CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY JOINT REGULAR MEETING

WEDNESDAY, FEBRUARY 22, 2023 AT 5:00 PM

CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

CITY COUNCIL/SUCCESSOR AGENCY
David N. Torres, Mayor/Chairperson
Scarlet Peralta, Mayor Pro Tem/Vice Chairperson
Angie M. Jimenez, Councilmember/Member
Salvador Melendez, Councilmember/Member
Georgina Tamayo, Councilmember/Member

CITY MANAGER/EXECUTIVE DIRECTOR
René Bobadilla

CITY TREASURER
David Matanga

COUNCIL/SUCCESSOR AGENCY ATTORNEY
Arnold M. Alvarez-Glasman

CITY CLERK/BOARD SECRETARY
Christopher Jimenez

DEPARTMENT HEADS

Assistant City Manager	Arlene Salazar
Fire Chief	Fernando Pelaez
Police Chief	Paul Espinosa
Director of Finance	Michael Solorza
Director of Human Resources	Nicholas Razo
Director of Planning/Community Development	Joseph Palombi
Director of Public Works	James Enriquez
Director of Recreation and Community Services	David Sosnowski
Director of Transportation	Adrianna Kendricks
Director of Public Affairs and Technology	Michael Chee

NOTICES

COVID-19 NOTICE: The City Council rescinded the Declaration of the Local Emergency and the continuation of teleconferencing open meetings pursuant to AB 361 by adopting Resolution No. 22-21 on Wednesday, April 13, 2022. This City Council/Successor Agency Joint Regular Meeting ("Council"/"SA") will be held in person and will meet at **City Hall – City Council Chambers, 1600 West Beverly Boulevard, Montebello, California.** The meeting will be live streamed and can be watched on the City's website and YouTube Channel via the following link: https://www.montebelloca.gov, and may also be viewed on Spectrum Public Access Channel 3 for all Spectrum cable subscribers.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act (ADA) any person with a disability who requires special accommodations in order to participate in a meeting should contact the Administration Office at (323) 887-1437 Monday-Thursday from 7:30 a.m.-5:30 p.m. Please call 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II 1203). If you require translation services, please contact the City Clerk's office 72 hours before this meeting. **Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 72 horas antes de esta reunión.** 如果您需要翻译服务，请在会议前 **72** 小时联系市书记员办公室

RULES OF DECORUM:
As Established by Ordinance 2443, adopted on October 27, 2021: Signs, placards, banners, horns, noise-making devices, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting. All persons attending a public meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting. No member of the audience shall willfully interrupt the orderly conduct at the meeting, this includes clapping or otherwise speaking from their seats. The presiding officer shall direct the removal of any individual whose willful interruption renders infeasible the orderly conduct of the meeting. In the event the removal of the individual or individuals willfully interrupting the meeting does not restore order, the presiding officer may order the meeting room cleared and continue in session. Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any person who becomes boisterous while addressing the Council/SA or who otherwise disrupts the orderly conduct of the Council/SA's business shall be subject to removal from the Chambers after being admonished by the presiding officer.

PUBLIC COMMENTS:
In-Person: For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council/SA meetings, you may address the City Council/SA in person the day of the meeting. Speakers will be required to fill out a speaker card provided at the door and turn it into the Sr. Deputy City Clerk prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. Closed Session begins at 5:00 p.m. and Regular Session begins no later than 6:00 p.m.

Via Email: The public may also submit emailed comments via the City's email address: ccpubliccomment@montebelloca.com, up until the day of the meeting, **Wednesday, February 22, 2023 by 3:00 p.m.** These comments will be submitted to all members of the City Council/SA and may not be read aloud but will be entered into the record of the proceedings to the extent they relate to matters listed on the posted agenda or otherwise address matters/issues within the subject matter jurisdiction of the City Council/SA. Any requests to provide public comment which is submitted after the deadlines indicated above will not be submitted to the City Council/SA, with the exception of non-agenda written item comments which will be held over for the next regularly scheduled meeting.

AGENDA MATERIALS: The agenda and/or agenda packet are available for public inspection at City's website at: Agendas, Minutes, and Videos.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE, ALL CELL PHONES AND PAGERS
THANK YOU FOR YOUR COOPERATION

OPENING CEREMONIES

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS FOR CLOSED SESSION
At this time, the general public may address the City Council/SA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/SA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

CLOSED SESSION 5:00 P.M.
The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   Government Code Section 54956.9(d)(1)
   Neighborhood Elections Now, et al. v. City of Montebello
   LASC Case No. 23STCV01567

REGULAR SESSION NO LATER THAN 6:00 P.M.

CLOSED SESSION REPORT

INVOCATION

PLEDGE OF ALLEGIANCE

CORRECTIONS TO THE AGENDA CITY MANAGER

CEREMONIAL/PRESENTATIONS

PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)
At this time, the general public may address the City Council/SA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council/SA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

PUBLIC HEARING

2. **ADOPT RESOLUTION NO. 23-19 APPROVING A PROPOSED SUBSTANTIAL AMENDMENT NUMBER 1 TO THE FY 2021-22 CDBG/HOME ANNUAL ACTION PLAN TO APPROVE THE HOME INVESTMENT PARTNERSHIP AMERICAN RESCUE ALLOCATION PLAN AND TO INCLUDE THE HOME-ARP FUNDS AND ACTIVITIES**

   RECOMMENDATION: It is recommended that the City Council:

1. Conduct a Public Hearing on the HOME- American Rescue Plan (ARP) Allocation Plan and consider any testimony received during the hearing; and
2. Adopt Resolution No. 23-19 approving Substantial Amendment Number 1 to the Fiscal Year 2021-22 Annual Action Plan to include the Home Investment Partnership (HOME) - American Rescue (ARP) Allocation Plan, certifying that the City of Montebello has followed its adopted Community Participation Plan, allocating $1,088,770 in HOME-ARP funds to eligible HOME-ARP Activities such as Development of Affordable Rental Housing and Administration and Planning of the HOME-ARP Program; and
3. Take such additional, related action that may be desirable.

REGULAR BUSINESS

3. ADOPT RESOLUTION NO. 23-16, CITY OF MONTEBELLO MEMBERSHIP IN THE GATEWAY CITIES AFFORDABLE HOUSING TRUST, A JOINT POWERS AUTHORITY

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-16 approving execution of the Joint Exercise of Powers Agreement relating to the City's membership in the Gateway Cities Affordable Housing Trust; and
2. Authorize the Mayor to execute the Gateway Cities Affordable Housing Trust Joint Powers Authority (JPA) Agreement.

4. ADOPT CITY COUNCIL RESOLUTION NO. 23-18 / SUCCESSOR AGENCY RESOLUTION NO. 23-04, APPROVING THE PURCHASE, SALE, AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT NO. 4075, RELOCATION PLAN AND APPRAISAL FOR PHASE 1 PROJECT SITE AMONG THE CITY OF MONTEBELLO AND THE MONTEBELLO SUCCESSOR AGENCY ("SELLERS") AND THE MONTEBELLO AFFORDABLE HOUSING, LP 112, 114, 121, 124, 128 AND 132 SOUTH 6TH STREET GRAND, CITY OF MONTEBELLO ("DEVELOPER")

RECOMMENDATION: It is recommended that the City Council / Successor Agency:

1. Adopt City Council Resolution No. 23-18/ Successor Agency Resolution No. 23-04, approving a Purchase, Sale, and Affordable Housing Agreement No. 4075 (Attachment A) among the City of Montebello ("City"), Montebello Affordable Housing and Cesar Chavez Foundation ("CCF"), Relocation Plan (Attachment C) and Appraisal (Attachments D-E) for Phase 1 project site – a proposed three (3) and four (4) story residential building with approximately sixty-three (63) affordable housing units with 1 to 3 bedrooms, with parking and related amenities located at four (4) vacant City owned (and one Successor Agency-owned) parcels at 112, 114, 121, 124, and 132 South 6th Street (APN No.: 6349-005-900, 901, 902, and 903), and 128 and 128 ½ South 6th Street (APN No.: 6349-005-006), owned by CCF, to allow the construction, use, and maintenance of an affordable housing development; and
2. Take such additional, related, action that may be desirable.

5. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 23-17 ESTABLISHING RULES OF ORDER FOR THE CONDUCT OF ALL CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS, PROCEEDINGS AND BUSINESS

RECOMMENDATION: It is recommended that the City Council:

1. Consider and adopt Resolution No. 23-17 establishing rules of order for the conduct of all City Council and Successor Agency meetings, proceedings, and business; and
2. Provide further direction for a date to conduct a Study Session to review the rules of procedure; and
3. Take other action as directed by the City Council.

6. REVIEW OF COUNCIL ASSIGNMENT TO THE CAPITAL PROJECTS COMMITTEE - ALAMEDA CORRIDOR EAST AUTHORITY AND STREETS AD HOC

RECOMMENDATION: It is recommended that the City Council:

1. Review and take action to fill assignments to the Capital Projects Committee - Alameda Corridor East Authority and Streets Ad Hoc.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

7. NORTH CONCOURSE AVENUE STREET IMPROVEMENT PROJECT (CP NO. 880) – NOTICE OF COMPLETION

RECOMMENDATION: It is recommended that the City Council:

1. Accept the North Concourse Avenue Street Improvement Project (CP No. 880), as completed by All American Asphalt; and
2. Find that the requested "Changes in Work" for the project (Attachment A) have no significant effect on the environment and approve the changes in the aggregate amount of $214,621; the final contract amount with All American Asphalt is $435,854; and
3. Approve the Final Total Project Budget (Attachment B); and
4. Authorize the City Clerk to execute, verify and file the Notice of Completion (Attachment C) with the Los Angeles County Registrar-Recorder; and
5. Authorize the City Manager to release the retention payment due to All American Asphalt following the mandatory waiting period from the date the Notice of Completion is recorded; and
6. Take such additional, related, action that may be desirable.

8. ADOPT RESOLUTION NO. 23-14 APPROVING PURCHASE AND SALE AGREEMENT NO. 4077 FOR THE PROPOSED DISPOSITION OF REAL PROPERTY LOCATED AT 5055 PASSONS BOULEVARD, PICO RIVERA, CA 90660 (LOS ANGELES COUNTY ASSESSOR'S PARCEL NO. 6377-007-270) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE PURCHASE AND SALE AGREEMENT ON BEHALF OF THE CITY OF MONTEBELLO

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-14 approving the disposition of real property, approving the material terms of Purchase and Sale Agreement No. 4077 (attached here in substantial form) authorizing the sale of the Property to the City of Pico Rivera, and authorizing the City Attorney and the City Manager (and/or designee), to finalize negotiations and the agreement (with the exception of any material changes), leading up to the execution of all documents related to said agreement.

9. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-8) FOR A COMPUTER-AIDED DISPATCH/AUTOMATIC VEHICLE LOCATION SYSTEM

RECOMMENDATION: It is recommended that the City Council:

1. Approve issuing a Computer-Aided Dispatch/Automatic Vehicle Location System Request for Proposal, No. 23-8 (RFP No. 23-8); and
2. Take such additional, related action that may be desirable.

10. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 23-15 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED FEBRUARY 22, 2023

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-15 approving the Warrant Register dated February 22, 2023.

11. APPROVAL OF MINUTES: NOVEMBER 10, 2022 SPECIAL CITY COUNCIL AND PUBLIC FINANCING AUTHORITY MEETING; DECEMBER 14, 2022 CITY COUNCIL AND PUBLIC FINANCING AUTHORITY MEETING; DECEMBER 21, 2022 CITY COUNCIL AND PUBLIC FINANCING AUTHORITY ADJOURNED MEETING; AND DECEMBER 21, 2022 SPECIAL CITY COUNCIL MEETING.

RECOMMENDATION: It is recommended that the City Council:

1. Approve minutes as is.

AB 1234 TRAVEL REPORTS

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

COUNCIL ORALS

Council member announcements; requests for future agenda items; conference/meetings reports.

- **Georgina Tamayo, Councilmember**
- **Angie M. Jimenez, Councilmember**
- **David N. Torres, Mayor**

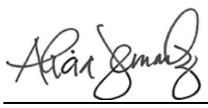
1. **San Gabriel Valley COG Alameda Corridor East project update and town halls.**
2. **Request for council consensus to establish a policy for quarterly reports on contracts entered into using authority granted by the City Manager.**
3. **Request for council consensus to establish a policy for responding to resident questions on social media.**
4. **Request for council consensus to receive a memo on the status of fiber internet in Montebello.**
5. **Request for council consensus directing staff to research the feasibility and implementation of an equitable annual speed hump program.**

- **Scarlet Peralta, Mayor Pro Tem**
- **Salvador Melendez, Councilmember**

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on March 8, 2023 at 6:00 p.m.** which can be live streamed at https://www.montebelloca.gov (Click on Live Stream).

I, Alicia Fernandez, Sr. Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, February 19, 2023 by 5:00 p.m.**



Alicia Fernandez, Sr. Deputy City Clerk

ITEM # 2

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: **ADOPT RESOLUTION NO. 23-19 APPROVING A PROPOSED SUBSTANTIAL AMENDMENT NUMBER 1 TO THE FY 2021-22 CDBG/HOME ANNUAL ACTION PLAN TO APPROVE THE HOME INVESTMENT PARTNERSHIP AMERICAN RESCUE ALLOCATION PLAN AND TO INCLUDE THE HOME-ARP FUNDS AND ACTIVITIES**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Conduct a Public Hearing on the HOME- American Rescue Plan (ARP) Allocation Plan and consider any testimony received during the hearing; and
2. Adopt Resolution No. 23-19 approving Substantial Amendment Number 1 to the Fiscal Year 2021-22 Annual Action Plan to include the Home Investment Partnership (HOME) - American Rescue (ARP) Allocation Plan, certifying that the City of Montebello has followed its adopted Community Participation Plan, allocating $1,088,770 in HOME-ARP funds to eligible HOME-ARP Activities such as Development of Affordable Rental Housing and Administration and Planning of the HOME-ARP Program; and
3. Take such additional, related action that may be desirable.

FISCAL IMPACT:

Adoption of the HOME-ARP Allocation Plan positions the City to receive $1,088,770 in new HOME-ARP entitlement funds. The amendment to the Fiscal Year 2021-22 CDBG/HOME Annual Action Plan must be approved by the Department of Housing and Urban Development (HUD) prior to these funds being made available. It is unknown when this approval will be received, therefore no budget amendment is being requested at this time. Staff will either return at a later date to present a budget amendment to the current fiscal year's budget (FY 2021-22), or include these specific funds as part of the Fiscal Year 2023-24 budget development process.

BACKGROUND/DISCUSSION:

The $1.9 trillion American Rescue Plan Act (ARPA) was passed on March 11, 2021 as a response to the COVID-19 pandemic and established numerous programs to provide direct payments to individuals, businesses and governments, as well as tax credits and other programs aimed at alleviating the negative impacts fo the pandemic Of the numerous programs established by ARPA, one was a special, one-time allocation of Home Investment Partnerships Program-American Rescue Plan (HOME-ARP) funds to reduce homelessness and increase housing stability across the country.

