad para el "crecimiento" de la misma. Quiero una ciudad con muchos comercios y sea muy atractiva para los residentes y visitantes.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

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I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719, Ordinance No. 722 and Resolution No. 22-40, have read them in their entirety, and I am willing to fulfill this commitment if appointed: (Initial here: __)

Applicant’s Signature

Febrero-07-2023

Date

Date of Appointment: ___________________________  Appointed By: ___________________________
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk’s Office
5220 Santa Ana Street, Cudahy, CA 90201
(323) 773-5143

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appointment at a regular Council meeting.

(Please check the commission on which you wish to serve, if you wish to apply to multiple commissions, please rank
them using numbers 1-4 with number 1 being the most preferred commission)

☐ Senior and Community Services
  Commission
  (Meeting date to be determined by resolution
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☐ Planning Commission
  (Meets every 3rd Monday of the month at
  6:30 p.m.)

☐ Parks and Environmental Justice
  Commission
  (Meeting date to be determined by resolution
  by the Commission)

☐ Recreation, Art, and Cultural Heritage
  Commission
  (Meeting date to be determined by
  resolution by the Commission)

Full Name: Julia L Rui
Residence Address: __________________________
Email Address: julia_lruiv@yahoo.com
Primary Phone: __________________________ Secondary Phone: __________________________

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owner in the City, is employed in the City, or employed at a nonprofit that provides services for the City. Current elected
officials from the City and all City employees are prevented from serving on any commission. (Cudahy Municipal Code
Section 2.32.010)

(Check all that apply)

☐ Resident
☐ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

MBA

List any volunteer activities or organizations you are involved with.

Board Member of Invictus Leadership Academy
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

Participate in the strategic development of new projects or enhancements for the
enhance the well-being of its residents. Simultaneously, ensure that
with the city's mission and objectives.

What background and/or experience makes you a suitable candidate for appointment?

Over the past three years, I have served as a member of the Invictus Leadership Academy board.
During this time, I actively participated in the approval process for the instructional calendar,
financial matters, and school improvement initiatives.

What do you see as the objectives and goals of the commission?
The Planning Commission's got some clear goals in mind: they want to make sure there's
affordable housing options, get the community more involved and take care of the city's important
infrastructure, you know, the stuff that keeps everything running smoothly.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

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AUTHORIZATION AND RELEASE

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I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719, Ordinance No. 722 and Resolution No. 22-40, have read them in their entirety, and I am willing to fulfill this commitment if appointed. (Initial here: FR)

Applicant's Signature

July 20, 2023
Date

Date of Appointment: ____________________
Appointed By: ____________________
APPLICATION FOR CITY COMMISSIONS
City of Cudahy
City Clerk's Office
5220 Santa Ana Street, Cudahy, CA 90201
(323) 773-5143

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(Meeting date to be determined by resolution by the City Council)

☐ Recreation, Art, and Cultural Heritage Commission
(Meeting date to be determined by resolution by the City Council)

Full Name: Christian Nunez Valdivia
Residence Address:
Email Address: christian.nunez.valdivia@gmail.com
Primary Phone: Secondary Phone:

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(Check all that apply)

☒ Resident
☐ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

Bachelor of Arts in Spanish and minor in Women's Gender and Sexuality Studies

List any volunteer activities or organizations you are involved with:

Immigrant Rights Movement (Local, State, National)
Homeless Shelters and Food Bank.
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

I am interested in serving as a commissioner for the people of Cudahy to form part of an integral and collaborative group that works on-going development of the community towards positive social change.

What background and/or experience makes you a suitable candidate for appointment?

I have extensive experience serving as both an educator and behavioral therapist for children, teenagers, and adults. My experience has allowed me to create fundraisers while teaching life skills, community, and family unity.

What do you see as the objectives and goals of the commission?

I would like to render my ideas to the people of Cudahy. I would like to see the community engage in healthy activities that will be beneficial for their cognitive and social development.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

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AUTHORIZATION AND RELEASE

I understand that in connection with this application for appointment, the information contained herein will be made available to the general public upon request. I further understand that if appointed, I will be required take an oath (or affirmation) of office and may be subject to requirements for filing financial disclosure statements.

I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719 and No. 722, have read both in their entirety, and I am willing to fulfill this commitment if appointed: [Initial here]

[Applicant's Signature] 07/15/2022
[Date]

OFFICE USE ONLY

Date of Appointment: ___________________________  Appointed By: ___________________________
APPLICATION FOR CITY COMMISSIONS
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City Clerk's Office
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   (Meeting date to be determined by resolution
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   6:30 p.m.)

☐ Recreation, Art, and Cultural Heritage
   Commission
   (Meeting date to be determined by
   resolution by the City Council)

Full Name: Netzer Rodriguez

Residence Address:

Email Address: NetzerRodquez@gmail.com

Primary Phone: ___________________________ Secondary Phone: ___________________________

No person shall be qualified for appointment to any commission unless such person is either a resident of the City, business
owner in the City, is employed in the City, or employed at a nonprofit that provides services for the City. Current elected
officials from the City and all City employees are prevented from serving on any commission. (Cudahy Municipal Code
Section 2.32.010)

(Check all that apply)

☐ Resident
☐ Business Owner
☐ Employed in the City
☐ Nonprofit that provides services for the city

Education (degrees, professional or vocational licenses or certificates):

Associates of Applied Science: Electronics and Computer Technology

Certificate of Achievement in Geographic Information Systems (GIS)

List any volunteer activities or organizations you are involved with.

School Site council President - 8/2021 - 6/2022 Aspire gateway academy

School Site Council member 8/2020 - 6/2021 Gladstone street elementary
Why are you interested in serving as a commissioner? Please describe any work, training, certificates, and/or mentorship in professional organizations that would qualify you for this position. (If additional space is required, please attach a separate sheet.)

As a new homeowner in the city I would like to get more involved in city matters.
I think it's important that we all get involved in our community to make it better for our kids.

What background and/or experience makes you a suitable candidate for appointment?
My background is in Information Technology, and I am interested in applying my expertise and knowledge in the growth of the city. I also served for three years on the school site council, and served as president for two years.

What do you see as the objectives and goals of the commission?
To strategically grow the city and meet the needs of the community. In addition develop long term sustainable strategies and infrastructure.

Please feel free to attach your resume or any additional information or statements which you feel would be helpful to the City Council in reviewing your qualifications.

Each person seeking a position on a Commission shall complete an application and submit to a Live Scan background check upon appointment and before swearing into office. Some Commissions may be requested to file a Conflict of Interests Statement pursuant to Fair Political Practices regulations. Information will be provided by the Office of the City Clerk.

AUTHORIZATION AND RELEASE
I understand that in connection with this application for appointment, the information contained herein will be made available to the general public upon request. I further understand that if appointed, I will be required to take an oath (or affirmation) of office and may be subject to requirements for filing financial disclosure statements.

I am aware of the obligations and responsibilities of serving as a commissioner pursuant to the Cudahy Municipal Code and have been given copies of Ordinance No. 719 and No. 722, have read both in their entirety, and I am willing to fulfill this commitment if appointed: (Initial here: ____) 

[Signature]
Applicant's Signature

7/25/2023
Date

OFFICE USE ONLY

Date of Appointment: ___________________  Appointed By: ___________________
NETZER RODRIGUEZ

Professional Summary

Proficient Information Technology Analyst offering more than 20 years of experience in helpdesk operations, network maintenance and mobile device support. Applies technical expertise and diagnostic abilities toward solving problems and maintaining usability and performance. Versed in large data storage networks, voice/data innovations and VPNs.

Skills

- Platforms: Windows, iOS, Linux, AIX
- Hardware: HP/IBM/Dell/Thin client desktops, notebooks, servers, Cisco routers, hubs, switches, access points, Will call Kiosk, POS stations, and credit card stations
- Applications: Microsoft Suite, Salesforce, Norton/MacAfee anti-virus, drive image pro, VPN, Citrix, CISO IP Phone, Manage Engine Applications Manager, and ESRI ArcGIS Suite.
- Network Infrastructure Monitoring
- Bilingual in Spanish

Work History

Paciolan – Irvine, CA 11-2013 to Current
Senior Network Operations Analyst II 4-2023 to Current
Senior Network Operations Analyst I 5-2018 to 4-2023
Network Operations Analyst 11-2013 to 5-2018

- Provide first level help desk support to over 200 in house users, over 100 remote users, and over 2000 individual clients across US, Canada, and Singapore.
- Provide recommendations regarding new hardware and software to keep IT infrastructure up to date.
- Perform system installation updates to address vulnerabilities and reduce security issues.
- Maintain servers and systems to keep networks fully operational during peak periods.
- Optimize system operation and resource utilization to streamline workflows and processes.

Ticketmaster – Hollywood, CA 1-2007 to 11-2013
Field Technology Specialist Level II 1-2010 to 11-2013
Field Technology Specialist Level I 1-2007 to 1-2010
- Performed onsite maintenance and upgrades of over 1000 workstations, printers, and laptops.
- Established positive customer relationships by providing punctual, cost-effective solutions.
- Conducted regular inspections of equipment to promptly identify issues that could cause device malfunctions.
- Deployment of new workstations and printers, installing operating systems, applications, drivers and configuring network properties.

Plaza Amusement – Ontario, CA 1-2006 to 1/2007
IT Field service Technician

Jaafri Industries – San Dimas, CA 1-2005 to 1/2006
IT Field service Technician

Sears – West Covina, CA 11-2001 to 12-2004
Preventative Maintenance Technician
Warehouse Associate 2-2002 to 12-2004
11-2001 to 2-2002

Education

Certificate of Achievement in Geographic Information Systems (GIS)
Rio Hondo College - Whittier, CA

Certified Copper Cabling Specialist
Los Angeles Trade Technical College - Los Angeles, CA

Associates of Applied Science: Electronics and Computer Technology
DeVry University - Pomona, CA

Accomplishments

- Certifications: Copper Cabling Specialist, HP, Brother, Xerox LaserJet printer/fax repair
- FAA Part 107 UAS Remote Pilot Certificate
STAFF REPORT

Date: November 7, 2023
To: Honorable Mayor and City Council
From: Alfonso Noyola, City Manager
By: Paloma McEvoy, Assistant City Attorney
Subject: Continued Consideration of a request from VM Evergreen, LLC for Forgiveness of Fees and Repayment Plan Request

RECOMMENDATION

Staff is recommending the City Council consider the additional information requested from staff, consider comments from VM Evergreen, LLC, consider comments from members of the public and deny VM Evergreen’s request for forgiveness of fees and repayment plan.

BACKGROUND

On October 17, 2023, the City Council considered a request from VM Evergreen, LLC (“Operator”) to for a forgiveness of fees and repayment plan request citing financial hardship. The Operator did not provide exact terms or a details on a repayment schedule.

The City Council tabled further discussion of the item, requesting more information regarding amounts paid to the City: (1) from the execution of the Development Agreement until the start of the COVID-19 pandemic; (2) during the COVID-19 pandemic; (3) from the end of the COVID-19 pandemic and the burglary that was reported by the Operator; (4) from the time of the burglary to present; and (5) the amount Operator is seeking the City to waive.

DISCUSSION

The Operator, VM Evergreen LLC, has requested the City Council to consider a forgiveness of fees and repayment plan request citing financial hardship. After a public hearing and deliberation by the City Council, the City Council tabled the item requesting more information regarding the payments made by the Operator.

As of October 31, 2023, the Operator has an outstanding balance of $361,129.13. (Attachment
A). Fees owed to the City may have increased as of November 1, 2023.

The Operator and City entered into a Development Agreement ("DA18-001C") on February 11, 2018 ("Effective Date"). The Development Agreement obligated the Operator to pay Community Benefits Fees, Non-Operating Fees, and Cost Recovery Fees. As demonstrated in Table 1 below, the foregoing fees commenced shortly after the Effective Date and are subject to certain payment schedules:

<table>
<thead>
<tr>
<th>Fee</th>
<th>Payment Schedule</th>
<th>Date Payment Obligations Commence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Benefit Fees</td>
<td>20% of the yearly sum ($13,333.40), and then 10 monthly installments ($5,333.36)</td>
<td>30 days after the Effective Date (March 13, 2018)</td>
</tr>
<tr>
<td>Non-Operating Fees</td>
<td>Paid on a monthly basis</td>
<td>90 days after the Effective Date (May 12, 2018)</td>
</tr>
<tr>
<td>Cost Recovery Fee</td>
<td>Paid on a monthly basis</td>
<td>The month following the Effective Date (March 1, 2018)</td>
</tr>
</tbody>
</table>

As demonstrated in Table 1 above, obligations under the Development Agreement started to accrue as early as March 2018. As demonstrated in Table 2, below, the City received its first payment, in April 2019, approximately thirteen (13) months after the Effective Date of the Development Agreement.

Table 2, below, provides a full accounting of the payments submitted by the Operator during the duration of the Development Agreement from 2018 to present. The breakdown of payments made to the City are broken down as follows: (1) from the execution of the Development Agreement until the start of the COVID-19 pandemic (April 2018-March 2020); (2) during the COVID-19 pandemic (April 2020-June 2021); (3) from the end of the COVID-19 pandemic and the burglary that was reported by the Operator (July 2021-January 2023); (4) from the time of the burglary to present (February 2023-Present).
Table 2. Schedule of Payments Made

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/15/2019</td>
<td>13,333.40</td>
</tr>
<tr>
<td>04/25/2019</td>
<td>5,333.36</td>
</tr>
<tr>
<td>06/05/2019</td>
<td>5,333.36</td>
</tr>
<tr>
<td>10/21/2019</td>
<td>15,000.00</td>
</tr>
<tr>
<td>11/18/2019</td>
<td>6,333.44</td>
</tr>
<tr>
<td>03/01/2021</td>
<td>13,333.40</td>
</tr>
<tr>
<td>04/12/2021</td>
<td>88,000.44</td>
</tr>
<tr>
<td>06/10/2021</td>
<td>16,000.08</td>
</tr>
<tr>
<td>07/16/2021</td>
<td>5,333.36</td>
</tr>
<tr>
<td>08/13/2021</td>
<td>5,333.36</td>
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<tr>
<td>07/05/2023</td>
<td>5,333.36</td>
</tr>
<tr>
<td>07/05/2023</td>
<td>5,333.36</td>
</tr>
</tbody>
</table>

1. **Payments Made From the Effective Date to the Beginning of the COVID-19 Pandemic (April 2018-March 2020)**

As demonstrated in Table 2 above, between April 2018 and March 2020, Operator made five (5) payments out of the possible twenty-four (24) payments prior to the start of the COVID-19 pandemic, for a total of $39,000.12.

2. **Payments Made During the COVID-19 Pandemic (April 2020-June 2021)**

In March 2020, Governor Gavin Newsom and the Los Angeles County Public Health Department issued Shelter-In-Place Orders to slow the spread of the COVID-19 pandemic. The state recognized cannabis activities, including the cultivation, manufacture, and sale of cannabis products as an essential business throughout the duration of the pandemic. (Attachment B.)

Additionally, during the height of the COVID-19 pandemic, City Hall continued to conduct business and serve its constituents in a socially distanced manner, despite the premises being closed to the public. Phones were still operational and project applicants could drop off materials for staff review.

Table 2 indicates that between April 2020 and June 2021, the Operator made three (3) payments out of the fifteen (15) monthly payments that were due during this time frame for a total of $117,333.92.

3. **Payments Made from the End of the COVID-19 Pandemic to the Reported Burglary (July 2021-January 2023)**
On June 11, 2021, Governor Newsom issued Executive Order N-07-21, which rescinded the state Shelter-In-Place orders and ordered the California economy to open back up for business beginning on June 15, 2021. (Attachment C.)

In January 2023, the Operator filed two reports with the Los Angeles County Sheriff’s Department; a report for burglary (with an estimated $13,000 in stolen equipment) and a report for vandalism (with an estimated $14,500 in damages).

From July 2021 to January 2023, Operator made two (2) payments out of the possible nineteen (19) monthly payments that were due and payable during this period.

4. Payments Made from the Time of the Reported Burglary to Present (February 2023-Present)

Operator and City entered into a second repayment plan on May 12, 2023 (Letter Agreement). The terms of the Letter Agreement required the Operator to start making payments in June 2023 and remain current on Community Benefits and Cost Recovery Fees, but deferred the payment of Non-Operating Fees until six months after Operator received a temporary certificate of occupancy for the Site. During this time, Operator has made two (2) payments for Community Benefits Fees only.

Additional Issues for City Council Consideration

The Operator has requested a waiver of fees and repayment plan but has not expressed the amount requested to be waived nor a repayment schedule. Further, the Operator has not addressed other outstanding violations that were detailed in the October 17 Staff Report (Attachment D), including:

(1) The Red Tag status of the Site due to noncompliant and unpermitted work; and
(2) Failure to open an Escrow Account;

CONCLUSION

For the reasons discussed above and the information attached to this report, City staff recommends the City Council deny the request from the Operator due to their defaults under the Development Agreement and Commercial Cannabis Permit. As the next steps, City staff will continue the administrative process and schedule a Review Hearing on their compliance with the terms of the Development Agreement and Commercial Cannabis Permit.

STRATEGIC PLAN IMPACT

Not Applicable.
FINANCIAL IMPACT

There is no financial impact on the General Fund if the City Council denies the request. If the City Council enters into an additional payment agreement, the City will further delay the Operator’s financial contribution under the Development Agreement.

ENVIRONMENTAL REVIEW

Under California law, a project that previously was subject to review under the California Environmental Quality Act (“CEQA”) may be exempt from CEQA or may be evaluated under the provisions that may trigger subsequent or supplemental CEQA review (under Public Resources Code Section 21166 and CEQA Guidelines Section 15162). The actions are exempt from CEQA on the basis of CEQA Guidelines Section 15061. The CEQA Guidelines provide that, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ATTACHMENTS

A. Invoice (October 24, 2023)
B. Essential Workforce Guidance
C. Executive Order N-07-21 (June 11, 2021)
D. Staff Report for Consideration of a request from VM Evergreen, LLC for Forgiveness of Fees and Repayment Plan Request with Attachments (October 17, 2023)
<table>
<thead>
<tr>
<th>Operator</th>
<th>CBP Comm Benefit</th>
<th>URBFI Cost Recovery</th>
<th>OPFEE Non Operating Fees</th>
<th>OPFEE Penalties</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>VM Evergreen, LLC</td>
<td>138,667.36</td>
<td>66,825.50</td>
<td>105,440.16</td>
<td>25,606.89</td>
<td>310,933.02</td>
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</table>

**Penalties from Aug 2022 - May 2023**

<table>
<thead>
<tr>
<th>BILLINGS</th>
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<tbody>
<tr>
<td>Jun 2023</td>
<td>-</td>
<td>4,828.28</td>
<td>-</td>
<td>3,765.72</td>
<td>8,594.00</td>
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<tr>
<td>Jul 2023</td>
<td>-</td>
<td>428.13</td>
<td>-</td>
<td>3,765.72</td>
<td>4,193.85</td>
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<tr>
<td>Aug 2023</td>
<td>-</td>
<td>3,450.66</td>
<td>-</td>
<td>3,765.72</td>
<td>7,216.38</td>
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<td>Sep 2023</td>
<td>-</td>
<td>2,904.97</td>
<td>-</td>
<td>3,765.72</td>
<td>6,670.69</td>
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<tr>
<td>Oct 2023</td>
<td>5,333.36</td>
<td>pending</td>
<td>3,765.72</td>
<td>3,765.72</td>
<td>12,864.80</td>
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</tbody>
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<table>
<thead>
<tr>
<th>PAYMENTS</th>
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<tr>
<td>Jun 2023</td>
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<td>Jul 2023</td>
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<td>Aug 2023</td>
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<td>Sep 2023</td>
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<td>Oct 2023</td>
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<td>Nov 2023</td>
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<td>Dec 2023</td>
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<td>Jan 2024</td>
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<td>Feb 2024</td>
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<tr>
<td>Mar 2024</td>
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<tr>
<td>Apr 2024</td>
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<tr>
<td>May 2024</td>
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<tr>
<td>Jun 2024</td>
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</tbody>
</table>

| Expense Reimbursement - 10/2023 | (14,950.50) | (14,950.50) |

**Balance as of October 1, 2023**

|                  | 144,000.72 | 63,487.04 | 109,205.88 | 44,435.49 | 361,129.13 |

Revised Invoice: 10/24/2023
ESSENTIAL WORKFORCE

On March 19, 2020, Governor Newsom issued Executive Order N-33-20 directing all residents immediately to heed current State public health directives to stay home, except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as the State Public Health Officer may designate as critical to protect health and well-being of all Californians.

In accordance with this order, the State Public Health Officer has designated the following list of “Essential Critical Infrastructure Workers” to help state, local, tribal, and industry partners as they work to protect communities, while ensuring continuity of functions critical to public health and safety, as well as economic and national security.

Sector Index:

1. Health and Public Health Sector
2. Emergency Services Sector
3. Food and Agriculture Sector
4. Energy Sector
5. Water and Wastewater Sector
6. Transportation and Logistics Sector
7. Communications and Information Technology Sector
8. Government Operations and Other Community-Based Essential Functions
9. Critical Manufacturing Sector
10. Financial Services Sector
11. Chemical Sector
12. Defense Industrial Base Sector
13. Industrial, Commercial, Residential and Sheltering Facilities and Services

Relevant Guidance For All Sectors:

- Face Coverings Guidance
  - Orientación Sobre el Uso de Mascarillas de Tela
- Self-Isolation for Older Adults and Those Who Have Elevated Risk
  - Aislamiento para Adultos Mayores y Personas que Tienen un Riesgo Elevado
- Employers, health care workers and workers in general industry
1. HEALTHCARE / PUBLIC HEALTH

Sector Profile

The Healthcare and Public Health (HPH) Sector is large, diverse, and open, spanning both the public and private sectors. It includes publicly accessible healthcare facilities, research centers, suppliers, manufacturers, and other physical assets and vast, complex public-private information technology systems required for care delivery and to support the rapid, secure transmission and storage of large amounts of HPH data.

Essential Workforce, if remote working is not practical:

1. Health care providers and caregivers (including physicians, dentists, psychologists, mid-level practitioners, nurses, assistants, and aids; infection control and quality assurance personnel; pharmacists; physical, respiratory, speech and occupational therapists and assistants; social workers and providers serving individuals with disabilities including developmental disabilities; optometrists; speech pathologists; chiropractors; diagnostic and therapeutic technicians; and radiology technologists).

2. Workers required for effective clinical, command, infrastructure, support service, administrative, security and intelligence operations across the direct patient care and full healthcare and public health spectrum, including accounting, administrative, admitting and discharge, engineering, accrediting, certification, licensing, credentialing, epidemiological, source plasma and blood donation, food service, environmental services, housekeeping, medical records, information technology and operational technology, nutritionists, sanitarians; emergency medical services workers; prehospital workers including but not limited to urgent care workers; inpatient and hospital workers; outpatient care workers; home care workers; workers at long-term care facilities, residential and community-based providers; workplace safety workers).

3. Workers needed to support transportation to and from healthcare facilities and provider appointments.

4. Workers needed to provide laundry services, food services, reprocessing of medical equipment, and waste management.

5. Vendors and suppliers (including imaging, pharmacy, oxygen services, durable medical equipment)

6. Workers who perform critical clinical research, development, and testing needed for COVID-19 response.

7. Workers in other medical and life science facilities (including Ambulatory Health and Surgical, Blood Banks, Clinics, Community Mental Health, Comprehensive Outpatient rehabilitation, End Stage Renal Disease, Health Departments, Home Health care, Hospices, Hospitals, Long Term Care, Organ Pharmacies, Procurement Organizations, Psychiatric, Residential, Rural Health Clinics and Federally Qualified Health Centers, and retail facilities specializing in medical goods and supplies, including cannabis).

8. Workers for health manufacturing (including life science companies, and companies that have shifted production to medical supplies), materials and parts suppliers, technicians, logistics and warehouse operators, printers, packagers, and distributors of medical equipment (including those who test and repair), personal protective equipment (PPE), isolation barriers, medical
gases, pharmaceuticals (including materials used in radioactive drugs, and cannabis products), dietary supplements, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, personal hygiene products, and tissue and paper towel products.


10. Behavioral and mental health workers responsible for coordination, outreach, engagement, and treatment to individuals in need of mental health and/or behavioral services.

11. Donors of blood bone marrow, blood stem cell, or plasma and the workers of the organizations that operate and manage related activities.

12. Workers that manage health plans, billing, and health information.

13. Workers who conduct community-based public health functions, conducting epidemiologic surveillance, compiling, analyzing and communicating public health information.

14. Workers performing IT and cybersecurity functions at healthcare and public health facilities.

15. Workers performing security, incident management, and emergency operations functions at or on behalf of healthcare entities including healthcare coalitions.

16. Pharmacy employees, including workers necessary to maintain uninterrupted prescription filling.

17. Workers in retail facilities specializing in medical goods and supplies.

18. Public health and environmental health workers, including workers specializing in environmental health that focus on implementing environmental controls, sanitary and infection control interventions, healthcare facility safety and emergency preparedness planning, engineered work practices, and developing guidance and protocols for appropriate PPE to prevent COVID-19 disease transmission; Public health/ community health workers (including call center workers) who conduct community- based public health functions, conducting epidemiologic surveillance and compiling, analyzing, and communicating public health information.

19. Mortuary services providers, including workers performing mortuary, funeral, cremation burial, cemetery, and related services, including funeral homes, crematoriums, cemetery workers and coffin makers.

20. Workers who coordinate with other organizations to ensure the proper recovery, handling, identification, transportation, tracking, storage, and disposal of human remains and personal effects; certify cause of death; and facilitate access to behavioral and mental health services to the family members, responders, and survivors of an incident.

21. Workers supporting veterinary hospitals and clinics.

**Relevant Sector Guidance:**

- [All Facility Letters for health care facilities, including long-term care facilities](#)
- [Health care facilities, Skilled Nursing Facilities](#)
- [Individuals with Access and Functional Needs](#)
- [Medical Waste Management - Interim Guidelines](#)
- [Outpatient Healthcare Facility Infection Control Recommendations for Suspect COVID-19 Patients](#)
- [Prioritization of Patients for Laboratory Testing for COVID-19](#)
- [Veterinary Professionals and Premises](#)
- **Regional Centers:**
  - [Visits to Licensed Residential Facilities](#)
  - [Risk Mitigation Strategies for ARFPSHN, ICF/DD-CN](#)
- [Adult and Senior Care Facilities](#)
• Cuidado a los Adultos Mayores
• Community care facilities, including assisted living facilities and child care
• Medi-Cal Managed Care Health Plans: COVID – 19 Screening and Testing
• Coverage Options Fact Sheet
  • Opciones De Cobertura
• Department of Managed Health Care All Plan Letter
• California Department of Insurance Bulletin
2. EMERGENCY SERVICES SECTOR

Sector Profile

The Emergency Services Sector (ESS) is a community of highly-skilled, trained personnel, along with the physical and cyber resources, that provide a wide range of prevention, preparedness, response, and recovery services during both day-to-day operations and incident response. The ESS includes geographically distributed facilities and equipment in both paid and volunteer capacities organized primarily at the federal, state, local, tribal, and territorial levels of government, such as city police departments and fire stations, county sheriff’s offices, Department of Defense police and fire departments, and town public works departments. The ESS also includes private sector resources, such as industrial fire departments, private security organizations, and private emergency medical services providers.

Essential Workforce, if remote working is not practical:

1. Public, private, and voluntary personnel (front line and management) in emergency management, law enforcement, fire and rescue services, emergency medical services, corrections, rehabilitation and reentry, search and rescue, hazardous material response, and technicians supporting maritime and aviation emergency response.
2. Public Safety Answering Points and 911 call center employees; personnel involved in access to emergency services including the emergency alert system and wireless emergency alerts.
3. Fusion Center employees
4. Workers who support weather disaster / natural hazard monitoring, response, mitigation, and prevention, including personnel conducting, supporting, or facilitating wildfire mitigation activities
5. Workers – including contracted vendors -- who maintain, manufacture, or supply equipment and services supporting law enforcement, fire, EMS, and and emergency service response operations (including safety equipment, electronic security, and uniforms)
6. Workers responding to abuse and neglect of children, elders and dependent adults.
7. Animal control officers and humane officers
8. Security staff to maintain building access control and physical security measures
9. Workers and contracted vendors who maintain and provide services and supplies to public safety facilities, including emergency communication center, public safety answering points, public safety communications centers, emergency operation centers, fire and emergency medical services stations, police and law enforcement stations and facilities.

Relevant Sector Guidance:

- Public Health Guidance about COVID-19 for California State Prisons
- First responders, including paramedics and EMTs
3. FOOD AND AGRICULTURE

Sector Profile

The Food and Agricultural (FA) Sector is composed of complex production, processing, and delivery systems and has the capacity to feed people and animals both within and beyond the boundaries of the United States. Beyond domestic food production, the FA Sector also imports many ingredients and finished products, leading to a complex web of growers, processors, suppliers, transporters, distributors, and consumers. This sector is critical to maintaining and securing our food supply.

Essential Workforce, if remote working is not practical:

1. Workers supporting groceries, pharmacies, convenience stores, and other retail that sells food or beverage products, and animal/pet food, retail customer support service, information technology support staff, for online orders, pickup/takeout or delivery.
2. Workers supporting restaurant carry-out and quick serve food operations, including food preparation, carry-out and delivery food employees.
3. Food manufacturer employees and their supplier employees to include those employed in food ingredient production and processing-facilities; aquaculture and seafood harvesting facilities; livestock, poultry, seafood slaughter facilities; pet and animal feed processing facilities; human food facilities producing by-products for animal food; beverage production facilities; and the production of food packaging, including recycling operations and processing.
4. Farmers, farm and ranch workers, and agribusiness support services to include those employed in auction and sales; grain and oilseed handling, storage, processing and distribution; animal food, feed, and ingredient production, packaging, and distribution; manufacturing, packaging, and distribution of veterinary drugs; truck delivery and transport.
5. Farmers, farm and ranch workers, support service workers and their supplier employees producing food supply domestically and for export to include those engaged in raising, cultivating, harvesting, packing, storing, or delivering to storage or to market or to a carrier for transportation to market any agricultural or horticultural commodity for human consumption; those engaged in producing and harvesting field crops; cannabis growers; agricultural and commodity inspection; fuel ethanol facilities; storage facilities; biodiesel and renewable diesel facilities; and other agricultural inputs
6. Employees and firms supporting food, feed, and beverage distribution and ingredients used in these products including warehouse workers, vendor-managed inventory controllers, and blockchain managers.
7. Workers supporting the sanitation of all food manufacturing processes and operations from wholesale to retail.
8. Workers supporting the growth and distribution of plants and associated products for home gardens.
9. Workers in cafeterias used to feed workers, particularly worker populations sheltered against COVID-19
10. Workers in animal diagnostic and food testing laboratories
11. Workers essential for assistance programs and government payments
12. Government, private, and non-governmental organizations’ workers essential for food assistance programs (including school lunch programs) and government payments.
13. Employees of companies engaged in the production, storage, transport, and distribution of chemicals; medicines, including cannabis; vaccines; and other substances used by the food and agriculture industry, including seeds, pesticides, herbicides, fertilizers, minerals, enrichments, and other agricultural production aids.

14. Animal agriculture workers to include those employed in veterinary health (including those involved in supporting emergency veterinary or livestock services); raising of animals for food; animal production operations; livestock markets; slaughter and packing plants, manufacturers, renderers, and associated regulatory and government workforce.

15. Transportation supporting animal agricultural industries, including movement of animal medical and reproductive supplies and material, animal vaccines, animal drugs, feed ingredients, feed, and bedding, live animals, animal medical materials; transportation of deceased animals for disposal; and associated regulatory and government workforce.

16. Workers who support sawmills and the manufacture and distribution of fiber and forest products, including, but not limited to timber, paper, and other wood and fiber products.

17. Employees engaged in the manufacture and maintenance of equipment and other infrastructure necessary to agricultural production and distribution.

18. Workers at animal care facilities that provide food, shelter, veterinary and/or routine care and other necessities of life for animals.

**Relevant Sector Guidance:**

- Food, Beverage, Other Services
  - Alimentos, Bebidas y Otros Sitios de Servicios Relacionados
- Food Industry and Food Supply Chain
4. ENERGY

Sector Profile

The Energy Sector consists of widely diverse and geographically dispersed critical assets and systems that are often interdependent of one another. This critical infrastructure is divided into three interrelated segments or subsectors—electricity, oil, and natural gas—to include the production, refining, storage, and distribution of oil, gas, and electric power. The Energy Sector supplies fuels to the transportation industry, electricity to households and businesses, and other sources of energy that are integral to growth and production across the Nation. In turn, it depends on the Nation’s transportation, information technology, communications, finance, water, and government infrastructures.

Essential Workforce, if remote working is not possible:

1. Workers supporting the energy sector, regardless of the energy source, segment of the system, or infrastructure the worker is involved in, or who are needed to monitor, operate, engineer, and maintain the reliability, safety, environmental health, physical and cyber security of the energy system, including power generation, transmission and distribution.
2. Workers supporting the energy sector, regardless of the energy source, needed for construction, manufacturing, transportation and logistics, maintenance, and permitting.
3. IT and OT technology for essential energy sector operations including support workers, customer service operations, call centers, and emergency response and customer emergency operations; energy management systems, control systems, Supervisory Control and Data Acquisition SCADA systems, and energy sector entity data centers; cybersecurity engineers; and cybersecurity risk management.
4. Workers providing services related to energy sector fuels and supply chains, supporting the procurement, mining, drilling, processing, refining, manufacturing, refueling, construction, logistics, transportation (including marine transport, terminals, rail and vehicle transport), permitting operation and maintenance, security, waste disposal, storage, and monitoring of support for resources;
5. Workers supporting environmental remediation and monitoring.
6. Workers supporting manufacturing and distribution of equipment, supplies, and parts necessary to maintain production, maintenance, restoration, and service at energy sector facilities across all energy sectors, and regardless of the energy source.
7. Workers at Independent System Operators and Regional Transmission Organizations, and Network Operations staff, engineers and technicians to manage the network or operate facilities.
8. Workers at Reliability Coordinator, Balancing Authorities, and primary and backup Control Centers, including but not limited to independent system operators, regional transmission organizations, and balancing authorities; and workers involved in energy commodity trading and scheduling.
9. Mutual assistance personnel, which may include workers from outside of the state or local jurisdiction
10. Retail fuel centers such as gas stations and truck stops, and the distribution systems that support them.
5. WATER AND WASTEWATER

Sector Profile

The Water and Wastewater Sector is a complex sector composed of drinking water and wastewater infrastructure of varying sizes and ownership types. Multiple governing authorities pertaining to the Water and Wastewater Sector provide for public health, environmental protection, and security measures, among others.

Essential Workforce, if remote working is not practical:

Employees needed to operate and maintain drinking water and wastewater/drainage infrastructure, including:

1. Operational staff at water authorities
2. Operational staff at community water systems
3. Operational staff at wastewater treatment facilities
4. Workers repairing water and wastewater conveyances and performing required sampling or monitoring
5. Operational staff for water distribution and testing
6. Operational staff at wastewater collection facilities
7. Operational staff and technical support for SCADA Control systems
8. Chemical disinfectant suppliers for water and wastewater and personnel protection
9. Workers that maintain digital systems infrastructure supporting water and wastewater operations
6. TRANSPORTATION AND LOGISTICS

Sector Profile
The Transportation Systems Sector consists of seven key subsectors, or modes:

- Aviation includes aircraft, air traffic control systems, and airports, heliports, and landing strips. Commercial aviation services at civil and joint-use military airports, heliports, and sea plane bases. In addition, the aviation mode includes commercial and recreational aircraft (manned and unmanned) and a wide variety of support services, such as aircraft repair stations, fueling facilities, navigation aids, and flight schools.

- Highway and Motor Carrier encompasses roadway, bridges, and tunnels. Vehicles include trucks, including those carrying hazardous materials; other commercial vehicles, including bicycles, commercial motor coaches and school buses; vehicle and driver licensing systems; taxis, transportation services including Transportation Network Companies, and delivery services including Delivery Network Companies; traffic management systems; AND cyber systems used for operational management.

- Maritime Transportation System consists of coastline, ports, waterways, and intermodal landside connections that allow the various modes of transportation to move people and goods to, from, and on the water.

- Mass Transit and Passenger Rail includes terminals, operational systems, and supporting infrastructure for passenger services by transit buses, trolleybuses, monorail, heavy rail—also known as subways or metros—light rail, passenger rail, and vanpool/rideshare.

- Pipeline Systems consist of pipelines carrying natural gas hazardous liquids, as well as various chemicals. Above-ground assets, such as compressor stations and pumping stations, are also included.

- Freight Rail consists of major carriers, smaller railroads, active railroad, freight cars, and locomotives.

- Postal and Shipping includes large integrated carriers, regional and local courier services, mail services, mail management firms, and chartered and delivery services.

Essential Workforce, if remote working is not practical:
1. Employees supporting or enabling transportation functions, including truck drivers, bus drivers, dispatchers, maintenance and repair technicians, warehouse workers, truck stop and rest area workers, towing and recovery services, roadside assistance workers, intermodal transportation personnel, and workers that maintain and inspect infrastructure
2. Working supporting or providing services that enable logistics operations for essential sectors, wholesale and retail sale, including warehousing, cooling, storing, packaging, and distributing products for wholesale or retail sale or use.
3. Workers supporting maintenance and operation of essential highway infrastructure, including roads, bridges, and tunnels.
4. Workers of firms providing services, supplies, and equipment that enable warehouse and operations, including cooling, storing, packaging, and distributing products for wholesale or retail sale or use.

5. Mass transit workers providing critical transit services and/or performing critical or routine maintenance to mass transit infrastructure or equipment.

6. Employees supporting personal and commercial transportation services, including taxis, bicycle services, Transportation Network Companies, and delivery services including Delivery Network Companies

7. Workers responsible for operating dispatching passenger, commuter and freight trains and maintaining rail infrastructure and equipment

8. Maritime transportation and inland waterway workers – to include maintenance and repair – including port authority and commercial facility personnel, dredgers, port workers, mariners, ship crewmembers, ship pilots and tugboat operators, ship supply, chandler, and equipment operators.

9. Workers who support the operation, inspection, and maintenance of essential dams, locks, and levees.

10. Workers who support the inspection and maintenance of aids to navigation and other government-provided services that ensure continued maritime commerce.

11. Workers supporting transportation of chemicals, hazardous, medical, waste and recyclable materials to support critical sectors and infrastructure.


13. Transportation safety inspectors, including hazardous material inspectors and accident investigator inspectors

14. Manufacturers and distributors (to include service centers and related operations) of lighting and communication systems, specialized signage and structural systems, emergency response equipment and support materials, printers, printed materials, packaging materials, pallets, crates, containers, and other supplies needed to support manufacturing, packaging staging and distribution operations

15. Postal, parcel, courier, last-mile delivery, and shipping workers, to include private companies who accept, process, transport, and deliver information and goods.

16. Workers who supply equipment and materials for maintenance of transportation equipment.

17. Employees who repair and maintain vehicles, aircraft, rail equipment, marine vessels, bicycles, and the equipment and infrastructure that enables operations that encompass movement of cargo and passengers

18. Workers who support air transportation for cargo and passengers, including operation distribution, maintenance, and sanitation. This includes air traffic controllers, flight dispatchers, maintenance personnel, ramp workers, fueling agents, flight crews, airport safety inspectors and engineers, airport operations personnel, aviation and aerospace safety workers, security, commercial space personnel, operations personnel, accident investigators, flight instructors, and other on- and off-airport facilities workers.

19. Workers critical to the manufacturing, distribution, sales, rental, leasing, repair, and maintenance of vehicles and other transportation equipment (including electric vehicle charging stations) and the supply chains that enable these operations, subject to adhering public health guidance issued by CDPH.