As a HOME-participating jurisdiction, the City received a one-time allocation of $1,088,770 in HOME-ARP funds from the U.S. Department of Housing and Urban Development (HUD). These funds are intended to address the need for housing and supportive services for the city's homeless population. HOME-ARP Funding must primarily benefit qualifying individuals and families who are homeless, at-risk of homelessness, or other vulnerable populations. Funds can be used for a limited number of activities, including 1) administration and planning activities, 2) acquisition, rehabilitation and construction or rental housing, 3) provision of supportive services, 4) tenant based rental assistance, 5) acquisition and development of non-congregate shelter units, and 6) non-profit operating and capacity building. HUD issued guidance for the utilization of the HOME-ARP funds through CPD-Notice 21-10 on September 12, 2021, to ensure the funds are intended to benefit qualifying populations and be used for specific activities not normally permitted under the HOME program.

HUD must approve a HOME-ARP Allocation Plan (the Plan) for participating jurisdictions in order to receive HOME-ARP funds. The Plan includes a summary of the consultation and public participation process, needs assessment, gaps analysis, planned activities, and housing production and preservation goals. The Allocation Plan is included as Attachment B.

Per the direction of HUD, the City will submit a substantial amendment to the Fiscal Year 2021-22 Annual Action Plan to include the HOME- ARP Allocation Plan and eligible activities in the Integrated Disbursement and Information System (IDIS).

ENVIRONMENTAL:

Approval of the HOME-ARP Allocation Plan is not considered a project under the California Environmental Quality Act ("CEQA") Guidelines Section 15378 as it is a funding mechanism that does not involve a commitment to specific projects that may result in a potentially significant physical impact on the environment. The City will conduct an environmental review under the National Environmental Protection Act (NEPA) for the activity proposed before taking any action.

ANALYSIS:

HOME-ARP funds must be used to assist individuals/households who are homeless, at risk of homelessness, or other vulnerable populations (e.g., individuals fleeing domestic

violence). HOME-ARP funds can be used to provide affordable housing, tenant-based rental assistance, supportive services, and non-congregate shelter. The City is proposing to use its HOME-ARP funds to support the Development of Affordable Rental Housing (Project) and towards the planning and administration costs which are both eligible activities.

Per HUD guidance, City staff consulted with stakeholders and members of the public to identify the highest needs in the City regarding the qualifying populations and eligible activities. Through these consultation efforts it was identified that the highest need is for affordable housing units in the City. The City's total HOME-ARP allocation is $1,088,770. As allowed by the HOME-ARP regulations, $88,770 will be used for the planning and administration of the grant and staff is proposing to allocate the remaining $1,000,000 to a project which will provide affordable Rental Housing to the qualifying populations as identified by HUD. This would include an agreement with a Community Housing Development Organization that has capacity to develop affordable housing as defined by HUD guidelines.

Vista Del Monte Affordable Housing Inc, an affiliate of the Cesar Chavez Foundation is proposing an 81 unit residential development project consistent with the Production and Preservation of Affordable Housing (HOME-ARP Rental Housing). Although all four qualifying populations may apply for the Rental Housing that will become available, the City of Montebello will provide preferences to at risk of homelessness population and fleeing or attempting to flee: Domestic Violence, Domestic Dating, and Sexual Assault, Stalking or human trafficking populations. The use of these preferences is based on local housing needs and will address the unmet need or gap in benefits and services received by individuals and families in the qualifying populations, consistent with the City's needs assessment and gap analysis prepared by City Staff between November 2022 through February 2023.

The City Staff identified the gaps within its current shelter and housing inventory as well as the service delivery system. Staff used current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The City also identified and considered the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, Tenant Based Rental Assistance, and affordable and permanent supportive rental housing.

All eligible qualifying population applicants will be selected in chronological order for a HOME-ARP rental project. The City will comply with the nondiscrimination requirement and equal opportunity laws and requirement and any other applicable fair housing and civil rights laws and requirements when applying preferences, including, but not limited to, those requirements listed in 24 CFR 5.105(a).

SUMMARY:

Subsequent to approval from the City Council, the Substantial Amendment Number 1 to the Fiscal Year 2021-22 Annual Action Plan along with the Draft HOME-ARP Allocation

Plan will be submitted to HUD for final approval. Subrecipient agreements will be amended to reflect the re-allocation amounts. Funding associated with the programmatic uses will be appropriated in the proper accounts and reflected in the HOME-ARP Budget subsequent to receiving HUD approval. Based on the unknown timing of the approval, no budget amendment is being requested at this time. Staff will either return at a later date to present a budget amendment, or include these specific funds as part of the Fiscal Year 2023-24 budget development process.

ATTACHMENT(S)

1. Attachment A - Resolution No. 23-19
2. Attachment B - Draft HOME-ARP Allocation Plan
3. Attachment C - Proof of Publication

NEXT STEPS:

N/A

RESOLUTION NO. 23-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, APPROVING AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE TO SUBMIT TO HUD A SUBSTANTIAL AMENDMENT NUMBER 1 TO THE FY 2021-2022 CDBG/HOME ANNUAL ACTION PLAN TO APPROVE THE HOME-ARP ALLOCATION PLAN AND TO INCLUDE THE HOME-ARP FUNDS AND ACTIVITIES

RECITALS

WHEREAS, the Department of Housing and Urban Development ("HUD"), issued a Notice of Requirements for the Use of Funds in the HOME-American Rescue Plan Program ("Notice") dated September 13, 2021 under the HOME-ARP funds; and

WHEREAS, HUD is authorized to provide up to $1,088,770 under the HOME-ARP distribution of funds for the City of Montebello, California ("City"); and

WHEREAS, the City is an eligible Local government who has created an allocation plan to receive funds to administer one or more eligible activities, for one or more eligible qualifying populations are defined by HUD;

WHEREAS, City staff published a public notice announcing the availability of the draft HOME-ARP Allocation Plan in the Montebello News on January 19, 2023, triggering a 30-day public comment period of the plan; and

WHEREAS, on February 22, 2023, the City Council of the City of Montebello ("City Council") held a duly noticed public hearing to consider adoption of the draft HOME-ARP Allocation Plan

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

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

SECTION 2. The City Council approves and ratifies the Substantial Amendment number 1 to the City's FY 2021-2022 Annual Action Plan.

SECTION 2. The City is hereby authorized and directed to receive a HOME-ARP allocation in an amount not to exceed $1,088,770, in accordance with all applicable rules and laws.

SECTION 3. The City Council hereby agrees to use the HOME-ARP funds for eligible activities as approved by HUD and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the City and HUD.

SECTION 4. The City's HOME-ARP Allocation Plan for the 2021 allocation is attached to this resolution, and the City hereby adopts this HOME-ARP Allocation Plan and certifies compliance with all public notice, public comments, and public hearing requirements in accordance with the guidelines.

SECTION 5. The City Manager, or his designee, is authorized to execute the HOME-ARP allocation plan and any subsequent amendments or modifications thereto, as well as any other documents which are related to the program or the HOME-ARP allocation awarded to the City, as HUD may deem appropriate.

SECTION 6. 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.

APPROVED AND ADOPTED THIS 22nd DAY OF FEBRUARY 2023.

_____
David N. Torres, Mayor

ATTEST:

_____
Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-19 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Christopher Jimenez, City Clerk

DRAFT
HOME-ARP ALLOCATION PLAN

HOME Investment Partnerships (HOME) Program
American Rescue Plan

February 22, 2023

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VERSION HISTORY

No.	Summary of Changes			
1	Published Draft for Public Comment:	1/19/2023	Sent to HUD for Approval:	3/30/2023
	Conducted Public Hearing:	2/22/2023	Approved by HUD:	TBD
	Original HOME-ARP Allocation Plan.			

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Executive Summary

The City of Montebello has been allocated $1,088,770 of HOME-American Rescue Plan Act (HOME-ARP funding from the US Department of Housing and Urban Development (HUD). To receive the HOME-ARP allocation, the City must develop a HOME-ARP Allocation Plan to identify the City's need assessments and service gaps as it relates to HOME-ARP qualifying populations (QPs); it also outlines the City's consultation process with public agencies. The HOME-ARP Plan that will become part of the City's PY2021 HUD Annual Action Plan by substantial amendment.

HUD encourages participation in the HOME-ARP Allocation Plan by stakeholders and the general public therefore, the City engaged in consultation with stakeholders, the general public, and public agencies working with QPs, which included, virtual consultation sessions, surveys of stakeholders and the public, a 30-day public comment period, and a public hearing.

The needs assessment and gap analysis identified the following needs and gaps within the City:

- In 2022, the Greater Los Angeles Homeless count for the city of Montebello revealed that 227 people were unsheltered on the streets, in tents or makeshift shelters, or in cars, vans, or RVs.
- 2014-2018 CHAS Data from HUD reported 3,770 households with incomes at or below 30% AMI are at risk of homelessness in the City.
- The 2015-2019 HUD CHAS data indicates there are 4,580 renter households with an annual income at or below 30% AMI with a cost burden making them at greatest risk of facing housing instability.
- The 2015-2019 CHAS data reports that there are 3,925 households with incomes more than 30% AMI and but equal to or less than 50% AMI that are at risk of homelessness in the City because of at least one of the housing problems as defined by HUD.
- The greatest need for supportive services are in the areas of housing search/counseling services, mental health, landlord/tenant support, job placement, food, transportation and rental assistance.

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To address these needs within the community, the City will utilize HOME-ARP funds for the provision of supportive services, capacity building in the nonprofit community, and administration and planning for the HOME-ARP program.

The City will solicit applications from developers, service providers, and/or nonprofits to administer eligible activities and/or develop shelter and housing.

A Notice of Funds Available (NOFA) will be issued. The NOFA will, at a minimum, specify eligible activities, eligible applicants, minimum and maximum funding amounts, application thresholds, and will provide instructions on how to submit a proposal.

Introduction

The City of Montebello has been awarded $1,088,770 of HOME-American Rescue Plan Act (HOME-ARP) funding by the US Department of Housing and Urban Development (HUD). The City of Montebello must develop a HOME-ARP Allocation Plan that will be incorporated into its PY2021 HUD Annual Action Plan by substantial amendment to receive the HOME-ARP allocation. There are several elements that must be included in the HOME-ARP Allocation Plan:

1. A summary of the consultation process and the results of consultation;
2. A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reason why;
3. A description of HOME-ARP qualifying populations within the jurisdiction;
4. An assessment of unmet needs of each qualifying population;
5. An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
6. A summary of planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
7. A proposed estimate of the number of housing units for qualifying populations the City will produce or preserve with its HOME-ARP allocation;
8. An estimate of the number of housing units for qualifying populations the PJ will produce or preserve with its HOME-ARP allocation; and
9. A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population; and
10. Certifications and SF-424, SF-424B, and SF-424D Forms.

The HOME-ARP grant is administered by the following entities responsible for developing the Allocation Plan.

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
Housing Manager	City of Montebello	Planning and Community Development

HOME-ARP Eligible Qualifying Populations and Activities

The Department of Housing and Urban Development's CPD Notice 21-10 *Requirements for the Use of Funds in the HOME*-ARP Program outlines the requirements for funds appropriated under section 3205 of the American Rescue Plan Act of 2021 for the HOME Investment Partnerships Program (HOME) to help address homelessness.

In accordance with the American Rescue Plan Act (ARP), qualifying populations, are defined as:

1. Homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act;
2. At risk of homelessness, as defined in section 401 of the McKinney-Vento Homeless Assistance Act;
3. Fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking (as defined by HUD in 24 CFR 5.2003) or human trafficking (as outlined in the Trafficking Victims Protection Act of 2000 as amended [22 USC 7102]); and
4. Part of other populations, where providing supportive services or assistance under section 212(a) of the National Affordable Housing Act 42 USC 12472(a) would:
    a. Prevent a family's homelessness;
    b. Serve those with the greatest risk of housing instability.

HOME-ARP funds may be used to benefit qualifying populations through any of the following eligible activities:

1. Tenant-based Rental Assistance (TBRA);
2. Development and support of affordable housing;
3. Provision of supportive services;
4. Acquisition and development of non-congregate shelter;
5. Nonprofit capacity building and operating assistance; and
6. Program planning and administration.

Stakeholder Consultation and Public Participation

A HOME-ARP Participating Jurisdiction, such as the City of Montebello, must consult with agencies and service providers who serve HOME-ARP qualifying populations. Agencies that must, at a minimum, be consulted include the Continuum of Care serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address fair housing, civil rights, and the needs of persons with disabilities.

Each Participating Jurisdiction is also required to provide the public with the opportunity to comment on the proposed Allocation Plan, including the amount of HOME-ARP funds to be received and the range of activities that may be undertaken.

Several methods were employed by City staff to ensure broader input into the HOME-ARP Allocation Plan from stakeholders and the public, including a virtual consultation session, a stakeholder survey, a 30-day public comment period, and a public hearing.

Stakeholder Consultation

The City of Montebello consulted with representatives from multiple agencies, groups, and organizations involved in the development of affordable housing, addressing homelessness, and the provision of services to qualifying populations in preparing this HOME-ARP Allocation Plan.

A virtual session was held February 9, 2022. Representatives from multiple agencies, groups, and organizations were invited via email to attend. Those unable to attend were invited to submit written comments via emails or schedule a phone call to share their views.

The virtual consultation session included and overview of the HOME-ARP notice to inform attendees of the qualifying populations and eligible activities, an opportunity to ask clarifying questions, a request for input into needs and gaps, and priority populations and activities, and an overview of the Allocation Plan timeline and process.

The Los Angeles Homeless Services Authority (LAHSA), the lead agency for the Los Angeles Continuum of Care (CoC), held a virtual session to provide their recommendations to jurisdictions being allocated funds. That session was held February 9, 2022, and attended by staff and representatives of the City. LAHSA also provided a written memorandum outlining their HOME-ARP funding recommendations

There were two more virtual consultations held by City staff on December 15, 2022 and January 5, 2023. Stakeholders and the public were invited to attend. A notice was published in the local newspaper with details of the first virtual consultation. The City's website and social media accounts also provided information regarding the virtual consultations.

The virtual consultation sessions encompassed a summary of the HOME-ARP notice to inform attendees of the qualifying populations and eligible activities, an opportunity to ask clarifying questions, a request for input into needs and gaps by inviting them to take a survey, and priority populations and activities, and an overview of the Allocation Plan timeline and process.

Two survey instruments were designed and available online for agencies/organizations and the general public. The surveys allowed the organizations and the public to provide their feedback regarding the qualifying populations and eligible activities and services to identify the perceived needs and the best approach to carry out those activities for the community. For the organizations or general public that were not able to attend the virtual consultations on December 15, 2022 and January 5, 2023, they were able to participate through the survey.

The City received surveys that were completed by 9 representatives out of 11 agencies.

All HUD-required agency types were represented in either the virtual session or the survey or by email.

Organizations Consulted by Type and Method of Consultation

Table 2 – Organizations Consulted by Type and Method

Agency/ Organization Consulted	Type of Agency/Organization	Method of Consultation
Los Angeles Homeless Services Authority (LAHSA)	Continuum of Care, addresses needs of qualifying populations including homeless	Agency-Sponsored Virtual Session
Housing Rights Center	Nonprofit, addresses needs of qualifying populations including provider of civil rights, disabled, and fair housing services to the City	Email response/survey
Los Angeles County Development Authority (LACDA) formally known as Housing Authority	Public Housing Agency, addresses needs of qualifying populations, serves as public housing authority to the city	Email response/survey

County of Los Angeles (HACOLA)	Public Housing Agency, addresses needs of qualifying populations, serves as public housing authority to the city	Virtual Session/Survey
Montebello Community Assistance Program (MCAP)	Homeless Service provider, addresses needs of qualifying populations	Virtual Session/Survey
Volunteers of America Los Angeles (VOALA)	Nonprofit, addresses needs of qualifying populations including veterans and homeless	Email response/survey
Heart of Compassion (HOC)	Nonprofit, addresses needs of qualifying populations including homeless	Virtual Session/ Survey
Habitat for Humanity of Greater Los Angeles	Nonprofit, addresses needs of qualifying populations including homeless	Email response/survey
Catholic Charities	Nonprofit, addresses needs of qualifying populations including homeless	Email response/survey
Jovenes Inc	Nonprofit, addresses needs of qualifying populations including homeless	No response to Survey
East Los Angeles Women Center	Domestic Violence Service Provider, non-profit which addresses needs of qualifying populations including domestic violence	Email response/survey
Whittier First Day	Nonprofit, addresses needs of qualifying populations including homeless	No response to Survey

Summary of Feedback Received from Consulted Organizations

The table below identifies that the Consultations revealed strong support for the following:

Table 3 – Rating Current Need for Eligible Activities by Organizations

Eligible Activities	High Need	Mid/High Need	Mid/Low Need	Lowest Need
Development of Affordable Housing	X			
Tenant Based Rental Assistance	X			
Services (e.g., case management, legal services, moving costs assistance, etc.)	X			
Acquisition/Development of Non-Congregate Shelter Units (i.e., emergency shelter provided in individual rooms rather than a traditional homeless shelter)		X		

Development of affordable housing. Participants in the virtual session agreed in the need for additional affordable housing, specifically permanent supportive housing. Those replying to the survey also all agreed the there was “mid/high need” for this type of housing. There was discussion of various populations, represented by the agencies assembled, for need of both stable housing and services including case management.

Tenant-based rental assistance (TBRA). Regarding affordable housing, many attendees mentioned the need to increase availability of a TBRA program and as a bridge to the development of affordable housing. The survey identified that this was a “high need”.

Provision of supportive services. Many examples of supportive services were mentioned in the virtual session. Among the services mentioned as being in high demand for HOME-ARP activities were the following:

1. Mental Health
2. Permanent Housing
3. Food and Clothing
4. Rental Assistance
5. Case Management
6. Financial Education
7. Legal Aid
8. Transportation Assistance
9. Workforce Development
10. Housing Counseling
11. Navigation
12. Job placement
13. Landlord/Tenant Support
14. Social Services

The surveys identified that the provision of Services is considered a “high need.”

Acquisition and development of non-congregate shelter. Many participants mentioned the need for shelter in general and for specific populations including families, those fleeing domestic violence and other situations, the elderly and single people. Although there are currently no emergency shelter beds in the City of Montebello, the City does operate a program called Operation Stay Safe which is a 30-unit tiny home community that houses homeless individuals in the City. With the amount of available funds, most thought a shelter could not be acquired or developed due to the high costs.

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In their memorandum and their agency sponsored virtual session, the Los Angeles Homeless Services Authority (LAHSA) provided recommendations for the use of HOME-ARP funds within Los Angeles County. They advocated that a “balance of resources within the homeless services system is critical to ensure effective operations” and recommended a ration of five permanent housing resources for every interim housing bed. That balance informs their recommendations:

1. Acquisition of permanent housing resources if other funds are available to leverage for the purchase of multi-unit buildings, scattered sites properties, or individual units.
2. Master leasing, which is not outlined in the HOME-ARP guidance but is being explored through conversations between LAHSA and HUD.
3. Supportive services that support emergency housing vouchers and services based in problem solving, prevention and diversion to prevent the need for interim housing or accessing the homeless services system.

Public Participation

To provide opportunities for public participation, the City of Montebello published a notice of funding availability in the Daily Journal newspaper on December 1, 2022 which announced the availability of the HOME ARP funds and it invited the public and agencies to attend a virtual consultation to discuss eligible uses of the HOME ARP Funds. This notice was also published on the City’s website in the Public Notice and Housing Division section. City staff also promoted the consultation on the social media platforms for the public and agencies which service the qualifying populations notifying them of the opportunity to participate in the virtual consultation sessions that were held on December 15, 2022. In an effort to broaden public participation, a third virtual consultation was organized by City staff on January 5, 2023.

In addition to an invitation to the virtual consultation session, the public was asked to complete an online survey regarding their views of the level of need for the eligible activities and qualifying populations as described by the CPD Notice 21-10. Those unable to attend, or who had further comments after the virtual session were invited to email them directly to City staff. If any comments are received, the HOME-ARP Plan will be updated to reflect this information.

There were 69 participants who participated in the online survey that was made available to the public. As a result of the surveys, it has been identified that Affordable Housing Development and Supportive Services are the highest needs in the City of

Montebello. Additionally, surveys identified a medium to high need for non-congregate shelters and rental assistance.

Table 5 – Rating Current Need for Eligible Activities by General Public

Eligible Activities	High Need	Mid/High Need	Mid/Low Need	Lowest Need
Development of Affordable Housing	X			
Tenant Based Rental Assistance		X		
Services (e.g., case management, legal services, moving costs assistance, etc.)	X			
Acquisition/Development of Non-Congregate Shelter Units (i.e., emergency shelter provided in individual rooms rather than a traditional homeless shelter)		X		

A combined notice of public comment period and public hearing was published in the Daily Journal newspaper on January 19, 2023. The Daily Journal is a newspaper of general circulation. The notice was also published on the City's Website in the Public Notice and Housing Division section and on the City's social media platforms. The notice included the public comment period of January 19, 2023 to February 22, 2023 and identified the public hearing date as February 22, 2023. The City of Montebello follows the applicable fair housing and civil rights requirements and procedures for effective communication, accessibility and reasonable accommodations for person with disabilities.

Efforts to Broaden Public Participation

To broaden public participation, a third virtual consultations was held on January 5, 2023. Members of the public were invited via social media to attend the virtual consultation session held in the formulation of the Allocation Plan.

Public Comments and Recommendations Received

A summary of comments and recommendation received during the public comment period and at the public hearing will be included prior to the submission of this Allocation Plan to HUD.

Public Comments and Recommendations Not Accepted and Reasons Why

If any, a summary of comments and recommendations received but not accepted and the reasons why will be included prior to the submission of this Allocation Plan to HUD.

Needs Assessment and Gap Analysis

As part of the needs assessment and gap analysis, it is necessary to examine the size and demographic composition of HOME-ARP qualifying populations, as well as their unmet needs. In addition, the needs assessment and gap analysis must identify any gaps within its current shelter and housing inventory, and service delivery system. This needs assessment and gap analysis focuses on the following:

1. Sheltered and unsheltered homeless populations;
2. Currently housed populations at risk of homelessness;
3. Other families requiring services or housing to prevent homelessness; and
4. Those at greatest risk of housing instability or unstable housing situations.

Housing Inventory Count

A Housing Inventory County (HIC) provides helpful context for identifying the number and type of beds and units available on any given night for individuals and families. There are a few housing types such as emergency housing, rapid rehousing and permanent supportive housing.

Emergency housing beds include emergency shelter and transitional housing; emergency shelter generally allows for short-term or nightly stays, while transitional housing generally allows for a stay up to 24 months. Both types of emergency housing may include supportive services designed to facilitate movement to independent living.

Rapid rehousing provides security and utility deposits and/or monthly rental and utility assistance for rental units that rent for less than the fair market rent. Assistance is generally provided for the shortest period of time necessary for a household to gain stable housing and can range from 3 to 24 months. Permanent supportive housing provides for an unlimited lease term; residents receive services necessary to promote continued housing stability.

Although the housing types mentioned above are not offered directly through the City of Montebello, the City continues to work with partners in Service Planning Area (SPA) 7 to provide housing types such as the ones mentioned above to the community. The City

of Montebello is also a part of the Local Coordinating Alliance 2 through the Gateway Cities Council of Governments Regional Resources which assist the Homeless Community or person/s At Risk of Homelessness.

The Fire Department of the City of Montebello has developed a tiny home program called Operation Stay Safe to help meet the immediate needs of individuals experiencing homelessness in the City and it will be a bridge to permanent housing. Operation Stay Safe hosts 30 tiny home units. Participants are selected through local street outreach and are assigned a unit for the duration of their stay, avoiding the daily lines associated with traditional emergency shelter. The site provides bridge housing, a temporary placement, while connecting clients to permanent housing. The target length of stay will be 90 days, allowing the site to serve up to 100 individuals in a year. The site provides privacy fencing and secured entry for the benefit of participants and neighbors. Each unit provides a bed, shelves, overhead light, AC/heat, an outlet, and a door that locks. The site also provides shared restroom, shower, and laundry facilities as well as a communal meal space offering participants increased access to hygiene and a sense of community.

Size and Demographic Composition of Qualifying Populations

The City of Montebello staff participates in the annual homeless count to identify unsheltered homeless populations. The February 2022 point-in-time (PIT) count of both sheltered and unsheltered homelessness published by Los Angeles Homeless Services Authority (LAHSA), the lead Continuum of Care agency, is used for this analysis.

Sheltered Homeless Populations

The 2022 sheltered point-in-time count identified 0 people experiencing sheltered homelessness in the City of Montebello on February 2020. People are considered sheltered when they are residing in emergency shelter or transitional housing, but not when they are receiving rapid rehousing assistance or residing in permanent supportive housing.

LAHSA leads the “official” PIT count in Los Angeles County and does not report demographics or family status.

Unsheltered Homeless Populations

The 2022 unsheltered point-in-time count identified 227 people experiencing unsheltered homelessness on February 2022. Among individuals experiencing unsheltered homelessness:

- 97 (42.8%) were on the street
- 6 (2.7%) were in makeshift shelters
- 35 (15.3%) were in cars
- 13 (5.6%) were in vans
- 39 (17.2%) were in tents
- 37 (16.4%) were in RVs/campers

At-risk of Homelessness

Households with incomes at or below 30% AMI are considered at risk of homelessness and lack sufficient resources or support networks to prevent homelessness. These households have also:

1. Have moved more than two times due to economic reasons in the past 60 days, or
2. Are doubled up with another household due to economic hardship, or
3. Will be evicted within 21 days, or
4. Live in a hotel or motel without financial assistance from a nonprofit or government entity, or
5. Live in an efficiency apartment and are overcrowded, or
6. Are exiting a publicly funded institution or system of care

The HUD Comprehensive Housing Affordability Strategy (CHAS) 2015-2019 data provides information on severe housing problems and housing cost burden to household income among households that include more than one family, by household income level. This CHAS data indicates that there are approximately 4,580 households with incomes at or below 30% AMI that are at risk of homelessness in the City.

Fleeing or Attempting to Flee Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking

The State of California Department of Justice maintains statistics on domestic violence statewide by jurisdiction in the Open Justice portal. In 2021, the local law enforcement agencies responded to a total of 295 calls related to domestic violence. Of these calls:

- 148 calls involved a weapon
- 1 domestic incidents involved a firearm
- 2 domestic incidents involved a knife or cutting instruments
- 9 domestic incidents involved other dangerous weapon
- 135 domestic incidents involved personal weapons (i.e. feet or hands, etc.)
- 0 calls involved strangulation and suffocation
- 0 domestic incidents involved strangulation
- 0 domestic incidents involved suffocation

Therefore, if each one of these calls represented a household with member(s) who required housing assistance, it can be estimated that there were up to 295 households in 2021 who were in need of some form of housing assistance. The form of housing assistance required may vary depending on the specific circumstances of each case.

Other Populations

Other populations, as defined by HOME-ARP, include those who:

1. Are currently housed and at risk of repeat homelessness;
2. Have incomes at or below 30% AMI and are experiencing severe housing cost burden; and
3. Otherwise meet the definition of at risk of homelessness and have incomes of more than 30% and at or below 50% AMI.

Other Populations: Currently housed and at risk of repeat homelessness

The LAHSA PIT does not indicate the approximate number of individuals exiting emergency shelter, or transitional or permanent housing in any given year will return to homelessness within 12 months.

Other Populations: At greatest risk of housing instability – Households with incomes <30% AMI and experiencing severe housing cost burden

The 2015-2019 HUD CHAS data indicates there are 4,580 renter households with an annual income at or below 30% AMI that are at greatest risk of housing instability.

Other Populations: At greatest risk of housing instability – Households with incomes 30-50% AMI that meet HUD's §91.5 definition of at risk of homelessness

Households in this category are those with incomes more than 30% and at or below 50% AMI that lack sufficient resources or support networks to prevent homelessness, and

- Have moved more than two times due to economic reasons in the past 60 days, or
- Are doubled up with another household due to economic hardship, or
- Will be evicted within 21 days, or
- Live in a hotel or motel without financial assistance from a nonprofit or government entity, or
- Live in an efficiency apartment and are overcrowded, or
- Are exiting a publicly funded institution or system of care

The U.S. Department of Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy (CHAS) 2015-2019 data provides information on households that include more than one family, household income level and overcrowding. The CHAS data indicates that there are approximately 4,580 renter households with incomes between 30 and 50 % AMI that are at risk of homelessness in the City because of at least one of the housing problems as defined by HUD. 3,380 are living in renter households with more than one family.

Unmet Housing Needs of Qualifying Populations

The HUD CHAS data for 2015-2019 identifies that the greatest unmet housing need of qualifying populations is the availability of affordable rental housing. As the table below shows, 6,125 of the 10,730 rental units in the City are available to households with incomes at or below 50% AMI.

The chart also identifies that the level of need for affordable rental units for households with incomes at or below 50% AMI is about 62% of the available units, according to HUD CHAS data for 2015-2019.

Table 4 – Non-homeless Housing Needs Inventory and Gap Analysis

	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	10,730		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	3,380		
Rental Units Affordable to HH at 50% AMI (Other Populations)	2,745		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		3,665	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		3,010	
Current Gaps			6,675

*Data Source: Comprehensive Housing Affordability Strategy (CHAS) Data

Unmet Service Needs of Qualifying Populations

Based on consultation with service providers in the City, the greatest unmet service needs of qualifying populations, including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations are:

- mental health services
- landlord/tenant liaison services
- housing search/counseling services
- financial assistance

Additional unmet service needs of qualifying populations, including sheltered and unsheltered homeless populations, currently housed populations at risk of homelessness, other families requiring services or assistance to prevent homelessness, and those at greatest risk of housing instability or in unstable housing situations include the following as described in HUD CPD Notice 2021-10:

- Case management services
- Credit repair services

- Education Services
- Food assistance
- Job training and employment services
- Legal services
- Mediation services
- Outpatient health services
- Outreach services
- Substance abuse treatment
- Services for special populations

Current Resources Available to Assist Qualifying Populations

The current available resources considered include Supportive services. Currently the City of Montebello is a part of the SPA 7 which provides supportive services to the qualifying populations in the City.