20. Workers who support the operation, inspection, and maintenance of essential public works facilities and operations, including bridges, water and sewer main breaks, fleet maintenance personnel, construction of critical or strategic infrastructure, construction material
suppliers, traffic signal maintenance, emergency location services for buried utilities, maintenance of digital systems infrastructure supporting public works operations, and other emergent issues

21. Workers who support, such as road and line clearing, to ensure the availability of needed facilities, transportation, energy and communications.
7. COMMUNICATIONS AND INFORMATION TECHNOLOGY

Sector Profile

The Communications Sector provides products and services that support the efficient operation of today's global information-based society. Communication networks enable people around the world to contact one another, access information instantly, and communicate from remote areas. This involves creating a link between a sender (including voice signals) and one or more recipients using technology (e.g., a telephone system or the Internet) to transmit information from one location to another. Technologies are changing at a rapid pace, increasing the number of products, services, service providers, and communication options. The national communications architecture is a complex collection of networks that are owned and operated by individual service providers. Many of this sector's products and services are foundational or necessary for the operations and services provided by other critical infrastructure sectors. The nature of communication networks involves both physical infrastructure (buildings, switches, towers, antennas, etc.) and cyber infrastructure (routing and switching software, operational support systems, user applications, etc.), representing a holistic challenge to address the entire physical-cyber infrastructure.

The IT Sector provides products and services that support the efficient operation of today's global information-based society and are integral to the operations and services provided by other critical infrastructure Sectors. The IT Sector is comprised of small and medium businesses, as well as large multinational companies. Unlike many critical infrastructure Sectors composed of finite and easily identifiable physical assets, the IT Sector is a functions-based Sector that comprises not only physical assets but also virtual systems and network systems that enable key capabilities and services in both the public and private sectors.

Essential Workforce – Communications, if remote working is not practical:

1. Maintenance of communications infrastructure- including privately owned and maintained communication systems- supported by technicians, operators, call-centers, wireline and wireless providers, cable service providers, satellite operations, Internet Exchange Points, Network Access Points, back haul and front haul facilities, and manufacturers and distributors of communications equipment.
2. Workers performing functions related to undersea cable infrastructure and support facilities, including cable landing sites, beach manhole vaults and covers, submarine cable depots, and submarine cable ship facilities
3. Government and private sector employees supporting Department of Dense internet and communications facilities.
4. Workers who support radio, television, and media service, including, but not limited to front line news reporters, studio, and technicians for newsgathering, reporting, and publishing news.
5. Network Operations staff, engineers and/or technicians to include IT managers and staff, HVAC & electrical engineers, security personnel, software and hardware engineers, and database administrators that manage the network or operate facilities
6. Workers responsible for infrastructure construction and restoration, including contractors for construction and engineering of fiber optic cables, buried conduit, small cells, other wireless facilities, and other communications sector-related infrastructure. This includes construction of
new facilities and deployment of new technology required to address congestion or customer usage on remote services.

7. Installation, maintenance and repair technicians that establish, support or repair service as needed.

8. Central office personnel to maintain and operate central office, data centers, and other network office facilities, and critical support personnel assisting front line employees

9. Customer service and support staff, including managed and professional services as well as remote providers of support to transitioning employees to set up and maintain home offices, who interface with customers to manage or support service environments and security issues, including payroll, billing, fraud, logistics and troubleshooting

10. Workers providing electronic security, fire, monitoring, and life safety services, and who ensure physical security, cleanliness, and the safety of facilities and personnel, including those who provide temporary licensing waivers for security personnel to work in other States or Municipalities.

11. Dispatchers involved with service repair and restoration

12. Retail customer service personnel at critical service center locations for onboarding customers, distributing and repairing equipment and other supply chain personnel, to support individuals’ remote emergency communications needs;

13. External Affairs personnel to assist in coordinating with local, state, and federal officials to address communications needs supporting COVID-19 response, public safety, and national security.

14. Workers responsible for ensuring that persons with disabilities have access to and the benefits of various communications platforms, including those involved in the provision of telecommunication relay services, closed captioning of broadcast television for the deaf, video relay services for deaf citizens who prefer communication via American Sign Language over text, and audio-description for television programming.

**Essential Workforce - Information Technology, if remote working is not practical:**

15. Workers who support command centers, including, but not limited to Network Operations Command Centers, Broadcast Operations Control Center and Security Operations Command Centers

16. Data center operators, including system administrators, HVAC & electrical engineers, security personnel, IT managers and purchasers, data transfer solutions engineers, software and hardware engineers, and database administrators

17. Workers who support client service centers, field engineers, and other workers supporting critical infrastructure, as well as manufacturers and supply chain vendors that provide hardware and software, support services, research and development, information technology equipment (to include microelectronics and semiconductors), and HVAC and electrical equipment for critical infrastructure and test labs and certification agencies that qualify such equipment for critical infrastructure.

18. Workers needed to pre-empt and respond to cyber incidents involving critical infrastructure,, and entities supporting the functioning of critical infrastructure sectors

19. Suppliers, designers, transporters and other workers supporting the manufacture, distribution, and construction of essential global, national and local infrastructure for computing services (including cloud computing services and teleworking capabilities), business infrastructure, financial transactions, web-based services, and critical manufacturing
20. Workers supporting communications systems, information technology, and work from home solutions

21. Employees required to support Software as a Service businesses that enable remote working, performance of business operations, distance learning, media services, and digital health offerings, or required for technical support crucial for business continuity and connectivity.
8. GOVERNMENT OPERATIONS AND OTHER COMMUNITY-BASED ESSENTIAL FUNCTIONS

Essential Workforce, if remote working is not practical.

1. Critical government workers, as defined by the employer and consistent with Continuity of Operations Plans and Continuity of Government plans.
2. County workers responsible for determining eligibility for safety net benefits.
3. The Courts, consistent with guidance released by the California Chief Justice.
4. Workers who support administration and delivery of unemployment insurance programs, income maintenance, employment service, disaster assistance, workers’ compensation insurance and benefits programs, and pandemic assistance.
5. Workers to ensure continuity of building functions, including but not limited to security and environmental controls, the manufacturing and distribution of the products required for these functions, and the permits and inspection for construction.
8. Trade Officials (FTA negotiators; international data flow administrators).
10. Workers that maintain digital systems infrastructure supporting other critical government operations.
11. Workers who support necessary credentialing, vetting and licensing operations for critical sector workers and operations.
12. Workers who are critical to facilitating trade in support of the national, state, and local emergency response supply chain.
13. Workers supporting public and private childcare establishments, pre-K establishments, K-12 schools, colleges, and universities for purposes of distance learning, provision of school meals, or care and supervision of minors to support essential workforce across all sectors.
14. Staff at government offices who perform title search, notary, and recoding services in support of mortgage and real estate services and transactions.
15. Workers and instructors supporting academies and training facilities and courses for the purpose of graduating students and cadets that comprise the essential workforce for all identified critical sectors.
16. Clergy for essential support and faith-based services that are provided through streaming or other technologies that support physical distancing and state public health guidelines.
17. Human services providers, especially for at risk populations, including home delivered meal providers for older adults, people with disabilities, and others with chronic health conditions; home-maker services for frail, homebound, older adults; personal assistance services providers to support activities of daily living for older adults, people with disabilities, and others with chronic health conditions who live independently in the community with supports and services; home health providers who deliver health care services for older adults, people with disabilities, and others with chronic health conditions who live independently in the community with supports and services.
18. Government entities, and contractors that work in support of local, state, and federal public health and medical mission sets, including but not limited to supporting access to healthcare and associated payment functions, conducting public health functions, providing medical care,
supporting emergency management, or other services necessary for supporting the COVID-19 response.

Relevant Sector Guidance:

- Schools and institutions of higher education
  - Guidance for schools (PDF)
  - Directrices para las escuelas sobre el nuevo coronavirus o COVID-19 (PDF)
  - Guidance for colleges and universities
  - Directrices para las instituciones de educación superior sobre el nuevo coronavirus o COVID-19
- Guidance for K-12 Schools: Distance Learning, School Meals, Child Care and Student Supervision
- Guidance for Using Disinfectants at Schools and Child Cares
  - Recordatorios para el uso de desinfectantes en las escuelas y guarderías
- Community care facilities, including assisted living facilities and child care
9. CRITICAL MANUFACTURING

Sector Profile
The Critical Manufacturing Sector identifies several industries to serve as the core of the sector: Primary Metals Manufacturing, Machinery Manufacturing, Electrical Equipment, Appliance, and Component Manufacturing, Transportation Equipment Manufacturing. Products made by these manufacturing industries are essential to many other critical infrastructure sectors.

Essential Workforce, if remote working is not practical
1. Workers necessary for the manufacturing of metals, industrial minerals, semiconductors, materials and products needed for supply chains of the critical infrastructure sectors.
2. Workers necessary for the manufacturing of materials and products needed to manufacture medical equipment and personal protective equipment.
3. Workers necessary for mining and production of critical minerals, materials and associated essential supply chains, and workers engaged in the manufacture and maintenance of equipment and other infrastructure necessary for mining production and distribution.
4. Workers who produce or manufacture parts or equipment that supports continued operations for any essential services and increase in remote workforce, including computing and communication devices, semiconductors, and equipment such as security tools for Security Operations Centers (SOCs) or data centers.
5. Workers manufacturing or providing parts and equipment that enable the maintenance and continued operation of essential businesses and facilities.
10. FINANCIAL SERVICES

Sector Profile

The Financial Services Sector includes thousands of depository institutions, providers of investment products, insurance companies, other credit and financing organizations, and the providers of the critical financial utilities and services that support these functions. Financial institutions vary widely in size and presence, ranging from some of the world’s largest global companies with thousands of employees and many billions of dollars in assets, to community banks and credit unions with a small number of employees serving individual communities. Whether an individual savings account, financial derivatives, credit extended to a large organization, or investments made to a foreign country, these products allow customers to: Deposit funds and make payments to other parties; Provide credit and liquidity to customers; Invest funds for both long and short periods; Transfer financial risks between customers.

Essential Workforce, if remote working is not practical:

1. Workers who are needed to process and maintain systems for processing financial transactions and services, including payment, clearing, and settlement; wholesale funding; insurance services; and capital markets activities.
2. Workers who are needed to maintain orderly market operations to ensure the continuity of financial transactions and services.
3. Workers who are needed to provide business, commercial, and consumer access to banking and non-bank financial and lending services, including ATMs, lending money transmission, and to move currency, checks, securities, and payments.
4. Workers who support financial operations, such as those staffing call, data and security operations centers, managing physical security, or providing accounting services.
5. Workers supporting production and distribution of debit and credit cards.
6. Workers providing electronic point of sale support personnel for essential businesses and workers.
11. CHEMICAL & HAZARDOUS MATERIALS

Sector Profile

The Chemical Sector—composed of a complex, global supply chain—converts various raw materials into diverse products that are essential to modern life. Based on the product produced, the sector can be divided into five main segments, each of which has distinct characteristics, growth dynamics, markets, new developments, and issues: Basic chemicals; Specialty chemicals; Agricultural chemicals; Pharmaceuticals; Consumer products.

Essential Workforce, if remote working is not practical:

1. Workers supporting the chemical and industrial gas supply chains, including workers at chemical manufacturing plants, workers in laboratories, workers at distribution facilities, workers who transport basic raw chemical materials to the producers of industrial and consumer goods, including hand sanitizers, food and food additives, pharmaceuticals, textiles, building materials, plumbing, electrical and paper products.
2. Workers supporting the safe transportation of chemicals, including those supporting tank truck cleaning facilities and workers who manufacture packaging items.
3. Workers supporting the production of protective cleaning and medical solutions, personal protective equipment, disinfectants, and packaging that prevents the contamination of food, water, medicine, among others essential products.
4. Workers supporting the operation and maintenance of facilities (particularly those with high risk chemicals and/or sites that cannot be shut down) whose work cannot be done remotely and requires the presence of highly trained personnel to ensure safe operations, including plant contract workers who provide inspections.
5. Workers who support the production and transportation of chlorine and alkali manufacturing, single-use plastics, and packaging that prevents the contamination or supports the continued manufacture of food, water, medicine, and other essential products, including glass container manufacturing.
6. Workers at nuclear facilities, workers managing medical waste, workers managing waste from pharmaceuticals and medical material production, and workers at laboratories processing test kits.
7. Workers who support hazardous materials response and cleanup.
8. Workers who maintain digital systems infrastructure supporting hazardous materials management operations.
9. Workers who support the removal, storage, and disposal of residential and commercial solid waste and hazardous waste, including landfill and recycling operations.
12. **DEFENSE INDUSTRIAL BASE**

**Sector Profile**

The Defense Industrial Base Sector is the worldwide industrial complex that enables research and development, as well as design, production, delivery, and maintenance of military weapons systems, subsystems, and components or parts, to meet U.S. military requirements. The Defense Industrial Base partnership consists of Department of Defense components, Defense Industrial Base companies and their subcontractors who perform under contract to the Department of Defense, companies providing incidental materials and services to the Department of Defense, and government-owned/contractor-operated and government-owned/government-operated facilities. Defense Industrial Base companies include domestic and foreign entities, with production assets located in many countries. The sector provides products and services that are essential to mobilize, deploy, and sustain military operations.

**Essential Workforce, if remote working is not practical:**

1. Workers who support the essential services required to meet national security commitments to the federal government and U.S. Military, including, but are not limited to, space and aerospace workers, nuclear matters workers, mechanical and software engineers (various disciplines), manufacturing and production workers, IT support, security staff, security personnel, intelligence support, aircraft and weapon system mechanics and maintainers, and sanitary workers who maintain the hygienic viability of necessary facilities.

2. Personnel working for companies, and their subcontractors, who perform under contract or subcontract to the Department of Defense (DoD) and the Department of Energy (DoE) (on nuclear matters), as well as personnel at government-owned/contractor operated facilities, and who provide materials and services to the DoD and DoE (on nuclear matters), including support for weapon systems, software systems and cybersecurity, defense and intelligence communications, surveillance, sale of U.S. defense articles and services for export to foreign allies and partners (as authorized by the U.S. government), and space systems and other activities in support of our military, intelligence, and space forces.
13. **INDUSTRIAL, COMMERCIAL, RESIDENTIAL, and SHELTERING FACILITIES AND SERVICES**

**Essential Workforce, if remote working is not practical:**

1. Construction Workers who support the construction, operation, inspection, and maintenance of construction sites and construction projects (including housing, commercial, and mixed-use construction); and workers who support the supply chain of building materials from production through application/installation, including cabinetry, fixtures, doors, cement, hardware, plumbing, electrical, heating/cooling, refrigeration, appliances, paint/coatings, and employees who provide services that enable repair materials and equipment for essential functions.

2. Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, construction material sources, and essential operation of construction sites and construction projects (including those that support such projects to ensure the availability of needed facilities, transportation, energy and communications; and support to ensure the effective removal, storage, recycling and disposal of solid waste and hazardous waste).

3. Workers such as plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, businesses, and buildings such as hospitals and senior living facilities, including any facility supporting COVID-19 response.

4. Workers who support the supply chain of building materials from production through application and installation, including cabinetry, fixtures, doors, cement, hardware, plumbing (including parts and services), electrical, heating and cooling, refrigeration, appliances, paint and coatings, and workers who provide services that enable repair materials and equipment for essential functions.

5. Workers in hardware and building materials stores, consumer electronics, technology and appliances retail, and related merchant retailers, wholesalers and distributors that support essential workforce functions where sales and operations cannot be conducted online.

6. Warehouse operators, including vendors and support personnel critical for business continuity (including heating, ventilation, and air conditioning (HVAC) and electrical engineers, security personnel, and janitorial staff), e-commerce or online commerce, and customer service for essential functions.

7. Workers supporting the operations of commercial buildings that are critical to safety, security, and the continuance of essential activities, such as on-site property managers, building engineers, security staff, fire safety directors, janitorial personnel, and service technicians (e.g., mechanical, HVAC, plumbers, electricians, and elevator).

8. Workers supporting ecommerce through distribution, warehouse, call center facilities, and other essential operational support functions, that accept, store, and process goods, and that facilitate their transportation and delivery.

9. Workers distributing, servicing, repairing, installing residential and commercial HVAC systems, boilers, furnaces and other heating, cooling, refrigeration, and ventilation equipment.

10. Workers managing or servicing hotels or other commercial and residential buildings that are used for COVID-19 mitigation and containment measures, treatment measures, provide accommodation for essential workers, or providing housing solutions, including measures to protect homeless populations.
11. Workers responsible for the leasing of residential and commercial properties to provide individuals and families with ready access to available housing.

12. Residential and commercial real estate workers, limited to scheduled property viewings to a potential buying party. This does not extend to open-house viewings, nor viewings with more than one buying party at a time.

13. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities and critical sector services.

14. Workers responsible for handling property management, maintenance, and related service calls who can coordinate the response to emergency “at-home” situations requiring immediate attention, as well as facilitate the reception of deliveries, mail, and other necessary services.

15. Workers supporting the entertainment industries, studios, and other related establishments, provided they follow covid-19 public health guidance around physical distancing.

16. Workers that provide or determine eligibility for food, shelter, in-home supportive services, child welfare, adult protective services and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals (including family members).

17. Workers performing services in support of the elderly and disabled populations who coordinate a variety of services, including health care appointments and activities of daily living.

18. Workers who provide support to vulnerable populations to ensure their health and well-being, including family care providers.

19. Workers providing dependent care services, particularly those whose services ensure essential workers can continue to work.

20. Workers who support food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, such as those residing in shelters.

21. Workers in laundromats, laundry services, and dry cleaners.

22. Workers providing disinfection services, for all essential facilities in essential sectors.

23. Workers necessary for the installation, maintenance, distribution, and manufacturing of water and space heating equipment and its components.

24. Support required for continuity of services, including commercial disinfectant services, janitorial/cleaning personnel, and support personnel functions that need freedom of movement to access facilities in support of front-line employees.

Relevant Sector Guidance:

- Cleaning & Waste Management for Residences 2/2020
- Essential/Emergency Personnel Providing Critical In-Home Services
- Home cleaning with COVID-19 positive individuals
- Recommended Strategic Approaches for COVID-19 Response for Individuals Experiencing Homelessness
- Flow Chart: COVID-19 Recommended Protocol for People Experiencing Homelessness
- Homeless Assistance Providers
- Immigrant Communities
  - Las Comunidades de Inmigrantes
- Pets & People
WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS since March 2020, the State has taken decisive and meaningful actions to reduce the spread, and mitigate the impacts, of COVID-19, saving an untold number of lives, and to protect the ability of the State’s health care system to deliver health care to all people in California who require it; and

WHEREAS the effective actions of Californians over the past fifteen months have successfully curbed the spread of COVID-19, resulting in dramatically lower disease prevalence and death, in the State; and

WHEREAS as of June 9, 2021, 54.3% of eligible Californians have received a full course of COVID-19 vaccination, raising the level of overall immunity in the State; and

WHEREAS the State continues to promote and facilitate vaccination of all eligible Californians; and

WHEREAS given the current outlook, it is appropriate to reevaluate existing public health directives to allow for a full reopening of California while maintaining caution and vigilance as California continues to increase vaccination rates and monitor COVID-19 variants; and

WHEREAS the California Department of Public Health and State Health Officer are empowered to issue mandatory public health directives to protect the public health in response to a contagious disease under existing State law, including, but not necessarily limited to, Health and Safety Code sections 120125, 120130(c), 120135, 120140, 120145, 120175, 120195 and 131080; and

WHEREAS to preserve the flexibility to modify public health directives and respond to changing conditions and to new and changing health guidance issued by the Centers for Disease Control, and under the provisions of Government Code section 8571, I find that strict compliance with the Administrative Procedure Act, Government Code section 11340 et seq., would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:
1) Executive Order N-33-20, issued on March 19, 2020, setting forth the Stay-at-Home Order is hereby rescinded.

2) Executive Order N-60-20, issued on May 4, 2020, directing the State Public Health Officer to issue a risk-based framework for reopening the economy, and all restrictions on businesses and activities deriving from that framework, including all aspects of the Blueprint for a Safer Economy, is hereby rescinded.

3) Nothing related to the issuance of any Orders, guidance, or directives of the State Public Health Officer relating to COVID-19 shall be subject to the Administrative Procedure Act, Government Code section 11340 et seq.

4) Nothing in this Order shall be construed to limit the existing authority of local health officers to establish and implement public health measures within their respective jurisdictions that are more restrictive than, or that otherwise exist in addition to, the public health measures imposed on a statewide basis pursuant to the statewide directives of the State Public Health Officer.

IT IS FURTHER ORDERED that, as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 11th day of June 2021.

GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State
STAFF REPORT

Date: October 17, 2023
To: Honorable Mayor and City Council
From: Alfonso Noyola, City Manager
By: Cecilia Madrigal-Gonzalez, Senior Planner

Subject: Consideration of a request from VM Evergreen, LLC for Forgiveness of Fees and Repayment Plan Request

RECOMMENDATION

Staff is recommending the City Council consider the presentation from staff, consider comments from VM Evergreen, LLC, consider comments from members of the public and deny VM Evergreen’s request for forgiveness of fees and repayment plan.

BACKGROUND

1. On September 11, 2017, the City adopted Ordinance No. 673 (Attachment A) establishing the City of Cudahy (“City”) Cannabis regulations which added Chapter 5.20 to the Cudahy Municipal Code (“CMC”). CMC Section 5.20.040 authorizes medicinal commercial cannabis activities within a designated overlay zone/permit area and pursuant to the development agreement adopted in accordance with the Development Agreement Law (Govt. Code Section 65864 et seq.) and the CMC Chapter 20.28.

2. On December 4, 2018, the City approved the first reading of Ordinance No. 698 (“Ordinance”) approving the Development Agreement DA 18-001C (Attachment B) and the issuance of Commercial Cannabis Permit No. 18-0001 between VM Evergreen, LLC (“Operator”) and the City at 8222 Atlantic Ave (“Site”). The second reading of the Ordinance was approved on December 18, 2018, with an effective date of January 17, 2019. On February 11, 2019, Javier Barajas, Managing Member of VM Evergreen, LLC executed Development Agreement No. 18-001C.

3. On September 29, 2022, City staff had a scheduled site inspection at the Site, however, City staff were refused entry. On October 10, 2023, City staff conducted a follow-up inspection of the Site and found several violations as detailed in Attachment C which resulted in a
determination that the unpermitted construction and improvements resulted in an unsafe and dangerous structure and further required all building violations to be remedied before people could reenter or occupy the structure, more commonly known as red-tagging.

4. On October 24, 2022, a meeting was scheduled with the Operator, their legal counsel, City staff, and the City’s legal counsel to discuss the next steps. City staff and the City’s legal counsel verbally provided the Operator with the first necessary steps to bring their operation back on track to achieve compliance which included an updated project description and site plan.

5. On November 7, 2022, the City received an updated project description and site plan for City staff to review. City staff including the Building & Safety and Planning Divisions reviewed the plans and ultimately provided comments the site plan was denied on November 21, 2022, (Attachment D) because it proposed to maintain previous unpermitted work and alterations without seeking the proper permits or approval to ensure that work is carried out in accordance with building code requirements. City staff reached out to the Operator on November 30, 2022, and did not hear back (Attachment D).

6. On December 7, 2022, the City Manager offered a Cannabis Deferment and Payment Program (Attachment E) to assist cannabis operators with the accumulated non-operating and other fees by deferring and providing additional time for payment without penalty. All cannabis operators interested in participating in this program were given no later than January 31, 2022, to execute a payment agreement. The City Manager did not receive a request from the Operator to participate in the deferment and payment agreement.

7. On February 22, 2023, the City issued a Final Demand Letter (Attachment F) declaring a default status on the Operator’s obligations under their Development Agreement and Commercial Cannabis Permit, and the Operator was given 30 days to cure outstanding violations.

8. On or about March 8, 2023, the Operator made a request for a payment plan. Additionally, throughout the month of March, the Operator was not able to adequately address the deliverables outlined in the Final Demand Letter.

9. On or about March 21, 2023, the City’s Finance Department presented the Operator with a draft Deferment Agreement (payment plan) (Attachment G). The Operator did not accept the proposed terms and instead countered the offer (Attachment H). The City rejected the offer (Attachment I) on March 22, 2023.

10. On April 12, 2023, the Operator’s legal counsel requested a meeting with the City staff to discuss the payment plans, the Operator’s financial situation, and the process moving forward. The meeting occurred on May 3, 2023.
11. On May 8, 2023, the Operator submitted a revised request for a payment agreement (Attachment J) to the City.

12. On May 12, 2023, the Operator and the City entered into a Letter of Agreement on Payment of Outstanding Fees and Costs (Attachment K). The terms required the Operator to maintain current on Community Benefit and Cost Recovery payments but deferred the payment of Non-Operating Fees until six (6) months after the Operator received a Temporary Certificate of Occupancy for the Site.

13. From June to October 2023 the Finance Department sent monthly invoices and delinquency letters to the Operator (Attachment L). The Finance Department did not receive payments in a timely manner and was deemed in material breach of the Letter Agreement and consequently is null and void.

14. On September 6, 2023, the Operator requested a new payment plan arrangement due to financial hardship (Attachment M).

15. On August 9, 2023, the City issued letters (Attachment N) requiring all cannabis operators to open an escrow account to ensure payment of cost recovery fees, such as building permit fees. As of the writing of this report, the Operator has not opened an escrow account nor made any payments into the account.

DISCUSSION

The Operator, VM Evergreen LLC, has requested the City Council to consider a forgiveness of fees and repayment plan request citing financial hardship. City staff recommends the City Council deny the request due to the following reasons:

1. **Building Site Red Tag Status.** During a City inspection that was conducted on October 10, 2022, City of Cudahy officials, along with officials from other agencies found several violations of Building, Mechanical, Electrical, and Plumbing Codes, including occupation of the building without a Certificate of Occupancy and the unpermitted construction of illegal structures. The Operator was issued citations for the noncompliant and unpermitted work, further described in Attachment C. Since then, the Operator has failed to take the necessary actions to correct the red-tag status on the building which presently remains. To correct the actions, the Operator is required to obtain requisite approvals and permits from the City Planning Division, Building & Safety Division, and the County Fire Department. Staff estimates the fees associated with the review of plans, permits, and issuance with the City is $30,000-$50,000. The building permit fees cannot be waived and must be paid immediately upon plan check and permit issuance. Additionally, due to the Operator’s failure to comply with their financial obligations, the City suspends all inspections, plan
reviews, issuance of certificate of occupancy, and other related work until the payments are made.

2. **Escrow Account.** As a result of industry-wide delays in the timely payment of assessed fees, all cannabis operators are required to provide an upfront payment of assessed quarterly fees to be made as a deposit in escrow. Cost recovery fees placed in escrows include covering costs associated with building permit review. The Operator has not made any payments into their escrow accounts and has failed to comply with their financial obligations.

3. **Delinquency of Payments.** As previously stated above, Operator has defaulted on its financial obligations pursuant to the Development Agreement. Operator and the City subsequently entered into a Letter of Agreement on Payment of Outstanding Fees (payment plan) and Costs on May 12, 2023. This agreement was a one-time forbearance agreement with no expectations for further extensions of time or modifications. The Operator has not paid their dues in a timely manner and is now delinquent. As a result, the payment plan is null and void.

4. **Unlawful Gift of Public Funds.** Forgiveness of fees due to a government agency, if not for a public purpose, constitutes an unlawful gift of public funds in violation of Article XVI, Section 6 of the California Constitution. In addition to a repayment plan, Operator has requested the City forgive Non-Operating Fees spanning the course of a two-year period and has failed to provide any evidence that the forgiveness of this debt would somehow fulfill a public purpose. On the contrary, the request for debt cancellation clearly states that the purpose of the request is to satisfy the Operator’s own financial hardships rather than meet a public purpose.

**CONCLUSION**

For the reasons discussed above and the information attached to this report, City staff recommends the City Council deny the request from the Operator due to their defaults under the Development Agreement and Commercial Cannabis Permit. As the next steps, City staff will continue the revocation process and schedule a Review Hearing on their compliance with the terms of the Development Agreement and Commercial Cannabis Permit.

**STRATEGIC PLAN IMPACT**

Not Applicable.

**FINANCIAL IMPACT**

There is no financial impact on the General Fund if the City Council denies the request. If the
City Council enters into an additional payment agreement, the City will further delay the Operator’s financial contribution under the Development Agreement.

ENVIRONMENTAL REVIEW

Under California law, a project that previously was subject to review under the California Environmental Quality Act (“CEQA”) may be exempt from CEQA or may be evaluated under the provisions that may trigger subsequent or supplemental CEQA review (under Public Resources Code Section 21166 and CEQA Guidelines Section 15162). The actions are exempt from CEQA on the basis of CEQA Guidelines Section 15061. The CEQA Guidelines provide that, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ATTACHMENTS

A. Ordinance No. 673
B. Ordinance No. 698
C. Violation Letter dated October 10, 2022
D. Correspondence – November 2022
E. Letter dated December 7, 2022
F. Final Demand Letter dated February 22, 2023
G. Correspondence – March 2023
H. March 21, 2023, Counteroffer from Operator
I. March 22, 2023 – City correspondence of Denial
J. Correspondence – May 8, 2023
K. Letter Agreement on Payment of Outstanding Fees & Costs executed May 12, 2023
L. Invoices and Delinquency Letters from June to October
M. VM Evergreen LLC Request for New Payment Plan Arrangement
N. Correspondence – August 9, 2023, Escrow Account
ORDINANCE NO. 673

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY AMENDING TITLE 5 (BUSINESS LICENSES AND REGULATIONS) AND TITLE 20 (ZONING) OF THE CUDAHY MUNICIPAL CODE TO PROHIBIT CANNABIS RETAILERS/DISPENSARIES CITYWIDE AND TO ESTABLISH REGULATIONS AND A DISCRETIONARY REVIEW PROCESS FOR THE ALLOWANCE OF MEDICINAL-ONLY COMMERCIAL CANNABIS ACTIVITIES (CULTIVATION, DISTRIBUTION, MANUFACTURING, DELIVERIES, MICROBUSINESS, AND LABORATORY TESTING) IN A SPECIFIED OVERLAY ZONE THROUGH A DEVELOPMENT AGREEMENT

WHEREAS, in 1996, the California Legislature approved Proposition 215, also known as the Compassionate Use Act (the "CUA"), which was codified under Health and Safety Code Section 11262.5 et seq. and was intended to enable persons in need of medical marijuana for specified medical purposes, such as cancer, anorexia, AIDS, chronic pain, glaucoma and arthritis, to obtain and use marijuana under limited circumstances and where recommended by a physician. The CUA provides that "nothing in this section shall be construed or supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes."

WHEREAS, in 2004, the California Legislature enacted the Medical Marijuana Program Act (Health & Saf. Code, § 11362.7 et seq.) (the "MMP"), which clarified the scope of the CUA, created a state-approved voluntary medical marijuana identification card program, and authorized cities to adopt and enforce rules and regulations consistent with the MMP. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances;

WHEREAS, the Federal Controlled Substances Act (21 U.S. C., § 801 et seq.) makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute, or dispense marijuana. Despite such federal prohibition, on August 29, 2013, the United States Department of Justice issued a memorandum (the "Cole Memo") stating that, notwithstanding the federal classification of marijuana as a schedule 1 controlled substance, jurisdictions that have legalized marijuana in some form are less likely to be subject to federal enforcement under the Controlled Substances Act if they have implemented strong and effective regulatory and enforcement systems to follow eight guiding principles: (1) preventing the distribution of marijuana to minors; (2) preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels; (3) preventing the
diversion of marijuana from states where it is legal under state law in some form to other states; (4) preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity; (5) preventing violence and the use of firearms in the cultivation and distribution of marijuana; (6) preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (7) preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and (8) preventing marijuana possession or use on federal property;

WHEREAS, in September 2015, the California State Legislature enacted, and Governor Brown signed into law three bills – Assembly Bill 243, Assembly Bill 266, and Senate Bill 643 – which together comprise the Medical Marijuana Regulation and Safety Act (the "MMRSA"). The MMRSA created a comprehensive dual state licensing system for the cultivation, manufacture, retail, sale, transport, distribution, delivery, and testing of medical cannabis;

WHEREAS, on August 22, 2016, the City Council of the City of Cudahy (the "City Council" of the "City") adopted Interim Urgency Ordinance No. 656U to establish a temporary moratorium on medical "commercial cannabis activities," as defined under the MMRSA, for a period of 45 days and extended such moratorium for an additional period of 22 months and 15 days under Interim Urgency Ordinance No. 661, on September 26, 2016;

WHEREAS, the MMRSA was renamed the Medical Cannabis Regulation and Safety Act (the "MCRSA") under Senate Bill 837 in June 2016, which also made substantive changes to the applicable state laws, which affect the various state agencies involved in regulating cannabis businesses as well as potential licensees;

WHEREAS, on November 8, 2016, the Control, Regulate, and Tax Adult Use of Marijuana Act ("AUMA") was approved California voters as Proposition 64 and became effective on November 9, 2016, pursuant to the California Constitution (Cal. Const., art. II, § 10(a)). Proposition 64 legalized the nonmedical use of cannabis by persons 21 years of age and over, and the personal cultivation of up to six (6) cannabis plants. On November 14, 2016, the City Council adopted Urgency Ordinance No. 663 to prohibit outdoor personal marijuana cultivation and establish regulations and a permitting process for indoor personal marijuana cultivation;

WHEREAS, AUMA also created a state regulatory and licensing system governing the commercial cultivation, testing, and distribution of nonmedical cannabis, and the manufacturing of nonmedical cannabis products. On January 9, 2017, Interim Urgency Ordinance No. 666 was adopted by the City Council to establish a temporary moratorium on nonmedical "commercial cannabis activities" for a period of 45 days and extended such moratorium for an additional period of 22 months and 15 days under Interim Urgency Ordinance No. 667, on February 27, 2017;
WHEREAS, on June 27, 2017, Governor Brown signed the Legislature-approved Senate Bill 94. SB 94 combined elements of the MCRSA and AUMA to establish a streamlined singular regulatory and licensing structure for both medical and nonmedical cannabis activities given that there were discrepancies between the MCRSA and AUMA. The new consolidated provisions under SB 94 is now known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA") to be governed by the California Bureau of Cannabis Control. MAUCRSA refers to medical cannabis as "medicinal cannabis" and nonmedical/recreational cannabis as "adult-use cannabis";

WHEREAS, on June 27, 2017, the as part of an Economic Development Ad Hoc Committee presentation on revenue-generating opportunities, commercial cannabis regulations and strategies were offered to and discussed by the City Council;

WHEREAS, the City seeks to establish an overlay zone in the City in which certain medicinal-only commercial cannabis activities can be conducted in accordance with MAUCRSA and the City's police power under Section 7 of Article XI of the California Constitution;

WHEREAS, it is the purpose and intent of the City to regulate medicinal cannabis in a manner that is consistent with the Cole Memo and promotes the health, safety, and general welfare of the residents and businesses within the City, while limiting any negative impacts;

WHEREAS, the City intends to be on the forefront of groundbreaking research, science, innovation, and development of treatment for symptoms and cures in the field of medicinal cannabis, as scientific research, studies, and data have established that medicinal cannabis can help patients with a vast array of medical conditions;

WHEREAS, the City desires to reduce the illegal market for cannabis while minimizing the chances of social harm and creating jobs and revenue for the City; and

WHEREAS, nothing in this Ordinance shall be construed to allow persons to engage in conduct that violates the law, endangers others, causes a public nuisance, allows the illegal use or diversion of cannabis, or allows any activity relating to cannabis that is otherwise illegal under California state law, as amended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES ORDAIN AS FOLLOWS:

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

SECTION 2. Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended by the addition of a new Chapter 20.120 (Commercial Cannabis Overlay Zone), which shall read as follows:

Chapter 20.120 – Commercial Cannabis Overlay Zone.
20.120.010 Definitions

For purposes of this Chapter 20.120, the following definitions shall apply:

“Commercial cannabis activities” mean the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis and cannabis products.

“Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, cannabis does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

“Cannabis product” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, or other cannabis derivative, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“Day care center” means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers.

“Overlay Zone” means the commercial cannabis overlay zone, whose area and boundaries are attached to City Council Ordinance No. 673 as Exhibit “A.”

“MAUCRSA” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, as may hereinafter be amended.

“Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.
20.120.020 Prohibitions.

Adult-use commercial cannabis activities and medicinal commercial cannabis activities, as both are described in state law, including, but not limited to MAUCRSA, are hereby prohibited unless otherwise allowed in this Chapter.

20.120.030 Overlay zone.

Medicinal commercial cannabis activities, except retail dispensaries that are open to the public for point-of-sale purchases, shall be allowed within the Overlay Zone pursuant to a development agreement adopted in accordance with the Development Agreement Law (Gov. Code, § 65864 et seq.) and Cudahy Municipal Code Chapter 20.28 (Development Agreements). No such activities shall be permitted without a development agreement within or outside of the boundaries of the Overlay Zone. The City may approve or deny such a development agreement in its sole and absolute discretion.

20.120.040 Particular restrictions for Atlantic Avenue.

Section 20.120.030 notwithstanding, no cannabis-related business shall be located within the Overlay Zone and on Atlantic Avenue with a storefront facing Atlantic Boulevard unless such business employs and effectuates a business model with a primary entertainment purpose.

20.120.050 Indoor Horticulture.

Indoor horticulture, excluding cannabis horticulture shall be permitted by-right within the Overlay Zone.

20.120.060 Prohibition on new schools, day cares, and youth centers in overlay zone.

The establishment of public or private schools providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center is prohibited within the Overlay Zone, or within 600 feet of the boundaries of the Overlay Zone, is hereby prohibited, unless otherwise mandated under state or federal law. An existing public or private school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center located within the Overlay Zone, or within 600 feet of the boundaries of the Overlay Zone shall be considered legal nonconforming, in accordance with Chapter 20.24 (Legal Nonconforming) of Title 20 (Zoning) of the Cudahy Municipal Code.

20.120.070 Temporary permits for local events - rights reserved.

The City reserves the right to issue temporary permits for onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair, district agricultural association event, or other similar event authorized under state law, which is located within the Overlay Zone, pursuant to the provisions of Subdivision (e) of Business and Professions Code Section 26200.

SECTION 3. Subsection (3)(p) of Section 20.64.090 (Uses Permitted in Residential Zones by Conditional Use Permit) of Chapter 20.64 (Residential Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:
(p) Schools, public and private, excluding schools providing instruction in kindergarten or any grades 1 through 12 located within 600 feet of a residential zone located within the Commercial Cannabis Overlay Zone illustrated in Exhibit “A” to City Council Ordinance No. 673, unless otherwise mandated under state or federal law.

SECTION 4. Subsection (24) of Section 20.68.100 (Uses Permitted in Residential Zones by Conditional Use Permit) of Chapter 20.68 (Commercial and Professional Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:

(24) Day care centers, excluding those occupying any portion of the CC zone located within 600 feet of the Commercial Cannabis Overlay Zone illustrated in Exhibit “A” to City Council Ordinance No. 673, unless otherwise mandated under state or federal law.

SECTION 5. Subsection (49) of Section 20.68.100 (Uses Permitted in Residential Zones by Conditional Use Permit) of Chapter 20.68 (Commercial and Professional Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:

(49) Schools, colleges, and universities, accredited, including appurtenant facilities that offer instruction required to be taught by the Education Code of the state of California and in which no pupil is physically restrained, excluding schools which provide instruction in kindergarten or any grades 1 through 12 that occupy any portion the CC zone located within 600 feet of the Commercial Cannabis Overlay Zone illustrated in Exhibit “A” to City Council Ordinance No. 673, unless otherwise mandated under state or federal law.

SECTION 6. Subsection (50) of Section 20.68.100 (Uses Permitted in Residential Zones by Conditional Use Permit) of Chapter 20.68 (Commercial and Professional Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:

(50) Schools, business and professional, including art, barber, beauty, dance, drama, music, and swimming, excluding schools which provide instruction in kindergarten or any grades 1 through 12 that occupy any portion the CC zone located within 600 feet of the Commercial Cannabis Overlay Zone illustrated in Exhibit “A” to City Council Ordinance No. 673, unless otherwise mandated under state or federal law.

SECTION 7. Subsection (46) of Section 20.68.150 (Uses by conditional use permit in C-M Zone) of Chapter 20.68 (Commercial and Professional Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:

(46) Schools, colleges, and universities, accredited, including appurtenant facilities which offer instruction required to be taught by the Education Code of the state and in which no pupil is physically restrained, excluding schools which provide instruction in kindergarten or any grades 1 through 12 that occupy any portion the C-M zone located within 600 feet of the Commercial Cannabis Overlay Zone illustrated in Exhibit “A” to City Council Ordinance No. 673, unless otherwise
mandated under state or federal law.

SECTION 8. Subsection (47) of Section 20.68.150 (Uses by conditional use permit in C-M Zone) of Chapter 20.68 (Commercial and Professional Districts) of Title 20 (Zoning) of the Cudahy Municipal Code is hereby amended to read as follows:

(47) Schools, business and professional, including art, barber, beauty, dance, drama, music, and swimming, excluding schools which provide instruction in kindergarten or any grades 1 through 12 that occupy any portion the C-M zone located within 600 feet of the Commercial Cannabis Overlay Zone illustrated in Exhibit "A" to City Council Ordinance No. 673, unless otherwise mandated under state or federal law.

SECTION 9. Title 5 (Business License and Regulations) of the Cudahy Municipal Code is hereby amended by the addition of a new Chapter 5.20 (Cannabis Permitting and Regulation), which shall read as follows:

Chapter 5.20 – Cannabis Permitting and Regulation.

5.20.010 Section Intent and Purposes.

The intent and purpose of this Chapter is to regulate Commercial Cannabis Activity (as defined below) in accordance with State Law (as defined below) to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to State Law, including, but not limited to, MAUCRSA. The goals of this regulation for Commercial Cannabis Activity include:

(a) To comply with the goals and guidance set forth in the Cole Memo.

(b) To minimize the size of the illegal market for Cannabis in the City and the surrounding regions.

(c) To create jobs, revenue, and economic growth for the City and its residents.

(d) To enable law enforcement and regulators to have sufficient rights to inspect and audit Cannabis Permittees and take expeditious action against Cannabis Permittees who violate the requirements of this Chapter.

(e) To minimize social harms which may arise from Cannabis including youth consumption or intoxicated driving.

(f) To regulate the manner of advertising and location of Cannabis Permittees such that public nuisance is minimized.

5.20.020 Definitions.

For purposes of this Chapter, the following definitions shall apply, unless the context clearly indicates otherwise:

(a) "Applicant" means an Owner seeking a Cannabis Permit pursuant to this Chapter.

(b) "Cannabis" means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every
compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. Cannabis also means the separated resin, whether crude or purified, obtained from cannabis. Cannabis also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter 5.18, Cannabis does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

(c) “Cannabis Permit” means a permit issued by the City to conduct a Commercial Cannabis Activity, including, but not limited to a Cultivation Permit, Distribution Permit, Manufacturing Permit, Microbusiness Permit, Retail Delivery Permit, or Testing.

(d) “Cannabis Permittee” means a Person who holds a Cannabis Permit.

(e) “Cannabis Product” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, or other cannabis derivative, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(f) “City” shall mean the City of Cudahy.

(g) “City Code” means the City of Cudahy Municipal Code.

(h) “City Manager” means the City Manager of the City of Cudahy.

(i) “Cole Memo” means the August 29, 2013 United States Department of Justice memorandum offering guidance on federal enforcement priorities regarding Cannabis.

(j) “Commercial Cannabis Activity(ies)” means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and/or Cannabis Products.

(k) “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Cannabis.

(l) “Cultivation Permit” means a Cannabis Permit for the Indoor Cultivation of Cannabis in accordance with the terms and conditions of this Chapter and the Development Agreement for the applicable Cannabis Permit issued to the particular Cultivation Permittee.

(m) “Cultivation Permittee” means an applicant who has applied for and has been issued a Cultivation Permit by the City pursuant to the terms and conditions of this Chapter.
(n) "Day Care Center" means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and schoolage child care centers.

(o) "Development Agreement" means an agreement adopted pursuant to the Development Agreement Law (Gov. Code, § 65864 et seq.) and Cudahy Municipal Code Chapter 20.28 (Development Agreements), which provides agreed upon community benefits to the City.

(p) "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between persons authorized to engage in permitted commercial cannabis activities pursuant to this Chapter.

(q) "Distribution Permit" means, with respect to a Distribution Permittee, a Cannabis Permit for Distribution in accordance with the terms and conditions of this Chapter and the Development Agreement for the applicable Cannabis Permit issued to such Distribution Permittee.

(r) "Distribution Permittee" means a Person that has been issued a Distribution Permit by the City pursuant to the terms and conditions of this Chapter.

(s) "Fully Enclosed and Secure Structure" means a space within a building or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is reasonably secure against unauthorized entry, provides complete visual screening or is behind fencing or other features providing complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors.

(t) "Good Cause" for purposes of refusing or denying a Cannabis Permit, for revoking a Cannabis Permit, or for refusing or denying a Cannabis Permit renewal or reinstatement means: (i) the Applicant has not obtained approval by the City Council of a Development Agreement setting forth the general terms for the operation of commercial cannabis activity or breaches a term or terms of a Development Agreement approved by the City Council pursuant to this Chapter; (ii) The Applicant or Cannabis Permittee has violated the terms, conditions, or provisions of this Chapter, of state law, of any regulations or rules promulgated pursuant to state law or this Chapter, any applicable local rules, regulations, or conditions placed upon its state license or Cannabis Permit; (iii) the licensed Premises have been operated in a manner that adversely affects the public health, safety, or welfare or the safety of the immediate neighborhood in which the Commercial Cannabis Activity is being conducted; (iv) the Applicant or Cannabis Permittee has knowingly made false statements, misrepresentations, or material omissions on an application form, renewal form, or other document submitted to the City; (v) the Applicant or Cannabis Permittee's criminal history does not indicate that the Applicant or Cannabis Permittee is of Good Moral Character or the Applicant or Cannabis Permittee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the Applicant or Cannabis Permittee. However, if the City has issued a Cannabis Permit to the Applicant or Cannabis Permittee, the City shall not consider any
criminal history of the Applicant or Cannabis Permittee that was disclosed to or discovered by the City prior to issuance of the Cannabis Permit and is confirmed by the Applicant or Cannabis Permittee. For any criminal history that was not disclosed to or discovered by the City prior to issuance of a Cannabis Permit, or that arose after the issuance of the Cannabis Permit, the City shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the Applicant or Cannabis Permittee, and shall evaluate the suitability of the Applicant or Cannabis Permittee based upon such review. In determining which offenses are substantially related to the qualifications, functions, or duties of the Applicant or Cannabis Permittee, the City shall consider factors set forth in Business and Professions Code Section 26057; (vi) the Applicant or Cannabis Permittee is employing or allowing to volunteer any person whose criminal history indicates that such person is not of Good Moral Character; (vii) the Applicant or Cannabis Permittee fails to allow inspection by City officials of the security recordings, activity logs, business records, or other accessible records pertaining to the activities conducted on the applicable Premises; or (viii) the Applicant or Cannabis Permittee allows for Physician Services to be conducted on the applicable Premises.

(u) "Good Moral Character" means having a personal history that demonstrates the propensity to serve the public in a manner that reflects openness, honest, fairness, and respect for the law and rights and well-being of others. In determining Good Moral Character, the following standards shall apply: (i) a judgment of guilt in a criminal prosecution or a judgment in a civil action shall not be used, in and of itself, as proof of an individual's lack of Good Moral Character. Such judgment, however, may be used as evidence in the determination and when so used, the individual shall be notified and shall be permitted to rebut the evidence by showing that, at the current time, he or she has the ability to, and is likely to serve the public, in a fair, honest, and open matter, that he or she is rehabilitated, and/or that the substance of the former offense is not substantially related to the applicable Commercial Cannabis Activity; and (ii) a prior conviction where the sentence, including any term of probation incarceration, or supervised release is completed for the possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance, is not considered substantially related, and shall not be the sole ground for denial of a Cannabis Permit, except that any of the convictions set forth in Business and Professions Code Section 26057(b)(4), as may be amended, shall be deemed substantially related to applicable Commercial Cannabis Activity.

(v) "Health and Safety Code" means the California Health and Safety Code, as amended from time to time.

(w) "Indoor" means within a Fully Enclosed and Secure Structure.

(x) "Manufacture" or "Manufacturing" means to compound, blend, extract, infuse, or otherwise make or prepare a Cannabis Product from such blends, extractions, or infusions.
(y) "Manufacturing Permit" means a Cannabis Permit to Manufacture in accordance with the terms and conditions of this Chapter and the conditions of approval for the applicable Cannabis Permit issued to the particular Manufacturing Permittee.

(z) "Manufacturing Permittee" means a Person that has been issued a Manufacturing Permit by the City pursuant to the terms and conditions of this Chapter.

(aa) "Medicinal Permittee" means a Person who is issued a Cannabis Permit to engage in Commercial Cannabis Activity with respect to medicinal Cannabis in accordance with applicable City law and State Law, including MAUCRSA.

(bb) "Microbusiness" means a commercial medicinal cannabis business facility of cultivation of medicinal cannabis on areas less than 10,000 square feet and also acts as a licensed distributor, manufacturer, and Delivery-only retailer, pursuant to State Law, including MAUCRSA. Microbusinesses shall not be open to the public for point-of-sale retail Cannabis sales.

(cc) "Microbusiness Permit" means a Cannabis Permit to establish and conduct a Microbusiness in accordance with the terms and conditions of this Chapter and the conditions of the Development Agreement for the applicable Cannabis Permit issued to the particular Microbusiness Permittee.

(dd) "Microbusiness Permittee" means a Person who has been issued a Microbusiness Permit by the City pursuant to the terms and conditions of this Chapter.

(ee) "Outdoors" means any location within the City that is not within a Fully Enclosed and Secure Structure.

(ff) "Owner" means any of the following: (i) a Person with an aggregate ownership interest of 20% or more in the Person applying for a Cannabis Permit, unless the interest is solely a security, lien, or encumbrance; (ii) the chief executive officer of a nonprofit or other entity; a member of the boards of directors of a nonprofit; (iv) an individual who will be participating in the direction, control, or management of the person applying for a Cannabis Permit.

(gg) "Permit Zone" means, with respect to a Person holding a Cannabis Permit, the overlay zone described in Cudahy Municipal Code Chapter 20.120 where such Cannabis Permit type is permitted to operate pursuant to a Development Agreement with the City.

(hh) "Person" includes any individual, entity, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(ii) "Physician Services" means the consultation by a State-licensed physician of a patient with the possible recommendation by such physician of medicinal Cannabis for such patient.
"Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the Cannabis Permittee applicant or Cannabis Permittee where the Commercial Cannabis Activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one Cannabis Permittee.

"Retail Delivery" means the commercial transfer or delivery of Cannabis or Cannabis Products to a customer, patient, primary caregiver or Cannabis Permittee.

"Retail Delivery Establishment" means a location where Cannabis or Cannabis Products are, either individually or in any combination, Delivered pursuant to State Law, including MAUCRSA. Retail Delivery Establishments shall not be open to the public for point-of-sale retail sales.

"Retail Delivery Permit" means a Cannabis Permit to Deliver Cannabis and Cannabis Products to customers, patients, and primary caregivers in accordance with the terms and conditions of this Chapter and the conditions of the Development Agreement for the applicable Cannabis Permit issued to the particular Retail Delivery Permittee.

"Retail Delivery Permittee" means a Person that has been issued a Retail Delivery Permit by the City pursuant to the terms and conditions of this Chapter.

"State" means the State of California.

"State Law" means all laws of the State of California, including, but not limited to, all rules and regulations adopted by State agencies and State regulatory entities, including subsequent amendments to such laws, rules, and regulations.

"State Medicinal License" means a State license for medicinal Commercial Cannabis Activities issued pursuant to State Law.

"Testing" means the activities conducted by a Testing Laboratory.

"Testing Laboratory" means an accredited laboratory, facility, or entity in the City that offers or performs tests of medicinal cannabis or medicinal cannabis products in accordance with State Law and City law.

"Testing Permit" means a Cannabis Permit for Testing the quality and makeup of Cannabis and Cannabis Products pursuant to the terms and conditions of this Chapter and the conditions of the Development Agreement for the applicable Cannabis Permit issued to the particular Testing Permittee.

"Testing Permittee" means a Person who has been issued a Testing Permit by the City pursuant to the terms and conditions of this Chapter.

"Volatile Solvent" means a Class I Flammable liquid as defined by the National Fire Protection Association, including butane and propane.

"Youth Center" means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to,
private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

5.20.030 Commercial Cannabis Activity Prohibited.

All Commercial Cannabis Activity within the City is prohibited except as permitted by this Chapter.

5.20.040 Certain Commercial Cannabis Activity Permitted. Medicinal Commercial Cannabis Activities, except retail dispensaries that are open to the public for point-of-sale purchases, shall be allowed within the area set forth in the overlay zone/Permit Area illustrated in Exhibit “A” to City Council Ordinance No. 673 pursuant to a development agreement adopted in accordance with the Development Agreement Law (Gov. Code, § 65864 et seq.) and Cudahy Municipal Code Chapter 20.28 (Development Agreements). No such activities shall be permitted without a Development Agreement within or outside of the boundaries of such overlay zone. The City may approve or deny such a Development Agreement in its sole and absolute discretion. The City Manager is authorized to develop and promulgate policies and procedures consistent with the intent and spirit of this Chapter concerning the applications, application process, including, but not limited to, the information required of Applicants, and application review procedures, which shall inform the administration and protocols to be used and followed by the City in the application and hearing processes.

5.20.050 Business standards.

Commercial Cannabis Activity within the City shall be in conformance with the standards set forth in this Section, in addition to those additional standards that may be imposed through negotiated Development Agreement. The City Manager is hereby authorized to formulate and impose additional Business Requirements applicable to Cannabis Permittees in furtherance of the public health, safety, and/or welfare.

(a) Commercial Cannabis Activity shall only be allowed upon application and issuance of a Cannabis Permit and a Development Agreement by the City in accordance with the criteria and process set forth in this Chapter and City Code.

(b) Zoning and Land Use.

(1) Operation Near Schools, Day Cares, and Youth Centers. Following the enactment of this Chapter, no new Premises shall be established, developed, or operated within 600 feet of a Day Care Center, Youth Center, or public or private school providing instruction in kindergarten or any grades 1 through 12 that is in existence at the time the Cannabis Permit is issued. All distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Premises are, or will be, located to the nearest property line of those uses described in this Subsection. The restrictions set forth in this Subsection shall not apply to Premises which operate within 600 feet of any Day Care Center, Youth Center, or public or private school.
providing instruction in kindergarten or any grades 1 through 12, if such Premises existed prior to the establishment of the applicable Day Care Center, Youth Center, or school that is located within 600 feet of such Premises.

(2) Co-Location. All Commercial Cannabis Activity shall fully comply with all mandates set forth in State Law. To the extent not prohibited under State Law, a Cannabis Permittee may be located within the same unit of the same Premises or building, facility or real property parcel as another Cannabis Permittee.

(3) Development Agreement.

a) Prior to commencing operations, all Cannabis Permittees shall enter into a Development Agreement with the City.

b) All Premises shall be operated in accordance with the terms of the applicable Development Agreement for the specified parcel of real property (or sub-portion thereof) upon which the Premises is located.

c) Except as specified, Commercial Cannabis Activities shall not exceed the square footage authorized pursuant to the applicable Development Agreement.

d) All Premises shall be located in the Permit Zone pursuant to the applicable Development Agreement.

(c) Commercial Cannabis Activity is allowed only within Fully Enclosed and Secure Structures that are inaccessible to minors.

(d) Signage for any business must be applied for through the City's Planning Division, which shall require review and approval prior to installation. Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No Cannabis Permittee shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the Premises of the Cannabis Permittee or elsewhere including, but not limited to, the public right-of-way.

(e) From any public right-of-way, there shall be no visible evidence of the consumption of any Cannabis Products. Commercial Cannabis Activity shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, odor or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.

(f) Hours of operation limits, if any, shall be specified in terms mutually agreed upon in a Development Agreement.

(g) All Cannabis and Cannabis Products shall be kept in a secured manner during all business and nonbusiness hours.

(h) All Commercial Cannabis Activities shall operate within Premises that are compliant with all applicable State Laws and local laws.
(i) Cannabis Permittees must pay all applicable taxes pursuant to all federal, State, and local laws, including, but not limited to, fees relating to infrastructure improvements within the Permit Zone.

(j) Cannabis Permittees shall provide sufficient odor absorbing ventilation and exhaust systems so that odors outside the applicable Premises are not a nuisance on any adjacent property of public right-of-way. Any violation of this Section shall be remedied within thirty (30) days of the Cannabis Permittee receiving notice of such violation.

(k) Cannabis Permittees shall utilize product and inventory tracking software and accounting software that is consistent with reasonable business practices within the industry and the seed-to-sale tracking software being developed by the State.

(l) Except permitted in this Chapter, on-site smoking, ingestion, or consumption of Cannabis or Cannabis Products shall be prohibited on Premises. Except to the extent otherwise permitted pursuant to this Chapter, the entrance of the Premises shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming Cannabis, Cannabis Products or alcohol on such Premises is prohibited.

(m) Signage for all Premises shall be in compliance with the City’s sign code and application for all signs must be submitted to the City’s Planning Division and comply with its sign permitting protocol.

(n) Alcoholic beverages and tobacco shall not be sold, stored, distributed, or consumed on the Premises. Cannabis Permittees shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages or tobacco with respect to the Premises. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the Premises.

(o) Physician Services shall not be provided at any Premises.

(p) The Premises shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building City Codes, the City’s business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and MAUCRSA.

(q) Each Cannabis Permittee shall provide the City Manager, or the City Manager’s designee, with the name, phone number, facsimile number, and email address of an on-site representative of such Cannabis Permittee to whom the City and the public can provide notice if there are any operational problems associated with such Cannabis Permittee’s Premises. Each Cannabis Permittee shall make reasonable and good faith efforts to encourage residents and the public to call this representative to resolve any operational problems before any calls or complaints are made to the City or law enforcement.

(r) All Cannabis Permittees must comply with the following security requirements:

a) Security cameras shall be installed and maintained in good working condition and used in a format approved by the City Manager. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include areas as determined by the City Manager, including, but not limited to, the area in which the primary Commercial Cannabis Activity occurs, e.g. the Cultivation area for a cultivator.

b) The Premises shall be alarmed with a reliable commercial alarm system that is operated and monitored by a security company or alarm business in a manner satisfactory to the City Manager.

c) Entrance to any storage areas shall be locked at all times and under the control of staff of the Cannabis Permittee.

d) The business entrance(s) and all window areas shall be illuminated during evening hours. The Applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etc., and secure the necessary approvals and permits, as necessary.

e) All windows on the Premises shall be appropriately secured with all Cannabis and Cannabis Products securely stored.

f) Each Cannabis Permittee shall implement track and trace protocols, as noted above in this Section, in order to prevent diversion of Cannabis or Cannabis Products.

g) All waste and disposal containers shall be locked at all times and stored in a secure area and, at all times, under the control of the Cannabis Permittee.

(2) Security Alarm Systems – Minimum Requirements.

a) Each Premises shall have a security alarm system installed by a licensed alarm company on all perimeter entry points and perimeter windows.

b) Each Premises must ensure that its location is continuously monitored. Premises may engage the services of outside vendors to fulfill this requirement, such as a private security firm.

c) Each Premises shall maintain up to date and current records and existing contracts on the Premises that describe the location and operation of each security alarm system, a schematic of security zones, the name of the licensed alarm company, and the name of any vendor monitoring the Premises.

(3) Lock Standards. At a minimum, all points of ingress and egress shall be secured with commercial-grade, non-residential door locks.

(4) Video Surveillance Requirements.
a) Prior to exercising the privileges of a Cannabis Permit issued under this Chapter, an Applicant must install fully operational video surveillance and camera recording system. The recording system must record in digital format and meet the requirements outlined herein.

b) All video surveillance records and recording must be stored in a secure area that is only accessible to the management staff of the Cannabis Permittee.

c) Video surveillance records and recordings must be made available upon request to the City Manager or designee for a purpose authorized by this Chapter or for any other State or local law enforcement purpose.

d) Video surveillance shall be held in confidence by all employees and representatives of the City Manager, except that the City Manager may provide such records and recordings to any State or local law enforcement agency for any purpose authorized under this Chapter for any State or local law enforcement purpose.

e) A sign shall be posted in a conspicuous place near each point of public access, which shall not be less than 12 inches wide and 12 inches long, composed of letters not less than one inch in height, stating that “All Activities Monitored by Video Camera” or “These Premises Are Being Digitally Recorded” or otherwise advising of all persons entering the Premises that a video surveillance and camera recording system is in operation and recording all activity as provided in this Section.

f) The Premises shall utilize video surveillance equipment and a camera system that shall be remotely accessible by the City and Los Angeles County Sheriff’s Department.

(5) Video Surveillance Equipment.

a) Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this Section, video monitors, digital archiving devices, and a color printable capable of delivering still photos.

b) All video surveillance systems must be equipped with a failure notification system that provides prompt notification to a Cannabis Permittee of any prolonged surveillance equipment interruption and/or the complete failure of the surveillance.

c) Cannabis Permittees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored Premises.

d) All video surveillance equipment shall have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage.
(6) Placement of Cameras and Required Camera Coverage.

a) Camera placement shall be capable of identifying activity occurring within 20 feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the Premises.

b) All entrances and exits to the Premises shall be recorded from both indoor and outdoor vantage points.

c) The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions. If the Premises has a medicinal cannabis cultivation area, a rotating schedule of lighted conditions and zero-illumination can occur as long as ingress and egress points to those areas remain constantly illuminated for recording purposes.

d) Areas where medicinal cannabis is grown, tested, cured, manufactured, or stored shall have a camera placed in the room facing the primary entry door at a height that will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.

e) Cameras shall also be placed at each location where weighing, packaging, preparation, tagging activities occur, or other distribution preparation activities occur.

f) At least one camera must be dedicated to record the access points to the secured surveillance recording area.

(7) Location and Maintenance of Surveillance Equipment.

a) Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees, the City Manager or designee, Los Angeles County Sheriff's Department, as authorized by this Chapter, other State or local law enforcement purpose, and service personnel or contractors.

b) Premises must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or surveillance system room on the Premises. Premises must keep a surveillance equipment activity log on the Premises to record all service activity, including the identity of all individuals performing services on system service, the service date and time, and the reason for such service to the surveillance system.

c) Off-site monitoring and video recording storage of the Premises by an independent third party may be authorized so long as standards exercised at the remote location meets or exceeds all of the standards applicable to onsite monitoring.
d) Each Premises located in a common or shred building must have a separate surveillance room/area that is dedicated to that specific Premises. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the Premises. All minimum requirements for equipment and security standards as set forth in this Section apply to such review station.

(8) Video Recording Retention Requirements.

a) All camera views of all recorded areas must be continuously recorded 24 hours a day.

b) All surveillance recordings must be kept for a minimum of 30 days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately-capture video and guarantees that no alteration of the recorded image has taken place.

c) The surveillance system or equipment must have the capabilities to produce a color still photograph form any camera image, live, or recorded, of the Premises.

d) The date and time must be embedded on all surveillance recordings without significantly obscuring the picture.

e) Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory at www.time.gov.

f) After the 30-day surveillance retention schedule has lapsed, surveillance video recordings must be erased or destroyed prior to being discarded or disposed of for any other purpose. Surveillance video recordings shall not be destroyed if the Cannabis Permittee knows or should have known of a pending criminal, civil, or administrative investigation or any other proceeding for which the recording may contain relevant information.

(9) Other Records. All records applicable to the surveillance system and cannabis tracking system shall be maintained on the Premises. At a minimum, Premises shall maintain a map of the camera locations, directions of coverage, camera numbers, surveillance equipment maintenance activity log, user authorization list and operating instructions for the surveillance equipment.

(s) Audit. Each Cannabis Permittee shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, each Cannabis Permittee shall file a sworn statement detailing business activity during the previous 12-month period (or shorter period based upon the timing of the request). The statement shall include gross sales for each month and all
applicable taxes and fees paid or due to be paid. On an annual basis, each owner and operator shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each Cannabis Permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager or designee.

(t) Inspections. The City Manager, or designee, or Los Angeles County Sheriff's Department shall have the right to enter all Premises from time to time unannounced during a Cannabis Permittee's hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this Chapter, to inspect and copy records required to be maintained under this Chapter, or to inspect, view, and copy recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order, and subject to appropriate fees, as specified in the Development Agreement, or adopted by the City.

5.20.060 Application and fee requirements.

(a) All applicants wishing to obtain a Cannabis Permit from the City shall file an application with the City upon a form approved by the City Manager and shall pay a permit application fee as established by the City. The fee may vary depending on the type of Cannabis Permit. The City Manager or designee may require and conduct background checks, as necessary, to process and evaluate Cannabis Permit applications.

(b) Prior to operating in the City, each Cannabis Permittee shall timely and fully pay all fees associated with the establishment of Commercial Cannabis Activity. The fees shall be as set forth in the schedule and fees and charges established by the City Council, including, but not limited to, the following:

1. Application fee for accepting a registration application, due and payable in full at the time an application is submitted;

2. Processing fee for the cost to the City of processing an application and reviewing, investigating, and scoring each application in accordance with any evaluation system to determine eligibility for issuance of a Cannabis Permit, due and payable in full at the time a registration application is submitted;

3. Permit issuance fee for the cost to the City of preparing a Development Agreement, Planning Commission and City Council review of the Development Agreement and the Cannabis Permit, and preparation and issuance of the Cannabis Permit, as authorized by the Cannabis Permit;

4. Amended registration fee for the cost to the City of reviewing amendments or changes to the registration form previously filed on behalf of an Applicant, due and payable in full at the time amendments or changes to any Cannabis Permit form is submitted to the City;
(5) Permit renewal fee for the cost of the City of processing an application to renew a Cannabis Permit, due and payable in full at the time application is made to renew a Cannabis Permit; and

(6) Any fees set forth in the applicable Development Agreement.

5.20.070 Permit conditions.

(a) A Cannabis Permit application may be denied and not awarded by the City if:

(1) The Applicant or the Applicant’s agent(s) has made one or more false or misleading statements or omissions in the application or during the application process.

(2) The proposed Premises or Commercial Cannabis Activity at the Premises is not allowed by State Law or City law.

(3) The Applicant is not a legal representative of the proposed Cannabis Permittee.

(4) The Applicant or any of its officers, directors, owners, managers, or employees is under 21 years of age.

(5) The Applicant’s facility or its location is in violation of any building, zoning, health, safety, or other provision of this Chapter or of any State or local law that substantially affects the public health, welfare, safety, or morals, or the facility or its location is not permitted in the proposed area, or the issuing or continuation of a Cannabis Permit would be contrary to the public health, welfare, safety, or morals.

(6) The Applicant or any of its officers, directors, owners, managers, or employees has been sanctioned by the City, State, or any county for unauthorized cannabis activities or has had a registration revoked under this Chapter in the previous 3 years.

(7) The Applicant or the Applicant’s agent(s) have engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.

(8) The Applicant has not been or is not in good standing with the City related to other or previous business activities operated in the City.

(9) The Applicant has not satisfied all requirement of this Chapter.

(10) For Good Cause, as defined in this Chapter.

(b) A Cannabis Permit shall be awarded by the City to Applicants in accordance with the process established by the City Manager.

(c) Before a Cannabis Permit can be issued to an applicant, a Cannabis Permit fee must be paid to offset all related costs to the City, and the proposed Premises must pass all applicable inspections.
(d) Each Cannabis Permit is subject to the conditions of approval in the applicable Development Agreement for the parcel of real property upon which the Premises is located.

(e) Each Cannabis Permit is subject to any additional conditions that may be applied by the City at the time of issuance or renewal as necessary to properly regulate the applicable Commercial Cannabis Activities and to protect the public.

(f) Each Cannabis Permittee shall execute a Development Agreement with the City to, among other things, fully reimburse the City for all fiscal impacts, costs, expenses, fees, and attorneys' fees incurred by the City related to the Cannabis Permit and the related Commercial Cannabis Activity of such Cannabis Permittee.

(g) Each Cannabis Permittee shall:

   1. Carry liability insurance in the amounts and types set by the City Manager or the City Manager's designee, and name the City as an additional insured on all such insurance policies.

   2. Execute an Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Cannabis Permit, the Cannabis Permittee's Commercial Cannabis Activities, and any action taken by the Cannabis Permittee pursuant to this Chapter. Such indemnification may be set forth in the applicable Development Agreement.

   3. Defend the City, at the Cannabis Permittee's sole expense, in any action against the City or its agents, officers, officials, or employees associated with the Cannabis Permit, the Cannabis Permittee's Commercial Cannabis Activities, or any action taken by the Cannabis Permittee pursuant to this Chapter. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the Cannabis Permittee of its indemnification and reimbursement obligations.

   4. Reimburse the City for all costs, expenses, fees, and attorney's fees incurred by the City related to any action against the City or its agents, officers, or employees associated with the Cannabis Permit, the Cannabis Permittee's Commercial Cannabis Activity, or any action taken by the Cannabis Permittee pursuant to this Chapter.

(h) A Cannabis Permittee shall keep the City and law enforcement updated with the names, addresses, and relevant criminal histories of the Applicant's Agents. Relevant criminal histories shall include any drug-related or felony convictions, the nature of such offenses, and the sentences received for such convictions.

(i) Transfer.

   1. Any Cannabis Permittee may not sell, transfer, pledge, assign, grant an option, or otherwise dispose of his or her ownership interest in the Commercial Cannabis Business authorized pursuant to the Cannabis Permit.
(2) In order for a Cannabis Permittee to transfer its Cannabis Permit to any Person, such Cannabis Permittee must submit a transfer application to the City Manager or City Manager’s designee. The City Manager or designee may create a transfer application and reasonable transfer application process, including mandatory fee, that Cannabis Permittees and the City must follow and pay for Cannabis Permit transfer requests. Each transfer request of a Cannabis Permit and the related transfer application is subject to the prior approval of the City Manager or designee.

(3) Applicants for Cannabis Permits must show proof of lawful possession of the applicable location. Evidence of lawful possession consists of properly executed deeds of trust, leases, and other written instruments, as may be accepted by the City.

(4) The location shall only be the geographical area that is specifically and accurately described in executed documents verifying lawful possession. No Cannabis Permittee is authorized to relocate to other areas or units within a building structure without first filing a change of location application and obtaining approval from the City regardless of any possessory interest or right to possession to such additional space. No Cannabis Permittee shall add additional contiguous units or areas, thereby altering initially-approved Premises without filing an application to modify the location on forms prepared by the City Manager, including any applicable processing fee.

(5) No Cannabis Permittee is authorized to sublet any portion of any Premises for any purpose unless all necessary forms and applications to modify the existing location to accomplish any subletting have been approved by the City.

(6) The City Manager shall develop and promulgate a process for the renewal of Cannabis Permits and the establish related fees, in accordance with applicable laws.

(j) To the fullest extent permitted by law, the City does not assume any liability, and expressly does not waive sovereign immunity, with respect to any Commercial Cannabis Activities, or for the other activities of any Cannabis Permittee or for any other activities taking place at Premises.

(k) Changing, Altering, or Modifying Location.

(1) After issuance of a Cannabis Permit, the Cannabis Permittee shall not make any physical change, alteration, or modification to the Premises that materially or substantially alters the location, production estimates, and/or usage of the location form the plans originally approved under the applicable Development Agreement, without the prior written approval of the City Council or designee. The Cannabis Permittee whose Premises are to be materially or substantially changed is responsible for filing an application with the City in order to obtain requisite approval.
(2) Material or substantial changes, alterations, or modifications requiring approval include, but are not limited to, the following: (i) an increase or decrease in the total physical size or capacity of the location; (ii) the sealing off, creation of or relocation of a common entryway, doorway, passage, or other such means of public ingress and/or egress, when such common entryway, doorway, or passage alters or changes limited access areas; or (iii) the installation or replacement of electric fixtures or equipment, the lowering of a ceiling, or electrical modifications made for the purpose of increasing power usage.

(3) The City Council or designee may grant approval for the types of changes, alterations, or modifications described herein upon the filing of an application by the Cannabis Permittee and payment of any applicable fee, subject to any requisite amendments to the applicable Development Agreement. The Cannabis Permittee must submit all information requested by the City Council or designee including, but not limited to, documents that verify the following: (i) the Cannabis Permittee will continue to have the exclusive possession of the Premises, as changed, by ownership, lease, rental agreement, or other means, and sole control over all activities; and (ii) the proposed change conforms to any and all City restrictions related to the time, manner, and place of regulation of the applicable Commercial Cannabis Activity.

(I) To the fullest extent permitted by law, the City does not assume any liability, and expressly does not waive sovereign immunity, with respect to any Commercial Cannabis Activities, or for the other activities of any Cannabis Permittee or for any other activities taking place at Premises.

5.20.080 Enforcement and Appeals.

(a) Any Commercial Cannabis Activity within the City in violation of this Chapter is hereby declared to be unlawful and a public nuisance.

(b) Any Person who willfully or knowingly (i) engages in a violation of this Chapter or (ii) owns, possesses, controls, or has charge of any parcel of real property in the City upon which a violation of this Chapter is maintained and who has actual knowledge of such violation (or would have actual knowledge of such violation after a reasonable inquiry), shall be subject to the penalties and remedies provided by this Chapter.

(c) Any violation of this Chapter shall constitute a separate offense for each and every day the violation occurs or persists.

(d) Any Person in violation of any provision of this Chapter or who causes another Person to be in violation of this Chapter shall have committed a misdemeanor. In addition which shall be punishable by a fine of up to one thousand dollars ($1,000) for each violation and for each day the applicable violation continues to persist.
(e) Any person in violation of any provision of this Chapter shall be punishable by an administrative fine of up to a $1,000 per offense.

(f) Any material violation of this Chapter or any other relevant City law or State Law by a Cannabis Permittee, or a Cannabis Permittee’s agent, is grounds for suspending or revoking the relevant Cannabis Permit. In addition, the City Manager or the City Manager’s designee may suspend or revoke a Cannabis Permit, disqualify an Applicant from the application process, or elect not to renew a Cannabis Permit if any of the following occur:

1. The City Manager or the City Manager’s designee determines that the Cannabis Permittee has failed to comply with this Chapter, any condition of approval, or any agreement or covenant as required pursuant to this Chapter.

2. The Cannabis Permittee’s Commercial Cannabis Activities cease for more than ninety (90) calendar days.

3. Ownership of the Cannabis Permittee is changed without approval from the City.

4. The licensed Commercial Cannabis Activity moves from the licensed Premises to a different, unauthorized location.

5. The Cannabis Permittee fails to provide remote access to the security cameras to the City Manager, the City Manager’s designee, or Los Angeles County Sheriff’s Department, or fails to allow inspection of the security recordings, the activity logs, or of the Premises by authorized City officials.

(g) Any decision regarding the suspension or revocation of a Cannabis Permit, disqualification of an Applicant from the application process, or election not to renew a Cannabis Permit may be appealed to an independent neutral third-party administrative hearing officer appointed by the City Manager or the City Manager’s designee (the “Hearing Officer”). Said appeal shall be made by a notice of appeal from the Person appealing within thirty (30) days from the date of the City’s decision. The appeal shall be accompanied by a written verified declaration setting forth the basis for the claim that the City’s decision was improper. The Hearing Officer’s decision shall be final and binding upon the City and the appellant Cannabis Permittee or Applicant. Alternatively, the City Manager may provide for the appeal to be made to the City Council, in lieu of a hearing officer. In such case, the City Council’s decision shall be final and binding upon the City and the appellant.

(h) These penalties and remedies are cumulative, and in addition to any other penalties and remedies available to the City.

5.20.090 State Medicinal License Requirement.

(a) Cannabis Permittees must obtain a State Medicinal License in accordance with State Law, including, but not limited to, the temporary and permanent State Medicinal Licenses provided for in MAUCRSA.
(b) Each Cannabis Permittee must expeditiously provide proof of receipt of the applicable State Medicinal License by such Cannabis Permittee to the City Manager or designee.

5.20.100 Medicinal Cannabis Cultivation.

(a) Purpose. The purpose and intent of this Section is to permit and regulate the medicinal Cannabis Cultivation in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to State Law.

(b) Scope; Medicinal Cannabis. This Section permits and regulates the medicinal Cannabis Cultivation pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Cultivation Permits may be issued by the City for medicinal Cannabis Cultivation pursuant to and in accordance with State Law, including MAUCRSA.

(c) Outdoor Cultivation is prohibited within the City.

(d) Indoor Cultivation is permitted only on properties within the applicable Permit Zone with a valid Cultivation Permit and other requisite permits and entitlements.

(e) Indoor Cultivation may include growing Cannabis plants, harvesting Cannabis plants, and drying Cannabis flowers but shall not include the Manufacturing or of Cannabis Products, unless otherwise authorized pursuant to this Chapter.

(f) Entrance to the Cultivation area, and all storage areas, of the applicable Premises shall be locked at all times and under the control of the staff of such Premises.

5.20.110 Medicinal Cannabis Products Manufacturing.

(a) Purpose. The purpose and intent of this Section is to permit and regulate the medicinal Cannabis Products Manufacturing to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to State Law.

(b) Scope; Medicinal Cannabis. This Section permits and regulates medicinal Cannabis Products Manufacturing pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Manufacturing Permits may be issued by the City for medicinal Cannabis Products Manufacturing, pursuant to and in accordance with State Law, including MAUCRSA.

(c) Medicinal Cannabis Products Manufacturing is a permitted use only on properties within the applicable Permit Zone with a valid Cultivation Permit and other requisite permits and entitlements.

(d) A Manufacturing Permittee must employ at least one (1) member of its personnel dedicated full time to quality control.

(e) The Manufacturing Permittee must establish standard operating procedures and batch records that comply with current good manufacturing practices and applicable State Law, including MAUCRSA.
(f) All Cannabis Products produced by a Manufacturing Permittee must be labeled in compliance with applicable State Law, including MAUCRSA.

(g) All Cannabis Products produced by a Manufacturing Permittee must be packaged in child resistant containers prior to leaving the Premises for such Manufacturing Permittee in accordance with applicable State Law, including MAUCRSA.

(h) Manufacturing Permittees may conduct Manufacturing using any type of solvents, including Volatile Solvents, or Manufacturing processes if such Manufacturing complies with the requirements of this Chapter and State or local law, including but not limited to Health and Safety Code Section 11362.775 (or any successive State Law) all applicable fire and building codes in the City and any other laws of the City designed to ensure the safety of such operation.

(i) Manufacturing Permittees using Volatile Solvents for Manufacturing Cannabis Products must operate in a manner to reduce the risk of explosion or danger to public health, including through the use of a close-loop or solvent dispersion system consistent with the requirements of Health and Safety Code Section 11362.775 (or any successive State Law).

(j) If hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material, as those terms are defined in California Fire Code Section 202, are to be used in the processing of medicinal Cannabis, then the provisions of California Fire Code Section 407 shall be applicable where hazardous materials are subject to permits under California Fire Code Section 50 (Hazardous Materials) are located on the Premises or where required by the applicable building or fire official.