These supportive services include the following:

- Housing Legal Services
- Tenant Rights
- Food and Housing
- Substance Abuse
- Mental Health
- Domestic Violence Victim
- Shared Housing Opportunities
- Homeless Services
- Housing

Current Resources: Congregate Beds and Non-congregate Shelter Units

Congregate beds include emergency, safe haven, and transitional housing beds and units. Non-congregate shelter includes permanent supportive housing and rapid rehousing. Although there are currently no congregate beds and no beds in non-congregate shelter units in the City, The City does have a 30-unit tiny home's village opportunity used to house the homeless population in the City.

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Current Resources: Supportive Services

The City is served by many local and regional organizations offering supportive services to the residents. The 2022-23 CDBG allocation will fund public service activities serving teens, domestic violence victims, and families experiencing homelessness.

Current Resources: Tenant-based Rental Assistance

Currently the City does not fund Tenant-based Rental Assistance programs. There are housing vouchers available through the Housing Choice Voucher Program of the Los Angeles County Development Authority and other programs offered in the region.

Current Resources: Affordable and Permanent Supportive Rental Housing

The City does not own or manage affordable housing units. Currently there is no permanent supportive housing in the City.

Shelter, Housing and Service Delivery System Gaps

Shelter Gap

Based on the 2022 Point in Time (PIT) count, there is a gap for shelter beds in the City. Currently, the city of Montebello does not have any shelters. The PIT count found that there were 227 unsheltered persons in a variety of situations, including on the street, in makeshift shelters, or in cars, vans or RVs/campers. The 2022 PIT count does not define how many were individuals, in family units, or children.

Shelter Gap Methodology

Based on the 2022 PIT count, there is a need to provide shelter for 227 persons who are currently living out of cars, vans, RV's, tents, makeshift shelters, and on the Street in the City of Montebello.

Tenant-based Rental Assistance Gap

There is an estimated gap of 2,240 Tenant based Rental Assistance vouchers for households with income less than or equal to 30% AMI and paying more than 50% of household income for rent, including utilities.

Tenant-based Rental Assistance Gap Methodology

The number of tenant- based rental assistance vouchers was calculated using HUD CHAS Data and equal to the number of renter households with income less than or equal to 30% of AMI and paying more than 50% of household income for rent, including utilities.

Table 6 – Tenant-based rental assistance Gap

Tenant-based rental assistance Unit Gap	
Renter Households with Income less than or equal to 30% AMI paying more than 50% of income for rent, including	2,240

Affordable and Permanent Supportive Rental Housing Gap

There is an estimated gap of 3,380 rental units affordable to renter households with income at or below 30% AMI and an estimated gap of 2,745 rental units affordable to renter households with income more than 30% and at or below 50% AMI.

Affordable and Permanent Supportive Rental Housing Gap Methodology

The number of Affordable Rental Units was calculated using HUD CHAS Data for the City of Montebello and is equal to the number of renter households paying more than 50% of household income for rent, including utilities.

Table 7 – Affordable Rental Unit Gap

Affordable Rental Unit Gap	
Renter Households with Income at or below 30% AMI paying more than 50% of income for rent, including utilities	3,380
Renter Households with Income 30% to 50% AMI paying more than 50% of income for rent, including utilities	2,745
Total Affordable Rental Unit Need	6,125

Permanent supportive rental housing is part of the affordable rental housing gap, primarily for households with income at or below 30% AMI. In addition to affordable rent,

permanent supportive housing provides an array of services necessary to help people with disabilities and/or experiencing chronic homelessness to retain housing stability.

There is an estimated gap of 195 permanent supportive housing units in the City. The number of Permanent Supportive Rental Housing Units needed was calculated by multiplying the current population of the City, according to the California Census 2021, by the per capita need (0.003183) as calculated by the Corporation for Supportive Housing.

Table 7 – Permanent Supportive Housing Gap

Permanent Supportive Housing Gap	
Population of Montebello Census 2021	61,204
Per capita estimate of permanent supportive housing need	.003183
Estimated need for Permanent Supportive Housing	195
Permanent Supportive Housing Available	0
Total Permanent Supportive Housing Gap	195

Service Delivery System Gaps and Methodology

To identify gaps in the service delivery system, the City relied on its consultation with stakeholders and experience working with the organizations working in the City. The stakeholders believe that the most critical service gaps are in the areas landlord/tenant liaison services, mental health services, financial assistance, transportation assistance, housing search/counseling services, food distribution and childcare assistance. The stakeholders also believed there was a need for assistance with general administrative costs and capacity building among the service providers serving the City's qualifying populations.

Characteristics of Housing Associated with Increased Risk of Homelessness for Other Populations

Another characteristic of housing in the City that is associated with homelessness is severe housing cost burden, or paying more than 50% of household income on rent and utilities. The 2015- 2019 HUD CHAS Data indicates there are 2,820 households at or below 50% AMI who are spending more than 50% of their household income on rent and utilities.

Priority Needs for Qualifying Populations

Priority needs for qualifying populations are:

- Affordable rental housing
- Supportive services including:
  - Landlord/tenant liaison services
  - Mental health services
  - Financial assistance services
  - Transportation services
  - Housing search and housing counseling services
  - Childcare assistance
- Tenant-based rental assistance
- Non-congregate shelter

HOME-ARP Activities

The City solicited applications from developers, service providers, and/or nonprofits to administer eligible activities and/or develop shelter and housing. A Notice of Funds Available (NOFA) was published on December 1, 2022. The NOFA specified eligible activities, eligible applicants, available funding amounts, application thresholds, and provided instructions on how to submit an application.

Uses of HOME-ARP Funding

Activity	Funding Amount	Percent of Allocation	Statutory Limit
Non-congregate Shelter	0	0	
Affordable Rental Housing	$1,000,000	92%	
Tenant-based Rental Assistance	0	0	
Supportive Services	0	0	
Administration and Planning	$88,770	8%	15%
Total HOME-ARP Allocation	$1,088,770	100%	

Rationale for Uses of HOME-ARP Funding

Affordable Rental Housing. The City of Montebello estimates that the HOME-ARP funding will support the development of 81 new affordable housing units. In accordance with the priority needs identified in the needs assessment and gap analysis, the City anticipates in helping to reduce the gap in housing needs by providing 81 new affordable housing units. Based on the needs assessment and gap analysis, it was determined that there is a housing inventory gap; therefore, HOME ARP funds will be used to develop affordable rental housing.

Admin and Planning. This plan allocates $88,770 towards the administration and planning functions of the HOME-ARP funds at the statutory limit. Integrated planning and administration of the entire HOME ARP Program and its eligible activities will be performed by City staff and consultants.

Acquisition and development of non-congregate shelter. The need for emergency shelter beds is growing throughout the greater Los Angeles area. There are currently no emergency shelter beds available within the City. During consultation process, many participants believed that this was a high need but don't consider it as an option given the high cost of the development and then the operation of a shelter. The City believes the need is great and should be addressed in the future if any opportunity becomes available.

Tenant-based rental assistance (TBRA). The city will not use HOME ARP Funds towards tenant based rental assistance. However, TBRA will be leveraged with Emergency Housing Vouchers administered by the County of Los Angeles.

Provision of supportive services. Many examples of supportive services were called out and considered in the consultation process, both in the virtual session and in the survey. One applications was received for this category however, the plan will not allocate HOME ARP Funds towards supportive services since the funds will be used to meet a high priority of Housing needs. The City is a part of SPA 7 which will continue to provide supportive services through various organizations for the community.

HOME-ARP Housing Production Goals

HOME ARP Funds will contribute to the production of 81 rental housing units. The housing development will provide housing opportunities for qualifying populations as defined in the 24 CFR 91.5. These affordable rental housing units will contribute to

Montebello's housing production goals, and will help meet the City's most pressing housing needs.

Preferences

The City will use HOME ARP Funds for the Production and Preservation of Affordable housing (HOME-ARP Rental Housing). Although all four qualifying populations have the access to apply for the Rental Housing that will become available, the City of Montebello will provide preferences to at risk of homelessness population and Fleeing or attempting to flee: Domestic Violence, Domestic Dating, and Sexual Assault, Stalking or human trafficking population. The use of these preferences are based on local housing needs and will address the unmet need or gap in benefits and services received by individuals and families in the qualifying populations, consistent with the City's needs assessment and gap analysis. All eligible Qualifying population applicants are selected in chronological order for a HOME-ARP rental project. The City will comply with the nondiscrimination requirement and equal opportunity laws and requirement and any other applicable fair housing and civil rights laws and requirements when applying preferences, including, but not limited to, those requirements listed in 24 CFR 5.105(a).

The City of Montebello will continue to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference by providing access to the Rental housing applications and access to resources that would benefit these qualifying populations.

HOME-ARP Refinancing Guidelines

The City of Montebello does not plan to use HOME-ARP funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds. Therefore, refinancing guidelines pursuant to 24 CFR 92.206(b) are not applicable to this HOME-ARP Allocation Plan.

DRAFT

APPENDIX A
Citizen Participation

Summary of Citizen Participation Comments

January 19, 2023-February 22, 2023 Allocation Plan Public Review and Comment Period

A summary of comments and recommendation received during the public comment period and at the public hearing will be included prior to the submission of this Allocation Plan to HUD.

Public Hearing before City Council on February 22, 2023

A summary of comments and recommendation received during the public comment period and at the public hearing will be included prior to the submission of this Allocation Plan to HUD.

APENDIX B
SF-424 Grant Application
SF-424D
Allocation Plan Certifications

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424

*** 1. Type of Submission:**
- [ ] Preapplication
- [ ] Application
- [ ] Changed/Corrected Application

*** 2. Type of Application:**
- [ ] New
- [ ] Continuation
- [X] Revision

* If Revision, select appropriate letter(s): A. Increase Award

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: City of Montebello

* b. Employer/Taxpayer Identification Number (EIN/TIN): 956000746

* c. UEI: FP57WF3LE323

d. Address:

* Street1: 1600 W. Beverly Blvd
Street2:
* City: Montebello
County/Parish:
* State: CA: California
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code: 90640

e. Organizational Unit:

Department Name: Planning & Community Development

Division Name: Housing

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:
* First Name: Joseph
Middle Name:
* Last Name: Palombi
Suffix:

Title: Planning and Community Development Director

Organizational Affiliation: City of Montebello

* Telephone Number: 323-887-1200 Ext 598

Fax Number: 323-887-1488

* Email: jpalombi@cityofmontebello.com

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

U.S. Department of Housing and Urban Development (HUD)

11. Catalog of Federal Domestic Assistance Number:

14.239

CFDA Title:

HOME Investment Partnership Program

*** 12. Funding Opportunity Number:**

FY21 Action Plan- HOME ARP Amendment

* Title:

FY2021 Action Plan

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

HOME ARP Program, Production & Preservation of Affordable Housing; Supportive Services; and Program Administration

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 38th
* b. Program/Project: 38th

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 09/20/2021
* b. End Date: 09/30/2030

18. Estimated Funding ($):

* a. Federal	1,088,770
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	1,088,770

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- [ ] a. This application was made available to the State under the Executive Order 12372 Process for review on
- [ ] b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- [x] c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- [ ] Yes
- [x] No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

- [x] ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:	
* First Name:	Rene
Middle Name:	
* Last Name:	Bobadilla
Suffix:	
* Title:	City Manager
* Telephone Number:	323-887-1363
Fax Number:	
* Email:	rbobadillacityofmontebello.com
* Signature of Authorized Representative:	
* Date Signed:	12/28/22.

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant:, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29) U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Montebello	12/28/23

SF-424D (Rev. 7-97) Back

HOME-ARP CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the participating jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing pursuant to 24 CFR 5.151 and 5.152.

Uniform Relocation Act and Anti-displacement and Relocation Plan --It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It will comply with the acquisition and relocation requirements contained in the HOME-ARP Notice, including the revised one-for-one replacement requirements. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42, which incorporates the requirements of the HOME-ARP Notice. It will follow its residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the HOME-ARP program.

Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose
accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and program requirements.

Section 3 --It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

HOME-ARP Certification --It will use HOME-ARP funds consistent with Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) and the CPD Notice: *Requirements for the Use of Funds in the HOME-American Rescue Plan Program*, as may be amended by HUD, for eligible activities and costs, including the HOME-ARP Notice requirements that activities are consistent with its accepted HOME-ARP allocation plan and that HOME-ARP funds will not be used for prohibited activities or costs, as described in the HOME-ARP Notice.

Signature of Authorized Official

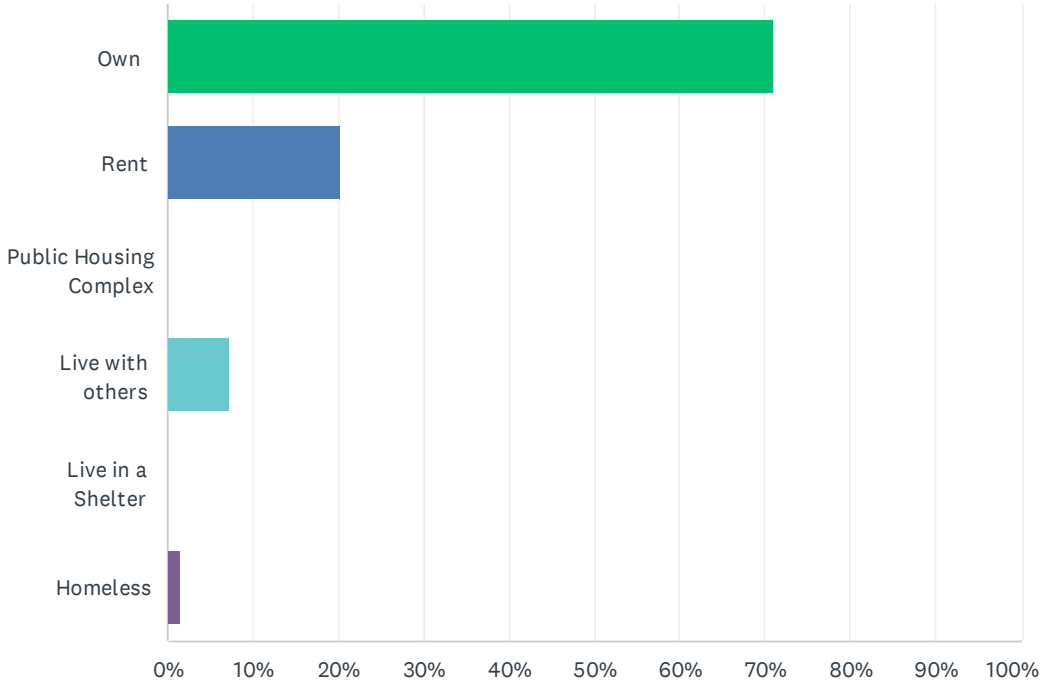
12/28/22
Date

City Manager
Title

APPENDIX C
CONSULTATION/ SURVEY

Q1 Which best describes your living situation?