(k) Storage, use, and handling of compressed gases in compressed gas containers, cylinders, tanks, and systems shall comply with California Fire Code Chapter 53. Partially full compressed gas containers, cylinders, or tanks containing residual gases shall be considered as full for the purposes of the controls required. Compressed gases classified as hazardous materials shall also comply with California Fire Code Chapter 50 for general requirements and California Fire Code Chapter 53 addressing specific hazards, including California Fire Code Chapter 58 (Flammable Gases), California Fire Code Chapter 60 (Highly Toxic and Toxic Materials), California Fire Code Chapter 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids, and California Fire Code Chapter 64 (Pyrophoric Materials). Prevention, control, and mitigation of dangerous conditions related to storage, use, dispensing, mixing, and handling of flammable and combustible liquids shall be in accordance with California Fire Code Chapters 50 and 57.

(l) Labeling Requirements – Edibles.

(1) Before a Manufacturing Permittee prepares any edible Cannabis or edible Cannabis Product for retail sale, it shall be labeled and placed in tamper-evident packaging which at least meets the requirements of State Law, including, but not limited to, MAUCRSA.
All items to be sold or distributed shall be individually wrapped at the original point of preparation by the Cannabis Permittee.

Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of Cannabis in the package, not to exceed ten (10) milligrams of tetrahydrocannabinol (THC) per serving.

A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with state packing requirements.

The package must have a label warning that the product is to be kept away from children.

The label must also state that the product contains Cannabis and must specify the date of Manufacture and the Manufacture Permittee’s information, including, but not limited to, address, and phone number.

Distributions must be in a properly labeled opaque package when distributed.

The City Manager, or designee, may impose additional packaging and labeling requirements on Cannabis or Cannabis Products.

**5.20.120 Medicinal Cannabis and Cannabis Products Retail Delivery (Retail Delivery Only, Dispensaries Prohibited).**

(a) **Purpose.** The purpose and intent of this Section is to regulate the Retail Delivery of medicinal Cannabis and Cannabis Products in order to promote the health, safety, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the State Law.

(b) **Scope; Medicinal Cannabis Only.** This Section permits and regulates the Retail Delivery of medicinal Cannabis and Cannabis Products pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Retail Delivery Permits may be issued by the City for the Retail Delivery of medicinal Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MAUCRSA. The point-of-sale sale of Cannabis or Cannabis Products is strictly prohibited.

(c) Retail Delivery of Cannabis and Cannabis Products is a permitted use only on properties within the applicable Permit Zone with a valid Retail Delivery Permit and other requisite permits and entitlements.

(d) The Retail Delivery of medicinal Cannabis and Cannabis Products may only include the Retail Delivery of Cannabis and Cannabis Products by a Retail Delivery Permittee to a customer, patient or primary caregiver, in accordance with State Law, including MAUCRSA.

(e) Retail Delivery Permittees shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing Cannabis
and Cannabis Products and theft of Cannabis and Cannabis Products from the Retail Delivery Establishment or employees participating in Retail Delivery.

(f) All Cannabis and Cannabis Products shall be stored in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, or loss.

(g) Individuals shall not be allowed to remain on the Premises comprising of the Retail Delivery Establishment unless they are engaging in activity expressly related to the operations of the Retail Delivery Establishment or are a customer.

(h) A Retail Delivery Permittee shall notify the City Manager or the City Manager's designee within 24 hours of discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the City Manager or the City Manager's designee.

2. Diversion, theft, loss, or any criminal activity involving the Retail Delivery Establishment or any agent or employee of the Retail Delivery Establishment.

3. The loss or unauthorized alteration of records related to Cannabis, Cannabis Products, registered qualifying patients, primary caregivers, or Retail Delivery Establishment agents or employees.

4. Any other material breach of security.

(i) The Retail Delivery of medicinal Cannabis and Cannabis Products shall comply with all State and local Law, including all laws requiring presentment of government-issued identification card, physician's recommendation, or medicinal Cannabis identification card at the time of initial purchase.

(j) With respect to medicinal Cannabis, physicians' recommendations for medicinal cannabis use shall be verified by a Retail Delivery Permittee prior to the Retail Delivery any medicinal Cannabis to a qualified patient or primary caregiver and at least every six months thereafter.

(k) A Retail Delivery Establishment may not employ or enter into any agreements with any physicians who recommend medicinal Cannabis; Physician Services are prohibited from any and all Retail Delivery Establishments.

(l) A Retail Delivery Permittee shall inspect all Cannabis and Cannabis Products received for quality assurance prior to the Retail Delivery to any Person.

(m) The Retail Delivery of Cannabis and Cannabis Products shall occur only after such Cannabis and Cannabis Products have been inspected and quality tested in accordance with applicable State Law, including MAUCRSA.

(n) Each Retail Delivery Establishment shall do regular monthly inventories and record the total quantity of Cannabis and Cannabis on the Premises. These records shall be maintained for three years from the date created and shall be open to inspection by the City Manager, the City Manager's Designee, and law enforcement.
(o) A Retail Delivery Permittee shall register with the City each location where Cannabis or Cannabis Products are stored for purposes of Retail Delivery by such Retail Delivery Permittee within the City.

(p) A Retail Delivery Establishment shall maintain customer and patient and other business records in a secure location (including electronically or cloud-based) that is compliant with, as applicable, HIPAA and other federal and state privacy laws.

(q) During the Retail Delivery of Cannabis or Cannabis Products, each vehicle driver shall carry a copy of the Retail Delivery Permit, a copy of the Retail Delivery request, a form of government-issued identification, and all other information required by State and local Law. The driver shall present these documents upon the request of law enforcement, the City Manager, or the City Manager's designee.

(r) Prior to Retail Delivery of Cannabis and Cannabis Products, such Cannabis and Cannabis Products shall be labeled and placed in a tamper-evident package. Labels and packages of Cannabis and Cannabis Products shall, at minimum, meet the requirements specified under State Law, including MAUCRSA.

(s) All Retail Delivery vehicles shall:

1. Be equipped with, and utilize, a vehicle alarm system.
2. Have and utilize a direct communication system with the related Retail Delivery Establishment.
3. Keep all Cannabis and Cannabis Products in a secure and locked container.
4. Have an internal partition between the driver and all passengers from the Cannabis and Cannabis Products storage containers that prevents access by the driver and passengers to all cannabis products from inside the vehicle.
5. Not carry more Cannabis and Cannabis Products than allowed by State and local Law and required to fulfill all immediate Retail Delivery requests
6. Not display any logo, signage, or other information that identifies, advertises, or lists the services or the products offered.

5.20.130 Medicinal Cannabis and Cannabis Products Distribution.

(a) Purpose. The purpose and intent of this Section is to permit and regulate the Distribution of Cannabis and Cannabis Products between Cannabis Permittees in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to State Law.

(b) Scope; Medicinal Cannabis Only. This Section permits and regulates the Commercial Cannabis Activity of Distribution of medicinal Cannabis and Cannabis Products pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Distribution Permits may be issued by the City for the
Distribution of medicinal Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MAUCRSA. Distribution of Cannabis and Cannabis Products requires a Development Agreement with the City and must be located within the applicable Permit Zone.

(c) Distribution activities includes the receiving and releasing of Cannabis and Cannabis Products for inspection, Testing, and quality assurance, as required under applicable State Law and such other activities as are permitted pursuant to State Law.

(d) A Distribution Permittee shall only Distribute Cannabis and Cannabis Products between Cannabis Permittees or to facilities or portions of facilities wholly controlled by such Distribution Permittee to the extent permitted by State Law.

(e) A Distribution Permittee shall inspect all Cannabis and Cannabis Products received by it for quality assurance prior to Distributing to any Cannabis Permittee, as required under applicable State Law.

(f) In addition to the application requirements in Section 0, a Distribution Permittee shall register with the City each location within the City where Cannabis and Cannabis Products are stored for purposes of Distribution activities within the City.

(g) A Distribution Permittee shall Distribute Cannabis and Cannabis Products to Cannabis Permittees only after such Cannabis and Cannabis Products have been inspected and quality tested in accordance with applicable State Law, including MAUCRSA.

(h) A Distribution Permittee may also hold any other Permit type to the extent permitted by State Law. To the extent permitted by State law, a Distribution Permittee that also holds another Permit type may self-distribute its Cannabis Products.

5.20.140 Medicinal Cannabis and Cannabis Products Microbusiness.

(a) Purpose. The purpose and intent of this Section is to permit and regulate the medicinal Cannabis and Cannabis Products Microbusiness in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to State Law, including MAUCRSA.

(b) Scope; Medicinal Cannabis Only. This Section permits and regulates Microbusinesses, pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Microbusiness Permits may be issued by the City pursuant to and in accordance with State Law, including MAUCRSA.

(c) All Microbusinesses shall require a Development Agreement with the City and must be located within the applicable Permit Zone.

(d) All components of a Microbusiness (i.e., Cultivation, Manufacturing, etc.) must be in compliance with the provisions of this Chapter and State Law, including MAUCRSA.
(e) The City may authorize the smoking, vaporizing, and ingestion of Cannabis or Cannabis Products on the Premises of a Microbusiness if all of the following are met:

(1) Access to the area where Cannabis consumption is allowed is restricted to persons 21 years of age and older.

(2) Cannabis consumption is not visible from any public place or nonage-restricted area.

(3) Sale or consumption of alcohol or tobacco is not allowed on the Premises.

**5.20.140 Medicinal Cannabis and Cannabis Products Testing.**

(a) **Purpose.** The purpose and intent of this Section is to permit and regulate the Testing of medicinal Cannabis and Cannabis Products in order to promote the health, safety, morals, and general welfare of the residents and businesses within the City. The City intends to be on the forefront of medicinal Cannabis research and Testing. The City is authorized to regulate this activity pursuant to State Law.

(b) **Scope; Medicinal Cannabis Only.** This Section permits and regulates Cannabis and Cannabis Products Testing, pursuant to State Law, including MAUCRSA. Subject to the terms of this Chapter, Testing Permits may be issued by the City for the Testing of medicinal Cannabis and Cannabis Products pursuant to and in accordance with State Law, including MAUCRSA.

(c) Testing of Cannabis and Cannabis Products requires a Development Agreement with the City and must be located within the applicable Permit Zone.

(d) Each Testing Permittee must employ at least one (1) full time quality control personnel employee.

(e) Testing Permittees must operate, and all Cannabis and Cannabis Products must be properly tested by Testing Permittees, in accordance with applicable State Law.

(f) All Testing devices used by a Testing Permittee must be "UL listed," and/or otherwise approved for the intended use by the City’s Building Official, the Fire Department or other person designated by the City Manager or designee.

(g) Each Testing Permittee must notify the State Department of Public Health and the City Manager, or the City Manager’s designee, within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.

**SECTION 10.** Recognizing that there is a potential conflict between federal and State law, it is the City Council's intention that this Ordinance shall be deemed to comply with applicable State Law and shall defer to such applicable State Law through preemption.

**SECTION 11.** The City Council determines that it is in the best interest of the residents of the City to allow Commercial Cannabis Activities in compliance with applicable State Law, including MAUCRSA, to be established and operated as permitted uses within certain areas of the City subject to the regulations and restrictions provided in this
Ordinance. It is the City Council's intention that nothing in this Ordinance shall be construed to:

1. Allow a Person to engage in conduct that endangers others or causes a public nuisance.

2. Allow any activity relating to Cannabis that is otherwise not permitted under State law.

SECTION 12. The City Council finds that the actions contemplated by this Ordinance are exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) and 15305 of the Guidelines, in that the Ordinance alone does not have the potential for causing a significant effect on the environment. Further permits and approvals will be required before any activity that will affect the environment will be permitted. In addition, Business and Professions Code Section 26055 exempts local ordinances from CEQA that authorizes commercial cannabis activity through discretionary review and approval.

SECTION 13. If any section or provision of this Ordinance is for any reason held to be invalid, unconstitutional, illegal, or unenforceable by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, then such section or provision shall be severed and shall be inoperative, and the remainder of this Ordinance shall remain in full force and effect.

SECTION 14. By regulating Commercial Cannabis Activity, the City is only undertaking to preserve the general welfare through implementing the MAUCRSA. The City Council is not assuming, nor is it imposing on its officers and employees, an obligation for which a breach thereof would expose the City to liability in money damages to any Person who claims that such breach proximately caused injury. To the fullest extent permitted by law, the City shall assume no liability whatsoever, and expressly does not waive sovereign immunity, with respect to any provision of this Ordinance or for the activities of any Cannabis Permittee. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this Ordinance shall not become a personal liability of any public officer or employee of the City. Nothing in this Ordinance shall be deemed or considered in any respects to constitute authorization to violate any law.

SECTION 15. Inconsistent Provisions. Any provision of the Cudahy Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 16. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof.
irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 17. Publication and Effective Date. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in a newspaper of general circulation within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 11th day of September, 2017.

Chris Garcia
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF CUDAHY

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Ordinance No. 673 was introduced for a first reading on the 14th day of August 2017 and approved for a second reading and adopted by said Council at its regular meeting held on the 11th day of September, 2017 by the following vote, to-wit:

AYES: Markovich, Hernandez, Garcia

NOES: Guerrero

ABSTAIN: None

ABSENT: Sanchez

Richard Iglesias
Deputy City Clerk
EXHIBIT “A”: OVERLAY ZONE

Portion of High Density Residential Zone which shall be available for Medicinal Commercial Cannabis Activity upon rezoning by the City Council by General Plan Amendment, Zoning Map Amendment, or other means.
ORDINANCE NO. 698

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, APPROVING: (1) A DEVELOPMENT AGREEMENT [NO. DA18-001C] BY AND BETWEEN THE CITY OF CUDAHY AND VM EVERGREEN, LLC, A WYOMING LIMITED LIABILITY COMPANY AND (2) THE ISSUANCE OF A COMMERCIAL CANNABIS PERMIT

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864 et seq. of the California Government Code (the Development Agreement Statute); and

WHEREAS, the Development Agreement Statute authorizes the City to enter into a property development agreement with any person having legal or equitable interest in real property for the development of such property in order to establish certain development rights; and

WHEREAS, in accordance with California law, the City of Cudahy has adopted Municipal Code Chapter 20.28 (Development Agreements) [Renumbered as Part 9 of the Zoning Code §20.84.530-20.84.640 adopted by the City Council on 7/17/18] establishing the procedures and requirements for the consideration of development agreement with the City; and

WHEREAS, on September 11, 2017, the City Council for the City of Cudahy passed Ordinance No. 673 establishing regulations and a discretionary review process for the allowance of medicinal-only commercial cannabis activities (cultivation, distribution, manufacturing, deliveries, micro-business and laboratory testing) in a specified Overlay Zone through a development agreement; and

WHEREAS, all procedures of the California Environmental Quality Act ("CEQA"), California Public Resources Code §21000 et seq., and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, §15000 et seq. have been satisfied. The City has found that the proposed Project is Categorically Exempt from California Environmental Quality Act (CEQA) requirements under provisions of CEQA Guidelines Section 15301 - Existing Facilities. This exemption applies to projects characterized as alterations to existing facilities meeting the conditions described in Section 15301;

WHEREAS, the City of Cudahy Planning Commission ("Planning Commission") conducted a properly noticed public hearing to consider approval of a Commercial Cannabis Permit and a Development Agreement (as defined below), at which testimony and evidence, both written and oral, were presented to and considered by the Planning Commission; and

WHEREAS, the City Council shall approve a development agreement by ordinance; and

WHEREAS, subsequent to receipt of a report on the Planning Commission's actions, the City Council conducted a properly noticed public hearing to consider the approval of a Commercial Cannabis Permit and Development Agreement, at which testimony and evidence, both written and
oral, were presented to and considered by the City Council.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS

That the above Recitals are true and correct and are incorporated as though fully set forth herein.

SECTION 2. APPROVAL OF DEVELOPMENT AGREEMENT

That the City Council hereby approves the Development Agreement By and Between the City of Cudahy and VM Evergreen, LLC a Wyoming limited liability company ("Development Agreement") [DA#18-001C], a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A," subject to the terms and conditions stated therein.

SECTION 3. APPROVAL OF COMMERCIAL CANNABIS PERMIT

That the City Council hereby approves Commercial Cannabis Permit No. CCP 18-0001, subject to the terms and conditions stated therein, to allow a Commercial Cannabis Facility for the Site located at 2222 Atlantic Avenue, City of Cudahy, CA as set forth in the Development Agreement. A copy of the permit is attached hereto and incorporated herein by this reference as Exhibit "B." The Commercial Cannabis Permit shall be issued upon execution by the City of the Development Agreement.

SECTION 4. SEVERABILITY

That the City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Ordinance as hereby adopted shall remain in full force and effect.

SECTION 5. EFFECTIVE DATE OF ORDINANCE

That this Ordinance shall take effect thirty (30) days after its second reading by the City Council.

SECTION 6. EXECUTION OF DEVELOPMENT AGREEMENT

The Development Agreement shall not be executed by the City until on or after the effective date of the Ordinance.

SECTION 7. RECORDATION OF DEVELOPMENT AGREEMENT

That the City Clerk is hereby directed to record the fully executed Development
Agreement with the County Recorder for the County of Los Angeles no later than ten (10) days after its execution.

SECTION 5. CERTIFICATION

That the City Clerk shall certify to the passage of this Ordinance and shall cause the same to be published, in full or in summary format, according to law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 18th day of December, 2018.

Chris Garcia
Mayor

ATTEST:

Richard Iglesiás
Deputy City Clerk
CERTIFICATION

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )  SS:
CITY OF CUDAHY  )

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Ordinance No. 698 was introduced for a first reading on the 4th day of December, 2018 and approved for a second reading and adopted by said Council at its regular meeting held on the 18th day of December, 2018 by the following vote, to-wit:

AYES:   Gonzalez, Hernandez, and Garcia

NOES:   Sanchez

ABSENT: None

ABSTAIN: Markovich

[Signature]
Richard Iglesias
Deputy City Clerk
COMMERCIAL CANNABIS
DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF CUDAHY AND
VM EVERGREEN, LLC

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into this 11th day of February, 2021 (the “Execution Date”), by and between the CITY OF CUDAHY, a California municipal corporation (“City”) and VM EVERGREEN, LLC a Wyoming limited liability company (“Owner”) authorized to do business in the State of California. City and Owner are sometimes referenced together herein as the “Parties.” In instances when a provision hereof applies to each of the Parties individually, either may be referenced as a “Party.” The Parties hereby jointly render the following statement as to the background facts and circumstances underlying this Agreement.

RECITALS

A. The State of California enacted California Government Code Sections 65864 et seq. ("Development Agreement Statutes") to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within their jurisdiction.

B. The purpose of the Development Agreement Statutes is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations, to vest
certain rights in the Owner, and to meet certain public purposes of the local government.

C. As authorized by the Development Agreement Statutes, the City has adopted Municipal Code Chapter 20.28 (Development Agreements) establishing the procedures and requirements for the consideration of development agreements with the City.

D. Owner currently holds a legal or equitable interest in real property considered in this Agreement which has a development area approximately 17,500 square feet located at 8222 Atlantic Ave., City of Cudahy, State of California (the “Site”). The Site includes Assessor’s Parcel Number: 6224-023-019, and is more fully described in Exhibit A and shown on the map in Exhibit B. Both exhibits being attached hereto and incorporated herein by this reference.

E. Presently, Owner has a leased interest in a portion of the Site for the purpose of medicinal cannabis related activities which shall include, but not be limited to, facilities where cannabis is planted, grown, harvested, dried, cured, graded, trimmed, extracted, manufactured into cannabis products, distributed, or transported sold not as a store-front retail dispensary, or that does all or any combination of those activities ("Medicinal Cannabis"). The Site will include a non-cannabis lounge cafe. Such Medicinal Cannabis facilities shall operate in accordance with all applicable provisions of Business and Professions Code §§26000-26231.2; California Health and Safety Code Safety Code §§ 11357-11362.9 and 11362.7-11362.85; Revenue and Taxation Code §§ 34010-34021.5; Vehicle Code §§ 2429.7 and 23222; Water Code §§ 1831, 1847, and 13276; and the City of Cudahy Municipal Code as it applies to such facilities (collectively the “California Cannabis Laws”). Prior to operating a medicinal cannabis cultivation facility, Owner shall be required to obtain a Medicinal Commercial Cannabis Permit from the City pursuant to City Ordinance No. 673.

F. Ultimately, Owner intends upon obtaining a state license issued, pursuant to California Cannabis Laws, to operate a medicinal commercial cannabis or adult use facility at the Site. The definition of "Owner" hereunder shall mean and refer to the fee simple owner and/or any authorized tenant of the Site to the extent such party holds or is covered by a Regulatory Permit. In the event the City of Cudahy permits adult use cannabis commercial activity, Owner shall receive priority processing for any corresponding City permits for the same to the extent authorized by law.

G. On December 3, 2017 Owner applied to this City for a Medicinal Cannabis Manufacturing Permit, Cannabis Cultivation Permit, Cannabis Distribution Permit and a Cannabis Retail Delivery Permit (hereinafter "Regulatory Permit") to conduct Medicinal Commercial Cannabis Activities. No such activities are permitted without a
Development Agreement within or outside the boundaries set forth in the Overlay Zone/Permit Area illustrated in Exhibit "A" to City Ordinance No. 673.

H. Owner presently intends to develop and open a medicinal marijuana facility on the Site consistent with the California Cannabis Laws and Project Approvals (known as the "Project"). The Project will include taking fresh and dried plant material and selectively extract the plant oils and components to produce a concentrate of products of medicinal cannabis of the same, only to other legally permitted persons and entities under the California Cannabis Laws ("licensed persons"), who operate retail dispensary outlets or other licensed facilities under the California Cannabis Laws, but would not include the dispensing or sale of Cannabis Products at the Project Site without further authorization by the City.

I. The proposed project includes a Commercial Cannabis Permit, which is a type of conditional use permit, to allow for a Commercial Cannabis Facility and a Development Agreement (DA) for commercial cannabis activities including manufacturing, cultivation, distribution, delivery, and a non-cannabis lounge cafe within four (4) currently vacant approximately 17,500 square foot buildings. The site is currently developed with four (4) industrial/commercial buildings. The proposed project will be built in two phases and includes the following commercial cannabis activities:

- **Cultivation**: Cultivation premises are located within Building C and consists of a 187 square foot check-in and kitchenette area, a 186 square foot administration office, a 54 square foot safe room, a 60 square foot restroom, a 345 square foot storage room with two (2) 2,000 gallon water tanks, a 377 square foot trimming room, a 132 square foot drying room, two (2) cultivation rooms totaling 1,890 square feet, and two (2) 600 water tanks located adjacent to the cultivation rooms. The total production space is 2,744 square feet with 1,376 square feet of total premises space. The total cultivation area is 4,120 square feet.

- **Manufacturing**: Manufacturing premises are located within a 3,900 square foot space in Building A and a 2,150 square foot space in Building B. Building A consists of a 462 square foot packaging room, two (2) utility rooms totaling 163 square feet, a 156 square foot non-volatile CO2 extraction area with two (2) CO2 extractor systems, a 663 square foot post-extraction area with eight (8) vacuum ovens, a 3,127 square foot break room, a 60 square foot restroom, a 83 square foot formulation room, a 100 square foot cryogenic room with four (4) refrigerators, a 247 square foot product packaging room, a 169 square foot security office, a 29 square foot fire riser room, a 29 square foot data room, a 183 square foot administration office, and a 394 square foot shipping and receiving area. Building B consists of a 251 square foot product packaging room, a 39 square foot utility room, a 413 square foot non-volatile post-extraction room with eight (8) vacuum ovens, a 127 square foot formulation room with three (3) refrigerators, a 129 square foot cryogenic room with five (5) refrigerators, a 77
square foot storage room, a 133 square foot office, two (2) non-volatile extraction booths totaling 172 square feet, and a 246 square foot mechanical room. The total production space is 3,526 square feet with 2,524 square feet of total premises space. The total manufacturing area is 6,050 square feet.

- **Distribution**: Distribution premises are located within a 2,810 square foot space in Building A and consists of a 420 square foot packaging room, a 254 square foot tested batches room, a 470 square foot pre-testing batches room, a 438 square foot shipping and receiving area, a 156 square foot track and trace administration room, a 34 square foot samples room, a 39 square foot record keeping room, a 33 square foot data room, a 89 square foot security room, a 52 square foot check-in area, two (2) utility rooms totaling 77 square feet, a 135 square foot break room, and two (2) restrooms totaling 112 square feet. The total production space is 1,975 square feet with 835 square feet of total premises space.

- **Delivery**: Retail delivery premises are located within Building D and consists of a 176 square foot stock product room, a 113 square foot administration office, a 39 square foot kitchenette area, and a 72 square foot restroom. The total production space is 289 square feet with 111 square feet of total premises space. Control Access will be for delivery personnel only. Hours of operation and delivery protocol will be in line with state guidelines. The total delivery area is 400 square feet.

- **Non-Cannabis Use**: The non-cannabis lounge cafe is located within a 4,120 square foot space in Building A and consists of a 1,838 square foot seating area, a 444 square foot VIP room, a 280 square foot cafe bar, a 100 square foot walk-in cooler, a 145 square foot service room, a 141 square foot office, a 28 square foot data room, a 28 square foot file room, a 137 square foot storage room, and a men’s and woman’s restroom totaling 344 square feet. The total premises space is 4,120 square feet.

- **General Business Offices**: The facilities office, distribution, and the non-cannabis lounge cafe hours will be from 8 a.m. to 10 p.m., 5 days a week and facility operations will be 24 hours, with approximately seven (7) employees per shift. The delivery will operate 7 days a week from 8 a.m. to 10 p.m.

**Parking/Loading/Access**: The proposed project provides 18 parking spaces, including 3 accessible van spaces. Loading will take place on-site. In no event will loading occur within the public right-of-way. Vehicular access to the site will be through an existing driveway on Cecelia Street. Within the site, access to the structure will be through the secured front office entrance. The project complies with the CAL Green Tier 1 by incorporating stormwater pollution prevention measures, installing energy- and water-efficient equipment, and planting native and drought-tolerant landscaping at the front of the property.
Security: The project will secure the facility against unauthorized entry by installing security lights on the exterior of the building to illuminate the side yards and parking area, installing commercial-grade locks, installing an alarm and video surveillance system, establishing procedures for identifying authorized persons, establish inventory controls, and install a secure surveillance vault to maintain the integrity of records. In addition, the applicant will engage a licensed security company to provide an operational security plan in compliance with Ordinance 673.

VM Evergreen, LLC will employ approximately 10 employees. As a term of the Development Agreement with the City, the facility must offer 50% of the employment opportunities to City residents. This will result in at least five (5) jobs in the City. Currently, the site offers no employment opportunities to residents or otherwise, as the facility is vacant. The existing industrial buildings are located on a 33,835 square foot lot, which is unmaintained with no landscaping. With the façade and site improvements proposed by the applicant, the site would include a new security fence with lighting, 24-hour security cameras, 1,700 square feet of new landscaping area, various tenant improvements, and parking lot upgrades. All development will be consistent with the City’s proposed design and landscaping guidelines.

VM Evergreen, LLC has agreed to provide living wages, full-time employment, and medical benefits to their employees, as a term of their development agreement with the City. In addition to employment and other economic opportunities, VM Evergreen, LLC would further the City’s beautification efforts by providing on-site improvements, extensive landscaping, and enhance the security measures to the facility. VM Evergreen, LLC has demonstrated to the City that they are an exemplary corporate partner and would be dedicated to meeting the goals of the City and community.

[x] Co-location, check if applicable:

Note MAUCRSA now authorizes a person to apply for and be issued more than one State license at one location provided the licensed premises are separate and distinct. See also, Cudahy Municipal Code Section 5.20.050(b)(2).

Owner has applied for four [4] license(s):
1) Manufacturing,
2) Cultivation,
3) Distribution
4) Delivery

J. On September 11, 2017, the City adopted Ordinance No. 673 permitting Certain Medicinal Commercial Cannabis Activities in strict compliance with the California Cannabis Laws under specified conditions and provisions. A referendum petition was
circulated for signatures; however, on November 1, 2017, the County Clerk for the County of Los Angeles determined that the referendum lacked sufficient signatures to delay the effective date of Ordinance No. 673. The City has recently been presented with a citizen initiative to repeal Ordinance 673 and ban all marijuana uses in all zones. Applicant is advised to consult with legal counsel on this matter.

K. All procedures of the California Environmental Quality Act ("CEQA"), California Public Resources Code §21000 et seq., and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, §15000 et seq. have been satisfied.

L. The City has given public notice of its intention to adopt this Agreement and has conducted public hearings thereon pursuant to California Government Code §65867. The City has found that the provisions of this Agreement and its purposes are consistent with the objectives, policies, general land uses and programs specified in City’s General Plan, zoning code and municipal ordinances.

M. The City, in entering into this Agreement, acknowledges that certain City obligations hereby assumed shall survive beyond the terms of the present Council members, that this Agreement will serve to bind City and future Councils to the obligations hereby undertaken, and that this Agreement shall limit the future exercise of certain governmental and proprietary powers of City. By approving this Agreement, the Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than defer its actions to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by City and the Council and have been found to be fair, just and reasonable. City has concluded that the pursuit of the Project will serve the best interests of its citizens and that the public health, safety and welfare are best served by entering into this obligation. Owner has represented to City that it would not consider or engage in the Project absent City approving this Agreement.

N. The City agrees that Owner’s land use entitlements for the Project shall vest for the term of this Agreement as described below.

O. After conducting a duly noticed hearing on _____________, in conjunction with Section 20.28.030 of the City’s Municipal Code, the Planning Commission of the City reviewed, considered and approved environmental clearance and recommended approval of the execution of this Agreement to the City Council. The Planning Commission found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the Overlay Zone; in conformity with the public necessity, public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and
general welfare of the city; will not adversely affect the orderly development of property or the preservation of property values; and will have a positive fiscal impact on the City.

P. After conducting a duly noticed hearing on December 4, 2018, in conjunction with Section 20.28.060 of the City’s Municipal Code, and after independent review and consideration, the City Council approved the execution of this Agreement. The City Council found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the Overlay Zone; in conformity with good land use practices; will not be detrimental to the health, safety and general welfare of the City; and is in the best interest of the City of Cudahy and its residents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:


   a. Description of Property. Land situated in the City of Cudahy, County of Los Angeles, State of California; whose street address is 8222 Atlantic Ave., City of Cudahy.

   b. Owner and Other Person with Legal or Equitable Interest.

      Owner: VM Evergreen, LLC
      Nature of Interest: Lease for a minimum of 10 years with Option to Renew for an additional 10 years.

      If Owner is not the fee simple owner of the Site, check box below:

      [x] Owner represents and warrants that the property owner has consented in writing to the execution and recordation of this Agreement against the Site. See attached Landlord Consent agreement, incorporated herein by this reference (Exhibit C).

   c. Permitted Uses. The subject property may be used for any medicinal commercial cannabis facility as presently authorized under Sections 5.20.100 Medicinal Cannabis Cultivation; 5.20.110 Medicinal Cannabis Products Manufacturing; 5.20.120 Medicinal Cannabis Products Retail Delivery; 5.20.130 Medicinal Cannabis Products Distribution, of the municipal code, and for any other use as authorized under applicable provisions of the municipal code.
d. **Zoning.** Owner shall guarantee that such activities outlined in Owner's Medicinal Commercial Cannabis Permit Application ("Application") conducted pursuant to this Agreement and under the Regulatory Permit shall comply with the City's municipal code, including the zoning ordinance and any and all development and construction requirements contained therein. Owner shall not conduct any business under this Agreement or under the Regulatory Permit without having obtained all necessary permits, licenses, and approvals from the City and State of California.

e. **Reservation or Dedication of Land for Public Purposes.** Sufficient roadway, sidewalk, and utility easements shall be reserved or dedicated to City for such purposes.

2. **Term**

This Agreement shall commence on the Effective Date and it shall end ten (10) years from the starting date, and it shall remain in full force and effect so long as the subject property is used for a commercial cannabis facility as authorized under sections 5.20.100, 5.20.110, 5.20.120 and 5.20.130 of the municipal code (as amended); provided, however, such use is not abandoned for a period of more than ninety (90) days.

This Agreement **SHALL** be extended for one (1) additional ten (10) year period following the expiration of the initial ten (10) year term upon the occurrence of all of the following:

(i) The Owner shall give written notice to the City no later than one hundred twenty (120) days before the expiration of the initial ten (10) year term that the Owner desires to extend this Agreement for an additional ten (10) year period;

(ii) The Owner shows adequate evidence to the City that it has a legal and/or equitable interest in the Property and/or will have such interests for the duration of the extended term of the Agreement;

(iii) The Owner shall deposit all fees required by the City necessary for processing the extension request and drafting necessary documentation;

(iv) The Owner shall not be in default of any provision of any agreement between City and Owner relative to the development of
the Property or of any condition of approval imposed upon any entitlement granted by the City relative to the development of the Property for which Owner has been given a written notice to cure by the City and for which Owner has not cured or commenced to cure such default within thirty (30) days, if and as provided by such agreement or condition of approval.

3. **Owner's Site and Floor Plans**

   a. **Owner's site plan and floor plan for the facility are attached hereto as Exhibit D and incorporated into the Application.**

   b. **A preliminary landscape plan shall be prepared and reviewed and approved by the City Manager and/or Community Development Manager. A final landscape plan shall be prepared and submitted in conjunction with building and site improvement plans prior to issuance of building permits for construction activities.**

   c. **An exterior signage plan shall be prepared and reviewed and approved by the City Manager and/or Community Development Manager in accordance with the procedures and requirements of Section 5.20.050(d) of the municipal code.**

4. **Facility Operations**

   a. **Standard Operating Procedures.** Owner is a lawful entity that will only sell to other legally permitted persons and entities under the California Cannabis Laws. Prior to operating a medical marijuana cultivation, manufacturing, distribution, or delivery facility, Owner shall be required to obtain a Cannabis Permit from the City pursuant to City Ordinance No. 673. Further, and notwithstanding anything to the contrary, Owner may operate such medicinal cannabis-related activities as permitted in accordance with California state law, as may be amended, including without limitation, as long as such activity is not inconsistent with the Cudahy Municipal Code.

   During the term of its regulatory Permit and the term of this Agreement, Owner shall lawfully operate in accordance with all state and local laws. Owner shall employ exemplary operating procedures to comply with state and local laws. Owner's facility shall employ safety and security measures for the safety and security of its employees, visitors, vendors, and neighboring communities and properties.
Owner shall fully comply with the minimum Business Standards regulating Medicinal Commercial Cannabis Activity set forth in new Section 5.20.050 of the Cudahy Municipal Code and such more specific operational requirements set forth in Exhibit E, "Business Standards", attached hereto.

b. **Security Plan.** Owner shall secure approval of its proposed security plan by the Los Angeles County Sheriff or the City prior to operating. The security plan shall include, at a minimum and as appropriate, provisions for video surveillance, perimeter fencing and security, protection of the building(s) from vehicle intrusion, cash handling procedures, internal accounting controls, product handling and storage procedures, and a professionally monitored alarm system. Equipment and systems used for video surveillance and building alarms shall be approved by City. See Cudahy Municipal Code Section 5.20.050(r) for minimum security requirements.

Video surveillance shall include, at a minimum, all site and facility entrances and access points, all spaces accessible by the public, all secured areas of the facility with restricted access, all interior spaces and rooms where medicinal cannabis products are handled and processed, shipping and receiving areas, cash storage areas, and other areas necessary to protect the safety of employees and the public and to ensure medical marijuana products are received, handled, stored, packaged, shipped, and distributed in compliance with applicable state and local laws and regulations. The video surveillance system shall be web-based with direct access provided to the Los Angeles County Sheriff upon request.

The security system shall also include sensors to detect entry and exit from all secure areas, panic buttons in appropriate locations, and a professionally monitored alarm system with glass breakage sensors and motion detectors.

Owner shall employ properly trained and licensed third-party security personnel to protect the welfare and safety of Owner and employees, and to ensure public safety to the neighboring community. Owner shall use security personnel 24 hours, 7 days a week. Security personnel may be armed so long as proper licensing and insurance requirements are followed and met by the third-party operator providing such security services.

c. **Fire Department Approval.** Owner shall not operate any facility, and no permit, license, or other approval issued by City shall be valid unless and until the Los Angeles County Fire Department has approved Owner's site plan, floor plan, safety plan, and any other plans that require its approval.
d. **Possession of Firearms.** Except for licensed and bonded security personnel, no person employed by Owner shall be in possession of any firearm while on the premises or location without having first obtained a license from the appropriate state or local agency authorizing the person to be in possession of such firearm. Every such person in possession of a firearm while on the premises or location must provide the City Manager and the Los Angeles County Sheriff, ten days before bringing the firearm onto the premises, with the following:

1) A copy of the license issued to the person by the appropriate state or local agency authorizing him or her to possess such firearm;

2) A copy of his or her law enforcement identification (if he or she is employed by a law enforcement agency);

3) A copy of his or her California driver’s license or California identification card; and

4) Any other information reasonably required by the Los Angeles County Sheriff to show that the individual is in compliance with the provisions of all laws regarding the possession and use of a firearm.

e. **Identification Display.** Each owner, manager, employee, and individual member engaged in the cultivation, processing, manufacturing, distribution, or transporting of cannabis shall at all times while engaged in the duties of his or her position wear in plain sight, on his or her person and at chest level, a valid identification badge, issued by Owner.

f. **Employee Background Checks/Procedures for Inventory Control to Prevent Non-Medical Diversion of Medical Cannabis.** Only employees who receive clearance from the proper oversight authority shall be permitted to enter Owner’s facility. Each employee will have to meet a criminal background investigation conducted by the Los Angeles County Sheriff, which at minimum shall include a LiveScan criminal history check, which City shall make a good faith effort to facilitate within a reasonable time following the issuance of a commercial cannabis permit(s) or license(s) to Owner.

Owner shall take all necessary and reasonable steps to prevent the distribution of any of its medicinal cannabis products to minors; prevent revenue from the sale or distribution of its medicinal cannabis and/or infused products from going to criminal enterprises, gangs and cartels; prevent the diversion of cannabis from California to any other state; prevent state-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other
illegal activity; prevent violence and the use of firearms in the cultivation, manufacture, testing, delivery and distribution of cannabis; discourage and educate against drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use; disavow growing cannabis on public lands that creates attendant public safety and environmental dangers posed by such illegal uses; and discourage and educate against cannabis possession or use on federal property.

g. Quality Control and Testing. Owner shall utilize quality control measures and testing to ensure only the highest quality of commercial cannabis and infused products will be produced. Owner shall inspect the product to insure its identity and quantity, and shall have a testing lab perform testing of random samples prior to distribution to its patient collective membership affiliates. Inspection and testing will be conducted by a testing lab off-site. Testing standards and procedures shall be in accordance with applicable state law and regulations.

All medicinal commercial cannabis products will undergo a quality assurance review in accordance with state law prior to distribution. Inventory procedures will be utilized for tracking and taxing purposes by the state. Owner shall employ an efficient record-keeping system to make transparent its financing, testing, and adverse effect recording, as well as recall procedures. Owner shall employ an efficient record-keeping system that will reflect its financing, testing, and adverse effect recording and product recall procedures.

h. Packaging of Medicinal Commercial Cannabis and Infused Products. All Owner commercial cannabis products shall be packaged and labeled as required by California Cannabis Law and applicable requirements and regulations issued by the State of California pursuant thereto. In addition to those packaging and labeling requirements, and packaging and labeling requirements set forth in Owner’s Regulatory Permit application, as amended or supplemented, all medicinal commercial cannabis products shall be packaged in an opaque childproof container which shall contain a label or be accompanied by a leaflet or inset that states, at a minimum:

1) The name, address and telephone number of the licensed medicinal commercial cannabis facility to which the medicinal commercial cannabis product is distributed, sold, or transferred;

2) The amount of medicinal commercial cannabis in the container; and
3) The date the medicinal commercial cannabis was transferred to a licensed commercial cannabis facility.

Owner intends to produce infused products and shall secure any approval from the County of Los Angeles Health Department required for manufacturing and handling such products. Owner infused products shall not be produced, manufactured, stored or packaged in private homes. All medicinal commercial cannabis infused products shall be individually wrapped at the original point of preparation.

i. **Point of Sale Tracking System.** Owner shall maintain an inventory control and reporting system that accurately documents the location of medicinal cannabis products from inception through distribution, including descriptions, weight, and quantity. The inventory control and reporting system shall comply with the track and trace program required by California Cannabis Law and regulations issued thereunder.

Owner shall employ an electronic point of donation/sale system approved by the State of California for all point of donations/sales tracking from seed or inception to product distribution to other licensed commercial cannabis facilities. Such approved system shall track all medicinal commercial cannabis products, each edible, harvested flower, and/or manufactured concentrate, as well as gross sales (by weight and sale). Owner’s point of sale system shall have the capacity to produce historical transactional data in accordance with City’s requirements.

j. **Record Keeping.** Owner shall maintain records for all medicinal commercial cannabis and/or infused products. Owner shall comply with all record-keeping responsibilities that are set forth in Municipal Code Sections 5.20.050(s), 5.20.110(e) & 5.20.120(n), including complete and up-to-date records regarding the amount of commercial cannabis cultivated, produced, manufactured, harvested, stored, tested, distributed, delivered or packaged at Owner’s facility.

k. **Processing, Handling, Storing, and Distribution of Medicinal Commercial Cannabis and Related Products.** Medicinal commercial cannabis cultivation, handling, storing, and processing shall be concealed from public view at all stages of growth and processing, and there shall be no exterior evidence of cultivation or processing occurring at the premises from a public right-of-way or from an adjacent parcel. Commercial cannabis cultivation, handling, storing, processing, or distribution shall not create offensive odors; create excessive dust, heat, noise, smoke, traffic, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby property or areas.
open to the public; or be hazardous due to use or storage of materials, processes, products, or wastes.

Owner shall store its commercial cannabis and/or commercial cannabis products in a locked safe room with T-card identification access for management only. The safe room shall be constructed of fire-rate walls with numerous cameras installed to view all entries and exits from the safe room, as well as all other activities performed within Owner's facility. Owner will not conduct outdoor operations except as related to lawful delivery and transportation of medicinal commercial cannabis and infused products. Owner will not store medicinal commercial cannabis or related products in its delivery vehicle outside normal operating hours of the facility.

Medicinal commercial cannabis products shall be sold or distributed only to licensed dispensaries in California. Excess or contaminated product will be securely stored on-site until it is properly disposed. Disposal may include composting, incineration, land-fill disposal through the local waste management hauler, or other disposal methodology in accordance with state and county health and safety codes and regulations.

I. Odor Control. All structures shall have ventilation and filtration systems installed that prevent commercial cannabis plant odors from exiting the interior of the structure. The ventilation and filtration system shall be approved by the Building Official and installed prior to commencing cultivation or manufacturing within the allowable structure. Facility air intake, exhaust, and recirculating system shall be of industrial grade. Activated charcoal, recirculating, and closed loop aeration systems will be utilized as necessary for effective odor control and management.

m. Description of Banking Plan. Owner shall seek to open a bank account under the name of Owner or its associated management company to provide transparency for funds received, operational costs, including payroll, tax payments to the state and federal governments. Should a bank account not be forthcoming, Owner shall implement other industry standard banking and/or other industry standard transactional mechanisms.

n. Transportation Plan. Owner shall comply with all state and local law regarding transportation, including the rules governing delivery service. Owner shall retain a list of names and cellular contact numbers for all employees engaged in transportation of commercial cannabis products and provide it to the applicable oversight authority, keeping the list current and up to date.
Owner will keep complete and up-to-date records documenting each transfer of commercial cannabis to other lawful cooperative corporations, including the amount provided, the form or product category in which the commercial cannabis was provided, the date and time provided, the name of the employee making the transfer, the name and address of the other lawful cooperative corporation to whom delivery is made, and the amount of any related donation or other monetary transaction.

5. **Community Relations, Employment, and Wages**

a. **Public Outreach and Education Program.** The Owner shall coordinate and cooperate with City and other Owners of medicinal commercial cannabis facilities located within City of Cudahy in the establishment and implementation of appropriate public outreach and education programs, including but not limited to outreach and interface with public and private schools, youth organizations, religious organizations, health care providers, drug abuse treatment providers and mental health and drug counseling providers. The public outreach and education programs shall be approved by City.

b. **Community Benefits Program.** The Owner shall coordinate and cooperate with the City and other Owners of medicinal commercial cannabis facilities located within the City of Cudahy in the establishment, implementation, and funding of a community benefits program which could include such items as capital improvements, new community recreation facilities, expansion and/or improvement to existing facilities or other physical improvements that provide a benefit to the community, support of holiday and special community events, and support of local public service, public safety, litigation defense and special districts and social and community organizations. This community benefits program may be implemented by the City. The City will invite public participation in the decision-making process for identifying and prioritizing community needs and benefits, and identifying appropriate projects to be funded by the entity implementing this community benefits program. All projects under the community benefits program must be approved by the City.

Owner agrees, as a business expense, to pay the City the yearly sum of $66,667.00. Unless initialed below by the City Manager, this yearly sum shall be deposited in full into a dedicated account set up by the City in order to create, fund and implement a City-approved community benefits program.

If initialed here by the City Manager, Owner has been approved for the following payment plan: Within thirty days of the Effective Date of this Agreement, the Owner shall deposit into the City's dedicated account, in good
funds, twenty percent (20%) of the yearly sum of $66,667.00 [initial payment calculated at $13,333.40] and shall pay the balance thereof over a period of ten (10) months payable in equal monthly installments of $5,333.36 per month. Each monthly payment shall be due and payable on the 1st day of each month and shall be deemed late on the 5th day of the month. The amount and schedule of payments may only be modified by the written consent of the City Manager at his sole and complete discretion.

Thereafter, on the anniversary date of the Effective Date of this Agreement, and yearly through-out the entire term of this Agreement and any extension thereof, Owner shall pay to the City, as a business expense, the yearly sum of $66,667.00, payable in the same manner as set forth above.

c. **Designation of Persons Responsible for Community Relations.** At the time of this Agreement, Owner’s day-to-day operations manager, **Vicki Barajas**, will be responsible for community inquiries and complaints and on-site during normal business hours.

d. **Interface with Los Angeles County Sheriff / Inspections.** Owner’s day-to-day operations manager, **Vicki Barajas**, will interface with the Los Angeles County Sheriff Department's assigned designee to ensure its operation complies with state and local laws and regulations. *The City Manager, or designee, or the Los Angeles County Sheriff’s Department’s assigned designee acting at the City Manager’s request and per his specific and limiting instructions, shall have the right to enter all Premises from time to time unannounced during hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this Agreement and state and local laws and regulations, without the requirement of a search warrant, subpoena, or court order, and subject to appropriate cost recovery fees set forth in this Agreement, or adopted by the City. See, Cudahy Municipal Code Section 5.20.050(t).*

[Owner's Initials]

Owner's Initials

e. **Local Recruitment, Hiring, and Training Programs.** Owner is committed to making a good-faith effort to recruit, hire, and train City residents for employment by Owner. A good-faith effort means Owner shall take the following or similar actions to recruit and employ City residents: 1) Contact local recruitment sources to identify qualified individuals who are City residents, 2) Advertise for qualified City residents in trade papers and newspapers of general circulation in the area, and 3) Develop a written plan to recruit and employ City residents as a part of the its workforce. At a minimum, the Owner commits to a local annual hiring goal of
30% of total operational jobs for permanent and apprentice employees. This goal shall apply horizontally, across all departments and managerial positions. The Owner shall not be penalized or deemed in default under this Agreement if it is unable to achieve such a goal. "Local" is defined as within a 1-mile radius of the boundaries of the Overlay Zone. The Owner shall contact and work with a job referral agency assigned by the City Manager to implement a local hiring policy for permanent and apprentice employees. The purpose of the hiring policy is to facilitate the training and employment of local and disadvantaged job applicants for jobs with the Overlay Zone. Applicants for jobs shall not be disqualified from hiring solely on the basis of an arrest or conviction for a Cannabis-related crime that occurred prior to November 8, 2016, and could have been prosecuted as a misdemeanor or citation under current California law. The Owner shall report on compliance with the local hiring goals as part of its annual audit report.

f. Living Wages. Owner shall pay all employees of the Facility, at a minimum, a Living Wage. A “Living Wage” is the higher of whatever the Owner currently pays its employees for similar work elsewhere or the following: the Full Cash Wage required to be paid by an employer to any individual under the City of Los Angeles Minimum Wage Ordinance [LAMC Sections 187 and 188], as adjusted annually.

g. Full-time Work. Owner shall make its best efforts to fill every position with a full-time employee. However, at no time shall Owner have a labor force that is composed of less than 50% full-time employees within its labor force, and Owner shall make a good faith effort to maintain a full-time employee level of 75%. Owner agrees to provide to its eligible employees leave benefits, health and wellness benefits and other employee benefits to the extent such benefits are required to be paid for by Owner under applicable state and federal employment laws.

6. Indemnification Agreement by each Cannabis Permittee

Pursuant to Cudahy Municipal Code Section 5.20.070(g), the City Manager may require each Cannabis Permittee to execute a separate Indemnification Agreement prepared by the City that fully indemnifies the City for all liabilities associated with the Cannabis Permit, the Cannabis Permittee’s Commercial Cannabis Activities, and any action taken by the Cannabis Permittee. The Indemnification Agreement shall include the defense of the City and reimbursement of all fees, costs and expenses incurred by the City related to any action arising from this Agreement.
7. Fees, Costs, and Future Taxes

a. **Fees.** Owner agrees to pay all permit fees and charges referenced in Section 5.20.070(f) of the municipal code, in the amounts adopted by the City Council by resolution, as well as any fees set forth in this Agreement. Permit application, processing, and renewal fees shall be due and payable at the time application is made.

b. **Costs.** As defined in Article 8, Owner agrees to reimburse City for all additional reasonable costs of City resulting from the operation of a medicinal commercial cannabis facility authorized under applicable provisions of the municipal code, council resolutions and administrative policies and regulations. Reimbursement to City for such costs shall be due and payable as set forth in Article 8.

c. **Operating Fees.**

As used herein, "**Premises**" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the Cannabis Permittee applicant or Cannabis Permittee where the Commercial Cannabis Activity will be or is conducted. The parties stipulate and agree that the square footage for the **Premises** upon the Effective Date of this Agreement is and shall be during the term of this Agreement: 8,966 square feet.

As used herein, "**Commercial Cannabis Activities**" means all permitted activities: e.g., cultivation, possession, manufacture, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or distribution of Cannabis and/or Cannabis Products.

As used herein, "**Gross receipts**" shall mean the total amount actually received or receivable in the course of business in a calendar year or calendar month from sales or the performance of acts or services for which charge is made or credit allowed. "**Gross receipts**" include, without limitation, all receipts, cash, credit, property received in lieu of cash, and any other valuable consideration taken in exchange for goods, services or other valuable consideration. See, Cudahy Municipal Code Section 5.04.030(9).

As used herein, "**Production Space**" means the area on or within the **Premises** intended for **Commercial Cannabis Activities** excluding non-operational common areas such as restrooms, cafeterias, break rooms, hallways, corridors,
vestibules, parking structures or surface street lots. The parties stipulate and agree that the square footage for the Production Space shall be

Cultivation: 2,744 square feet.
Manufacturing: 3,526 square feet
Distribution: 1,975 square feet
Delivery: 400 square feet
Total Production Space: 8,645

The City Manager is specifically authorized to set and adjust the square footage for the Premises Space and Production Space and to determine the corresponding operating fee as the Project is completed.

Owner agrees to pay to City, in order to enable City to promote, protect, and enhance the healthy, safety, and welfare of the community and its residents and its quality of life, the greater of the following monthly fees (1) or (2):

1) a monthly operating fee of [.42 x total square foot of the "Premises"] until Owner is operating on the Premises, and selling product under its City Regulatory Permit and State Regulatory Permit. Once Owner is operational and generating revenue, the monthly operating fee is [.42 x total square foot of "Production Space"];

or,

2) a monthly operating fee(s) of:

2% of Gross Receipts for operations from the Cannabis Manufacturing Permit on the Premises, and
2% of Gross Receipts for operations from the Cannabis Cultivation Permit on the Premises, and
1 of Gross Receipts for operations from the Cannabis Delivery Permit on the Premises, and
1% of Gross Receipts for operations from the Cannabis Distribution Permit on the Premises. This discounted 1% Cannabis Distribution Permit fee shall apply only to the distribution of cannabis product for anyone other than the Owner.

Facilities with multiple licenses must not commingle respective sales proceeds, and blend percentage rate of Gross Receipts.
If initialed here by the City Manager, Operating Fees shall begin to accrue ninety (90) days after the end of month of the Effective Date of this Agreement. Otherwise, Operating fees shall begin to accrue in the month of the Effective Date of this Agreement. The operating fee shall be due and payable on the 10th day of each calendar month throughout the term of this Agreement. Failure to pay the fee within thirty (30) days after the due date shall result in a penalty for nonpayment in a sum equal to 25% of the total amount due. Additional penalties will be assessed in the following manner: 10% shall be added to the first day of each calendar month following the month of the imposition of the 25% penalty if the fees remain unpaid in whole or in part – up to a maximum of 100% of the fee payable on the due date.

d. Owner understands and agrees that the fees set forth above shall be paid in a manner and in accordance with a payment schedule set or modified by City. The cultivation, manufacturing, testing, distribution, and delivery space to which the fee applies is as identified on the attached floor plan.

e. If Owner makes any changes to the interior layout of the facility that increases the amount of space allocated to those uses to which the per-square-foot fee applies, Owner shall notify City of such changes at least fourteen (14) calendar days prior to making such changes, and the per-square-foot fee shall be modified accordingly. If Owner fails to give City notice as required herein, Owner shall be responsible for paying to City a per-square-foot fee based on any increase in the amount of space allocated to those uses to which the per-square-foot fee applies retroactive to the date the Regulatory Permit became effective.

8. Cost Recovery Fee

City shall assess to Owner fees to recover City’s reasonable processing and monitoring costs relating to Owner’s business upon issuance of Owner’s Manufacturing, Cultivation, Testing, Delivery, and Distribution Permits or any Additional Permits (hereinafter “CRF”). CRFs are separate and apart from any operating fees set forth in Article 7.

a. Processing Fees. Processing fees for the Application are based upon the direct and indirect costs that City incurs in reviewing the Application. The processing fees for the Application shall be based only on costs that are necessary for processing the Application and implementing the Ordinance, including staff time, legal fees, and consultant fees. “ Necessary for” means that but for the Application, the costs would not have been incurred. The processing
fee shall not include costs for other City management objectives, unless they are necessary for processing the Application.

b. **Monitoring Fees.** Monitoring fees for the Manufacturing, Cultivation and Distribution Permits are based upon the direct and indirect costs City incurs in confirming the use of the Property in accordance with the municipal code, the Ordinance, this Agreement, and the Application. The monitoring fees shall be based only on costs that are necessary for conducting these reviews. "Necessary for" means that but for the Manufacturing, Distribution, Testing, Delivery and Cultivation Permits, or any Additional Permits, the costs would not have been incurred. The monitoring fee shall not include costs for other City management objectives, unless they are necessary for monitoring the permitted activities.

c. **Billing and Payment.** The City may elect to bill the Owner the Initial CRF on the first day of the month following the Effective Date of this Agreement. Thereafter, City shall bill Owner the CRF on the first day of each Quarter with an invoice providing the time spent by City and its representatives. Owner shall pay the CRF invoice within thirty (30) days of the date the bill for the CRF is received by Owner.

d. **Disputes** If Owner disagrees with the dollar amount provided by City on the CRF invoice, Owner may submit a written request before the disputed fee is due for a substitution of alternative CRF invoice to the City Manager. The written request must include supporting documentation. After review of Owner's written request, Owner and City shall work, in good faith to resolve Owner's written request. The dispute shall be decided in favor of Owner if City does not respond to the written request within thirty (30) days of actual receipt.

9. **Additional Owner Obligations**

a. **Reporting of Gross Receipts from Operations**

1) **Quarterly Receipts.** No later than [For example, January 15, 2018], and every three months thereafter (i.e., April 15, July 15, October, and January 15 of each subsequent year), Owner shall deliver to City a report (the “Quarterly Report”) showing (i) Gross Receipts from operations for the immediate prior three months received by Owner, and a cumulative total of all amounts of Gross Receipts from Operations received by Owner for the calendar year, (ii) a calculation of the quarterly payment due to City for the prior three months, and (iii) a calculation of the cumulative total of all quarterly payments for the calendar year.
2) **Statement of Receipts/Annual Audit.** The Owner shall keep complete, accurate and appropriate books and records of all receipts from operations in accordance with generally accepted accounting principles. For purposes herein, "books and records" shall mean all bookkeeping or accounting documents Owner typically utilizes in managing its business operations relating to the Project. Such books and records, as well as all other relevant documents as the City Manager may reasonably require, shall, upon reasonable written notice, be open for inspection by City, its auditors or other authorized representatives. If at any time during the term such books and records prove inadequate in the reasonable judgment of City to record the Gross Receipts from Operations as herein required, Owner shall, upon the written request of the City, procure and maintain such books and records as shall be of a character and from adequate for such purpose. City shall have the right to audit and examine such books, records and documents and other relevant items in the possession of Owner, on no less than an annual basis, or at any time upon reasonable request by the City, to the extent necessary for a proper determination of Gross Receipts from Operations, and all such books, records, documents and other items shall be held available for such audit and examination. The City's audit shall be performed by a non-contingency fee independent auditor approved in advance by the City. Upon request by City, Owner shall make all such books, records and documents available to the City Manager, his designee, or to the City approved auditor, and provide removable copies thereof, within thirty (30) of the date of City's request. Owner shall pay all costs of such audits. Owner shall preserve such books, records, documents, and other items in Cudahy for a period of not less than one (1) years for the purpose of auditing or re-auditing these accounts upon reasonable notice; except that, if an audit is made within the seven-year period and Owner claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are resolved. City shall keep strictly confidential all statements of revenue furnished by Owner and all other information concerning Owner's operation of the Premises obtained by City as a result of the inspection audit and examination privileges of City hereunder, except as otherwise required by law. If City receives a request for such information pursuant to the Public Records Act (California Government Code Section 6250, et seq.), City shall provide Owner notice of any such request prior to disclosing any such information and afford Owner the opportunity to obtain a protective order. Within seven (7) years after the receipt of any statement of receipts under this Agreement, City at any time shall be entitled to carry out an audit of such revenue either by City or agent to be designated by City. If it shall be determined as a result of such
audit that there has been a deficiency in any payment due under this Agreement made on the basis of such statement, then such deficiency shall become immediately due and payable within thirty (30) days of such determination.

1) **Copies of Tax Filings.** Owner shall provide the City with courtesy copies of each and every report Owner is required to provide to the County of Los Angeles or the State of California for sales, use, or other tax purposes at the time such filings are made.

b. **Future Revenue Mechanisms.** During the term of this Agreement, if the City imposes (by Citizen Initiative or otherwise) an alternative revenue mechanism specifically related to cannabis operations (e.g., a cannabis tax), Owner agrees to renegotiate in good faith the terms of this Development Agreement with the City so as to comply with an alternative revenue mechanism. As used in this section, “alternative revenue mechanism” does not include taxes, fees, or assessments levied on or collected from both medicinal cannabis and non-cannabis operations.

10. **Insurance and Indemnity**

a. **Insurance.** Owner shall require all persons doing work on the Project, including its contractors and subcontractors (collectively, “Owner” for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this section and its subsections with carriers reasonably satisfactory to City.

b. **General Liability Insurance.** Owner shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

   1) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as “Additional Insureds” by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

   2) Be primary with respect to any insurance of self-insurance programs covering City, its officials, employees, agents, and representatives.

   3) Contain standard separation of insured provisions.
c. **Automotive Liability Insurance.** Owner shall maintain business automobile liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) for each accident for the vehicles Owner operates in connection with its cannabis business. Such insurance shall include coverage for owned, hired, and non-owned automobiles. Such insurance shall also:

1) Name City, and work in good faith with the City and the insurers to name additional insureds as deemed reasonably necessary. “Additional Insureds” by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insureds;

2) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives;

3) Contain standard separation of insured provisions.

d. **Workers’ Compensation Insurance.** Owner shall take out and maintain during the term of this Agreement, workers’ compensation insurance for all of Owner’s employees employed at or on the Project, and in the event any of the work is subcontracted, Owner shall require any general contractor or subcontractor similarly to provide workers’ compensation insurance for such contractor’s or subcontractor’s employees, unless such employees are covered by the protection afforded by Owner. In case any class of employee engaged in work on the Project is not protected under any workers’ compensation law, Owner shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Owner hereby indemnifies City for any damage resulting from failure of Owner, its agents, employees, contractors, or subcontractors to take out or maintain such insurance. Workers’ compensation insurance with statutory limits and employer’s liability insurance with limits of not less than One Million Dollars ($1,000,000) each accident shall be maintained.

e. **Other Insurance Requirements.** Owner shall do all of the following:

1) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidenced all insurance required in this Article, including evidenced that such insurance will not be canceled, allowed to expire, or be materially reduced in coverage without thirty (30) days prior written notice to City.
2) Provide to City, upon request, and within seven (7) calendar days of said request, certified copies of endorsements and policies, and properly executed certificates of insurance evidencing the insurance required herein.

3) Replace or require the replacement of certificates, policies and endorsements for any insurance required herein expiring prior the termination of this Agreement.

4) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the term or the mutual written termination of this Agreement.

5) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

f. Indemnity. Owner agrees to indemnify, defend, and hold City, and its elected and appointed council, boards, commissions, officers, agents, employees, contractors, consultants and representatives, harmless from any and all claims costs and liability for any personal injury or property damage which may arise as a result of any actions or negligent omissions by Owner or Owner’s contractors, subcontractors, agents, or employees in connection with the construction, improvement, or operation of the Project.

11. Termination

a. Termination Upon End of Term. This Agreement shall terminate upon the expiration of the term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

b. Effect of Termination on Owner’s Obligations. Termination of this Agreement shall eliminate any further obligation of Owner to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Owner to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.
c. **Effect of Termination on City’s Obligations.** Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

d. **Survival After Termination.** The rights and obligations of the Parties set forth in Article 15, Article 21, and Section 23(e), Section 23(f), and Section 23(h), and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

12. **Resources Efficiency**

Owner shall endeavor to reduce its environmental impact when possible. The design of the facility shall include reasonable water and energy conservation measures in accordance with applicable State regulations.

13. **Standard Conditions for Construction**

During any on-site construction activities related to development of the project site and any buildings thereon, or renovation or remodeling of existing buildings, Owner shall comply with all applicable terms and conditions of City’s Standard Conditions for Construction, attached hereto and incorporated herein by reference as Exhibit F. The Project shall comply with the applicable parking standards established by the City for cannabis activities.

14. **Defaults and Remedies**

a. **Remedies in general.** It is acknowledged by the parties that City would not have entered into this Agreement if it were to be liable in damages under this Agreement, or with respect to this Agreement or the application thereof, except as hereinafter expressly provided. Subject to extensions of time by mutual consent in writing, failure to delay by either party to perform any term or provision of this Agreement beyond a reasonable notice and cure period shall constitute a default. In the event of alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) day notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured during any such thirty (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings. Notwithstanding the foregoing to the contrary, if the alleged default is of such a
nature that it cannot be cured within thirty (30) days, the alleged defaulting party shall not be deemed in default as long as such party commences to cure such default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

After notice and expiration of the thirty (30) day period, the other party to this Agreement, at its option, may institute legal proceedings pursuant to this Agreement.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that City shall not be liable in monetary damages, unless expressly provided for this Agreement, to Owner, to any mortgagee or lender, or to any successors in interest of Owner or mortgagee or lender, or to any other person, and Owner covenants on behalf of itself and all successors in interest to the Property or any portion thereof, not to sue for damages or claim any damages.

1) For any breach of this Agreement or for any cause of action which arises out of this Agreement; or

2) For the impairment or restriction of any right or interest conveyed or provided under, with, or pursuant to this Agreement, including, without limitation, any impairment or restriction which Owner characterizes as a regulatory taking or inverse condemnation; or

3) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Agreement.

Nothing contained herein shall modify or abridge Owner's rights or remedies (including its rights for damages, if any) resulting from the exercise by City of its power of eminent domain. Nothing contained herein shall modify or abridge Owner's rights or remedies (including its rights for damages, if any) resulting from bad faith intentional acts, the grossly negligent or malicious acts of City and its officials, officers, agents and employees. Nothing herein shall modify or abridge any defenses or immunities available to City and its employees pursuant to the Government Liability Act and all other applicable statutes and decisional law.

Except as set forth in the preceding paragraph relating to eminent domain, Owner's remedies shall be limited to those set forth in this Section 14(a), Section 14(b), and Section 14(c).
Notwithstanding anything to the contrary contained herein, City covenants as provided in Civil Code Section 3300 not to sue for or claim any consequential damages or, in the event all or a portion of the Property is not developed, for lost profits or revenues which would have accrued to City as a result of the development of the Property.

b. **Specific Performance.** The parties acknowledge that money damages and remedies at law are inadequate, and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Agreement and should be available to all parties for the following reasons:

1) Except as provided in Sections 14(a) and 14(e), money damages are unavailable against City as provided in Section 14(a) above.

2) Due to the size, nature and scope of the Project, it may not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, Owner may be foreclosed from other choices it may have had to use the Property or portions thereof. Owner has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Owner for such efforts; the parties acknowledge and agree that any injunctive relief may be ordered on an expedited, priority basis.

c. **Release.** Except for those remedies set forth in Sections 14(a), 14(b), and 14(c), Owner, for itself, its successors and assignees, hereby releases City, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, based or asserted, pursuant to Article 1, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon City because it entered into this Agreement or because of the terms of this Agreement.

Owner acknowledges that it may have suffered, or may suffer, damages and other injuries that are unknown to it, or unknowable to it, at the time of its execution of this Agreement. Such fact notwithstanding, Owner agrees that the release provided in this Section 14(c) shall apply to such unknown or unknowable claims and damages. Without limiting the generality of the foregoing,
Owner acknowledges the provisions of California Civil Code Section 1542, which provide:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Owner hereby waives, to the maximum legal extent, the provisions of California Civil Code Section 1542 and all other statutes and judicial decisions of similar effect.

Owners’ Initials

**d. Termination of Agreement for Default of City.** Owner may terminate this Agreement in the event of a default by City in the performance of a material term of this Agreement and only after providing written notice to City of default setting forth the nature of the default and the actions, if any, required by City to cure such default and, where the default can be cured, City has failed to take such actions and cure such default within sixty (60) days after the effective date of such notice or, in the event that such default cannot be cured within such sixty (60) day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such sixty (60) day period and to diligently proceed to complete such actions and cure such default. Notwithstanding anything to the contrary, in the event that Owner deem it is necessary and/or advisable to cease operations in Cudahy, then Owner may terminate this Agreement, and such termination shall be effective upon the date of written notice to the City.

**e. Attorneys’ Fees and Costs.** In any action or proceeding between City and Owner brought to interpret or enforce this Agreement, or which in any way arises out of the existence of this Agreement or is based upon any term or provision contained herein, the “prevailing party” in such action or proceeding shall be entitled to recover from the non-prevailing party, in addition to all other relief to which the prevailing party may be entitled pursuant to this Agreement, the prevailing party’s reasonable attorneys’ fees and litigation costs, in an amount to be determined by the court. The prevailing party shall be determined by the court in accordance with California Code of Civil Procedure Section 1032. Fees and costs recoverable pursuant to this Section 14(e) include those incurred during any appeal from an underlying judgment and in the enforcement of any judgment rendered in any such action or proceeding.
f. **Owner Default.** No building permit shall be issued or building permit application accepted for any structure on the Property after Owner is determined by City to be in default of the terms and conditions of this Agreement until such default thereafter is cured by Owner or is waived by City. If City terminates this Agreement because of Owner’s default, then City shall retain any and all benefits, including money or land received by City hereunder.

15. **Third Party Litigation**

   a. **General Plan Litigation.** City has determined that this Agreement is consistent with its General Plan. Owner has reviewed the General Plan and concurs with City’s determination.

   City shall have no liability under this Agreement or otherwise for any failure of City to perform under this Agreement, or for the inability of Owner to develop the Property as contemplated by the Agreement, which failure to perform or inability to develop is as the result of a judicial determination that the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law, or that this Agreement or any of City’s actions in adopting it were invalid, inadequate, or not in compliance with the law.

   b. **Hold Harmless Agreement.** Owner hereby agrees to, and shall hold City, its elective and appointive boards, commissions, officers, agents, attorney’s, contractors, consultants and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Owner or Owner’s contractors, subcontractors, agents, or employees’ operations under this Agreement, whether such operations be by Owner, or by any of Owner’s contractors, subcontractors, agents, or employees operations under this Agreement, whether such operations be by Owner, or by any of Owner’s contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for Owner or any of Owner’s contractors or subcontractors. Owner agrees to and shall defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damage caused, or alleged to have been caused, by reason of any of the aforesaid operations.

   c. **Indemnification.** Owner shall defend, indemnify, and hold harmless City and its elective and appointive boards, commissions, officers, agents, attorney’s, contractors, consultants and employees against and from any and all liabilities,
demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorneys' fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to the legality, validity or adequacy of any of the following: (i) this Agreement and the concurrent and subsequent permits, licenses and entitlements approved for the Project or Property; (ii) the environmental impact report, mitigated negative declaration or negative declaration, as the case may be, prepared in connection with the development of the Property; (iii) any claims based on or alleging inverse condemnation by any person or entity with an interest in the Property; and (iv) the proceedings undertaken in connection with the adoption or approval of any of the above. In the event of any legal or equitable action or other proceeding instituted by any third party (including a governmental entity or official) challenging the validity of any provision of this Agreement or any portion thereof as set forth herein, the parties shall mutually cooperate with each other in defense of said action or proceeding. Notwithstanding the above, City, at its sole option, may tender the complete defense of any third-party challenge as described herein. In the event City elects to contract with special counsel to provide for such a defense, City shall meet and confer with Owner regarding the selection of counsel, and Owner shall pay all costs related to retention of such counsel.

d. Environmental Contamination. Owner shall indemnify and hold City, its elective and appointive boards, commissions, officers, agents, attorney's, contractors, consultants and employees free and harmless from any liability, based or asserted, upon any act or omission of Owner, its officers, agents, employees, subcontractors, predecessors in interest, successors, assigns and independent contractors, excepting and acts or omissions of City as successor to any portions of the Property dedicated or transferred to City by Owner, for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions, and Owner shall defend, at its expense, including attorneys' fees, City, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. City may in its discretion participate in the defense of any such claim, action or proceeding.

The provisions of this Section 15(d) do not apply to environmental conditions that predate Owner's ownership or control of the Property or applicable portion; provided, however, that the foregoing limitation shall not operate to bar, limit or modify any of Owner's statutory or equitable obligations as an owner or seller of the Property.
e. **City to Approve Counsel.** With respect to Sections 15(a) through 15(d), City reserves the right to approve the attorney(s) which Owner selects, hires or otherwise engages to defend City hereunder, which approval shall not be unreasonably withheld.

f. **Accept Reasonable Good Faith Settlement.** With respect to Article 15, City shall not reject any reasonable good faith settlement. If City does reject a reasonable, good faith settlement that is acceptable to Owner, Owner may enter into a settlement of the action, as it relates to Owner, and City shall thereafter defend such action (including appeals) at its own cost and be solely responsible for any judgment rendered in connection with such action. This Section 15(f) applies exclusively to settlements pertaining to monetary damages or damages which are remedial by the payment of monetary compensation. Owner and City expressly agree that this Section 15(f) does not apply to any settlement that requires an exercise of City's police powers, limits City's exercise of its police powers, or affects the conduct of City's municipal operations.

g. **Survival.** The provisions of Sections 15(a) through 15(f) inclusive, shall survive the termination or expiration of the Agreement.

16. **California Environmental Quality Act**

Owner shall reimburse City for any and all costs incurred by City related to project review under the California Environmental Quality Act (CEQA), Public Resources Code, §§21000-21189.3, and the Guidelines for California Environmental Quality Act, California Code of Regulations, Title 14, §§15000-15387. If reasonably requested by City, Owner shall conduct and pay for any required CEQA reviews and analyses. The City has found that the proposed Project is Categorically Exempt from California Environmental Quality Act (CEQA) requirements under provisions of CEQA Guidelines **Section 15301 – Existing Facilities.** This exemption applies to projects characterized as alterations to existing facilities meeting the conditions described in **Section 15301.**

17. **Rules, Regulations, and Official Policies**

Except as otherwise provided in this Agreement, the rules, regulations, and official policies of City governing permitted uses of the land, governing density, and governing the design, improvements, and construction standards and specifications applicable to the development of the Project subject of this Agreement, shall be those rules, regulations, and official policies of City in force at the time of the execution of this Agreement. This Agreement does not prevent City, in subsequent actions applicable to the property, from applying new rules, regulations, and policies which do not conflict with those rules, regulations, and policies applicable to the property as set forth herein,
nor does this Agreement prevent City from denying or conditionally approving any subsequent development project application based on such existing or new rules, regulations, or policies.

18. **Regulatory Permit Conditions of Approval**

Owner shall comply with all conditions of approval of the Regulatory Permit approved by City Council.

19. **Periodic Reviews**

This Agreement shall be subject to annual review. Owner and Landlord executing this Agreement, or successor in interest thereto, shall demonstrate good faith compliance with the terms of this Agreement. If, as a result of such periodic review, City finds and determines, based on substantial evidence, that Owner or Landlord executing this Agreement, or successor in interest thereto, has not complied in good faith with the terms or conditions of this Agreement, City may terminate or modify this Agreement (except no modification shall increase Owner’s liability nor reduce Owner’s rights), provided that City shall first provide Owner notice of its intent to terminate, with a detailed explanation as to why, and provide Owner the reasonable right to cure the same.

a. **Periodic Review.** City Council shall review this Agreement annually, on or before each anniversary of the Effective Date, in order to ascertain Owner’s good faith compliance with this Agreement. During the periodic review Owner shall be required to demonstrate good faith compliance with the terms of the Agreement, through submitting an annual monitoring report, records, or equivalent written materials to the Planning Department. The Planning Department will schedule a hearing on the periodic review of the Development Agreement on or following the anniversary of the Effective Date, but Owner has no obligation to compel such hearing, and no implication will be made to Owner’s detriment if a hearing is not in fact held. Owner shall document any request for an extension of the term due to delays beyond the control of Owner (see Section 23(j), “Force Majeure”). Owner shall submit an annual review and administration fee deposit not to exceed City’s estimated internal and third-party costs associated with the review and administration of this Agreement during the succeeding year, consistent with Section 23(k) (“Deposit with City”) below. City shall provide Owner said estimate a reasonable time in advance of the annual review and administration fee deposit being due.

b. **Conditional Use Permit.** For all intents and purposes, the Regulatory Permit to be issued under this Agreement shall be treated as if it were a
Conditional Use Permit issued to Owner for the establishment and operation of its business. The operation of the business at all times shall be required to comply with the terms of this Agreement.

c. **Special Review.** City Council may order a special review of compliance with this Agreement at any time. The Planning Director or his or her designee shall conduct such special review. During a special review, Owner shall be required to demonstrate good faith compliance with the terms of the Agreement. The burden of proof on this issue shall be on Owner.

d. **Review Hearing.** At the time and place set for the review hearing, Owner shall be given an opportunity to be heard. If City Council finds, based upon substantial evidence, that Owner has not complied in good faith with the terms or conditions of this Agreement, City Council may terminate this Agreement notwithstanding any other provision of this Agreement to the contrary, or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of City. The decision of City Council shall be final, subject only to judicial review pursuant to Code of Civil Procedure Section 1094.5.

e. **Certificate of Agreement Compliance.** If, after a periodic or special review, Owner is found to be in compliance with this Agreement, and if Owner requests it, City shall issue a Certificate of Agreement Compliance ("Certificate") to Owner stating that after the most recent periodic or special review, and based upon the information known or made known to the Planning Director and City Council, that (i) this Agreement remains in effect and (ii) Owner is not in default.

City shall not be bound by a Certificate if a default existed at the time of the periodic or special review, but was concealed from or otherwise not known to the Planning Director and City Council, regardless of whether the Certificate is relied upon by assignees or other transferees or Owner.

f. **Failure to Conduct Review.** City’s failure to conduct a periodic review of this Agreement shall not constitute a breach of this Agreement.

g. **Cost of Review.** The costs incurred by City in connection with the periodic reviews shall be borne by Owner.

20. **Assignment**

**Assignment by Owner.** Owner shall not transfer, delegate, sublet or assign its interest, rights, duties, and obligations under this Agreement without the prior written consent of
City, which consent shall not be unreasonably withheld. Owner shall submit a transfer application to the City Manager or City Manager's designee and pay any applicable transfer fee. The proposed transferee must show proof of lawful transfer of possession of the applicable location as may be acceptable to the City. Owner is aware it may take the City approximately six (6) months to process a transfer application.

Any assignment, delegation, subletting or assignment without the prior written consent of City shall be null and void. Any transfer, delegation, subletting or assignment by Owner as authorized herein shall be effective only if and upon the party to whom such transfer, delegation, subletting or assignment is made is issued a Regulatory Permit as required under Section 5.20.070(i) of the municipal code.

21. Operating Commercial Cannabis Facility

Any party to this Agreement, or successor in interest thereto, shall not operate a commercial cannabis facility authorized under the municipal code unless:

a. It is the holder of a valid Regulatory Permit issued by City in accordance with the procedures and requirement of Sections 5.20.100 [Medicinal Cannabis Cultivation]; 5.20.110 [Medicinal Cannabis Products Manufacturing]; 5.20.120 [Medicinal Cannabis Products Retail Delivery]; 5.20.130 [Medicinal Cannabis Products Distribution] of the municipal code; and,

b. At such time as the State of California requires commercial cannabis facilities and businesses to hold a valid license or permit issued by the State of California, it also holds such license or permit, unless, however, such permit or license is not required by the State of California for the type of commercial cannabis facility or business operation that is the subject of this Agreement.