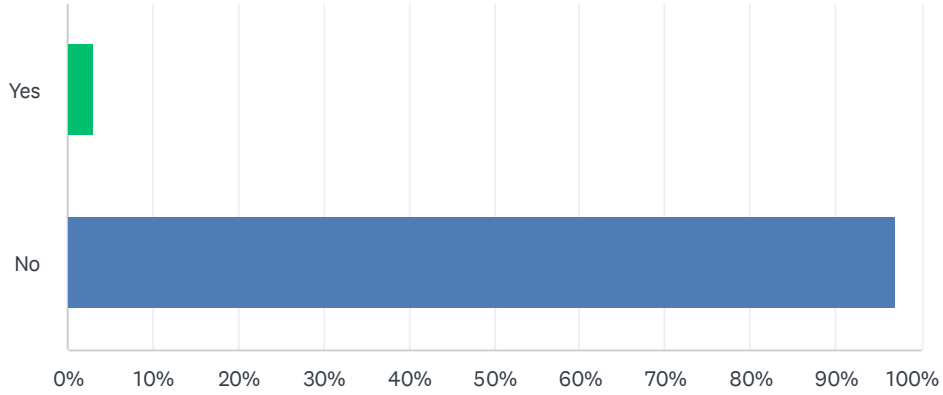
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
Own	71.01%	49
Rent	20.29%	14
Public Housing Complex	0.00%	0
Live with others	7.25%	5
Live in a Shelter	0.00%	0
Homeless	1.45%	1
TOTAL		69

Q2 Have you experienced domestic or dating violence?

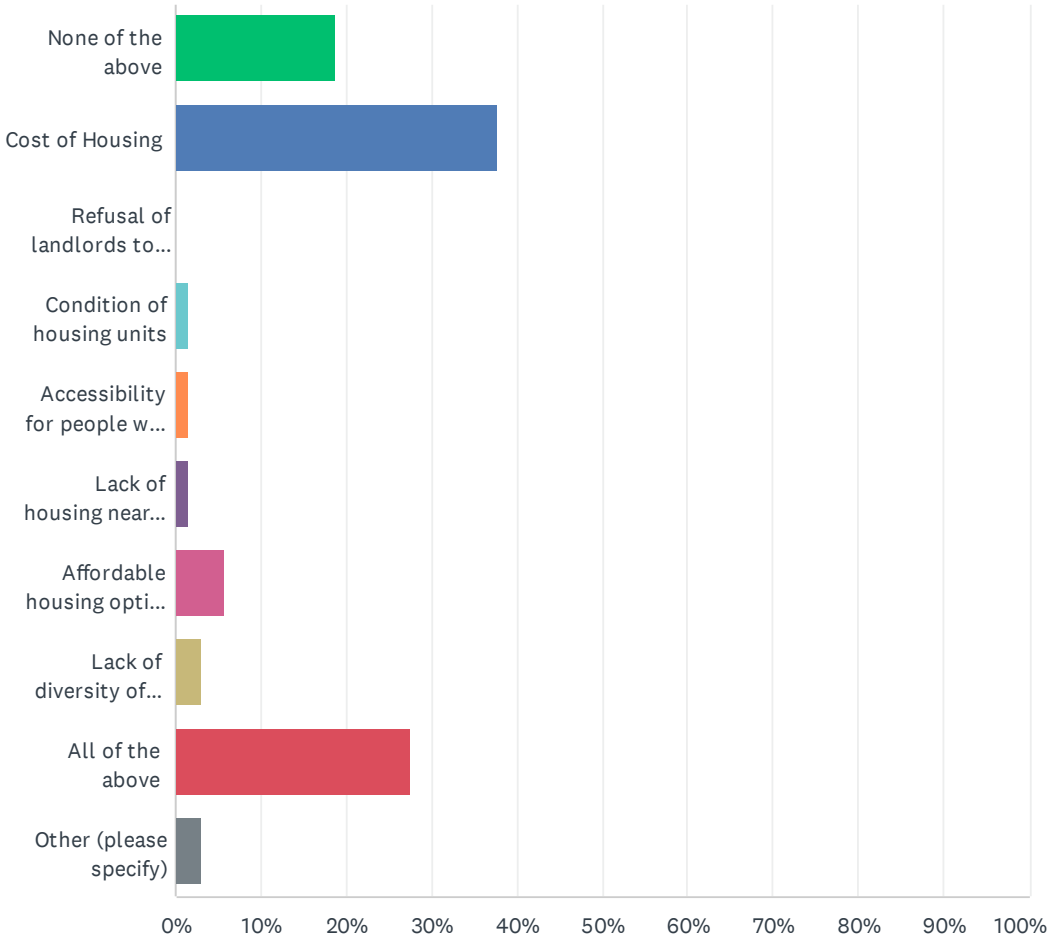
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	2.90%	2
No	97.10%	67
TOTAL		69

Q3 What are the barriers to finding good housing in the city that you have experienced or observed?

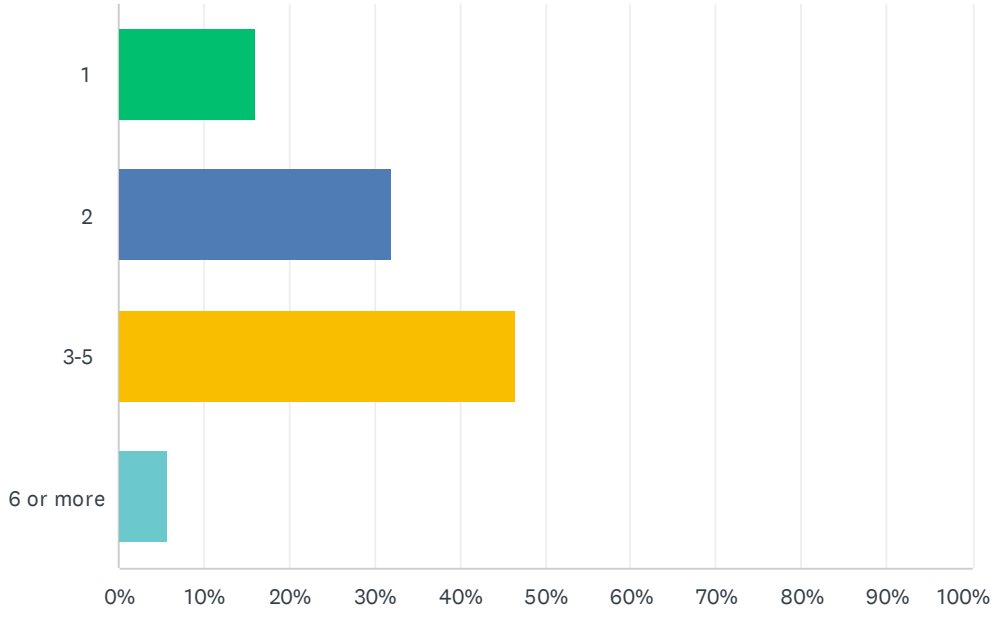
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
None of the above	18.84%	13
Cost of Housing	37.68%	26
Refusal of landlords to accept rental subsidy assistance	0.00%	0
Condition of housing units	1.45%	1
Accessibility for people with disabilities or disabling conditions	1.45%	1
Lack of housing near areas of opportunity (employment, services, education, etc.)	1.45%	1
Affordable housing options available only in certain areas	5.80%	4
Lack of diversity of housing options (such as single-family houses, apartments, and townhouses)	2.90%	2
All of the above	27.54%	19
Other (please specify)	2.90%	2
TOTAL		69

Q4 How many people are in your household, including yourself?

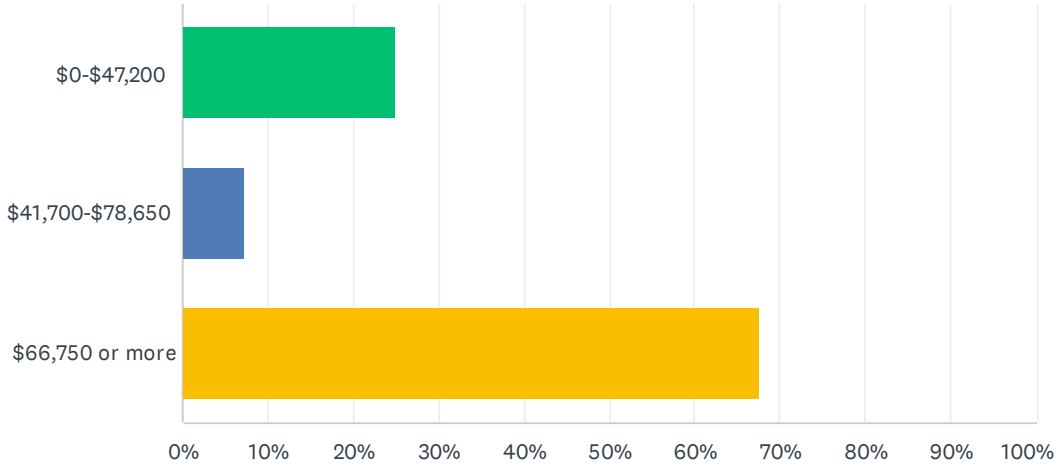
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
1	15.94%	11
2	31.88%	22
3-5	46.38%	32
6 or more	5.80%	4
TOTAL		69

Q5 What is your total household income?

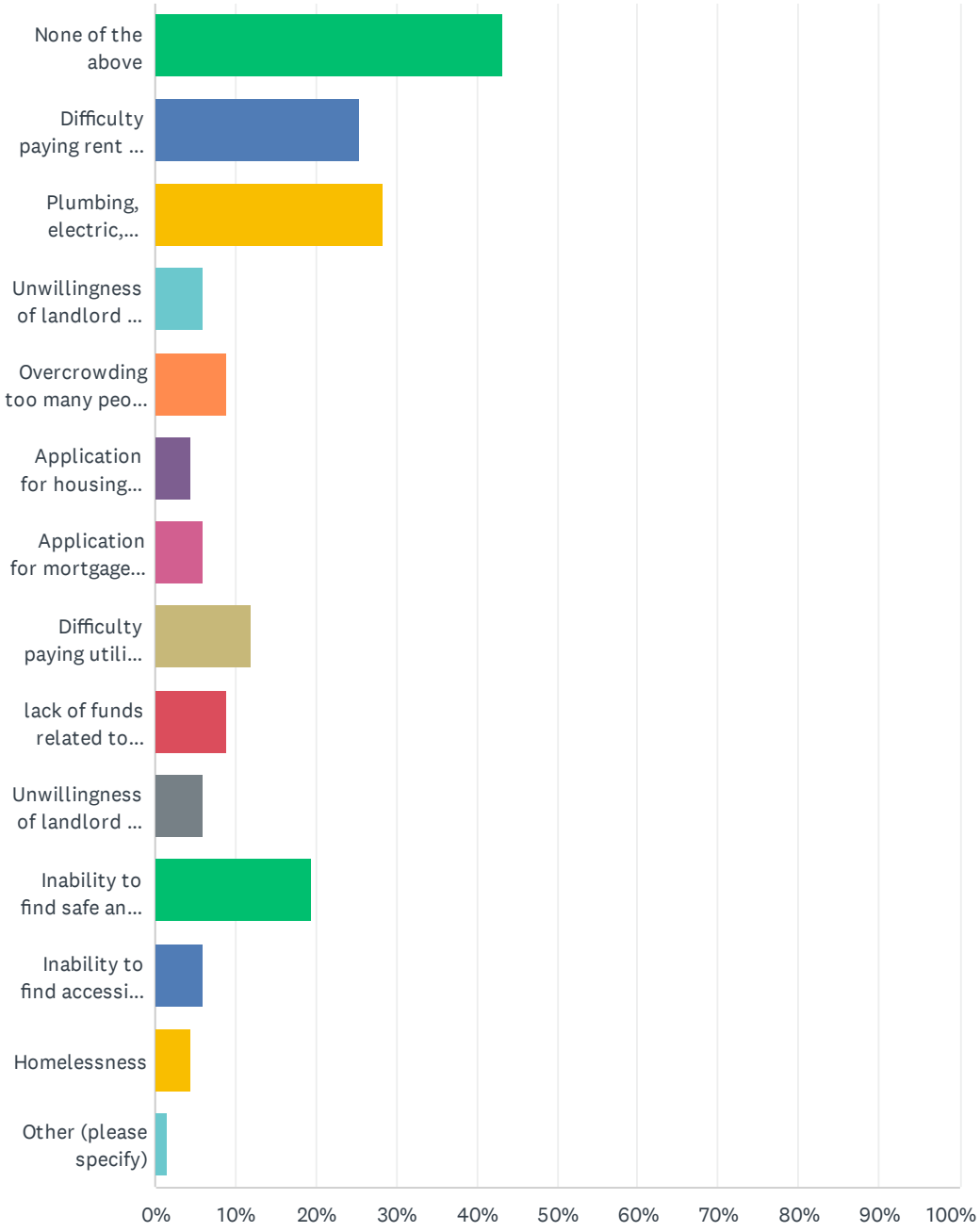
Answered: 68 Skipped: 1



ANSWER CHOICES	RESPONSES	
$0-$47,200	25.00%	17
$41,700-$78,650	7.35%	5
$66,750 or more	67.65%	46
TOTAL		68

Q6 Have you experienced any of the following in the past 2 years?