22. Notice

Any notice or communication required hereunder between City and Owner must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered,
as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201  
Attention: City Clerk

and  
Special Counsel, Glenn Ward Calsada, Esq.  
Law Offices of Glenn Ward Calsada  
23283 Ventura Boulevard  
Woodland Hills, CA 91364

If to Owner:  
VM Evergreen, LLC  
Attn: Javier Barajas, Manager  
8116 Eastern Avenue  
Bell Gardens, CA 90201

If to Landlord:  
Leonardo and Rosa Valles  
6534 Bequette Avenue  
Pico Rivera, CA 90660

With a courtesy copy to:  
VM Evergreen, LLC  
c/o Legal Counsel  
Tony Soliman  
8116 Eastern Avenue  
Bell Gardens, CA 90201


a. Amendment or Cancellation. This Agreement may be amended, or canceled in whole or in part, only by the written mutual consent of the parties to this Agreement or their successors in interest, except that minor amendments
that do not affect a substantive provision of this Agreement may be approved by the City Manager on behalf of the City. The decision whether a proposed amendment is “minor” shall be in the exclusive discretion of the City Manager.

b. **Waiver.** Waiver by City of any one or more of the terms or conditions of this Agreement shall not be construed as waiver of any other term or condition under this Agreement.

c. **Enforcement/Reserved Powers.** Unless amended or canceled pursuant hereto, this Agreement shall be enforceable by any party hereto, or successor in interest thereto, notwithstanding any subsequent change in any applicable general or specific plan, zoning, subdivision or building regulation, or municipal code amendment adopted by City that conflicts with the terms of this Agreement. However, this Agreement is subject to the City's "Reserved Powers." For purposes of this Agreement, "Reserved Powers" means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City. The Reserved Powers include the powers to enact regulations or take future discretionary actions after the Effective Date of this Agreement that: (1) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (except in the event of natural disasters as found by the City Council such as floods, earthquakes and similar acts of God); (2) are amendments to California Marijuana Laws or California Uniform Codes, as adopted by the City of Cudahy, and/or the Cudahy Municipal Code, as applicable, regarding the construction, engineering and design standards for private and public improvements to be constructed on the Site; (3) are necessary to comply with state or federal laws and regulations; or (4) involve sign and parking ordinances and guidelines, changes to the Overlay Zone, Specific Plan or the City's General Plan, whether adopted previous or subsequent to the Effective Date of this Agreement).

If any City ordinance, rule or regulation or addition to the Cudahy Municipal Code is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement or an associated Regulatory Permit, business license or other authorizations and City approvals, or reduce development rights or assurances provided to the Owner in this Agreement, then such changes, additions or deletions to the Cudahy Municipal Code shall not be applied to the Site or Project; provided, however, the parties acknowledge that the City's approval of this Agreement is a legislative action subject to referendum. The parties shall cooperate with each other and undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms and to the fullest extent permitted by state or federal law.
Notwithstanding anything to the contrary in this Agreement, site improvements contemplated by this Agreement shall be completed pursuant to the development standards and design guidelines to be adopted by the zoning code amendment.

d. **Joint and Several Liability.** Owner shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party.

e. **Severability.** If any part of this Agreement is found to conflict with applicable state laws or regulations, such part shall be inoperative, null, and void insofar as it conflicts with said laws or regulations, or modified or suspended as may be necessary to comply with such state laws or regulations, but the remainder of this Agreement shall continue to be in full force and effect.

f. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual, facsimile, or electronic signature.

g. **Jurisdiction.** The law governing this Agreement shall be that of the State of California. Any suit brought by any party against any other party arising out of the performance of this Agreement or the breach, termination, enforcement, interpretation or validity thereof, shall be filed and maintained in the County of Los Angeles Superior Court.

h. **Disclaimer.** Despite California’s commercial cannabis laws and the terms and conditions of this Agreement, any Conditional Use Permit, or any Regulatory Permit issued pertaining to Owner or the property specified herein, California commercial cannabis cultivators, transporters, distributors, or possessors may still be subject to arrest by state or federal officers and prosecuted under state or federal law. The Federal Controlled Substances Act, 21 USC § 801, prohibits the manufacture, distribution, and possession of cannabis without any exemptions for medical use.

i. **Force Majeure.** If delays are caused by unforeseen events beyond the control of Owner, such delays will entitle Owner to an extension of time as provided in this section. Such unforeseen events (“Force Majeure”) shall mean war, insurrection, acts of God, local, state or national emergencies, strikes and other labor difficulties beyond the party’s control, or any default by City
hereunder, which Force Majeure event substantially interferes with the development, construction or operation of the Project.

j. **Costs and Fees.** Intentionally omitted.

k. **Constructive Notice and Acceptance.** Every person who after the Effective Date and recording of this Agreement owns or acquires any right, title, or interest to any portion of the Site, is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site, and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

l. **Binding Effect of Agreement.** The Parties agree that the Recitals above are true and correct and intend to be bound by same. Except as otherwise provided, the burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all authorized successors-in-interest of the Parties and constitute covenants which run with the Site. In order to provide constructive notice thereof, the City Clerk will record this Agreement with the Los Angeles County Recorder within the period required by Government Code Section 65868.5.

m. **Project as a Private Undertaking.** It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Owner is that of a government entity regulating the development of private property and the owner of such property.

n. **Changes to Project.** The parties acknowledge that changes to the Project or Development Plans and related approvals may be appropriate and mutually desirable to carry out the intent and purpose of this Agreement. This Agreement shall not prevent the City from applying, with the consent or at the request of the Owner, *Subsequent Land Use Regulations* or *Subsequent Development Approvals* that do not directly conflict with the Project, Site or Development Plan authorized under this Agreement. The granting of one such change or request shall not obligate the City to grant other similar changes or requests. As used herein, "*Subsequent Development Approvals*" include, without limitation, all...
excavation, grading, building, construction, demolition, encroachment or street improvement permits, occupancy certificates, utility connection authorizations, or other non-discretionary permits or approvals necessary, convenient or appropriate for the Project. As used herein, “Subsequent Land Use Regulations” means ordinances, resolutions and codes adopted or approved by the City after the Effective Date of this Agreement governing the development and use of the land, including general plan amendments, zone changes, variances or conditional use permits affecting the permitted use of the land including density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions of reservation or Dedication of land for public purposes, and the design, improvement and construction and initial occupancy standards and specifications applicable to the Development of the Property.

o. Conflicting Federal or State Rules. In the event that any conflicting federal or state laws or regulations, enacted after the Effective Date, prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, this Agreement shall remain in full force and effect as to those provisions not affected; and

(i) Notice of Conflict. Either party, upon learning of any such matter, will provide the other party with written notice thereof and provide a copy of any such law, regulation or policy together with a statement of how any such matter conflicts with the provisions of this Agreement; and

(ii) Modification Conferences. The parties shall, within thirty (30) days of the notice referenced to in the preceding subsection, meet and confer in good faith and attempt to modify this Agreement to bring it into compliance with any such federal or state law or regulation.

(iii) City Council Hearings. In the event the City believes that an amendment to this Agreement is necessary due to the effect of any federal or state law or regulation, the proposed amendment shall be scheduled for hearing before the City Council. The City Council shall determine the exact nature of the amendment necessitated by such federal or state law or regulation. Owner shall have the right to offer oral and written testimony at the hearing. Any modification ordered by the City Council pursuant to such hearing is subject to judicial review in accordance with California law.

(iv) City Cooperation. The City shall cooperate with Owner in securing any City permits, licenses or other authorizations that may be required as a result of any amendment resulting from actions initiated by the City. As required by this Agreement, Owner shall be responsible to pay all applicable
fees in connection with securing of such permits, licenses or other authorizations.

p. Effective Date. “Effective Date” means the date on which all of the following are true: (i) thirty (30) days have elapsed since the second reading of the Ordinance adopting and approving this Development Agreement and (ii) all Exhibits to this Agreement are finalized, executed and notarized by all affected parties (if applicable) and attached hereto; provided, however, that if these conditions have not been fully satisfied by the Owner the Effective Date may not thereafter occur and this Agreement may not thereafter become effective.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

CITY OF CUDAHY

[Signature]
Mayor

VM EVERGREEN, LLC
OWNER

[Signature]
Name: Javier Barajas
Title: Managing Member

APPROVED AS TO FORM:

[Signature]
Glenn Ward Calsada, Attorney at Law
Special Counsel for the City of Cudahy
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 Feb. 11, 2019 before me, Lupe Larios Davila, Notary Public,

Date: Feb. 11, 2019

personally appeared Javier Bataas

Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: [INSERT DOCUMENT TITLE]

Document Date: Feb. 11, 2019

Number of Pages: 42

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer’s Name: Javier Bataas

☑ Corporate Officer — Title(s): [INSERT TITLE]

☑ Partner — Limited ☐ General

☑ Individual ☐ Attorney in Fact

☑ Trustee ☐ Guardian or Conservator

☐ Other: [INSERT OTHER]

Signer Is Representing: [INSERT REPRESENTATION]

☐ Corporate Officer — Title(s): [INSERT TITLE]

☐ Partner — Limited ☐ General

☑ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: [INSERT OTHER]

Signer Is Representing: [INSERT REPRESENTATION]
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 03/07/2019 before me, Maria D. Garcia-Martinez a Notary Public

(personal name and title of the officer)

personally appeared Jose R. Gonzalez

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)

[Seal Image]
EXHIBITS

A LEGAL DESCRIPTION
B PARCEL MAP
C LANDLORD CONSENT
D SITE AND FLOOR PLANS
E ADDITIONAL BUSINESS STANDARDS (IF APPLICABLE)
F STANDARDS AND CONDITIONS FOR CONSTRUCTION (IF APPLICABLE)
EXHIBIT “A”

LEGAL DESCRIPTION
### PROPERTY DETAIL REPORT

Prepared Exclusively for Glenn Calsada

Created: 11/13/2018  
Expires: 12/13/2018

---

### TARGET PROPERTY

8222 ATLANTIC AVE CUDAHY, CA 90201-5806 C008

#### Owner Information

| Owner Name: | JUAREZ LEONARDO V SR / JUAREZ ROSA C |
| Mailing Address: | 8226 ATLANTIC AVE CUDAHY CA 90201-5806 C008 |
| Phone Number: |  |
| Owner Occupied Indicator: | N |
| Corporate Owner: |  |

#### Location Information

| Legal Description: | TRACT NO 180 W 41 FT OF S 160 FT OF LOT 214 |
| County: | LOS ANGELES |
| Census Tract / Block: | 5343.01 |
| Township-Range-Sect: |  |
| Legal Book - Page: | 13-198 |
| Legal Lot: | 214 |
| Legal Block: | T5 |
| Market Area: |  |
| Neighbor Code: |  |

| APN: | 6224-023-018 |
| Alternate APN: |  |
| Subdivision: | 180 |
| Map Reference: | 59-D2 / |
| Tract #: | 180 |
| School District: | LOS ANGELES |
| Munic / Township: |  |

#### Owner Transfer Information

| Recording / Sale Date: | 02/12/2004 |
| Sale Price: |  |
| Deed Type: | QUIT CLAIM DEED |
| 1st Mtg Document #: | 000000419963 |
| Instrument #: | 000000419962 |
| Book - Page: |  |

#### Last Market Sale Information

| Recording / Sale Date: | 06/22/1998 / 05/15/1998 |
| 1st Mtg Amount / Type: | $540,000.00 / CONV |
| 1st Mtg Int. Rate / Type: | / FIXED RATE LOAN |
| 1st Mtg Term: |  |
| Document #: | 1046846 |
| Instrument #: | 000001046846 |
| 1st Mtg Book - Page: |  |
| Deed Type: | GRANT DEED |
| Transfer Document #: |  |
| New Construction: |  |
| Multi / Split Sale: | MULTIPLE |
| Cash Down Payment: |  |
| Title Company: | CHICAGO TITLE INS CO |
| Lender: | MISCELLANEOUS FIN |
| Seller Name: | PIONEER PROPERTIES |
| Price per SqFt: | $107.14 |
| Stamps Amount: | $660.00 |

#### Prior Sale Information

| Prior Rec / Sale Date: | / |
| Prior Sale Price: |  |
| Prior Sale Type: |  |
| Prior Doc #: |  |
| Prior Instrument #: |  |
| Prior Book - Page: |  |

#### Site Information

| Land Use: | LIGHT INDUSTRIAL |
| Acres: | .1511 |
| County Use: | LIGHT MANUFACTURING |

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### Flood Zone:

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### Tax Information

| Total Value:            | $252,586.00|
| Land Value:             | $77,175.00 |
| Improvement Value:      | $175,411.00|
| Market Value:           | $252,586.00|
| Assessed Year:          | 2018       |
| Improve %:              |            |
| Dist:                   | CONSOLIDATED CO |
| Fire Dist:              |             |
| Equal Rate:             |             |
| Equal Year:             |             |

### Property Characteristics

| Gross Area:             | 5600      |
| Living Area:            | 5600      |
| Total Adj Area:         |           |
| Ground Floor Area:      |           |
| Base / Main Area:       |           |
| Upper Area:             |           |
| 2nd Floor Area:         |           |
| 3rd Floor Area:         |           |
| Rentable Area:          |           |
| Additional Area:        |           |
| Total Rooms:            |           |
| Rental Rooms:           |           |
| Bath (F/H):             |           |
| Total Baths / Fixtures: |           |
| Year Built / Eff:       | 1956 / 1959|
| Year Built:             | 1956       |
| Eff:                    | 1959       |
| Fireplace:              |           |
| Fireplace Description:  |           |
| Basement Description:   |           |
| Other Improvements:     |           |
| Bldg Comments:          |           |
| Parcel Comments:        |           |

### Extra Features

<table>
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<tr>
<th>Description:</th>
<th>Unit:</th>
<th>Size / Qty:</th>
<th>Width:</th>
<th>Depth:</th>
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*NETRonline and its data supplier(s) do not guarantee nor include any warranty of any kind whether expressed or implied, about the validity of all information in this report since this information is retrieved as it is recorded from the various agencies that make it available.*

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EXHIBIT “B”

PARCEL MAP
EXHIBIT "C"

LANDLORD CONSENT
LANDLORD CONSENT AND HOLD
HARMLESS AGREEMENT

THIS LANDLORD CONSENT AGREEMENT (this "Agreement") is made and entered into this __________ day of ____________, 20__, (the "Execution Date"), by and between the CITY OF CUDAHY, a California municipal corporation ("City") and Rosa Valles ("Landlord"). City and Landlord are sometimes referenced together herein as the "Parties." In instances when a provision hereof applies to each of the Parties individually, either may be referenced as a "Party." The Parties hereby jointly render the following statement as to the background facts and circumstances underlying this Agreement.

RECITALS

A. Landlord is the fee simple owner of real property located at 8222 Atlantic Ave., City of Cudahy, State of California. (the "Site"). The Site includes Assessor's Parcel Number: [6224-023-019] as is more fully described in Exhibit A and shown on the map in Exhibit B, both exhibits being attached hereto and incorporated herein by this reference. The Site is leased to VM Evergreen, LLC ("Tenant") pursuant to a written [lease agreement & option or purchase agreement] attached to this document as Exhibit "C" (the "Lease" or other agreement).

B. [Tenant/Buyer] has applied to the City for approval of a Development Agreement to establish certain development rights in the Site for a period of years. [Tenant/Buyer] seeks authorization from the City to establish a medical cannabis facility which may include, but may be limited to, facilities where cannabis is planted, grown, harvested, dried, cured, graded, trimmed, extracted, manufactured into cannabis products, tested, distributed, or transported, or that does all or any combination of those activities. [Tenant/Buyer] anticipates making capital expenditures or causing capital expenditures to be made in reliance upon the City’s approval of its application for a Development Agreement. Landlord acknowledges that the City’s approval of a Development Agreement may significantly impact the value of the Site. However, the City makes no representation whether or not approval of the Development Agreement will ultimately be economically beneficial or detrimental to the Landlord.

C. Approval of the Development Agreement will provide for the orderly establishment of a medical cannabis facility at the Site, provide public benefits and set standards and requirements for the development and permitted uses on the Site.
E. In consideration for the City entering into the Development Agreement with the [Tenant/Buyer], and as a specific inducement for the City to grant the land use entitlements sought by the [Tenant/Buyer] and to effectuate the purposes and intentions for the City and its residents to receive the public benefits set forth therein, the City requires the Landlord for the Site to provide its/his/her express written consent to the execution and recording of the Development and the terms and content thereof, and to hold the City harmless from any from any liability or claims which may arise from the approval of and operations under the Development Agreement.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, Landlord, for [itself/himself/herself] and successors and assigns, agrees as follows:

1. **Consent.** Landlord consents to the [Tenant/Buyer] entering into a Development Agreement with the City for the purpose of establishing a medical cannabis facility at the Site which may include, but may be limited to, facilities where cannabis is planted, grown, harvested, dried, cured, graded, trimmed, extracted, manufactured into cannabis products, tested, distributed, or transported, or that does all or any combination of those activities. Landlord agrees that the land use entitlements and restrictions may vest in the Site for a period of years to be set forth in the Development Agreement. Landlord further agrees to fully cooperate in the development and operations of the Site as a medical cannabis facility in accordance with an approved Development Agreement and duly issued Cannabis Permit.

2. **[If applicable] Estoppel.** Landlord certifies that (1) the Lease is valid and enforceable according to its terms and has not been modified either orally or in writing, and (b) to best of Landlord's knowledge, neither Landlord nor Tenant is in default under the Lease, nor has any event occurred which, with the passage of time, the giving of notice, or both, would constitute an event of default or default under the Lease. Landlord agrees that in the event of any claimed breach or default by Tenant which would entitle Landlord to terminate the Lease and ten (10) days prior to such termination taking effect, Landlord shall notify the City of such claimed breach or default by certified mail, return receipt requested, or by reputable overnight carrier, at the following address:

   To City  
   City of Cudahy  
   5220 Santa Ana Street  
   Cudahy, CA 90201  
   Attn: City Clerk
3. **Hold Harmless Agreement.** Landlord hereby agrees to, and shall hold the City, its elective and appointive boards, commissions, officers, agents, attorney's, contractors, consultants and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Landlord's or Tenant's contractors, subcontractors, agents, or employees' operations of a medical cannabis facility under the Development Agreement, whether or not such operations be by Landlord or Tenant, or by any of Landlord's or Tenant's contractors, subcontractors, agents, or employees operations under the Development Agreement, or by any one or more persons directly or indirectly employed by, or acting as agent for Landlord or Tenant or any of said agents' contractors or subcontractors. Landlord agrees to and shall defend the City, its elective and appointive boards, commissions, officers, agents, attorney's, contractors, consultants and employees from any suits or actions at law or in equity for damage caused, or alleged to have been caused, by reason of any of the aforesaid operations.

4. **Continued Effectiveness.** The effectiveness of this Consent and the City's rights under the Development Agreement shall not be affected by and shall extend to any amendment or modification of the assignment of the Lease or by any sale or transfer of the Site to a new owner. This Consent, including the hold harmless provisions, shall be binding on the Landlord's successors and assigns. Every person who after the Execution Date and recording of this Agreement owns or acquires any right, title, or interest to any portion of the Site, is and shall be conclusively deemed to have consented and agreed to every provision contained herein and in the Development Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site, and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

5. **Applicable Law.** The law governing this Agreement shall be that of the State of California. Any suit brought by any party against any other party arising out of the performance of this Agreement or the breach, termination, enforcement, interpretation
or validity thereof, shall be filed and maintained in the County of Los Angeles Superior Court.

6. **Disclaimer.** Despite California's commercial cannabis laws and the terms and conditions of this Agreement, any Conditional Use Permit, or any Regulatory Permit issued pertaining to the Landlord or Tenant or the Site specified herein, California commercial cannabis cultivators, transporters, distributors, or possessors may still be subject to arrest by state or federal officers and prosecuted under state or federal law. The Federal Controlled Substances Act, 21 USC § 801, prohibits the manufacture, distribution, and possession of cannabis without any exemptions for medical use. The City makes no representation that the operations authorized by the Development Agreement will not be subject to legal challenge. The City shall not be responsible for any legal fees or costs or other expenditures incurred by Landlord in connection with a medical cannabis facility and its operations at the Site.

7. **Project as a Private Undertaking.** It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and the Landlord is that of a government entity regulating the development of private property and the owner of such property.

**IN WITNESS WHEREOF,** Landlord has caused his Consent to be made, executed and delivered the date first above written for the benefit of the City.

**LANDLORD:**
[Name: [signature]]

By: [signature]

Name: [Name]
Title: [Title]

Its authorized representative.

[signature]
CITY OF CUDAHY

______________________________
City Manager

TENANT:

______________________________
Name: Vicki Barajas
Title: CEO

APPROVED AS TO FORM:

______________________________
Special Counsel for the City of Cudahy
ACKNOWLEDGMENT

State of California
County of Los Angeles

On August 29th, 2018 before me, Neil Matsuzaki, Notary Public
(insert name and title of the officer)

personally appeared Rosa Valles, 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)

Neil Matsuzaki
EXHIBIT “A”

LEGAL DESCRIPTION
**PROPERTY DETAIL REPORT**

**TARGET PROPERTY**

8222 ATLANTIC AVE CUDAHY, CA 90201-5806 C008

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<tr>
<th>Owner Information</th>
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<tbody>
<tr>
<td>Owner Name:</td>
<td>JUAREZ LEONARDO V SR / JUAREZ ROSA C</td>
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<tr>
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<td>8226 ATLANTIC AVE CUDAHY CA 90201-5806 C008</td>
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<td>Phone Number:</td>
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Page 281 of 383
**Flood Zone:**
**Lot Area:** 6582
**State Use:**

**Flood Zone Map:**
**Lot Width / Depth:**
**Site Influence:**

**Flood Panel Date:**
**Usable Lot:** 6556
**Sewer Type:**

**Res / Comm Units:**
**Lot Shape:**
**Topography:** ROLLING/HILLY

**# of Buildings:** 1
**Bldg Width / Depth:**
**Water Type:**

**Zoning:** CUM2*
**Building Class:**
**Water District:** CENTRAL AND W BASIN

---

**Tax Information**

**Total Value:** $252,586.00
**Assessed Year:** 2018
**Property Tax:** $4,127.36

**Land Value:** $77,175.00
**Improve %:**
**Tax Area:** 631

**Improvement Value:** $175,411.00
**Dist:** CONSOLIDED CO
**Tax Year:** 2017

**Total Taxable Value:** $252,586.00
**Fire Dist:**

**Market Value:** $252,586.00
**Garbage Dist:**
**Equal Rate:**

**Equal Year:**

---

**Property Characteristics**

**Gross Area:** 5600
**Parking Type:**
**Construction:**

**Living Area:** 5600
**Garage Area:**
**Heat Type:**

**Tot Adj Area:**
**Garage 2 Area:**
**Heat Fuel:**

**Above Grade:**
**Garage Capacity:**
**Parcel Fuel:**

**Ground Floor Area:**
**Parking Spaces:**
**Exterior Wall:**

**Base / Main Area:**
**Carport:**
**Interior Wall:**

**Upper Area:**
**Basement Area:**
**Foundation:**

**2nd Floor Area:**
**Finish Bsmt Area:**
**Air Cond:**

**3rd Floor Area:**
**Basement Type:**
**Roof Cond:**

**Rental Area:**
**Attic Type:**
**Roof Frame:**

**Additional Area:**
**Porch Type:**
**Roof Material:**

**Total Rooms:**
**Porch 1 Area:**
**Floor Type:**

**Bedrooms:**
**Porch 2 Area:**
**Floor Cover:**

**Bath (F/H):**
**Patio Type:**
**Style:**

**Total Baths / Fixtures:**
**Patio 1 Area:**
**Quality:**

**Year Built / Eff:** 1956 / 1959
**Pool:**
**Condition:**

**Fireplace:**
**Pool Area:**
**# of Stories:**

**Fireplace Description:**
**Basement Description:**
**Other Rooms:**

**Other Improvements:**
**Bldg Comments:**
**Parcel Comments:**

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**Extra Features**

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<th>Unit</th>
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EXHIBIT “B”

PARCEL MAP
EXHIBIT “C”
LEASE
AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL LEASE


1.1 Parties: This Lease (“Lease”), dated for reference purposes only July 3, 2018, is made by and between Leonardo Valles and Rosa C Valles, as individuals (“Lessor”) and VM Evergreen, a Wyoming Limited Liability Company (“Lessee”), (collectively the “Parties,” or individually a “Party”).

1.2 Premises: That certain real property, including all improvements therein or to be provided under the terms of this Lease, and commonly known as 8222 Atlantic Ave., Cudahy, CA located in the County of Los Angeles, State of California, and generally described as approximately 19,000 square foot industrial manufacturing buildings (“Premises”) with APN 6224-023-018 & 6224-023-019. (See also Paragraph 2)

1.3 Term: 15 years (“Original Term”) the earlier of July 1, 2018 or as soon as possession is tendered (“Commencement Date”) and ending June 31, 2033 (“Expiration Date”), with the option to renew for an additional 10 years at the same base rent (“Option Term”) (See also Paragraph 3) as well as the right of first refusal to purchase the premises at the same price and terms of any offer accepted by Lessor, applicable only after the exclusive Option to Buy period has expired, as outlined in the separate Option to Buy agreement between the Parties . Should the Lessee choose to exercise its right of first refusal, it will be credited for any capital improvements made to the Premises by the Lessee. Lessee shall have access to the Premises for the purpose of making the improvements necessary for the desired use effective immediately upon the Commencement Date.

1.4 Base Rent: Parties agree the base rent will be per month (“Base Rent”), payable on the first day of each month. A 10-day grace period is granted monthly to Lessee by Lessor for due rent.

1.5 Security Deposit: One month deposit of

1.6 Agreed Use: Property will be used for the Agreed Use (“Agreed Use”) of various possible commercial uses as permitted by California state and local law including any commercial cannabis business activities allowed by the city of Cudahy. (See also Paragraph 6). Lessee to satisfy itself regarding all applicable regulations, licenses, covenants, or other restrictions.

1.7 Insuring Party: Lessee is the “Insuring Party” unless otherwise stated herein. (See also Paragraph 8)

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental rate, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating rental, is an approximation which the Parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

2.2 Condition. Lessor shall deliver the Premises to Lessee “as is” without warranty as to conditions not known to Lessor regarding any portion of the Premises including, but not limited to, the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems (“HVAC”), loading doors, if any, and all other such elements in the Premises, other than those constructed by Lessee. Lessor shall disclose any material defects known to Lessor on the Commencement Date regarding the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the “Building”) within one (1) month of the Commencement Date.
2.3 **Compliance.** Lessor makes no warranty regarding the improvements on the Premises or their compliance with any applicable laws, covenants or restrictions of record, building codes, regulations and ordinances ("Applicable Requirements") in effect on the Start Date. Lessee shall be responsible for maintenance and improvements of the premises required for its use. If the Applicable Requirements are hereafter changed (as opposed to being in existence at the Start Date which is addressed in Paragraph 6.2(a) below) so as to require during the term of this Lease the construction of an addition to or an alteration of the Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

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

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the obligation to pay for such costs pursuant to the provisions of Paragraph 7.1(b); provided, however, that if such Capital Expenditure is required during the last two years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon ninety (90) days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within ten (10) days after receipt of Lessor’s termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor’s share of such costs have been fully paid. If Lessee is unable to finance Lessor’s share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon thirty (30) days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date, Original Term, and Option Term of this Lease are as specified in Paragraph 1.3.

3.2 **Option to Renew.** Provided that lessee is not then in default under any of the covenants, terms, conditions, and provisions of this Lease Agreement beyond any applicable notice and cure period, then Lessee shall have the one time right to extend the Term of the Lease for the Option Term commencing on the Expiration date of the Original Term, upon the same terms and conditions as set forth in this Lease. Lessee shall give Lessor notice in writing of Lessee’s intention to exercise this option at least 120 calendar days prior to the expiration of the Original Term of this Lease.

3.3 **Right of First Refusal.** Lessor agrees to provide Lessee the right of first refusal to purchase the premises at the same price and terms of any offer accepted by Lessor, if said offer is made after the expiration of the exclusive purchase option window. Should the Lessee choose to exercise its right of first refusal, it will be credited for any capital improvements made to the Premises by the Lessee. Lessee understands that this Right is separate and distinct from the Option Agreement of even date herewith and incorporated by reference herein. Lessee **shall not**
receive any credit for those capital improvements made to the Premises by the Lessee, as this privilege is exclusively reserved for exercise of the Right of First Refusal.

3.4 **Delay in Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations regarding the undelivered portions of the Premises until it receives possession of those portions. Specifically, Lessee understands that the Premises are comprised of three commercial units, two of which are occupied by third-parties on a month to month basis, and one of which is operated by Lessor. Lessor requires two (2) months to clear said Premises of tenants and deliver possession. Lessee shall only be responsible for rent payments for each unit it has actual possession of, prorated at 1/3 rent for each unit, or $5,000 per unit. If possession is not delivered within sixty (60) days after the Commencement Date, Lessee may, at its option, by notice in writing within ten (10) days after the end of such sixty (60) day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder.

4. **Rent.**

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease specifically including all payments under the Option Agreement of even date herewith and incorporated by reference herein are deemed to be rent (“Rent”). Lessee understands that payments of the Option Price are independent and in addition to the Base Rent articulated under this Lease agreement.

4.2 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor’s rights to the balance of such Rent, regardless of Lessor’s endorsement of any check so stating.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee’s faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of said Security Deposit, Lessee shall within ten (10) days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within fourteen (14) days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within thirty (30) days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return that portion of the security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use.**

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use or any other legal use which is reasonably comparable thereto. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to neighboring properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, is not significantly more burdensome to the Premises. If Lessor elects to

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1 For purposes of this Lease, the Parties understand and agree that cannabis-related land uses carried out in compliance with local and state laws and regulations shall not be considered “unlawful.”
withhold consent, Lessor shall within five (5) business days after such request give written notification of same, which notice shall include an explanation of Lessor’s objections to the change in use.

6.2 Manufacturing Substances.

(a) Manufacturing Substances. The term “Manufacturing Substances” as used in this Lease shall mean any product or substance that is commonly used for the purposes of the Agreed Use. Lessor agrees to the use of the Manufacturing Substances on the Premises. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, so long as such use is in compliance with all Applicable Requirements and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. 2

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

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

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys’ and consultants’ fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties).

(e) Lessor Indemnification, Investigations, and Remediations. Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which existed as a result of Hazardous Substances, on the Premises prior to the Start Date or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor’s obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Start Date. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor’s agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor’s investigative and remedial responsibilities.

6.3 Lessee’s Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee’s sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements without regard to whether said requirements are now in effect or become effective after the Start Date. Specifically, Lessee shall promptly take all steps reasonably necessary to obtain licensure for the Agreed Use from the City of Cudahy and the State of California, including but not limited to the preparation and filing of any application required for such license, and to use its best commercially reasonable efforts to obtain such license. Lessee shall also diligently pursue other permits and licenses, including those necessary for the construction and improvement and

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2 In accordance with this provision, Lessor acknowledges that Lessee may use and store carbon dioxide or other substances commonly used in cannabis manufacturing and State of California-approved pesticides in connection with cultivation at the Premises. Lessor hereby expressly consents to such use and storage, provided that it is carried out in compliance with the law and all Applicable Requirements.
construction, to assure the ability of Lessee to engage in the Agreed Use at the Premises. Lessee shall, within fifteen (15) business days after receipt of Lessor’s written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee’s compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. If a change in local or state law renders the Agreed Use nonconforming and unlawful, the Lessee shall have the option to terminate the Lease effective sixty (60) days following the effective date of such change in law by giving a written termination notice to Lessor within thirty (30) days after the date of said occurrence. Failure to obtain a license to operate the contemplated business shall not constitute a ‘change in law’ and shall not relieve Lessee of any obligations under the instant Lease Agreement.

6.4 Inspection; Compliance. Lessor shall have the right to enter into Premises at reasonable times with a 5-day written notice to Lessee for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor.

7. Construction; Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee’s Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee’s Compliance with Applicable Requirements), 7.2 (Lessor’s Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee’s sole expense, keep the Premises, Utility Installations, and Alterations in good order, condition and repair, including, but not limited to, all equipment or facilities, such as plumbing, heating, ventilating, air-conditioning, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee’s obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) Construction. Lessee shall engage architects, contractors, and suppliers at the expense of Lessee for the development of the Premises for the Agreed Use. The expense of the construction, equipment, and operation of the Premises shall be at the expense of the Lessee and shall not require any financial contribution by Lessor.

(c) Replacement. Subject to Lessee’s indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee’s failure to exercise and perform good maintenance practices, if Basic Elements installed by Lessor, including but not limited to (i) roof covering and drains, (ii) driveways and parking lots, (iii) water and sewage tanks, and (iv) basic utility feed to the perimeter of the Building, cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such Basic Elements, then such Basic Elements shall be replaced by Lessor, and the cost thereof shall be Lessor’s responsibility.

7.2 Lessor’s Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 7.1(b) (Replacement of Basic Elements), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions; Consent Required. The term “Utility Installations” refers to all power panels, electrical distribution, security and fire protection systems, HVAC equipment, plumbing, and fencing in or on the Premises. The
term “Trade Fixtures” shall mean Lessee’s machinery and equipment that can be removed without doing material damage to the Premises. The term “Alterations” shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. “Lessee Owned Alterations and/or Utility Installations” are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lesser pursuant to Paragraph 7.4(a). Lessee shall not make any material Alterations resulting in material damage to the Premises or Utility Installations to the Premises without Lessor’s prior written consent. Lessee may, however, make non-structural Alterations and Utility Installations to the interior of the Premises without such consent but upon notice to Lessor, as long as they are not visible from the outside and do not involve puncturing, relocating or removing the roof or any existing walls.

(b) Consent. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form. Consent shall not be unreasonably withheld.

(c) Indemnification. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic’s or materialmen’s lien against the Premises or any interest therein. Lessees shall give Lessor not less than ten (10) days’ notice prior to the commencement of any such work in, on or about the Premises. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor elects to participate in any such action, Lessee shall pay Lessor’s attorneys’ fees and costs.

7.4 Ownership, Removal; Surrender; and Restoration.

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

(b) Removal. By delivery to Lessee of written notice from Lessor not earlier than ninety (90) and not later than thirty (30) days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease.

(c) Surrender/Restoration. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. “Ordinary wear and tear” shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee Owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee, and the removal, replacement, or remediation of any soil, material or groundwater contaminated by Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment For Insurance. Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of $2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within ten (10) days following receipt of an invoice.

8.2 Liability Insurance.
(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability Policy of insurance protecting Lessee and Lessor against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an “Additional Insured- Lessors of Premises Endorsement.” All insurance carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

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

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lenders, but in no event more than the commercially reasonable and available insurable value thereof. If Lessor is the insuring Party, however, Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee’s personal property shall be insured by Lessee under Paragraph 8.4 rather than by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage, including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor, insuring the loss of the full Rent for one (1) year. Lessee shall be liable for any deductible amount in the event of such loss.

8.4 **Lessee’s Property/Business Interruption Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee’s personal property. Proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

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

8.5 **Insurance Policies.** Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy term a “General Policyholders Rating” of at least B+, V, as set forth in the most current issue of “Best’s Insurance Guide.” Lessee shall not do or permit to be done anything which invalidates the required insurance policies. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or “insurance binders” evidencing renewal thereof. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee as the case may be, so long as the insurance is not invalidated thereby.
8.7 Indemnity. Except for Lessor’s gross negligence or willful misconduct. Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor’s master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys’ and consultants’ fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee’s expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor from Liability. Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee’s employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor. Notwithstanding Lessor’s negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee’s business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 Definitions.

(a) “Premises Partial Damage” shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) “Premises Total Destruction” shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility installations and Trade Fixtures, which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) “Insured Loss” shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

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

(e) “Hazardous Substance Condition” shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor’s expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to affect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. Lessee shall be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.
9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee’s expense), Lessor must repair such damage as soon as reasonably possible at Lessor’s expense, in which event this Lease shall continue in full force and effect. Such termination shall be effective sixty (60) days following the date of such notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction.

9.5 **Damage Near End of Term.** Deleted.

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

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

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

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

9.8 **Waive Statutes.** Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

10. **Real Property Taxes.**

10.1 **Definition of “Real Property Taxes.”** As used herein, the term “Real Property Taxes” shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or tax (other than inheritance, personal income or estate taxes) imposed upon or levied against any legal or equitable interest of Lessor in the Premises by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. The term “Real Property Taxes” shall also include any tax, fee, levy, assessment or charge, or any increase therein imposed by reason of events occurring during the term of this Lease.

10.2 **Payment of Taxes.** Lessee shall pay the Real Property Taxes applicable to the Premises during the term of this Lease. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee’s share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect, and Lessor shall reimburse Lessee for any overpayment.
10.3 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause such property to be assessed and billed separately from the real property of Lessor.

11. **Utilities.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered.

12. **Assignment and Subletting.**

12.1 **Lessor’s Consent Required.** Lessee may voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, “assign or assignment”) or subject all or any part of Lessee’s interest in this Lease or in the Premises with Lessor’s prior written consent, which consent shall not be unreasonably withheld.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor’s consent, any assignment or subletting shall not: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease; (ii) release Lessee of any obligations hereunder; or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee’s obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor’s right to exercise its remedies for Lessee’s Default or Breach.

(c) Lessor’s consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor’s determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested.

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

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

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

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

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

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

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

13. Default; Breach; Remedies.

13.1 Default; Breach. A “Default” is defined as a failure by the Parties to comply with or perform any of the material terms, covenants, conditions or rules under this Lease. A “Breach” is defined as the occurrence of one or more of the following Defaults, and the failure of the breaching Party to cure such Default within any applicable grace period:

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

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of thirty (30) business days following written notice to Lessee.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the rescission of an unauthorized assignment or subletting, (iii) a Estoppel Certificate, (iv) a requested subordination, (v) evidence concerning any guaranty and/or Guarantor, (vi) any document requested under Paragraph 42 (easements), or (vii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of thirty (30) days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee’s Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within thirty (30) days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee’s behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor
shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it drawn, Lessor at its option, may require all future payments to be made by Lessee to be by cashier’s check. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee’s right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; and (ii) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee’s failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys’ fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute,

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

(c) Pursue any other remedy now or hereafter available under the laws or Judicial decisions of the state wherein the Premises are located.

13.3 Breach by Lessor.

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

(b) Performance by Lessee on Behalf of Lessor. In the event that Lessor does not cure said breach within thirty (30) days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee’s expense and offset from Rent an amount equal to the greater of one month’s Base Rent or the Security Deposit, and to pay an excess of such expense under protest, preserving Lessee’s right to reimbursement from Lessor, Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively “Condemnation”), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of any building portion of the Premises, or more than twenty-five percent (25%) of the land area portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee’s option, to be exercised in writing within thirty (30) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance
with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except
that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such
Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be
made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages;
provided, however, that Lessee shall be entitled to any compensation for Lessee’s relocation expenses, loss of business
goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions
of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of
Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all
compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation.
Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Estoppel Certificates.

(a) Each Party (as “Responding Party”) shall within ten (10) days after written notice from the other Party
(the “Requesting Party”) execute, acknowledge and deliver to the Requesting Party a statement in writing in form
similar to the then most current “Estoppel Certificate” form published by the American Industrial Real Estate
Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the
Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such ten day period,
the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without
modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting
Party’s performance, and (iii) if Lessor is the Requesting Party, not more than one month’s Rent has been paid in
advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party’s Estoppel Certificate, and
the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee shall deliver to
any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by
such lender or purchaser, including, but not limited to, Lessee’s financial statements for the past three (3) years. All
such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used
only for the purposes herein set forth.

16. Definition of Lessor. The term “Lessor” as used herein shall mean the owner or owners at the time in
question of the fee title to the Premises, or, of the Lessee’s interest in the prior lease. In the event of a transfer of
Lessor’s title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by
credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or
assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with
respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the
foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon
the Lessor as hereinafore defined. Notwithstanding the above, and subject to the provisions of Paragraph 20 below,
the original Lessor under this Lease, and all subsequent holders of the Lessor’s interest in this Lease shall remain
liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances
as outlined in Paragraph 6 above.

17. Severability. The invalidity of any provision of this Lease, as determined by a court of competent
jurisdiction, shall in no way affect the validity of any other provision hereof.

18. Days. Unless otherwise specifically indicated to the contrary, the word “days” as used in this Lease shall
mean and refer to calendar days.

19. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed
or observed by the Parties under this Lease.

20.1 Notice Requirements. All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or electronic mail (email) and shall be deemed sufficiently given if served in a manner specified in this Paragraph 20. The addresses noted adjacent to a Party’s signature on this Lease shall be that Party’s address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee’s taking possession of the Premises, the Premises shall constitute Lessee’s address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

20.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

21. Waivers. No waiver by a Party of the Default or Breach of any term, covenant or condition hereof by the other Party, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by the Party of the same or of any other term, covenant or condition hereof. Lessor’s consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor’s consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

22. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

23. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease unless agreed to by Lessor.

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

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

26. Binding Effect; Choice of Law; Dispute Resolution. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of California. Any adjudication of disputes between the Parties hereto concerning this Lease shall be initiated in Los Angeles.
26.1  **Dispute Resolution.**  If a dispute should arise between the Parties, disputes shall be resolved in accordance with the following provisions:

(a)  **Settlement Discussion:**  The Parties agree to attempt to resolve any disputes between them by an in-person meeting to be held within thirty (30) days after written notice by either Lessor or Lessee to the other party to this Lease Agreement regarding a dispute or disagreement on any matter arising from the relationship described in this Lease Agreement.

(b)  **Mandatory Mediation:**  If informal settlement discussion does not resolve a dispute, the Parties agree to mediate any dispute or claim arising between them based on this Lease Agreement before resorting to arbitration, as provided herein.  Mediation fees shall be divided equally among the parties involved.  If mediation is unsuccessful, the Parties shall arbitrate their dispute, subject to applicable laws and procedures, as set forth herein.

(c)  **Mandatory Binding Arbitration:**  If any dispute between the Parties arises under or relates to this Lease Agreement or otherwise relates to any transaction between the parties hereto, including any tort or contract claims, and if the parties are unable to resolve their dispute by mediation, then their dispute shall be decided by neutral, binding arbitration and not by a court proceeding.  Arbitration shall be initiated by a written demand by either party and shall be conducted before Judicate West in Los Angeles, California, under the rules of Judicate West, or such other arbitration rules to which the parties may agree, before a single arbitrator.  The Parties shall have the right to conduct discovery pursuant to the California Civil Code, Code of Civil Procedure, and other applicable law.  Judgment upon the arbitral award may be entered in any court of competent jurisdiction.

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

27.1  **Subordination.**  This Lease and any Option granted hereby shall be subject and subordinate to any mortgage, deed of trust, or other hypothecation or security device (collectively, “Security Device”), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof.  Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

27.2  **Attornment.**  Subject to the non-disturbance provisions of Paragraph 27.3, Lessee agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Security Device, and that in the event of such foreclosure, such new owner shall not; (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor; or (iii) be bound by prepayment of more than one (1) month’s rent.

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

27.4  **Self-Executing.**  The agreements contained in this Paragraph 27 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.
28. **Attorneys’ Fees.** If any Party or Broker brings an action or proceeding involving the Premises to enforce the terms hereof or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys’ fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term “Prevailing Party” shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys’ fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys’ fees reasonably incurred. In addition, Lessor shall be entitled to attorneys’ fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach.

29. **Lessor’s Access; Repairs.** Lessor and Lessor’s agents shall have the right to enter the Premises at reasonable times for the purpose of making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary. All such activities shall be without abatement of rent or liability to Lessee. Lessor may at any time place on the Premises any ordinary “For Sale” signs and Lessor may during the last six (6) months of the term hereof place on the Premises any ordinary “For Lease” signs.

30. **Signs.** Lessee shall not place any sign upon the Premises without Lessor’s prior written consent except for signs relating to the business of the Lessee on the premises. All signs must comply with all Applicable Requirements.

31. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor’s failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor’s election to have such event constitute the termination of such interest.

32. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor’s actual reasonable costs and expenses (including, but not limited to, architects’, attorneys’, engineers’ and other consultants’ fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including, but not limited to, consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor’s consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor’s consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within ten (10) business days following such request.

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

34. **Options.**

34.1 **Definition.** “Option” shall mean: (a) the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor, (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor, (c) the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor, in accordance with the Option Agreement, which is incorporated herein by referenced.
34.2 **Options Personal To Original Lessee.** Each Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

34.3 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period of time any Rent is unpaid, or (ii) during the time Lessee is in Breach of this Lease.

(b) The period of time within which an Option may be exercised may be extended or enlarged by if Lessee is unable to exercise an Option because of the provisions of Paragraph 34.3(a).

35. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will observe all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and that Lessee will pay its fair share of common expenses incurred in connection therewith.

36. **Security Measures.** Lessee hereby acknowledges that the rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

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

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

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

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

41. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification.

42. **Multiple Parties.** If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall have joint and several responsibilities to comply with the terms of this Lease.

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

**ATTENTION:** THE PARTIES ARE URGED TO:
1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.


The parties hereto have executed this Lease on the date specified above.

LESSOR

Leonardo Valles &
Rosa C Valles as individuals

Signature

Date

By:
Title:
Date:
Address: 6534 Bequette Ave.
Pico Rivera, CA 90660

LESSEE

VM Evergreen, LLC., a Wyoming limited liability company

Signature

Date

By: Javier Barajas
Title: Manager
Date:
Address: 8116 Eastern Ave.
Bell Gardens, CA 90201
1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.


The parties hereto have executed this Lease on the date specified above.

LESSOR

Leonardo Valles &
Rosa C Valles as individuals

Signature

Date

LESSEE

VM Evergreen, LLC., a Wyoming limited liability company

Signature

Date

By:  
Title:  
Date:  
Address: 6534 Bequette Ave.  
Pico Rivera, CA 90660

By: Javier Barajas  
Title: Manager  
Date:  
Address: 8116 Eastern Ave.  
Bell Gardens, CA 90201

Page 18 of 18

Commercial Lease
EXHIBIT “D”
SITE AND FLOOR PLANS
THE USE OF THESE DESIGNS, DRAWINGS, SPECIFICATIONS, AND/OR STRUCTURAL CALCULATIONS IS RESTRICTED TO THE ORIGINAL PURPOSE FOR WHICH THEY WERE PREPARED AND FURNISHED TO THE HOLDER. PUBLICATION IS EXPRESSLY LIMITED TO SUCH USE. OWNERSHIP OF THIS DOCUMENT AND ALL INFORMATION OR DESIGNS CONTAINED HEREIN REMAINS WITH |MO+RE| DESIGN SOLUTIONS ASSOCIATES. REUSE OR OTHER PUBLICATION BY ANY METHOD IS PROHIBITED EXCEPT WITH THE WRITTEN PERMISSION OF |MO+RE| DESIGN SOLUTIONS ASSOCIATES.
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PROJECT DESCRIPTION:

EXISTING 14'x14' ROLL-UP DOOR
EXISTING 14'x14' ROLL-UP DOOR FIRE RISER
ROOM DOOR
MANUFACTURING ENTRANCE DOOR
BREWERY ENTRANCE DOOR
BREWERY SERVICE DOOR
BREWERY ENTRANCE DOOR
EVER GREEN LOUNGE CAFE

8" WD. WOOD SIDING TO BE WEATHER TREATED AND SPACED 2" APART
2x6 WOOD SLATS TO BE MOUNTED ON PARALLEL POSITION PAINTED LIGHT GREY, EXISTING STUCCO UNDER TO BE PAINTED CHARCOAL COLOR
EXISTING ROLL-UP DOOR TO BE REMOVED AND REPLACED WITH STOREFRONT SYSTEM
THE USE OF THESE DESIGNS, DRAWINGS, SPECIFICATIONS, AND/OR STRUCTURAL CALCULATIONS IS RESTRICTED TO THE ORIGINAL PURPOSE FOR WHICH THEY WERE PREPARED AND FURNISHED TO THE HOLDER. PUBLICATION IS EXPRESSLY LIMITED TO SUCH USE. OWNERSHIP OF THIS DOCUMENT AND ALL INFORMATION OR DESIGNS CONTAINED HEREIN REMAINS WITH |MO+RE| DESIGN SOLUTIONS ASSOCIATES. REUSE OR OTHER PUBLICATION BY ANY METHOD IS PROHIBITED EXCEPT WITH THE WRITTEN PERMISSION OF |MO+RE| DESIGN SOLUTIONS ASSOCIATES.
Governing these plans shall comply with the 2016 California Building Code which adopts the 2016 CMC, 2016 CPC, 2016 CEC, 2016 CGC, 2016 CRC and the 2016 Energy Standards as well as Municipal Code on which the projects it's developed.

Design Solutions
17189 Bear Valley Rd. Unit 160
Hesperia, CA 92345
WWW.GETMOREDESIGNSOLUTIONS.COM
Email: CONTACT@GETMOREDESIGNSOLUTIONS.COM
Phone: (760) 715-3382

The use of these designs, drawings, specifications, and/or structural calculations is restricted to the original purpose for which they were prepared and furnished to the holder. Publication is expressly limited to such use. Ownership of this document and all information or designs contained herein remains with Design Solutions Associates. Reuse or other publication by any method is prohibited except with the written permission of Design Solutions Associates.

Project Description:

Contact Information:

Project Address:

|MO+RE| Design Solutions
17189 Bear Valley Rd.
Hesperia, CA 92345
Phone: (760) 669-0613

Property Info:

Existing 16'x16' Sliding Door
Existing 12'x12' Roll Up Door
Cultivation Facility

Emergency Egress Only
Cultivation Facility
Entrance Door

Legal Description:

Lot: 210, TR#: 180, Tract No 180
S 160 FT. MEASURED ON E LINE EX OF ST OF LOT 216
APN: 6224-023-019
Address: 8222 Atlantic Ave.
Cudahy, CA 90201

Building 'C' Exterior Elevations

Scale: 1/4" = 1'-0"

Building 'C' - Front Elevation

Scale: 3/16" = 1'-0"

Building 'C' - Rear Elevation

Scale: 1/4" = 1'-0"

Building 'C' - Left Side Elevation

Scale: 1/4" = 1'-0"

Building 'C' - Right Side Elevation

Scale: 1/4" = 1'-0"
EXHIBIT “E”
ADDITIONAL BUSINESS STANDARDS
(IF APPLICABLE)
EXHIBIT “F”
STANDARDS AND CONDITIONS FOR CONSTRUCTION
(IF APPLICABLE)
NOTICE OF STRUCTURE DECLARED UNSAFE FOR OCCUPANCY
8222-8226 Atlantic Avenue, Cudahy, California

October 10, 2022

VM Evergreen
Attention: Mr. Javier Barajas
8222-8226 Atlantic Avenue

RE: Notice of structure declared unsafe for occupancy; entry prohibited without City approval.

On September 29, 2022, City of Cudahy officials had a scheduled site inspection of the subject site located at 8226 Atlantic Avenue, however, City officials were refused entry into the site. Exterior observations from the public right-of-way showed site improvements that appeared to be made without any permits or City review.

On October 10, 2022, City of Cudahy officials, along with officials from other agencies, conducted a follow-up inspection of the subject site. During this inspection, several violations of Building, Mechanical, Electrical, and Plumbing Codes were observed, including occupation of the building without a certificate of occupancy, that have rendered the structure unsafe for occupancy. The following is a list of violations observed by city staff that need to be corrected prior to allowing re-entry into the structure:


These code sections apply to the following Mechanical, Electrical, Plumbing violations

- All work done inside building was done without engineered drawings and has not gone through any plan check procedure as required and no building permits for any work are on file.

- All Structurally insulated panel rooms were constructed without proper plan check approval and with no engineered drawings and without building permits.

- The cannabis extraction room located inside building was installed without permits and without LA County Fire Department plan check/approval.

- The fire suppression system in the extraction room was installed without proper plan check, testing, and permits and without Los Angeles county Fire Department approval.
Mechanical Code:
- All HVAC ducts and units at the site were installed without proper plan check approval and mechanical permits.

Electrical Code:
- Upgraded electrical panel and all electrical conduit/wiring inside building was done without proper plan check approval and without electrical permits.

Plumbing Code:
- All plumbing work inside building was done without proper plan check approval and without plumbing permits.

ALL VIOLATIONS MUST BE CLEARED WITHIN 10 DAYS OF RECEIVING THIS LETTER

As a result of the aforementioned unpermitted construction at the subject, the Building and Safety Division has declared the structure, its use, and occupancy unsafe and dangerous. No persons shall be permitted to enter or occupy the structure until all building violations are cleared. Please contact the Building and Safety to clear these violations at (323) 773-5143 Ext. 222. Further, any contractor exhibiting a pattern of doing work without permits will be reported to the contractor license board.

Lastly, review and approval of the unpermitted improvements at the subject site is required by other departments and agencies, including but not limited to the Fire Department and Southern California Edison, which may trigger additional comments and/or conditions.

CITY OF CUDAHY

Juan Arauz, AICP
Community Development Director

CC: Raul Mazariegos, Code Enforcement
    Raul Diaz, Building and Safety
    Jessica Guillen, Planning
    LA County Fire Department
    Vicky Barajas, VM Evergreen info@vmeverygreen.com
OFFICIAL INSPECTION REPORT

VM Evergreen

8222-8226 Atlantic Avenue
CITY: Cudahy
ZIP: 90201

BUSINESS NAME: VM Evergreen
RESPONSIBLE PARTY: Javier Barajas
PHONE: UNK
OCCUPANCY CLASS: UNK
SPRINKLER SYSTEM TYPE: UNK
DATE OF INSPECTION: 10/10/22

ALL VIOLATIONS MUST BE CORRECTED IMMEDIATELY.
AN INSPECTOR WILL CONDUCT A RE-INSPECTION ON: N/A

Code Referenced:

Per LA County Fire Code Section 906. Fire Extinguishers shall be inspected annually.

Fire extinguishers were last inspected on 5/2021

*Service all extinguishers

1031.10 Emergency lighting equipment inspection and testing. Emergency lighting shall be maintained in accordance with Section 1008 and shall be inspected and tested in accordance with Sections 1031.10.1 and 1031.10.2.

Emergency Lighting non-operable

*Repair all emergency Lighting to operable condition.
706.2 Unprotected openings. Unprotected duct and air transfer openings in fire-resistance-rated construction and construction installed to resist the passage of smoke shall be protected so as to comply with requirements that were in effect when the building was constructed.

*Repair all areas of breach in all walls to fire resistive construction as built.

604.6 Unapproved conditions. Open junction boxes and open-wiring splices shall be prohibited. Approved covers shall be provided for all switch and electrical outlet boxes.

*Cover or replace all open electrical boxes.

For information please call: 310-603-5258 to speak with the inspector.
NO. 3753

VIOLATION NOTICE

CITY OF CUDAHY
Community Development Department
5220 Santa Ana Street
Cudahy, California 90201
(323) 773-5143

☐ Correction ☐ Stop Work Order
Location: 8222-26 ATLANTIC AVE
Person: JAVIER BAZAjas
DL# C6399546 D.O.B. 06/30/67

FOLLOWING WORK WITHOUT PERMITS:
☐ Garage converted into habitable living space
☐ Structural alteration/addition(s)
☐ Roof covering
☐ Electrical/Plumbing/Mechanical
  - Added/Altered
☐ Wood fence/block wall
☐ Other INTERIOR WORK, WATER DISCHARGE, AIR UNITS
  VM EVERGREEN

CORRECTIVE STEPS NEEDED:

1 ☐ Contact COMM. DEV. DEPT. at
   (323) 773-5143 on or before 10 DAYS (LETTER)

2 ☐ Obtain necessary permits and inspections from
   Building Division

3 ☐ Obtain necessary approval and inspection from
   Planning Department.

4 ☐ Obtain necessary City Business License.

5 ☐ Other __________________________
   __________________________
   __________________________

FAILURE TO RESOLVE THE ABOVE VIOLATION(S) MAY
RESULT IN REFERRAL TO THE PROSECUTING CITY
ATTORNEY FOR PROSECUTION.

SIGNATURE __________________________

Si tiene alguna pregunta sobre esta noticia, favor de
comunicarse con City Hall al (323) 773-5143.

MAZALIROT 10/10/22 1059

Issued by Date Time
☐ Violation Cleared ☐ Referred to City
☐ Referred to Code ☐ Attorney
   Enforcement ☐ Planning
☐ Building

White Copy Canary Copy Pink COPY
VIOLATION DEPT. COUNTER FILE VIOLATOR
Hi Tony,

Raul Diaz, Building Official, informed me that no one from your team has reached out to him. Can you please give me an update?

Thank you,

Juan Arauz, AICP
Community Development Director
City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Tel: 323.773.5143
www.cityofcudahy.com

Hi Tony,

Your plans and project description have been reviewed by Planning and Building staff, and the following comments are provided:

Plan Review Comments
Based on our previous inspection of the site and our city records, we have not been able to find any permits showing the approval of the mezzanine or the drywall of the areas above them (ex. attic spaces). Therefore, those improvements appear to have been made without any permits or city approval. If the applicant is representing those existing areas as permitted, then applicant will have to provide the city with proper documentation (ex. permits) showing the approval of those areas. Property documentation may include showing records from the Los Angeles County Assessor’s office showing permits and final approval of the areas in question.

**Project Description Comments**
Additionally, during our site visit we observed work and alterations made to the site without permits or approval from Planning or Building and Safety Department including: Plumbing, Electrical, Framing, covering with drywall areas above the mezzanine and not just as described on the scope of work as paint or cleaning site.

If you have any building related questions, please contact me or Raul Diaz, Building Official (cc'd here).

Best,

Juan Arauz, AICP
Community Development Director
City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Tel: 323.773.5143
www.cityofcudahy.com

---

From: Glenn Ward Calsada <glenn@calsadalaw.com>
Sent: Monday, November 7, 2022 3:31 PM
To: Tony Soliman <tms@solimanlawgroup.com>
Cc: Glenn Calsada <glenn.calsada@gmail.com>; Jessica Guillen <jguillen@cityofcudahyca.gov>; Juan Arauz <jarauz@cityofcudahyca.gov>; Alfonso Noyola <anoyola@cityofcudahyca.gov>; Joshua Calhoun <jcalhoun@cityofcudahyca.gov>; javierbgjb@hotmail.com
Subject: Re: Default Hearing Packets

Hi Tony

I received your revised site plan and project description. I will discuss with City staff and get back to you. Thank you.

Best Regards,
Glenn Ward Calsada, Esq.

Law Office of Glenn Ward Calsada
On Monday, November 7, 2022 at 03:23:43 PM PST, Tony Soliman <tms@solimanlawgroup.com> wrote:

Hello,

Please see attached project description & site plan. Please let me know if you need anything else.

Thank you.

Best Regards,

Tony M. Soliman

Soliman Law Group, P.C.
10866 Wilshire Blvd. 4th Floor
Los Angeles, CA 90024
Tel | 310.230.5255
Fax | 888.400.0833
Web | www.SolimanLawGroup.com

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On Nov 7, 2022, at 11:02 AM, Tony Soliman <tms@solimanlawgroup.com> wrote:

Good Morning,

I am aiming to get it back to you by end of the day.

Best Regards,

Tony M. Soliman

Soliman Law Group, P.C.
10866 Wilshire Blvd. 4th Floor
Los Angeles, CA 90024
Tel  |  310.230.5255
Fax  |  888.400.0833
Web  |  www.SolimanLawGroup.com

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On Nov 7, 2022, at 10:20 AM, Jessica Guillen <jguillen@cityofcudahyca.gov> wrote:

Good morning,

I am reaching out to follow up on the status of the updated project description and site plan as discussed in our meeting.
Hi Tony

I'm sending you a copy of VM Evergreen’s recorded Development Agreement for your records and to assist you in the editing of the Project Description for the Site.

Best Regards,
Glenn Ward Calsada, Esq.

Law Office of Glenn Ward Calsada
1209 N. Central Avenue, Suite 205
Glendale, CA 91202
(818) 396-5504 ph
(818) 473-4277 fax
[glenn@calsadalaw.com](mailto:glenn@calsadalaw.com)
[http://www.calsadalaw.com](http://www.calsadalaw.com)

Certified by the California State Bar,
Board of Legal Specialization in Bankruptcy Law

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December 7, 2022

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

On December 6, 2022, the City Manager presented a Cannabis Deferment and Payment Program to the City Council. Within this program, the City Manager will be utilizing his discretionary authority allowed within the Development Agreements to assist Cannabis Operators with the accumulated non-operating and other fees by deferring and providing additional time for payment without penalty.

The stipulations of this Program will be as follows:

- Unpaid non-operating fees will be deferred (without penalty) until six (6) months after the Operator is issued a Certificate of Occupancy. Thereafter, the accumulated non-operating fees would be required to be repaid within twelve (12) months or other term negotiated with the City Manager.
  - Any previous late penalties charged to non-operating fees would be waived provided that a payment agreement is reach and the operator follows all stipulations within the agreement
- Community Benefit and Cost Recovery Fees, as detailed in the Development Agreement, would have to be paid timely on a monthly basis. Any Fees incurred prior to the agreement would be put under a payment agreement and also required to be paid timely on a monthly basis.
- Payment agreement terms would be subject to the discretion of the City Manager as negotiated with each operator
- The Operators would have to remain in good standing with the City with respect to Planning and Building and Safety Regulations.

In order to be eligible for this program, Operators must have negotiated with the City and entered into an executed payment agreement no later than January 31, 2023.
If you are interested in entering into this deferment and payment program, please contact Joshua Calhoun at jcalhoun@cityofcudahyca.gov.

Sincerely,

[Signature]

Joshua Calhoun, CPA
Finance Director
February 22, 2023

SENT VIA EMAIL (javierbgjb@hotmail.com)

VM EVERGREEN, LLC
Attn: Javier Barajas, Operator’s Representative

RE: FINAL DEMAND
8222 Atlantic Avenue – VM Evergreen, LLC
Development Agreement No. DA18-001C
Commercial Cannabis Permit No. 18-0001

Dear Mr. Barajas

On October 10, 2022, City of Cudahy officials, along with officials from other agencies, conducted a site inspection of the subject site. During this inspection, several violations of Building, Mechanical, Electrical, and Plumbing Codes were observed, including occupation of the building without a certificate of occupancy, which rendered the structure unsafe for occupancy. As a result of the unpermitted construction at the subject site, the Building and Safety Division declared the structure, its use, and occupancy unsafe and dangerous and said property 8222 Atlantic Avenue was “red tagged”.

Subsequently, on October 24, 2022, a meeting was scheduled with you, your legal counsel, City staff, and the City’s legal counsel to discuss next steps. City staff and the City’s legal counsel provided you with the first necessary steps to bring your operation back on track to achieve compliance. City Staff and the City’s legal counsel asked for an updated project description and site plan.

On November 7, 2022, City staff received an updated project description and site plan from your legal counsel.

On November 21, 2022, City staff reviewed and denied updated project description and site plan and provided the following comments:

Plan Review Comments
Based on our previous inspection of the site and our city records, we have not been able to find any permits showing the approval of the mezzanine or the drywall of the areas above them (ex. attic spaces). Therefore, those improvements appear to have been made without any permits or city approval. If the applicant is representing those existing areas as permitted, then applicant will have to provide the city with proper documentation (ex. permits) showing the approval of those areas. Property documentation may include showing records from the Los Angeles County Assessor’s office showing permits and final approval of the areas in question.

Project Description Comments
Additionally, during our site visit we observed work and alterations made to the site without permits or approval from Planning or Building and Safety Department including Plumbing, Electrical,
Framing, covering with drywall areas above the mezzanine and not just as described on the scope of work as paint or cleaning site.

On November 30, 2022, City staff reached out to your legal counsel for an update on the provided comments and has not received one to this date.

On February 17, 2023, Tony M. Soliman, VM Evergreen, LLC’s legal counsel, emailed my office and made two (2) requests: (1) Removal of Red Tag status; and (2) Modification to the Development Agreement.

We realize that you do not want to jeopardize your Development Agreement with the City and your State Cannabis license. Therefore, pursuant to Section 14 Defaults and Remedies of the DA, you must complete and send over the following items below, no later than **Thirty (30) DAYS FROM THE DATE OF THIS LETTER**, so that further action will not be necessary.

1. An updated project description
2. Submission of approvable plans based on comments provided by City Building Official.
3. Upon submittal of items #1 and #2 listed above, a deposit of $5,000 is required. This deposit will be used for cost recovery of City staff and legal counsel review time.
4. A Written Request for Modification to the Development Agreement on a form provided by the City.
5. Forwarding of your payment for past due amounts or entering a payment arrangement. Repayment arrangement will only be considered by the City if requested in writing within 10 days of the date of this letter. There is no guaranty the requested payment arrangement will be approved by the City.

Please consider this letter a **FINAL DEMAND** to cure outstanding violations and a declaration of default on your obligations under Development Agreement No. DA 18-001C. While in default status, the City will take all necessary action to achieve compliance, including but not limited to, rejecting building applications, refusing the issuance of building permits for the subject property, or initiating the revocation process of your Commercial Cannabis Permit No. CCP 18-0001 and, if not timely cured, instituting legal proceedings to terminate your Development Agreement in the manner provided by law.

If you have any questions or concerns, please contact me.

Sincerely,

Juan Arauz, AICP
Community Development Director

Cudahy Special Counsel, Glenn Ward Calsada, glenn@calsadalaw.com
VM Evergreen’s Legal Counsel: Tony Soliman, tonymsoliman@gmail.com
VM Evergreen’s Consultant: Alberto Arenas, haalberto@msn.com
VM Evergreen, LLC, a Wyoming limited liability company, 30 N. Gould St., Ste. R, Sheridan, WY 82801 (Via US First Class Mail)
VM Evergreen’s California Agent for Services of Process, Joseph S. Yung & Co, 18430 Brookhurst St., Ste. 202 E, Fountain Valley, CA 92708 (Via US First Class Mail)
VM Evergreen’s Managing Member, Vicki Barajas, 8116 Eastern Avenue, Bell Gardens, CA 90201 (Via Certified Mail – Return Receipt Requested)
CITY OF CUDAHY CANNABIS PERMIT AND DEVELOPMENT AGREEMENT TRANSFER AND/OR AMENDMENT FORM

This form is used to request a transfer or change to a Commercial Cannabis Permit (" Permit") or Development Agreement (" DA") previously approved by the City of Cudahy to conduct commercial cannabis activities. This form must be submitted to the City's offices at the below address - Attn: City Manager. Please provide an extra copy for the City Clerk. You may be asked to pay and/or cover Permit transfer fees or DA amendment costs prior to acceptance of this form. The City Manager will initially review and may require additional information and documents to process this request. Most requests will require review by the City Planning Commission and/or City Council for final approval. Please note: By signing and submitting this form, you are certifying under penalty of perjury that the information you supply is true and accurate to the best of your knowledge. Submission of false or misleading information may result in the denial of your application.

PERMIT HOLDER INFORMATION

Holder's Name: ____________________________________________

Permit(s): _______________________________________________

Mailing Address: ___________________________________________

Contact phone number: _______________________________________

Email: ___________________________________________________

BUSINESS OWNER INFORMATION

Owner CCP/DA Nos. ________________________________________/____________________________________

Legal Business Name: _______________________________________

DBA Name: ______________________________________________

State License Types and Nos.: _________________________________

Business Premises Address: _________________________________

AMENDMENT INFORMATION

I am submitting this form for approval to:

☐ Change the Business Premises address for my Permit.

New Business Premises Address:

________________________________________

City of Cudahy
5220 Santa Ana Street, Cudahy, CA 90201
Page 1 (Revised 2/21/19)
☐ Change the Diagrams, Floor Plans or Site Plans for the Premises

Brief Description of Changes


Change to Sq. Footage: 
Impact on Fees: 

☐ Check if new plans are attached.

☐ Add an owner to my Business.

1) Name of New Owner:
   Title: 
   Address: 
   Phone:       Email: 
   Ownership percentage: 

2) Name of New Owner:
   Title: 
   Address: 
   Phone:       Email: 
   Ownership percentage: 

3) Name of New Owner:
   Title: 
   Address: 
   Phone:       Email: 
   Ownership percentage: 

☐ Transfer the Business to a new owner or entity.

Name of New Owner: 
Address: 

Phone:       Email: 

☐ Check if Removing Owners

Names of Removed Owners 
% of Ownership Change: 

City of Cudahy
5220 Santa Ana Street, Cudahy, CA 90201
(Revised 2/21/19)
☐ Remove an existing owner from my Business.

Name: 
Ownership percentage: 

Name: 
Ownership percentage: 

☐ Modifications (including extensions of time and waivers) to Fees, Charges and Costs

Brief Description of changes and justification for requested modifications.

☐ Other Changes or Explanation for Changes - attach Add'l Pages & Docs as needed.

I hereby certify that the above statements are true and correct.

Applicant’s signature: Date: 

Applicant’s signature: Date: 

Applicant’s signature: Date: 

City of Cudahy
5220 Santa Ana Street, Cudahy, CA 90201
Page 3

(Revised 2/21/19)
INSTRUCTIONS

NOTICE: By signing this application, the transfer applicant agrees to be responsible for all costs and expenses the City incurs in processing this application, including legal expenses in negotiating and drafting the transfer or modification documents required for City approval and signature. The fees paid at the time of submission of this application are merely a deposit of fees and may not cover all costs and expenses incurred by the City. The City reserves the right to bill applicant for recovery of additional fees and costs.

REQUESTS

a.  Change in Location or Physical Modifications to Premises
A Cannabis Permittee shall not, without the prior written consent of the City, change locations or make a physical change, alteration or modification to the approved premises that materially or substantially alters the premises from the plans and diagrams originally approved by City. Any such requests shall include, at a minimum, the submission of new plans and diagrams, payment of a plan review and processing fee, and any additional documentation as requested by the City Manager.

b.  Change in Ownership or Change in Financial Interest Holders
Ordinance No. 673 states: "Any Cannabis Permittee may not sell, transfer, pledge, assign, grant an option or otherwise dispose of his or her ownership interest in the Commercial Cannabis Business authorized pursuant to the Cannabis Permit."

An "Owner" means any of the following: (i) a Person with an aggregate ownership interest of 20% or more in the Person applying for a Cannabis Permit, unless the interest is solely a security lien, or encumbrance, (ii) the chief executive officer of a nonprofit or other entity; (iii) a member of the boards of directors of a nonprofit; (iv) an individual who will be participating in the direction, control or management of the person applying for a Cannabis Permit."

In any transfer of a Cannabis Permit or Development Agreement triggering a change of ownership, the transfer applicant must notify the City Manager and provide the City with evidence of the suitability of the new or additional Owner. At a minimum, the transfer applicant shall provide the City with a background and criminal history check for each principal, payment of live scan fee, a statement of the new owner's cannabis business history and expertise in the industry, evidence of financial ability to perform and a proposed business plan with 5 year cash flow projections, a processing and review fee and any other documentation as may be requested by the City Manager.

c.  Changes to Operating fees or other charges.
Requests for changes to operating fees or other charges required by the City in order to operate a Commercial Cannabis Facility within the City shall be accompanied with a detailed explanation for the change and documented justification for any payment adjustment or rescheduling of contractual due dates. Please note that the City Manager is not authorized to waive operating fees and other charges. Any such requests for waiver of fees and charges shall require City Council approval.

d.  Other changes
All other changes shall be described in detail on an attachment to the form. Any such request shall be initially reviewed by City Staff for a determination as to what additional documentation or fees may be necessary in order to process the request.

Attachment

(Revised 2/21/19)
Joshua,

I reviewed your letter and spoke to the client about the proposed terms and my client cannot afford those payments. As previously mentioned, he has suffered huge financial losses due to covid, the ongoing costs from the very beginning, legal issues with potential partners and now the multiple break ins when hundreds of thousands of dollars worth of equipment was stolen, which occurred after the City red tagged his property and he was unable to be on the premises to protect his property.

My client stated that they can afford a monthly payment of $6,000/month total while they get back on their feet. Please consider their circumstances, the current state of the cannabis industry which is taking a huge hit, and the current economy and grant my client a monthly payment plan of $6,000/mo that he can afford & that will not sink him.

Please let us know the next steps to get this accomplished.

Thanks.

Best Regards,

Tony M. Soliman

Soliman Law Group, P.C.
10866 Wilshire Blvd. 4th Floor
Los Angeles, CA 90024
Tel | 310.230.5255
Fax | 888.400.0833
Web | www.SolimanLawGroup.com

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Tony,

Attached is our proposed Deferment Agreement for VM Evergreen. The highlights of the agreement include: Community Benefit and Cost Recovery prior and up to January 31, 2023 will be required to be repaid timely over 12 months starting April 1; Non-operating fees will be deferred until 6 months after a Temporary Certificate of Occupancy is issued and paid over 12 months; the amounts due for February 2023 will be also due upon signing of agreement.

If your client accepts this agreement it will need to be signed and notarized and delivered to us by 5:00pm Wednesday, March 22\textsuperscript{nd} along with the February 2023 amount due of $7,837.36 ($5,333.36 – Community Benefit Fees and $2,504.00 Cost Recovery Fees). Also note that the first payment of $13,032.16 ($8,888.93 – Community Benefit Fee payment and $4,143.23 – Cost Recovery Payment) will be due by April 1\textsuperscript{st}.

Let me know if you have any questions.

Thank you,

Joshua Calhoun, CPA
Finance Director / City Treasurer
City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Tel: 323.773.5143 ext. 225
www.cityofcudahy.com

NOTE: OFFICE IS CLOSED ON FRIDAYS
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VIA EMAIL ONLY

March 21, 2023

City of Cudahy
Attn: Mr. Joshua Calhoun
Attn: Mr. Juan Arauz
Attn: Mr. Alfonso Noyola
5220 Santa Ana Street,
Cudahy, CA 90201

Re: OFFICIAL FINAL OFFER OF VM EVERGREEN, LLC REQUEST FOR PAYMENT PLAN ARRANGEMENT

Dear Mr. Calhoun and Team,

I write this letter on behalf of our client VM Evergreen, LLC. As you and the City of Cudahy were made aware, our client has suffered severe financial and business hardships. Among other issues, Covid and the pandemic resulted in various major setbacks for our client. The pandemic & those setbacks also caused problems with the prior investors who were contracted to partner with our client, & which did not play out as planned or expected. It was our client’s intention to be operational by now, but for the pandemic and business setbacks that took place.

As such, we request that our client be allowed to enter into a payment arrangement to make payments on any past due balances and ongoing accruing balances after he becomes operational. He can afford and is willing to make payments of Six Thousand Dollars ($6,000/00) per month, until the past due amount is paid in full.

Please advise if these terms are acceptable with the City, so that our client can get back on track as he works through the many hurdles and pitfalls of this commercial cannabis industry, towards opening and operating the business and furthering a positive and mutually beneficial partnership with the City of Cudahy. Please contact me directly if you need ANYTHING else for this request.

Best Regards,

Tony M. Soliman, Esq.
on behalf of VM Evergreen, LLC

Soliman Law Group, P.C.
March 22, 2023

SENT VIA ELECTRONIC MAIL
Tony M. Soliman
tms@solimanlawgroup.com

RE: CITY OF CUDAHY’S RESPONSE TO VM EVERGREEN’S FINAL OFFICIAL OFFER FOR A PROPOSED PAYMENT PLAN
8222 Atlantic Avenue – VM Evergreen, LLC
Development Agreement No. DA#18-001C
Commercial Cannabis Permit No. CCP18-0001

Mr. Soliman,

This letter shall serve as the City of Cudahy’s (“City”) response to VM Evergreen, LLC’s Final Official Offer for a Payment Plan under Development Agreement No. DA#18-001C.

The City hereby rejects the Final Official Offer from VM Evergreen, LLC (“Owner”) as outlined in an email sent from you on Tuesday, March 21, 2023, at 10:55 PM.

The City Manager continues to extend the Cannabis Deferment and Payment Program (“Program”) to Owner as outlined in the attached letter. Owner is encouraged to accept the Program, as is, prior to the deadline on Monday, March 27, 2023, at 5:00 PM.

Sincerely,

Stephanie Arechiga, City Attorney

Enclosure

cc:   Law Office of Glenn Ward Calsada
      Alfonso Noyola, City Manager
      Joshua Calhoun, Finance Director
      Juan Arauz, Community Development Director
March 22, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C - Letter Agreement on Payment of Outstanding Fees & Costs

Dear Owner/Operator:

Please allow this letter to respond to VM Evergreen’s request for a payment arrangement on past due fees owed to the City of Cudahy ("City"). At this time, City records show that your Development Agreement is in “default status” on account of substantial past due fees and costs owed to the City despite prior notice and opportunity to cure. The total outstanding balance due as of January 31, 2023, was $242,997.01, consisting of Community Benefits Fees “CB” [$106,667.20], Cost Recovery Charges “CR” [$49,718.25], Non-Operating Fees “NOF” [$75,314.40] and Non-Operating Fees Penalties (11,297.16). See attached Payment Plan Worksheet for an itemization of all outstanding fees due.

In our discussions, you have provided the City with information and documentation of disruptions and difficulties with business development and/or operations caused by the COVID19 pandemic. These difficulties appear to have impacted your business operations for a portion of the time past due fees have accrued.

Based on your representations and evidence, and after input from the City’s Ad Hoc Economic Development Committee members, the City is willing to enter into a one-time, forbearance agreement. Operator should not expect any further extensions of time or modifications to this Letter Agreement. Furthermore, Operator shall remain in “default status” under its Development Agreement until all past due fees are paid in full and is not otherwise in default under the Development Agreement.

For good cause shown, the proposed payment plan for the past due fees described below is APPROVED ON THE FOLLOWING TERMS AND CONDITIONS:
FORBEARANCE PAYMENTS

1. *Operator Must Maintain Current Community Benefit (CB) and Cost Recovery (CR) Payments:*

   Beginning April 1, 2023, Operator agrees to maintain Community Benefit (CB) and Cost Recovery (CR) payments as they come due under the Development Agreement and shall not become delinquent on any payments by more than thirty (30) days from the payment due date. The Finance Director will provide the Operator with a billing statement specifying the current payment amounts by email or US Mail. It is the responsibility of the Operator to contact the Finance Director to confirm it is current on all payments with the City. In the event Operator becomes delinquent on its current payment obligations by more than thirty (30) days, the City may, at its sole and complete discretion, notify Operator in writing by email or U.S. Mail of the default on payment(s) and terminate this Letter Agreement. In that event, all past due amounts required to be paid under this Letter Agreement shall become fully due and payable. The failure to fully pay the past due delinquency as required by the notice shall be deemed an uncured event of default and a basis for termination of the Development Agreement. Nothing in this provision abrogates any other remedies available to the City under the Development Agreement for an event of default.

2. *Operator Must Cure Past Due Delinquency on Community Benefit (CB) and Cost Recovery (CR) Payments:*

   Operator agrees to cure the past due delinquency on Community Benefit (CB) and Cost Recovery (CR) payments as follows:

   **Past Due Community Benefit Fees (CB)**

   **$106,667.20** owed as of January 31, 2023. These past due fees are to be paid in twelve (12) equal monthly installments as follows:

   Payment 1, $8,888.93 on 1st of April 2023.
   Payment 2, $8,888.93 on 1st of May 2023.
   Payment 3, $8,888.93 on 1st of June 2023.
   Payment 4, $8,888.93 on 1st of July 2023.
   Payment 5, $8,888.93 on 1st of August 2023.
   Payment 6, $8,888.93 on 1st of September 2023.
   Payment 7, $8,888.93 on 1st of October 2023.
   Payment 8, $8,888.93 on 1st of November 2023.
   Payment 9, $8,888.93 on 1st of December 2023.
   Payment 10, $8,888.93 on 1st of January 2024.
   Payment 11, $8,888.93 on 1st of February 2024.
   Payment 12, $8,888.97 on 1st of March 2024.
Past Due Cost Recovery Fees (CR)  
$49,718.25 owed as of January 31, 2023. These past due fees are to be paid in twelve (12) equal monthly installments as follows:

Payment 1, $4,143.23 on 1st of April 2023.  
Payment 2, $4,143.23 on 1st of May 2023.  
Payment 3, $4,143.23 on 1st of June 2023.  
Payment 4, $4,143.23 on 1st of July 2023.  
Payment 5, $4,143.23 on 1st of August 2023.  
Payment 6, $4,143.23 on 1st of September 2023.  
Payment 7, $4,143.23 1, 478.03 on 1st of October 2023.  
Payment 8, $4,143.23 on 1st of November 2023.  
Payment 9, $4,143.23 on 1st of December 2023.  
Payment 10, $4,143.23 on 1st of January 2024.  
Payment 11, $4,143.23 on 1st of February 2024.  
Payment 12, $4,142.72 on 1st of March 2024.