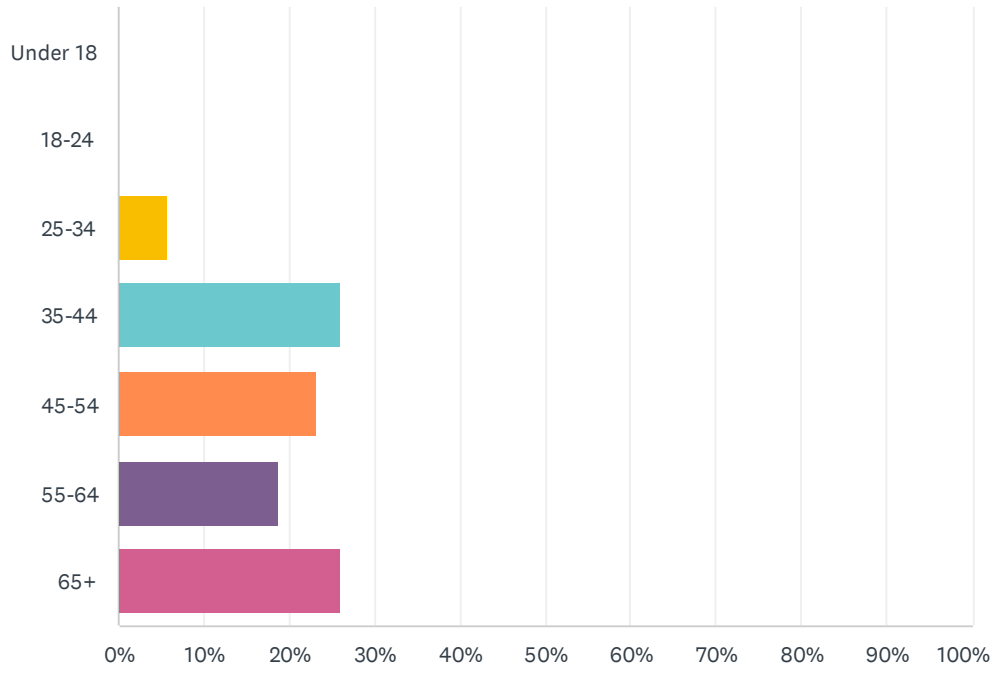
Answered: 67 Skipped: 2



ANSWER CHOICES	RESPONSES	
None of the above	43.28%	29
Difficulty paying rent and or mortgage	25.37%	17
Plumbing, electric, appliances, or other items in your home do not work	28.36%	19
Unwillingness of landlord to make needed repairs and or improvements to your home	5.97%	4
Overcrowding too many people living in one home	8.96%	6
Application for housing being denied.	4.48%	3
Application for mortgage loan being denied	5.97%	4
Difficulty paying utility bills or making utility deposits	11.94%	8
lack of funds related to relocation (security deposits, transportation, moving costs, application fees, etc.)	8.96%	6
Unwillingness of landlord to make needed repairs and or improvements to your home	5.97%	4
Inability to find safe and decent housing at affordable costs	19.40%	13
Inability to find accessible housing that meets needs of your disability, if any	5.97%	4
Homelessness	4.48%	3
Other (please specify)	1.49%	1
Total Respondents: 67		

Q7 What is your age

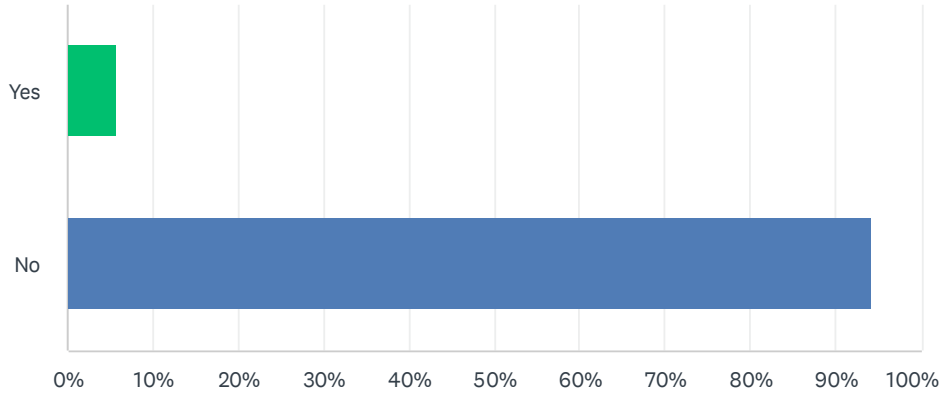
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
Under 18	0.00%	0
18-24	0.00%	0
25-34	5.80%	4
35-44	26.09%	18
45-54	23.19%	16
55-64	18.84%	13
65+	26.09%	18
TOTAL		69

Q8 Have you ever served on active duty in the U.S. Armed Forces (includes activation from the Reserves or National Guard)?

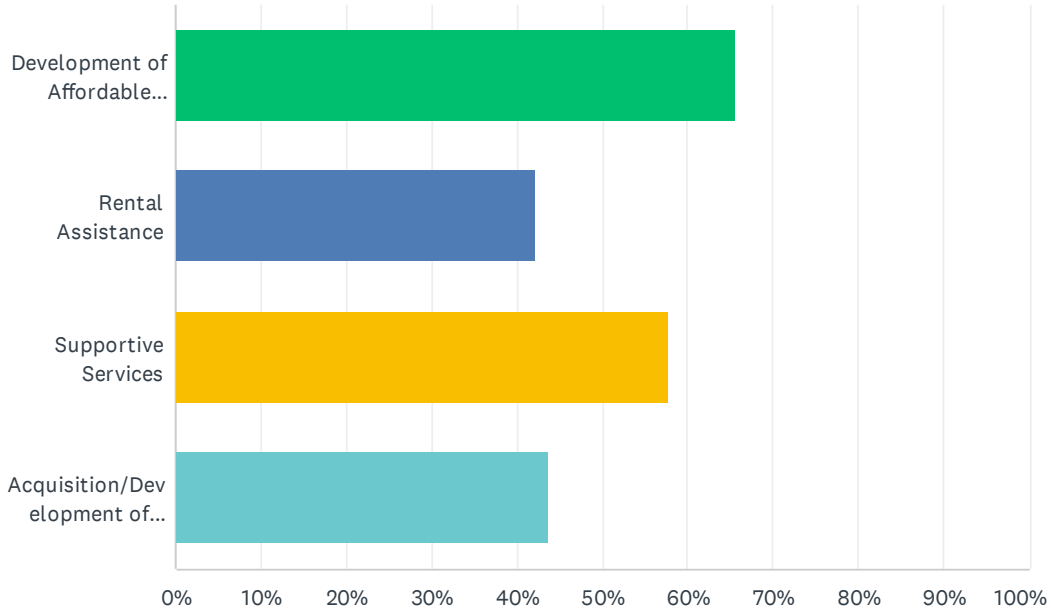
Answered: 69 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	5.80%	4
No	94.20%	65
TOTAL		69

Q9 Which projects are needed in the City of Montebello? Select all that apply:

Answered: 64 Skipped: 5



ANSWER CHOICES	RESPONSES	
Development of Affordable Housing	65.63%	42
Rental Assistance	42.19%	27
Supportive Services	57.81%	37
Acquisition/Development of Non-Congregate Shelter Units (i.e., Emergency shelter provided in individual rooms rather than a traditional homeless shelter)	43.75%	28
Total Respondents: 64		

MONTEBELLO NEWS

This space for filing stamp only

3731 WILSHIRE BLVD STE 840, LOS ANGELES, CA 90010
Telephone (323) 556-5720 / Fax (213) 835-0584

KIMBERLY GUILLEN
CITY OF MONTEBELLO/CITY CLERK (LEAD)
1600 W. BEVERLY BLVD
MONTEBELLO, CA - 90640

EWA#: 3661061

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of LOS ANGELES) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:
Notice of Public Hearing - Home ARP Plan

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the MONTEBELLO NEWS, a newspaper published in the English language in the city of MONTEBELLO, county of LOS ANGELES, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of LOS ANGELES, State of California, under date 03/13/1934, Case No. 369441. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

01/19/2023

Executed on: 01/19/2023
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

A000000621601 0

Email

CITY OF MONTEBELLO
PUBLIC COMMENT AND PUBLIC HEARING NOTICE

COMBINED NOTICE OF PUBLIC REVIEW/COMMENT PERIOD AND PUBLIC HEARING FOR THE DRAFT SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2021-2022 HUD ANNUAL ACTION PLAN AND HOME-ARP ALLOCATION PLAN

PROJECT DESCRIPTION: On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law and allocated federal ARP funds to local cities through the HOME Investment Partnerships Program (HOME). As a recipient of HOME funds, the City of Montebello is eligible to receive a HOME-ARP allocation in the amount of $1,088,770. To receive its HOME-ARP funds, the City must develop a HOME-ARP Allocation Plan and submit a HOME-ARP Allocation Plan to HUD as a substantial amendment to the City's previously approved Fiscal Year 2021-2022 Annual Action Plan. The HOME-ARP Allocation Plan describes how the City intends to distribute HOME-ARP funds to address the needs of qualifying populations. The City has prepared a HOME-ARP Allocation Plan, a Substantial Amendment to its 2021-2022 Annual Action Plan, which is now available for public review.

The City of Montebello proposes the utilization of HOME-ARP funds to implement the programs listed below:

HOME-ARP INVESTMENT PARTNERSHIP

Proposed Programs	Description	Amount
Administration	City of Montebello	$88,770
Production and Preservation of Affordable Housing	Vista Del Monte Affordable Housing Inc. (Affiliate of Cesar Chavez Foundation)	$1,000,000
TOTAL		**$1,088,770**

NOTICE IS HEREBY GIVEN that the City of Montebello is proposing to amend FY 2021-2022 Annual Action Plan to receive and administer $1,088,770 in HOME-ARP from the U.S. Department of Housing and Urban Development (HUD). To receive the HOME-ARP allocation, the City must develop a HOME-ARP Allocation Plan that will become part of the City's FY2021 Annual Action Plan by substantial amendment.

Public Review and Comment Period: The publication of this notice is the beginning of the 30-day public review/comment period. The draft Substantial Amendment to FY 2021-2022 Annual Action Plan and HOME-ARP Allocation Plan will be available for public review from January 19, 2023 to February 22, 2023 during the public review/comment period, the draft documents are available for public review on the City's website at:

https://www.montebelloca.gov/cms/One.aspx?portalId=58756&pageId=79103 under the HOME ARP Funds Section.

In addition, during the comment period, comments and/or questions may be submitted to:

Planning and Community Development Department
Attn: Rosemary Perich, Housing Manager
1600 W. Beverly Boulevard, Montebello, CA 90640
Office Telephone: (323) 887-4521 Ext 454
Monday through Thursday, 7:30 A.M. to 5:30 P.M.

PUBLIC HEARING INFORMATION:

Date: Wednesday, February 22, 2023

Time: 6:00 p.m. or as soon thereafter as the matter may be heard

Place: City Hall Council Chambers, 1600 W. Beverly Blvd., Montebello, CA 90640

In- Person: For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council meetings, you may address the City Council in person the day of the meeting. Speakers will be required to fill out a speaker card provided at the door and turn it into the Deputy City Clerk prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. Closed Session begins at 5:00 p.m., Regular Session will follow no later than 6:00 p.m.

Via Email: The public may also submit emailed comments via the City's email address: ccpubliccomment@cityofmontebello.com, up until the day of the meeting, **Wednesday, February 22, 2023 by 3:00 p.m.** These comments will be submitted to all members of the City Council and may not be read aloud but will be entered into the record of the proceedings to the extent they relate to matters listed on the posted agenda. Any requests to provide public comment which is submitted after the deadlines indicated above will not be submitted to the City Council.

Americans with Disabilities Act (ADA): The City of Montebello, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access, attend and/or participate in the City meeting due to disability, to please contact the Housing Manager by email rperich@cityofmontebello.com at least 6 hours prior to the scheduled special meeting to ensure assistance is provided.

Alicia Fernandez,
Senior Deputy City Clerk

Dated: January 12, 2023
Date posted: January 19, 2023
Date published: January 19, 2023

ITEM # 3

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: **ADOPT RESOLUTION NO. 23-16, CITY OF MONTEBELLO MEMBERSHIP IN THE GATEWAY CITIES AFFORDABLE HOUSING TRUST, A JOINT POWERS AUTHORITY**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Adopt Resolution No. 23-16 approving execution of the Joint Exercise of Powers Agreement relating to the City's membership in the Gateway Cities Affordable Housing Trust; and
2. Authorize the Mayor to execute the Gateway Cities Affordable Housing Trust Joint Powers Authority (JPA) Agreement.

FISCAL IMPACT:

No financial impact is expected until July 1, 2024. Future financial impact, beginning July 1, 2024, is estimated at $32,500 annually ($2,708.33 per month). This represents the first year of annual dues required by all members of the Joint Powers Authority Trust. The annual due will be adjusted by a consumer price index (CPI) inflator, as described in detail in the section below. The Fiscal Year 2024-25 budget will be developed to include these annual dues.

BACKGROUND/DISCUSSION:

The Gateway Cities region of Los Angeles County includes 27 cities located along the I-710 corridor in eastern Los Angeles County. Early in 2021 the Gateway Cities Council of Governments (GCCOG) obtained State funding from the Southern California Association of Governments (SCAG) to explore the formation of an affordable housing trust.

Since then, GCCOG and their consultant conducted the following activities:

- Interview the GCCOG cities to determine their housing needs and priorities, explain the concept of the Trust, and investigate their interest in being a member.
- Interview other stakeholders in the region in the same fashion, including the County of Los Angeles, affordable housing developers, financing entities, advocates, research organizations, and other related entities to gain their perspectives.
- Provide an overview of best practices from other local housing trust fund studies, as well as a comparative review of the range of organizational and governance structures.
- Conduct a study of the overall housing needs in the region, determine the existing sources of support to meet these needs, and estimate how much additional funding support will be needed for cities to meet these needs and satisfy their Regional Housing Needs Assessment obligations.
- Identify affordable and homeless housing developments planned within the Gateway Cities, including those in construction and those in the entitlement and pre-development phases. Compare the number of units to be provided and the populations to be served by these units to the housing need report.
- Form a Steering Committee of Gateway COG City Managers and others to work with the Gateway Cities COG and the consultants to make the initial recommendations for how a Trust might be formed and explore the initial sources of funding to support this effort.
- Based on dialogue with the Trust Steering Committee, create and support the negotiation of a Joint Powers Agreement for the Trust, develop an Administrative Plan, Governance Structure, and Bylaws for the Trust.
- Prepare a draft strategic plan for the new Trust, for review and acceptance by the Gateway Cities COG Board and final adoption by the new Board of Directors of the Trust when that Board is in place.
- Develop an operational plan for the first full year of operations of the Trust, proposed as fiscal year July 1st, 2023, to June 30th, 2024.
- Create a draft capital and administrative budget for the first year of Trust operations.

In late summer 2022, a Trust Steering Committee was formed including representatives from member cities, Los Angeles County, developers, and financing entities. The Trust Steering Committee met on three occasions and accomplished a variety of detailed analyses including, a review of other housing trusts best practices, examined potential funding sources for capital and administrative funding, discussed potential housing programs/projects, identified the key components to the Trust Strategic Plan, and helped draft the Joint Powers Agreement.

The Steering Committee unanimously recommended the formation of an affordable housing trust for the Gateway Cities sub-region. In addition, presentations were made to the GCCOG Committee on Homelessness, Gateway Cities City Managers and Planning Directors Committee. All groups expressed unanimous support for the formation of a Trust.

TRUST MEMBERSHIP

As outlined in the JPA, the Trust does not build, own, or manage housing projects. The Trust cannot require that housing projects be located in specific cities, require member cities to take an allocation of supportive housing units, or require that cities provide a local funding match. The Trust Board of Directors determines whether a funding application meets the Notice of Funding Availability criteria. Each local jurisdiction maintains land use control and processes the entitlement consistent with its zoning and municipal code requirements.