Additional billing that is operator specific costs relating to cost recovery expenditures incurred by the City will be rendered as expenditures are received. Currently, related costs have been billed through January 31, 2023.

3. **Deferred Non-Operating Fees (NOF) and Penalties**

All Non-Operating Fees (NOF) (past due and accruing) are deferred until six (6) months after Operator is first issued a Temporary Certificate of Occupancy¹ for the Site. Six (6) months after the first issuance of a Temporary Certificate of Occupancy for Site, the Finance Director shall notify Operator in writing of the start date for a twelve (12) month term for payment of the total accrued NOF fees then due and owing. The Finance Director will provide the Operator with notice of the payment term for accrued NOF fees by email or US Mail. Operator agrees to pay the accrued NOF fees in accordance with the term for payment provided by the Finance Director without counter-signature or acknowledgement of receipt. It is the Operator’s responsibility to contact the Finance Director six (6) months after first issuance of the Temporary Certificate of Occupancy to confirm the amounts due and the start date of the twelve (12) month payment term. Upon the start date of the twelve (12) month payment term for accrued NOF fees, Operator further agrees to commence timely payment of current Operating or Non-Operating Fees together with penalties required to be paid under the Development Agreement.

4. **Other Terms and Conditions**

Operator hereby acknowledges and agrees that the past due amounts stated are true and correct and are in fact presently due and owing. The parties agree that the Operator is in

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¹ While in “default status,” the City will only issue a temporary certificate of occupancy (a “TCO”) for the Site valid for 90 days. A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.
“default status” on its obligations under its Development Agreement with the City. Therefore, to avoid immediate termination and/or commencement of revocation proceedings, it is necessary that the Operator indicate, by signing this Letter Agreement, its acceptance of the terms and conditions herein.

Operator will remain in “default status” on its Development Agreement until all past due fees set forth in this Letter Agreement have been paid and Operator is in full compliance with all terms of its Development Agreement. While in “default status,” the City cannot and will not report to the California Department of Cannabis Control ("Department") that the Operator/Licensee is “In Compliance” with local ordinances and regulations for the requested commercial cannabis activity. Instead, the City will report to the Department that the Operator/Licensee is: “Local Compliance Underway” with the City as per the terms of this Letter Agreement.

Operator acknowledges that it has requested that the City enter into this Letter Agreement and to forbear from exercising its rights under the Development Agreement so as to afford operator additional time to pay its outstanding indebtedness. The City has agreed to do so, provided that Operator fully complies with the terms for repayment set forth in this Letter Agreement.

Operator shall be deemed in material breach of this Letter Agreement in the event Operator is more than thirty days (30) late on any of the FORBEARANCE PAYMENTS identified above or on any payments required to keep current on fees and costs under the Development Agreement. In the event of a material breach of this Letter Agreement, the City’s obligation to forbear shall automatically terminate and this Letter Agreement shall be null and void, and the City shall be entitled to full payments all sums due and owing to the City at the time of the breach. The City shall then promptly report to the Department that the Operator/Licensee is: “Not in Compliance” with local ordinances and regulations.

The City reserves all of its rights and remedies under the Development Agreement and this Letter Agreement shall not be deemed an election of remedies, nor shall it constitute a waiver of any of the City’s rights or remedies.

Nothing stated herein is intended to waive or excuse compliance with any condition of approval contained in the Commercial Cannabis Permit (“CCP”) issued for the Site. Moreover, the City will approve or deny Development Plans and related approvals for the Site, including issuance of building permits and certificates of occupancy, in the ordinary course of review by the City’s planning and building and safety officials. Operator may not commence operations within the facility unless and until a valid temporary or permanent certificate of occupancy is issued for the Site. In its decision for issuance of any certificate of occupancy for the Site, the City may take into account the Operator’s compliance or non-compliance with the terms of this Letter Agreement and the Operator’s history of compliance or non-compliance with all state and local cannabis and health and safety laws. Prior to the commencement of operations, Operator must provide to the City Manager a valid and current state-issued license for commercial cannabis activities covering the specific cannabis activities authorized by the City for the Site. While in “default status,” the City will only issue a temporary certificate of occupancy.
(a “TCO”) for the Site valid for 90 days. A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.

Upon the breach of any provision of this Letter Agreement, the City may, at its sole option and discretion, give the Operator ten (10) days written notice of intention to terminate this Letter Agreement and opportunity to cure. The giving of one notice shall not obligate the City to give further notices of default. In the event of an uncured default after notice is given, this Letter Agreement shall automatically terminate without further notice, at which time the City may exercise any and all rights and remedies under its Development Agreement, including but not limited to, termination of the Development Agreement and revocation of the CCP.

The parties agree that in no event shall the effect of this Letter Agreement be deemed a novation of the Development Agreement and that the City Manager has acted, and is acting, in accordance with authority already granted by the terms of the Development Agreement.

Each party has acted on the advice of counsel.

Except as modified herein, all of the terms and conditions of the Development Agreement shall remain in full force and effect. Operator agrees to maintain payments and to keep current on all fees and costs accruing under the Development Agreement. The failure to pay both past due fees and current fees and costs as they come due shall be a default on this Letter Agreement. **Time is of the essence.** This provision is a material term of this Letter Agreement. No oral amendment, waiver or other understanding with respect to the subject matter of this Letter Agreement shall be enforceable.

5. **Effectiveness:**

This Letter Agreement shall become effective upon receipt by the City of Owner/Operator’s signed and notarized acceptance of the terms and conditions of this Letter Agreement.

This Letter Agreement shall be considered rejected and will expire by its own terms if not accepted in writing by March 27, 2023.

Sincerely,

Alfonso Noyola, ICMA-CM
City Manager

AGREED AND ACCEPTED:
Date:

Owner/Operator
IN WITNESS THEREOF (SEE ATTACHED NOTARY ACKNOWLEDGMENT)

____________________________________
By: ______________________, its Authorized Agent
and Managing Member

Cc: Landlord [Name and Address];
City’s Special Counsel
Enc: Payment Plan Worksheet
VM Evergreen, LLC
September 22, 2021 Letter 16,000.08 - 11,297.16 27,297.24

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Annual City Reimbursement Costs 72,020.00
Cost per operator (10) 7,202.00
Three years (2019-2022) 3 years
City Labor 21,606.00

Balance as of January 31, 2023 106,667.20 49,718.25 75,314.40 11,297.16 242,997.01

(a) City Reimbursement cost of $7,202 per year (x three years (2019-2022))= $21,606.00
Good Afternoon,

Thanks for the clarification Joshua. We would like to propose a payment plan structure of the following:

1) Defer repayment of past due amounts for 4 months,
2) after which the monthly payment plan to repay the past due amounts for the Community Benefits & cost recovery plan to be $10,000.00/ per month until the 12th month when the final balloon payment would be made for the remained of the balance.

Please let us know any questions or any other topics of discussion that need to be ironed out to effectuate this payment plan.

Thank you.

Best Regards,

Tony M. Soliman

Soliman Law Group, P.C.
10866 Wilshire Blvd. 4th Floor
Los Angeles, CA 90024
Tel | 310.230.5255
Fax | 888.400.0833
Web | www.SolimanLawGroup.com

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May 10, 2023

Via U.S. Mail and Email: JavierBGjb@hotmail.com
VM Evergreen, LLC
Attn: Javier Barajas, Manager
8116 Eastern Avenue
Bell Gardens, CA 90201

Re: DA 18-001C - Letter Agreement on Payment of Outstanding Fees & Costs

Dear Owner/Operator:

Please allow this letter to respond to VM Evergreen's May 8, 2023 revised request for a payment arrangement on past due fees owed to the City of Cudahy ("City"). At this time, City records show that your Development Agreement is in “default status” on account of substantial past due fees and costs owed to the City despite prior notice and opportunity to cure. The total outstanding balance due as of April 30, 2023, was $264,492.30, consisting of Community Benefits Fees “CB” [$122,667.28], Cost Recovery Charges “CR” [$55,213.46], Non-Operating Fees “NOF” [$86,611.56] and Non-Operating Fees Penalties ($21,841.17). See attached Payment Plan Worksheet for an itemization of all outstanding fees due.

In our discussions, you have provided the City with information and documentation of disruptions and difficulties with business development and/or operations caused by the COVID19 pandemic. These difficulties appear to have impacted your business operations for a portion of the time past due fees have accrued.

Based on your representations and evidence, and after input from the City’s Ad Hoc Economic Development Committee members, the City is willing to enter into a one-time, forbearance agreement. Operator should not expect any further extensions of time or modifications to this Letter Agreement. Furthermore, Operator shall remain in “default status” under its Development Agreement until all past due fees are paid in full and is not otherwise in default under the Development Agreement.

For good cause shown, the proposed payment plan for the past due fees described below is APPROVED ON THE FOLLOWING TERMS AND CONDITIONS:
FORBEARANCE PAYMENTS

1. **Operator Must Maintain Current Community Benefit (CB) and Cost Recovery (CR) Payments:**

   Beginning May 1, 2023, Operator agrees to maintain Community Benefit (CB) and Cost Recovery (CR) payments as they come due under the Development Agreement and shall not become delinquent on any payments by more than thirty (30) days from the payment due date. The Finance Director will provide the Operator with a billing statement specifying the current payment amounts by email or US Mail. It is the responsibility of the Operator to contact the Finance Director to confirm it is current on all payments with the City. In the event Operator becomes delinquent on its current payment obligations by more than thirty (30) days, the City may, at its sole and complete discretion, notify Operator in writing by email or U.S. Mail of the default on payment(s) and terminate this Letter Agreement. In that event, all past due amounts required to be paid under this Letter Agreement shall become fully due and payable. The failure to fully pay the past due delinquency as required by the notice shall be deemed an uncured event of default and a basis for termination of the Development Agreement. Nothing in this provision abrogates any other remedies available to the City under the Development Agreement for an event of default.

2. **Operator Must Cure Past Due Delinquency on Community Benefit (CB) and Cost Recovery (CR) Payments:**

   Operator agrees to cure the past due delinquency on Community Benefit (CB) and Cost Recovery (CR) payments as follows:

   **Past Due Community Benefit Fees (CB)**

   **$122,667.28** owed as of April 30, 2023. These past due fees are to be paid within twelve (12) months as follows:

   - Payment 1, $0.00 on 1st of May 2023.
   - Payment 2, $0.00 on 1st of June 2023.
   - Payment 3, $0.00 on 1st of July 2023.
   - Payment 4, $0.00 on 1st of August 2023.
   - Payment 5, $6,000.00 on 1st of September 2023.
   - Payment 6, $6,000.00 on 1st of October 2023.
   - Payment 7, $6,000.00 on 1st of November 2023.
   - Payment 8, $6,000.00 on 1st of December 2023.
   - Payment 9, $6,000.00 on 1st of January 2024.
   - Payment 10, $6,000.00 on 1st of February 2024.
   - Payment 11, $6,000.00 on 1st of March 2024.
   - Payment 12, $80,667.28 on 1st of April 2024.
Past Due Cost Recovery Fees (CR)

$55,213.46 owed as of April 30, 2023. These past due fees are to be paid within twelve (12) months as follows:

Payment 1, $0.00 on 1st of May 2023.
Payment 2, $0.00 on 1st of June 2023.
Payment 3, $0.00 on 1st of July 2023.
Payment 4, $0.00 on 1st of August 2023.
Payment 5, $4,000.00 on 1st of September 2023.
Payment 6, $4,000.00 on 1st of October 2023.
Payment 7, $4,000.00 on 1st of November 2023.
Payment 8, $4,000.00 on 1st of December 2023.
Payment 9, $4,000.00 on 1st of January 2024.
Payment 10, $4,000.00 on 1st of February 2024.
Payment 11, $4,000.00 on 1st of March 2024.
Payment 12, $27,213.46 on 1st of April 2024.

Additional billing that is operator specific costs relating to cost recovery expenditures incurred by the City will be rendered as expenditures are received. Currently, related costs have been billed through April 30, 2023.

3. Deferment of Non-Operating Fees (NOF) and Penalties

All Non-Operating Fees (NOF) (past due and accruing) are deferred until six (6) months after Operator is first issued a Temporary Certificate of Occupancy1 for the Site. Six (6) months after the first issuance of a Temporary Certificate of Occupancy for Site, the Finance Director shall notify Operator in writing of the start date for a twelve (12) month term for payment of the total accrued NOF fees then due and owing. The Finance Director will provide the Operator with notice of the payment term for accrued NOF fees by email or US Mail. Operator agrees to pay the accrued NOF fees in accordance with the term for payment provided by the Finance Director without counter-signature or acknowledgement of receipt. It is the Operator’s responsibility to contact the Finance Director six (6) months after first issuance of the Temporary Certificate of Occupancy to confirm the amounts due and the start date of the twelve (12) month payment term. Upon the start date of the twelve (12) month payment term for accrued NOF fees, Operator further agrees to commence timely payment of current Operating or Non-Operating Fees together with penalties required to be paid under the Development Agreement.

4. Operator Must Pay Red Tagged Incident Costs and Expenses

In addition to making payments required under this Letter Agreement, Operator acknowledges and agrees to pay all costs to remedy the violations as outlined in the

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1 While in “default status,” the City will only issue a temporary certificate of occupancy (a “TCO”) for the Site valid for 90 days. A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.
Final Demand letter sent by the City on February 22, 2023. These costs are not subject to the payment plan offered under this Letter Agreement and must be separately paid. The City reserves the right to withhold approval of plans and permits and issuance of a certificate of occupancy for the Project authorized by the Development Agreement for the Site, unless and until Operator remedies the violations outlined in the Final Demand letter.

5. **Operator Must Pay Plan Check and Permit Fees**

In addition to making payments required under this Letter Agreement, Operator also acknowledges and agrees Operator will be responsible for the costs associated with a full plan check, issuance of a building permit, electrical permit, plumbing permit, framing permit, inspection fees, etc. as necessary for development of its Project authorized by the Development Agreement for the Site. These fees have not yet been calculated, but are estimated to total anywhere from $30,000 to $50,000. These fees are outside the scope of this Letter Agreement and must be separately paid.

6. **Other Terms and Conditions**

Operator hereby further acknowledges and agrees that the past due amounts stated are true and correct and are in fact presently due and owing. The parties agree that the Operator is in **default status** on its obligations under its Development Agreement with the City. Therefore, to avoid immediate termination and/or commencement of revocation proceedings, it is necessary that the Operator indicate, by signing this Letter Agreement, its acceptance of the terms and conditions herein.

Operator will remain in **default status** on its Development Agreement until all past due fees set forth in this Letter Agreement have been paid and Operator is in full compliance with all terms of its Development Agreement. While in **default status,** the City cannot and will not report to the California Department of Cannabis Control ("Department") that the Operator/Licensee is "In Compliance" with local ordinances and regulations for the requested commercial cannabis activity. Instead, the City will report to the Department that the Operator/Licensee is: "Local Compliance Underway" with the City as per the terms of this Letter Agreement.

Operator acknowledges that it has requested that the City enter into this Letter Agreement and to forbear from exercising its rights under the Development Agreement so as to afford operator additional time to pay its outstanding indebtedness. The City has agreed to do so, provided that Operator fully complies with the terms for repayment set forth in this Letter Agreement.

Operator shall be deemed in material breach of this Letter Agreement in the event Operator is more than thirty days (30) late on any of the FORBEARANCE PAYMENTS identified above or on any payments required to keep current on fees and costs under the Development Agreement. In the event of a material breach of this Letter Agreement, the City’s obligation to forbear shall automatically terminate and this Letter Agreement shall be null and void, and the City shall be entitled to full payments all sums due and owing to the City at the time of the breach. The City shall then
promptly report to the Department that the Operator/Licensee is: “Not in Compliance” with local ordinances and regulations.

The City reserves all of its rights and remedies under the Development Agreement and this Letter Agreement shall not be deemed an election of remedies, nor shall it constitute a waiver of any of the City’s rights or remedies.

Nothing stated herein is intended to waive or excuse compliance with any condition of approval contained in the Commercial Cannabis Permit ("CCP") issued for the Site. Moreover, the City will approve or deny Development Plans and related approvals for the Site, including issuance of building permits and certificates of occupancy, in the ordinary course of review by the City’s planning and building and safety officials. Operator may not commence operations within the facility unless and until a valid temporary or permanent certificate of occupancy is issued for the Site. In its decision for issuance of any certificate of occupancy for the Site, the City may take into account the Operator’s compliance or non-compliance with the terms of this Letter Agreement and the Operator’s history of compliance or non-compliance with all state and local cannabis and health and safety laws. Prior to the commencement of operations, Operator must provide to the City Manager a valid and current state-issue license for commercial cannabis activities covering the specific cannabis activities authorized by the City for the Site. While in “default status,” the City will only issue a temporary certificate of occupancy (a “TCO”) for the Site valid for 90 days. A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.

Upon the breach of any provision of this Letter Agreement, the City may, at its sole option and discretion, give the Operator ten (10) days written notice of intention to terminate this Letter Agreement and opportunity to cure. The giving of one notice shall not obligate the City to give further notices of default. In the event of an uncured default after notice is given, this Letter Agreement shall automatically terminate without further notice, at which time the City may exercise any and all rights and remedies under its Development Agreement, including but not limited to, termination of the Development Agreement and revocation of the CCP.

The parties agree that in no event shall the effect of this Letter Agreement be deemed a novation of the Development Agreement and that the City Manager has acted, and is acting, in accordance with authority already granted by the terms of the Development Agreement.

Each party has acted on the advice of counsel.

Except as modified herein, all of the terms and conditions of the Development Agreement shall remain in full force and effect. Operator agrees to maintain payments and to keep current on all fees and costs accruing under the Development Agreement. The failure to pay both past due fees and current fees and costs as they come due shall be a default on this Letter Agreement. Time is of the essence. This provision is a material term of this Letter Agreement. No oral amendment, waiver or other understanding with respect to the subject matter of this Letter Agreement shall be enforceable.
7. **Effectiveness:**

This Letter Agreement shall become effective upon receipt by the City of Owner/Operator's signed and notarized acceptance of the terms and conditions of this Letter Agreement.

This Letter Agreement shall be considered rejected and will expire by its own terms if not accepted in writing by Friday, May 12, 2023.

Sincerely,

Alfonso Noyola, ICMA-CM  
City Manager

AGREED AND ACCEPTED:

Date: 5-12-23

Owner/Operator  
IN WITNESS THEREOF (SEE ATTACHED NOTARY ACKNOWLEDGMENT)

Authorized Agent  
and Managing Member

Cc: Landlord [Name and Address];  
City's Special Counsel  
Tony Soliman, tms@solimanlawgroup.com  
Enc: Payment Plan Worksheet
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 5/12/23 before me, Jorge Alfare Notary Public, personally appeared Javier Robles 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)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

This certificate MUST be attached to the document described at right.

Title of Document Type Agreement
Number of Pages
Date of Document 5/12/23
Signer(s) Other Than Named Above
<table>
<thead>
<tr>
<th>Operator</th>
<th>CBP Comm Benefit</th>
<th>URBF1 Cost Recovery</th>
<th>OPFE Non Operating</th>
<th>OPFE PENALTIES</th>
<th>Outstanding</th>
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**BILLINGS**

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<td>3,765.72</td>
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**PAYMENTS**

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<tr>
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<td>(3,765.72)</td>
<td>(9,099.08)</td>
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<td>Apr 2023</td>
<td>3,333.36</td>
<td>1,016.13</td>
<td>13,880.93</td>
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Annual City Reimbursement Costs
Cost per operator (10)
Three years (2019-2022)
City Labor

Balance as of March 31, 2023

<table>
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<tr>
<th>CBP</th>
<th>URBF1</th>
<th>OPFE</th>
<th>OPFE PENALTIES</th>
<th>Outstanding</th>
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<td>122,667.28</td>
<td>55,213.46</td>
<td>86,611.56</td>
<td>21,841.17</td>
<td>286,333.47</td>
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</tbody>
</table>

(a) City Reimbursement cost of $7,202 per year (x three years (2019-2022)) = $21,606.00
June 12, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

Below is a summary of past and current amounts due under Development Agreement DA 18-001C for Ordinance No 698, with an Effective date of February 11, 2019.

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Payment Amount</th>
<th>Payment Period</th>
<th>City Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Benefit Program</td>
<td>$5,333.36</td>
<td>May 2023 Monthly Fee</td>
<td>CBP</td>
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<tr>
<td></td>
<td>$5,333.36</td>
<td>June 2023 Monthly Fee</td>
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<tr>
<td>Cost Recovery Fee</td>
<td>$1,848.55</td>
<td>City Labor for May 2023</td>
<td>URBFl</td>
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<tr>
<td>Total Fees</td>
<td>$12,515.27</td>
<td>Due July 1, 2023</td>
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</tbody>
</table>

**Community Benefit Program**
Current CBP monthly fees for May 2023 and June 2023, totaling $10,666.72 are due July 1, 2023.

**Cost Recovery Fee**
The City labor and third-party contractors for May 2023, totaling $1,848.55 are due July 1, 2023.
Please pay no later than July 1, 2023, to avoid any penalties. If you have any questions relating to these items, please contact Joshua Calhoun at cannabisbilling@cityofcudahyca.gov.

Sincerely,

Joshua Calhoun, CPA
Finance Director

See supporting detail attached of monthly billings and payments as of June 1, 2023.
<table>
<thead>
<tr>
<th>Operator</th>
<th>Comm Benefit</th>
<th>Cost Recovery</th>
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<th>Tracking of Deferred Non-OPFEES</th>
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<td>Deferment Plan as of April 30, 2023</td>
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<td>Deferred Monthly Payments</td>
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<td>94,143.00</td>
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July 13, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

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<tr>
<td>Community Benefit Program</td>
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<td>July 2023 Monthly Fee</td>
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<td>Due August 1, 2023</td>
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**Community Benefit Program**
Current CBP monthly fees for July 2023, totaling $5,333.36 are due August 1, 2023.

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The City labor and third-party contractors for June 2023, totaling $4,828.28 is due August 1, 2023.
Please pay no later than August 1, 2023, to avoid any penalties. If you have any questions relating to these items, please contact Joshua Calhoun at cannabisbilling@cityofcudahyca.gov.

Sincerely,

[Signature]

Joshua Calhoun, CPA
Finance Director

See supporting detail attached of monthly billings and payments as of July 11, 2023.
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<td>177,880.74</td>
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### Deferred Monthly Payments

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July 13, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

Below is a summary of past and current amounts due under Development Agreement DA 18-001C for Ordinance No 698, with an Effective date of February 11, 2019.

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<th>Fee Type</th>
<th>Payment Amount</th>
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<td>$5,333.36</td>
<td>July 2023 Monthly Fee</td>
<td>CBP</td>
</tr>
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<td>Cost Recovery Fee</td>
<td>$4,828.28</td>
<td>City Labor for June 2023</td>
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<td><strong>Total Fees</strong></td>
<td><strong>$10,161.64</strong></td>
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Sincerely,

[Signature]

Joshua Calhoun, CPA
Finance Director

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August 3, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C – Letter Agreement on Payment of Outstanding Fees & Cost Delinquent Payment

Dear Owner/Operator:

On or about May 12, 2023, VM Evergreen, LLC entered into a Letter Agreement with the City of Cudahy (“City”) on Payment of Outstanding Fees & Costs (the “Letter Agreement”). Under the Letter Agreement, the payments that were due on August 1, 2023, for VM Evergreen, LLC were not paid timely as per the signed payment agreement. I am attaching the invoices that were mailed to the address on file. I write now to remind of your obligations under the Letter Agreement and of the consequences for non-compliance.

The Letter Agreement states in relevant part: “Operator may not commence operations within the facility unless and until a valid temporary or permanent certificate of occupancy is issued for the Site. In its decision for issuance of any certificate of occupancy for the Site, the City may take into account the Operator’s compliance or non-compliance with the terms of this Letter Agreement and the Operator’s history of compliance or non-compliance with all state and local cannabis and health and safety laws. … A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.” … “The failure to pay both past due fees and current fees and costs as they come due shall be a default on this Letter Agreement. Time is of the essence. This provision is a material term of this Letter Agreement.”

Due your failure to pay fees “as they come due” under the Letter Agreement, the City will be suspending all inspections, plan reviews, issuance of certificates of occupancy, and any other related work until the payments are made.

Page 1
You are reminded that the Letter Agreement also provides that in the event the Operator is more than 30 days late on any forbearance payment, the Operator will be deemed in **material breach** of the Letter Agreement and the City’s obligation to forbear shall automatically terminate and this Letter Agreement shall be null and void, and the City shall be entitled to full payments of all sums due and owing to the City at the time of breach.

If you have any questions regards this matter, please contact Joshua Calhoun at jcalhoun@cityofcudahyca.gov.

Thank you,

[Signature]

Joshua Calhoun, CPA
Finance Director

Cc: CM, CA and Special Counsel
August 15, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

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<td>Total Fees</td>
<td>$25,923.13</td>
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**Community Benefit Program and Cost Recovery Fees**
Beginning May 1, 2023, Operator agrees to maintain Community Benefit Program (CB) and Cost Recovery (CR) payments as they come due under the Development Agreement and shall not become delinquent on any payments by more than thirty (30) days from the payment due date.
Non-Operating Fees
All Non-Operating Fees (NOF) (past due and accruing) are deferred until six (6) months after Operator is first issued a Temporary Certificate of Occupancy for the Site. Six (6 months) after the first issuance of a Temporary Certificate of Occupancy for Site, the Finance Director shall notify Operator in writing of the start date for a twelve (12) month term for payment of the total accrued NOF fees then due and owing. The Finance Director will provide the Operator with notice of the payment term for accrued NOF fees by email or US Mail.

Please pay no later than September 1, 2023, to avoid any penalties. If you have any questions relating to these items, please contact Joshua Calhoun at cannabisbilling@cityofcudahyca.gov.

Sincerely,

Joshua Calhoun, CPA
Finance Director

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<td><strong>6,000.00</strong></td>
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<td><strong>80,667.28</strong></td>
<td><strong>27,213.46</strong></td>
<td><strong>107,880.74</strong></td>
</tr>
</tbody>
</table>

### Current Fees Due

<table>
<thead>
<tr>
<th>Date</th>
<th>Comm Benefit</th>
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<th>Tracking of Deferred Non-OPFEES</th>
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<tbody>
<tr>
<td>May 1, 2023</td>
<td>5,333.36</td>
<td>1,848.55</td>
<td>7,181.91</td>
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### Payments

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<tr>
<th>Date</th>
<th>Comm Benefit</th>
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<tr>
<td>May-23</td>
<td>(5,333.36)</td>
<td>(1,848.55)</td>
<td>(7,181.91)</td>
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<tr>
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<td>(5,333.36)</td>
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### Balance as of August 10, 2023

<table>
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<tr>
<th>CBP</th>
<th>URBF1</th>
<th>Tracking of Deferred Non-OPFEES</th>
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</thead>
<tbody>
<tr>
<td>133,334.00</td>
<td>60,469.87</td>
<td>193,803.87</td>
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</table>
August 15, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

Below is a summary of past and current amounts due under Development Agreement DA 18-001C for Ordinance No 698, with an Effective date of February 11, 2019.

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Payment Amount</th>
<th>Payment Period</th>
<th>City Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Benefit Program</td>
<td>$6,000.00</td>
<td>1st Deferred Payment due September 1, 2023</td>
<td>CBP</td>
</tr>
<tr>
<td></td>
<td>$5,333.36</td>
<td>July 2023 Monthly Fee</td>
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<tr>
<td></td>
<td>$5,333.36</td>
<td>August 2023 Monthly Fee</td>
<td></td>
</tr>
<tr>
<td>Cost Recovery Fee</td>
<td>$4,000.00</td>
<td>1st Deferred Payment due September 1, 2023</td>
<td>URBF1</td>
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<tr>
<td></td>
<td>$4,828.28</td>
<td>June 2023 Monthly Fee</td>
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<td></td>
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<tr>
<td>Total Fees</td>
<td>$25,923.13</td>
<td>Due September 1, 2023</td>
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**Community Benefit Program and Cost Recovery Fees**

Beginning May 1, 2023, Operator agrees to maintain Community Benefit Program (CB) and Cost Recovery (CR) payments as they come due under the Development Agreement and shall not become delinquent on any payments by more than thirty (30) days from the payment due date.
Non-Operating Fees

All Non-Operating Fees (NOF) (past due and accruing) are deferred until six (6) months after Operator is first issued a Temporary Certificate of Occupancy for the Site. Six (6 months) after the first issuance of a Temporary Certificate of Occupancy for Site, the Finance Director shall notify Operator in writing of the start date for a twelve (12) month term for payment of the total accrued NOF fees then due and owing. The Finance Director will provide the Operator with notice of the payment term for accrued NOF fees by email or US Mail.

Please pay no later than September 1, 2023, to avoid any penalties. If you have any questions relating to these items, please contact Joshua Calhoun at cannabisbilling@cityofcudahyca.gov.

Sincerely,

Joshua Calhoun, CPA
Finance Director

See supporting detail attached of monthly billings and payments as of August 10, 2023.
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<tr>
<th>Operator</th>
<th>Comm Benefit</th>
<th>Cost Recovery</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>VM Evergreen, LLC</td>
<td>122,667.28</td>
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<tr>
<td>Deferment Plan as of April 30, 2023</td>
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### Deferred Monthly Payments

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<th>Date</th>
<th>Comm Benefit</th>
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### Payments

<table>
<thead>
<tr>
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<td>(7,181.91)</td>
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<td>-</td>
<td>(5,333.36)</td>
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<td><strong>193,803.87</strong></td>
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</table>
September 15, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C

Dear Owner/Operator:

Below is a summary of past and current amounts due under Development Agreement DA 18-001C for Ordinance No 698, with an Effective date of February 11, 2019.

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<tr>
<th>Fee Type</th>
<th>Payment Amount</th>
<th>Payment Period</th>
<th>City Code</th>
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</thead>
<tbody>
<tr>
<td>Community Benefit Program</td>
<td>$6,000.00</td>
<td>1st Deferred Payment Due</td>
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<td>July 2023 Monthly Fee</td>
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<td></td>
<td>$4,828.28</td>
<td>June 2023 Monthly Fee</td>
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<td></td>
<td>$3,450.66</td>
<td>August 2023 Monthly Fee</td>
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<tr>
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<td>$7,683.62</td>
<td>Escrow Deposit Beginning Charge</td>
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<tr>
<td>Total Fees</td>
<td>$52,390.77</td>
<td>Due October 1, 2023</td>
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</tbody>
</table>
Community Benefit Program and Cost Recovery Fees
Beginning May 1, 2023, Operator agrees to maintain Community Benefit Program (CB) and Cost Recovery (CR) payments as they come due under the Development Agreement and shall not become delinquent on any payments by more than thirty (30) days from the payment due date.

Escrow Deposit Account
Effective September 15, 2023, the City will require VM Evergreen, LLC to make an upfront payment of assessed quarterly fees into a deposit to open an escrow account to obtain timely payment of those fees. By this invoice, the Department of Finance is informing you that your beginning charge of your escrow deposit is $7,683.62. This beginning charge of your escrow deposit is based on the average amount of cost recovery fees from July 2022 to June 2023 ($30,734.47) and it will be used to repay fees assessed by the City on a monthly basis beginning in the fourth quarter of 2023 and escrow will be replenished quarterly, as needed. Please see attached worksheet.

Non-Operating Fees
All Non-Operating Fees (NOF) (past due and accruing) are deferred until six (6) months after Operator is first issued a Temporary Certificate of Occupancy for the Site. Six (6 months) after the first issuance of a Temporary Certificate of Occupancy for Site, the Finance Director shall notify Operator in writing of the start date for a twelve (12) month term for payment of the total accrued NOF fees then due and owing. The Finance Director will provide the Operator with notice of the payment term for accrued NOF fees by email or US Mail.

Please pay no later than October 1, 2023, to avoid any penalties. If you have any questions relating to these items, please contact Joshua Calhoun at cannabisbilling@cityofcudahyca.gov.

Sincerely,

[Signature]
Joshua Calhoun, CPA
Finance Director

See supporting detail attached of monthly billings and payments as of September 7, 2023, along with escrow deposit beginning balance.
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<thead>
<tr>
<th>Operator</th>
<th>Comm Benefit</th>
<th>Cost Recovery</th>
<th>Outstanding</th>
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<tr>
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<td>55,213.46</td>
<td>177,880.74</td>
<td>86,611.56</td>
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</table>

**Deferred Monthly Payments**

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**Current Fees Due**

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<td>February 1, 2024</td>
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<td>March 1, 2024</td>
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<td>April 1, 2024</td>
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**Payments**

<table>
<thead>
<tr>
<th>Date</th>
<th>Comm Benefit</th>
<th>Cost Recovery</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-23</td>
<td>(5,333.36)</td>
<td>(1,848.55)</td>
<td>(7,181.91)</td>
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<tr>
<td>Jun-23</td>
<td>(5,333.36)</td>
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<td>(5,333.36)</td>
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<td>Jul-23</td>
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<td>Aug-23</td>
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<td>Sep-23</td>
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**Balance as of September 7, 2023**

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<th>CBP</th>
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<td>202,587.89</td>
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Operator  
VM Evergreen, LLC  
As of September 15, 2023

<table>
<thead>
<tr>
<th>Billings</th>
<th>Escrow Beginning Balance</th>
<th>Deposits to Escrow Account</th>
<th>Cost Recovery Monthly Fees</th>
<th>Escrow Ending Balance</th>
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</thead>
<tbody>
<tr>
<td>Sep-23</td>
<td>$</td>
<td></td>
<td></td>
<td>7,683.62</td>
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<tr>
<td>Oct-23</td>
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<td>Jun-24</td>
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<td>Total</td>
<td>$</td>
<td></td>
<td></td>
<td>7,683.62</td>
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</tbody>
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October 3, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C – Letter Agreement on Payment of Outstanding Fees & Cost Delinquent Payment

Dear Owner/Operator:

On or about May 12, 2023, VM Evergreen, LLC entered into a Letter Agreement with the City of Cudahy (“City”) on Payment of Outstanding Fees & Costs (the “Letter Agreement”). Under the Letter Agreement, the payments that were due on September 1, 2023, and October 1, 2023, for VM Evergreen, LLC were not paid timely as per the signed payment agreement. I am attaching the invoices that were mailed to the address on file. I write now to remind of your obligations under the Letter Agreement and of the consequences for non-compliance.

The Letter Agreement states in relevant part: “Operator may not commence operations within the facility unless and until a valid temporary or permanent certificate of occupancy is issued for the Site. In its decision for issuance of any certificate of occupancy for the Site, the City may take into account the Operator’s compliance or non-compliance with the terms of this Letter Agreement and the Operator’s history of compliance or non-compliance with all state and local cannabis and health and safety laws. … A TCO may be reissued if the Operator remains in compliance with the terms of this Letter Agreement.” … “The failure to pay both past due fees and current fees and costs as they come due shall be a default on this Letter Agreement. Time is of the essence. This provision is a material term of this Letter Agreement.”

Due your failure to pay fees “as they come due” under the Letter Agreement, the City will be suspending all inspections, plan reviews, issuance of certificates of occupancy, and any other related work until the payments are made.
You are reminded that the Letter Agreement also provides that in the event the Operator is more than 30 days late on any forbearance payment, the Operator will be deemed in material breach of the Letter Agreement and the City’s obligation to forbear shall automatically terminate and this Letter Agreement shall be null and void, and the City shall be entitled to full payments of all sums due and owing to the City at the time of breach.

If you have any questions regards this matter, please contact Joshua Calhoun at jcalhoun@cityofcudahyca.gov.

Thank you,

Joshua Calhoun, CPA
Finance Director

Cc: CM, CA and Special Counsel
City of Cudahy  
c/o Ms. Paloma Perez-McEvoy  
5220 Santa Ana Street,  
Cudahy, CA 90201  

Re: VM EVERGREEN, LLC REQUEST FOR NEW PAYMENT PLAN ARRANGEMENT

Dear Mrs. Perez-McEvoy

I write this letter on behalf of our client VM Evergreen, LLC. As you and the City of Cudahy were made aware, our client has suffered severe financial and business hardships. Among other issues, Covid and the pandemic resulted in various major setbacks for our client. The pandemic & those setbacks also caused problems with the prior investors who were contracted to partner with our client, & which did not play out as planned or expected. It was our client’s intention to be operational by now, but for the pandemic and business setbacks that took place.

As such, we request that our client be allowed to alter the current payment arrangement that is in place, to make payments on any past due balances and ongoing accruing balances after becoming operational. The client will be able to afford to make payments 6 months after opening doors. We also request relief from Non-Operating fees for the time during which we were not able to operate during Covid. We are seeking this relief for a 2 year period (for the time the City was closed) as covid halted progress for at least that time frame.

Please present these terms to the City Counsel, so that our client can get back on track as he works through the many hurdles and pitfalls of this commercial cannabis industry, towards opening and operating the business and furthering a positive and mutually beneficial partnership with the City of Cudahy. Please contact me directly if you need anything else for this request.

Best Regards,

Tony M. Soliman, Esq.  
on behalf of VM Evergreen, LLC
August 9, 2023

Via U.S. Mail and Email:
VM Evergreen, LLC
Attn: Vicki Barajas, Manager
8222 Atlantic Avenue
Cudahy, CA 90201

Re: DA 18-001C- Cannabis Related Cost Recovery Fees-Escrow

Dear Owner/Operator:

On February 11, 2019, VM Evergreen, LLC ("Owner") entered into a Development Agreement (the "Agreement") with the City of Cudahy (the "City") for certain cannabis related non-retail business. Under Section 7 of the Agreement, Owner agreed to pay all fees, charges, and costs set forth.

Furthermore, Section 8 of the Agreement allows City to assess Cost Recovery Fees ("Fees") to recover City’s reasonable processing and monitoring costs related to the cannabis business activities. The City is authorized to apply new rules, regulations, and policies which do not conflict with those rules, regulations, and policies set forth in the Agreement (see Section 17) and City may modify the Agreement under the City’s “Reserved Powers” and to ensure Owner’s compliance in good faith, provided that no modification increases Owner’s liability or reduces Owner’s rights.

As a result of industry wide delays in the timely payment of assessed Fees, this letter serves as formal City-wide written notice to all Agreement holders, that effective September 15, 2023, City will require upfront payment of the assessed quarterly Fees to be made as a deposit in escrow. Fees placed in escrow will be used to reimburse City’s assessed Fees on a monthly basis beginning Q4 2023 and escrow will be replenished quarterly, as further required.

City reserves its right to conduct Periodic Reviews of each cannabis operation on a selective basis and if a determination is made, based on substantial evidence, that an operation is out of compliance, City may terminate or modify the Agreement. Section 19(g) provides that all costs incurred by City in connection with the Periodic Review are paid by Owner.

Any failure to abide by this determination may be viewed as “knowingly and intentionally” violating a lawful order and may be subject to increased penalties allowed under the law. Finally, know that the conviction and punishment of any person does not relieve such person from paying any tax, fee, penalty, or interest due and unpaid at the time of such conviction. All
remedies shall be cumulative, and the use of one or more remedies by the City does not bar the use of any other remedy. (CMC 5.20.080).

Thank you in advance for your attention to this matter.

Sincerely,

[Signature]

Joshua Calhoun, CPA
Finance Director / City Treasurer
www.cityofcudahy.com

Enclosure

cc: City Attorney