The JPA contains a provision that requires members to contribute towards administrative expenses of the Trust. Member cities are not required to contribute funding until July 1, 2024. Prior to this period, the Gateway Cities Council of Governments secured administrative formation funding for the Trust. The annual membership fees are based upon a city's population:

- Up to 30,000 = $7,500
- 30,001 to 60,000 = $15,000
- **60,001 to 100,000 = $32,500**
- Greater than 100,000 = $47,500

This amount will increase annually in an amount equal to the U.S. Bureau of Labor Statistics consumer price index for Los Angeles-Long Beach-Anaheim area for the 12-month period preceding the year the fees are assessed.

The City would maintain the right to withdraw from the JPA subject to an approved resolution and by providing a six-month notice.

GOVERNANCE

The Trust will be a public government entity established by joint powers authority and in accordance with the Joint Exercise of Powers Act, as codified in California Government Code section 6500 et seq. The Trust will be organized to receive public and private capital and administrative funds to address local housing needs. The Trust will have an ongoing administrative revenue source from city membership fees as specified in the Trust Joint Powers Agreement (JPA) (see Attachment B) to be signed by each city that is a member of the Trust.

The Trust is governed by a nine-member Board of Directors (Board). Pursuant to the JPA By-Laws (Attachment C), the Board is comprised of seven elected officials whose governing body is a member of the Trust and appointed by the Gateway Cities Council of Governments Board. A Trust member city will be represented on the Board by each population category specified in the Trust Membership fee calculation. Two additional Board members are experts in homelessness or housing policy and approved by the GCCOG City Managers Committee. A list of Trust Board Members will be available after April 2023.

PAST AND PIPELINE OF AFFORDABLE HOUSING PROJECTS

The Trust will help cities address their Regional Housing Needs Assessment (RHNA), which is mandated by State Housing Law as part of the periodic process of updating local

housing elements of the General Plan for each city. RHNA quantifies the need for housing within each jurisdiction during specified planning periods.

In the past eight-year planning period, from 2013 through 2021, the GCCOG subregion received tax credit funding for 58 projects totaling nearly 6,000 housing units.
A 2022 survey of GCCOG cities revealed that there are 38 affordable housing projects currently in the pipeline that have not yet started construction. Most of these projects need critical gap subsidy funding to start construction. These 38 pipeline projects would benefit from additional funding provided by the Trust which could accelerate and facilitate the creation of an additional 4,000 affordable housing units in the COG subregion.

ENVIRONMENTAL:

N/A

ANALYSIS:

Staff recommends that the City of Montebello join the Gateway Cities Affordable Housing Trust (Trust), a Joint Powers Authority (JPA) formed among the cities within the Gateway Cities region. The Trust provides funding to preserve and produce affordable housing. These funds improve the financial viability of individual housing projects and programs. This funding can also increase each project's competitiveness for additional state and federal funding sources. Additionally, the Trust works with a variety of government and philanthropy groups to attract more housing funds to the Gateway Cities region. Joining the Trust would help the City achieve the stated goals and objectives of the 6th Cycle Housing Element and support the region as a whole to bring new dollars to help fund additional affordable housing developments. To become a member, the City Council would adopt a Resolution and authorize the Mayor to execute the JPA with the Trust.

SUMMARY:

In summary, joining the Trust would support the City's Housing Element goals of encouraging more affordable housing, as well as the objective to secure state, federal, and local affordable housing funds and to assist developers in finding funding sources.

To become a member, the City Council would adopt a Resolution (Attachment A) and authorize the Mayor to execute the Joint Powers Agreement with Trust (Attachment B).

ATTACHMENT(S)

1. Attachment A - Resolution No. 23-16, Membership in the GCAHT
2. Attachment B - Agr. No. 4076, GCAHT JPA Final (Feb 2023)
3. Attachment C - GCAHT Bylaws Final (Feb 2023)

NEXT STEPS:

N/A

RESOLUTION NO. 23-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, APPROVING, AUTHORIZING AND DIRECTING CITY EXECUTION OF THE JOINT EXERCISE OF POWERS AGREEMENT RELATING TO MEMBERSHIP IN THE GATEWAY CITIES AFFORDABLE HOUSING TRUST

RECITALS

WHEREAS, The Gateway Cities Affordable Housing Trust (GCAHT) will be formed upon the approval of at least three qualified members as a joint powers authority between cities throughout the Gateway Cities subregion; and

WHEREAS, GCAHT was created for the purpose of funding housing specifically assisting persons and families of extremely low, very low, low and moderate income within the County of Los Angeles; and

WHEREAS, the City of Montebello (the "City") has determined through its 6th Cycle Housing Element Update that there is great need for more affordable housing in the City; and

WHEREAS, the City of Montebello (the "City") has determined that there are limited financial resources for affordable housing development and that additional local financing increases the competitiveness of individual projects for the State and Federal resources; and

WHEREAS, the City of Montebello (the "City") has determined that it is in the public interest and for the public benefit that the City become a member of the GCAHT in order to further facilitate the development of affordable housing in the City and throughout the region, including the financing of projects therefore by the GCAHT; and

WHEREAS, the City (the "City Council") will be joining other cities that are members of the GCAHT in efforts to increase State and Federal resources for affordable housing directed to GCAFT; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council of the City (the "City Council"), with the assistance of its staff, have reviewed said document; and

WHEREAS, the GCAHT is authorized to issue grants and loans to developers for the purpose, among others, of financing or refinancing the construction, acquisition and rehabilitation of affordable housing; and

WHEREAS, the City anticipates that there will be affordable housing projects in need of financing located in the City of Montebello; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council hereby authorizes the City's membership in the Gateway Cities Affordable Housing Trust (GCAHT).

SECTION 3. The City Council has reviewed and approves the Joint Exercise of Powers Agreement substantially in the form attached (Attachment 2).

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire, construct or operate any Project or any refinancing of any Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, improvement, rehabilitation or operation of any Project; (iii) require any contribution or advance any funds whatsoever to the GCAHT other than membership fees for administrative costs; or (iv) except as provided in this Resolution, take any further action with respect to the GCAHT or its membership therein.

SECTION 5. The Mayor, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute the Joint Exercise of Powers Agreement and to perform such other acts and deeds, as may be necessary or convenient to affect the purposes of this Resolution and the transactions herein authorized.

SECTION 6. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the GCAHT:

Gateway Cities Affordable Housing Trust
Attn: Melani Smith
16401 Paramount Blvd
Paramount, CA 90723

SECTION 7. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED THIS 22nd DAY OF FEBRUARY 2023.

_____
David N. Torres, Mayor

ATTEST:

_____
Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-16 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Christopher Jimenez, City Clerk

CITY OF MONTEBELLO AGREEMENT NO. 4076

JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") is made this 22nd day of February, 2023 (the "Effective Date"), by and between the following public entities (each a "Party" and, collectively, the "Parties"): The City of Montebello and Gateway Cities Affordable Housing Trust Fund.

RECITALS

A. The Parties have a strong interest in promoting the health, safety, and welfare of the residents within their geographic boundaries.

B. Each Party has the individual power to implement affordable housing projects and programs generated within its jurisdictional boundaries, as well as, to create and issue development agreements for such activities.

C. The Parties find it in their mutual interest to address affordable housing issues on a regional level.

D. An adequate supply of housing throughout the Gateway Cities subregion will provide social and economic benefits to residents and taxpayers of the Parties.

E. The Parties desire to act in the public interest to lessen the burden of government by reducing the need for each Party to act individually, and to provide charitable support for affordable housing in the Gateway Cities subregion of Los Angeles County (the "County").

F. California Government Code section 6500 et seq. ("Joint Exercise of Powers Act" or "Act") permits two or more public agencies to create joint powers authorities for the purposes cited herein and permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.

G. Local land-use decisions remain solely with each Party. Nothing in this Agreement deprives any Party of its sovereign powers with respect to land-use or transfers such powers to the joint powers authority.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties agree as follows:

Section 1. Creation and Purpose.

(a) Creation of GCAHT. Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "Gateway Cities Affordable Housing Trust"

("GCAHT"). GCAHT shall be a public entity separate and apart from the Parties and shall administer this Agreement.

(b) Purpose. This Agreement is made pursuant to the Joint Exercise of Powers Act for the purpose of creating the GCAHT as a public entity separate from the Parties to: (i) exercise common powers with respect to receiving public and private financing and funds; and (ii) fund the planning and construction of housing of all types and tenures for persons and families of extremely low-, very low-, low- and moderate-income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing. The purpose of this Agreement shall be accomplished, and common powers exercised in the manner set forth in this Agreement. Nothing contained in this Agreement shall preclude the Parties form establishing, maintaining, or providing social programs or services to its residents as each deems proper and necessary.

Section 2. Term and Termination

(a) Term. This Agreement shall become effective, and GCAHT shall come into existence, on the Effective Date, and this Agreement shall thereafter continue in full force and effect until terminated pursuant to subdivision (b) of this section.

(b) Termination. This Agreement may be terminated by agreement of the Parties. Upon termination of this Agreement, GCAHT shall be dissolved and, after payment of or provision for payment of all liabilities, the assets of GCAHT shall be distributed to the Parties in proportion to the contribution of each Party to GCAHT and the amounts paid by each Party in connection with GCAHT's activities.

Section 3. Powers and Duties of GCAHT.

(a) General Powers. GCAHT shall have all the powers common to the Parties to this Agreement necessary or convenient, specified, or implied, to accomplish the purpose of this Agreement as set forth in Section 1, subject to the restrictions set forth in Section 3, subdivision (c) below. Said powers shall be exercised in the manner provided in the Joint Exercise of Powers Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the Parties in the exercise of similar powers.

(b) Specific Powers. Without limiting the generality of the powers conferred in subdivision (a) of this Section 3, GCAHT is hereby authorized, in its own name, to do all of the acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the powers conferred in subdivision (a) of this Section 3, including but not limited to the following:

1. to make and enter into contracts;
2. to contract for staff assistance;

3. to sue and be sued in its own name;
4. to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America, the State of California, Los Angeles County, Party to this Agreement, or any other agency providing funding related to the purposes of this Agreement;
5. to invest any money in the treasury pursuant to Section 6505.5 of the Joint Exercise of Powers Act that is not required for the immediate necessities of GCAHT, as GCAHT determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;
6. to apply for letters of credit or other forms of financial guarantees in order to enter into agreements in connection therewith;
7. to carry out all the provisions of this Agreement;
8. to purchase obligations of any Party;
9. to engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this Agreement;
10. to employ and compensate legal counsel determined appropriate by GCAHT in accomplishment of the purposes of this Agreement;
11. to contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by GCAHT in connection with the accomplishment of the purposes of this Agreement;
12. for the purposes of enforcing affordable housing covenants or holding security interests for loans, to take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which GCAHT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;
13. for the purposes of renting space for GCAHT to operate, to lease to, and to lease from, a Party or any other person or entity, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which GCAHT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;
14. to solicit charitable contributions from private sources;
15. to propose amendments to this Agreement; and
16. to exercise any and all other powers as may be provided for GCAHT in the Joint Exercise of Powers Act or any other applicable law.

(c) Limitation on Powers. This Agreement does not authorize GCAHT do any of the following:

1. Regulate land use in cities or in the unincorporated area of the County;
2. Serve as an owner or operator of housing units;
3. Levy, or advocate or incentivize the levying of, an exaction, including an impact fee, charge, dedication, reservation or tax assessment, as a condition of approval of a development project;
4. Require or incentivize inclusionary zoning requirements;
5. Require the Parties to dedicate or assign funding for any GCAHT obligations or programs;
6. Approve a housing project or program that is not supported by the governing body of the jurisdiction (a city or the county) in which the proposed project is sited; or
7. Require the Parties to accept or provide any member of housing units as a prerequisite to joining or remaining a member of GCAHT.

Section 4. Members

The members of GCAHT shall be the Parties who have not withdrawn from GCAHT, and such other Parties as may join GCAHT after execution of this Agreement. New members may join on the terms and conditions set forth in Section 10 hereof. Only cities within the County of Los Angeles and within the Gateway Cities subregion may be a party to this Agreement and a member of GCAHT.

Section 5. Board of Directors

(a) Selection of Directors. GCAHT shall be governed by a Board of Directors consisting of nine Directors selected as follows:

1. Seven Directors who are members of the Gateway Cities Council of Governments (GCCOG) Governing Board ("GCCOG Board"), or any elected official serving within the GCCOG jurisdiction that is also a Party and appointed by the GCCOG Board.
2. Two Directors that are experts in homelessness or housing policy appointed by the Gateway Cities Council of Governments City Managers Committee.
3. Alternates for each Director position may be established by the appointing entity.

(b) Board Powers. Subject to the limitations of this Agreement and the laws of the State of California, the powers of GCAHT shall be vested in and exercised by, and its property and its affairs administered by, the Board of Directors.

(c) Advisory Board. The Board of Directors may appoint advisory boards that may include such persons as designated by the Board of Directors. The Board of Directors shall

adopt bylaws that govern the appointment of advisory boards should it determine in its discretion to appoint such advisory boards.

(d) Compensation. Members of the Board shall serve without compensation but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as Director; provided such expenses have been previously approved by the Board of Directors and incurred in accordance with any GCAHT policies or procedures governing the same.

(e) Term. Members of the Board shall serve for a two-year term. There are no term limits. The initial Board will serve a term staggered between one-year and two-year terms. Three of the seven Directors who are members of the GCCOG Board or are appointed by the GCCOG Board in accordance with Section 5(a) shall have an initial term of one year. One of the two Directors that are experts in homelessness or housing policy shall have an initial term of one year. The initial one-year terms will be determined through the drawing of lots.

(f) Meetings of the Board of Directors.

1. Call, Notice and Conduct of Meetings. All meetings of the Board of Directors, including without limitation, regular, adjourned regular, special meetings and adjourned special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, Government Code sections 54950 *et seq*.

2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such dates and times as the Board may fix by resolution from time to time. If any day so fixed for a regular meeting shall fall upon a legal holiday, then such regular meeting shall be held on the next succeeding business day at the same hour. No notice of any regular meeting of the Board of Directors need be given to the individual Directors.

3. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairperson of the Board or by a majority of the Directors. Notices of all special meetings shall be provided to all Parties.

4. Quorum. A majority of the seated members of the Board of Directors shall constitute a quorum at any meeting of the Board except that less than a quorum may adjourn a meeting to another time and place. Every act or decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

5. Minutes. The Board of Directors shall keep minutes of all regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Parties.

6. Officers. The Board of Directors shall elect a chairperson and a vice chairperson from among its Directors at the first meeting held in each fiscal year. In the event that the chairperson or vice chairperson so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs or at a special meeting called for that purpose. In the absence or inability of the chairperson to act, the vice chairperson shall act as chairperson. The chairperson, or the chairperson's absence, the vice chairperson, shall preside at and conduct all Board of Director's meetings.

7. Rules and Regulations. The Board of Directors may adopt, from time to time, by resolution, such rules, regulations, and bylaws for the conduct of its meetings and affairs as the Board determines is necessary or convenient.

Section 6. Additional Officers and Employees

(a) Officers and Contract Staff

1. GCAHT may contract with a Party or the GCCOG, for officers and staff pursuant to Section 6(d), or retain independent contractors, agents, or volunteers as the Board of Directors may deem necessary to carry out any of GCAHT's powers, upon such terms and conditions as the Board may require, including the retaining of professional and technical assistance, provided that adequate funds are available in GCAHT's budget and are appropriated by GCAHT therefor.

2. None of the officers, agents, or staff, if any, directly contracted by GCAHT shall be deemed, by reason of their roles or duties or contracted status, to be employed by the Parties.

(b) Treasurer and Auditor/Controller. Pursuant to Government Code Sections 6505.5 and 6505.8, the Board of Directors shall appoint an officer or employee of GCAHT, or an officer or employee of a public agency that is a Party, or a certified public accountant to hold the offices of treasurer and auditor for GCAHT. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for GCAHT required by Sections 6505, 6505.5 and 6505.6 of the Government Code, including any subsequent amendments thereto. Pursuant to Government Code Section 6505.1, the auditor and treasurer shall have charge of certain property of GCAHT. The treasurer and auditor shall assure that there shall be strict accountability of all funds and reporting all receipts and disbursements of GCAHT. The treasurer and auditor of GCAHT shall be required to file and official bond with the Board of Directors in an amount, which shall be established by the Board. Should the existing bond or bonds or any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be an appropriate expense of GCAHT.

(c) Attorney. The Board of Directors shall have the power to appoint one or more legal advisors to GCAHT who shall perform such duties as may be prescribed by the Board.

(d) Administrative Services and Reimbursement of Costs.

1. The Board of Directors may contract with a Party to provide necessary administrative services to GCAHT, including the services described in Section 6(a), (b) and (c). The amount charged by the Party to provide such services to GCAHT shall be fixed by agreement between the Board of Directors and the governing board of the Party providing such services. In the absence of an agreement on costs, the Party providing services to GCAHT under this Section 6 may charge GCAHT the amounts necessary to recover the direct and indirect costs of such services.
2. If GCAHT contracts with a Party to provide GCAHT with administrative services through persons who are employees and officers of the Party, then any retirement liabilities associated with that Party's employees and officers shall not constitute a liability of GCAHT or any other Party. This Section 6(d)(2) shall not preclude a Party providing administrative services to GCAHT pursuant to a contract with GCAHT from accounting for such salary and benefit costs when negotiating the rates that the Party will charge GCAHT for providing such services.

Section 7. Financial Provisions

(a) Fiscal Year. The Fiscal Year of GCAHT shall, unless and until changed by the Board of Directors, commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year except that the initial Fiscal Year of GCAHT shall commence on the Effective Date and end on the immediately following 30th day of June.

(b) Budget.

1. General Budget. Within one hundred and twenty days (120) after the first meeting of the Board of Directors, a general budget for the first fiscal year shall be adopted by the vote of a majority of all the Directors. The budget shall distinguish between administrative costs (i.e., the cost of operating GCAHT) and Program costs (i.e., the financing of the programs funded or sponsored by GCAHT). Thereafter, at or prior to the last meeting of the Board of Directors for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of all Directors of the Board.
2. Expenditures for the Approved Budget. The payment of all GCAHT obligations is limited to the amount of appropriations allowed in GCAHT's approved budget, except as it may be revised with the approval of a majority of all of the Directors of the Board of Directors.

(c) Contributions by the Parties.

1. Administrative Cost Contributions. The GCCOG shall be responsible for GCAHT's administrative costs until June 30, 2024. After this initial period, and in consideration of the mutual promises contained herein, the Parties agree that they shall make annual contributions (each a "Fee" and collectively the "Fees") towards the budgeted administrative costs of GCAHT in accordance with a cost allocation formula as outlined below:

POPULATION	ANNUAL ADMINISTRATIVE FEE
Up to 30,000	$7,500
30,001 – 60,000	$15,000
60,001 – 100,000	$32,500
>100,000	$47,500

The Fees shall be assessed annually. After the first fiscal year, the Fees shall increase annually in an amount equal to the U.S. Bureau of Labor Statistics consumer price index for all urban consumers in the Los Angeles-Long Beach-Anaheim area for the 12-month period preceding the year the Fees are assessed. Payment of the Fees shall be due within 30 days of receipt of an invoice from the GCAHT. The invoice shall indicate how the Fees were calculated. A Party's contribution to GCAHT's administrative costs shall be in the form of money, unless the Board of Directors approves another form of contribution such as services, personal property or use of real or personal property, or other in-kind contributions. The acceptance and valuation of any such non-monetary contributions may be used to offset in whole or part a Party's contribution as determined in the sole and absolute discretion of the Board of Directors. Notwithstanding the above, after the first fiscal year the Board of Directors may establish Fees in an amount the Board of Directors deems financially prudent; provided it shall roughly be proportional as to each Party in the amounts reflected in the table above.

2. Program Cost Contribution. The particular programs and program budget, funded, sponsored or operated by GCAHT, as well as the level of, and mechanisms for, the involvement of GCAHT and each Party, in such programs and program budget, shall be determined and approved by the Board of Directors.

(d) Accounts and Reports.

1. Books and Records. There shall be strict accountability of all GCAHT funds and accounts and report of all GCAHT receipts and disbursements. Without limiting the generality of

the foregoing, GCAHT shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of GCAHT shall be open to inspection at all reasonable times by each Party and its duly authorized representatives.

2. Annual Audit. The person appointed by the Board of Directors to perform the auditor function for GCAHT shall cause an annual independent audit of the accounts and records of GCAHT and records to be made by a certified public accountant or firm of certified public accountants in accordance with Government Code section 6505. Such audits shall be delivered to each Party and shall be made available to the public.

3. Annual Financial Report. Pursuant to section 6539.5 of the Government Code, GCAHT shall publish an Annual Financial Report that shall describe the funds received by GCAHT and the use of such funds by GCAHT. The Annual Financial Report shall describe how the funds received by GCAHT have furthered the purposed of GCAHT.

(e) Funds. Subject to the applicable provisions of any instrument or agreement which GCAHT may enter into, which may provide for a trustee or other fiscal agent to receive, have custody of and disburse GCAHT funds, the person appointed by the Board of Directors to perform the treasurer function for GCAHT shall receive, have the custody of and disburse GCAHT funds as nearly as possible in accordance with generally accepted accounting principles, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 8. Amendments and Additional Parties.

(a) This Agreement may not be amended or modified except by a vote of two-thirds of all the Parties through formal action approving such an amendment by the Parties' respective governing bodies.

(b) No addition to, or alteration of, the terms of this Agreement, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid or effective unless made in the form of a written amendment which is formally adopted and executed by the Parties in the same manner as this Agreement.

Section 9. Non-Liability for Obligations of GCAHT.

(a) The debts, liabilities, and obligations of GCAHT shall not be the debts, liabilities and obligations of any of the Parties or personal debts, liabilities and obligations or the Directors, officers or employees of GCAHT; provided that a Party may, by an agreement separate from this Agreement, contract for, or assume responsibility for, specific debts, liabilities, or obligations of GCAHT.

1. Indemnification. The GCAHT shall defend, indemnify and hold harmless each Party, its officers, agents, employees, representatives and volunteers (the "Indemnitees") from and against any loss, injury, claim, lawsuit, liability, expense, or damages of any kind or nature (collectively, "Claims") brought by a third party which arises out of or in

connection with GCAHT's administration of this Agreement, including such third party claims arising out of or in connection with any Indemnitees acting within their authorized capacity as an officer, agent, employee, representative or volunteer of GCAHT. The GCAHT's duty to defend and indemnify under this Section shall not extend to Claims otherwise arising out of the Indemnitees' own active negligence, omissions or willful misconduct, whether in whole or part. The GCAHT shall finance its obligation pursuant to this Subsection by establishing a liability reserve fund, and/or by purchasing commercial insurance, and/or by joining a joint powers insurance authority (JPIA) as determined by the Board. In the event the GCAHT's financial obligations to indemnify, defend and hold harmless, pursuant to this Subsection, exceed the liability reserve fund and/or the proceeds from any applicable insurance and/or JPIA coverage maintained by the GCAHT (hereinafter "Unfunded Liability"), a Party or Parties may meet and confer with GCAHT in good faith to negotiate alternative means or mechanisms by which GCAHT may fund such Unfunded Liability; however, in no event shall the event of an Unfunded Liability relieve, limit or waive GCAHT's obligations of indemnity or defense to each Party as first set forth above in this Section. Nothing herein shall obligate any Party to indemnify or hold harmless GCAHT for any Unfunded Liability.

2. Assignment. Each Party shall assign to the GCAHT its rights, title, and interest to recover damages from any third party for Claims arising out of this Agreement, to the extent that the GCAHT has met its obligations to defend and indemnify such Party pursuant to this Section.

3. Survival. GCAHT's duty to defend, indemnify and hold harmless shall survive and continue in full force and effect after withdrawal of any Party from this Agreement, including as to the withdrawing Party, or termination of this Agreement for any reason with respect to any Claims that occurred before the date of such withdrawal or termination.

Section 10. Admission and Withdrawal of Parties.

(a) Admission of New Parties. It is recognized that additional Parties other than the original Parties, may wish to join GCAHT. Any city within the Gateway Cities subregion may become a Party to GCAHT upon such terms and conditions as established by the Board of Directors. As a condition precedent to becoming a Party more than six months after the Effective Date, an eligible entity may thereafter become a Party to this Agreement; provided that (1) this Agreement is adopted by its governing body and (2) the eligible entity pays a late joining fee. The late joining fee shall be calculated by totaling the annual fee the eligible entity would have paid under this Agreement had it been a Party in all years prior and up until the Effective Date. Notwithstanding the foregoing, an eligible entity's late joining fee shall not exceed two times the amount of the applicable annual administrative fee existing at the time it becomes a Party. Payment shall be due within 30 days of receipt of an invoice from GCAHT.

(b) Withdrawal from GCAHT. Parties may withdraw from GCAHT at any time upon their governing board's adoption of a resolution that so states the Party's intent to withdraw from GCAHT. The withdrawal of any Party, either voluntarily or involuntarily, unless otherwise provided by the Board of Directors, shall be conditioned as follows:

1. In the case of a voluntary withdrawal, written notice shall be given to GCAHT six months prior to the effective date of withdrawal; and
2. Unless otherwise provided by a unanimous vote of the Board of Directors, withdrawal shall result in the forfeiture of that Party's rights and claims relating to distribution of property and funds upon termination of GCAHT as set forth in Section 2 above. Withdrawn members shall not be entitled to any reimbursement of Fees.

Section 11. Notices.

(a) Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid, to the persons and entities listed herein at the following addresses, or to such other address as may be designated to GCAHT on the Parties signature page for formal notice:

Section 12. Miscellaneous.

(a) Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing or in any manner affecting the scope, meaning or intent of the provisions or language of this Agreement.

(b) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Agreement.

(c) Laws Governing. This Agreement is made in the State of California under the Constitution and laws of such State and shall be construed and enforced in accordance with the laws of California.

(d) Severability. Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstance, be held to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual it shall be deemed severable, and the reminder of this Agreement or the application thereof to other persons or circumstances shall continue to constitute the Agreement the Parties intended to enter into in the first instance.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Parties. No Party may assign any right or obligation hereunder without the written consent of a majority of the other Parties.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed and attested by their duly authorized officers as follows:

(CITY OF MONTEBELLO)

_____

BY: JOSPEH PALOMBI

PLANNING AND COMMUNITY DEVELOPMENT DIRECTOR

Dated: _____

ATTEST:

_____

CHRISTOPHER JIMENEZ, CITY CLERK Date

NOTICE TO CITY TO BE GIVEN TO:

RENE BOBADILLA, CITY MANAGER

CITY OF MONTEBELLO

1600 W. BEVERLY BLVD. MONTEBELLO, CA 90640

(323)887-1200

APPROVED AS TO FORM:

By: _____

(ARNOLD GLASSMAN) City Attorney Date

Gateway Cities Affordable Housing Trust Bylaws

Approved by the

Gateway Cities Affordable Housing Trust Board of Directors

On February 22, 2023

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Part 1 – Introduction to the Gateway Cities Affordable Housing Trust

Establishment

On January 4, 2023, the Gateway Cities Council of Governments approved the formation of the Gateway Cities Affordable Housing Trust ("GCAHT" or "Trust'). The Trust is a joint powers agency, which may do any of the following: (1) fund the planning and construction of affordable housing of all types and tenures for persons and families of extremely low-, very low-, low-, and moderate-income as defined in Section 50093 of the Health and Safety Code; (2) receive public and private financing and funds; and (3) authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the Trust. The Trust may consist of any of the cities within the Gateway Cities Council of Governments, which is a joint powers agency representing a subregion of Los Angeles County.

The GCAHT was established on _____, by the execution of the Joint Exercise of Powers Agreement (the "Agreement") by and between the Cities of _____, _____, _____ (collectively, the "Cities"). These Bylaws were adopted by GCAHT's Board of Directors and provide for the organization and administration of GCAHT. These Bylaws supplement the Agreement.

GCAHT Guiding Vision and Mission

A Steering Committee consisting of staff from various cities within the boundaries of the Trust along with individuals representing Los Angeles County, affordable financing, and affordable developers met on three separate occasions to discuss and recommend various governance, policy, and a guiding vision and mission as follows:

The vision of the Gateway Cities Affordable Housing Trust is to secure funding for the region that will increase the production of affordable housing and provide safe and quality homes for lower- and moderate-income individuals and families.

The mission of the Gateway Cities Affordable Housing Trust is to finance the development of affordable housing in the region and thereby increase the supply of housing to lower- and moderate-income individuals and families.

GCAHT Guiding Principles

The guiding principles of the GCAHT:

1. Implement the findings and declarations of the Agreement.
2. Provide funding based on principles of fiscal responsibility and demonstrated value to the taxpayer and funder.

3. Retain local control and the ability for local governments to use GCAHT funding for housing solutions when needed, or to participate within the region as a whole.
4. Demonstrate accountability and transparency for parties to the Agreement and the public.
5. Promote public-private partnerships, nonprofit collaborations, and community building to maximize sources of public and private funds, when available, and to efficiently accelerate housing for moderate-, low-, very low- and extremely low-income individuals and families.
6. Provide opportunities to strengthen local partnerships and increase capacity of local cities and agencies engaged in fulfilling housing goals.
7. Commit to innovation and best practices in financing, production, and service delivery in supportive housing.
8. Serve the region's needs geographically by (1) extremely low-, very low-, low-, and moderate-income, and supportive housing types and (2) population.
9. Foster collaborative planning to allow for project prioritization and establish a pipeline of projects.
10. Provide access to funding to ensure that the Gateway Cities subregion receives the maximum benefit for the resources provided.
11. Incorporate County's Coordinated Entry System in conjunction with the cities' locally driven protocols to ensure that the developed housing resources has appropriately targeted and prioritized eligible homeless populations for each project.

Part 2 – Bylaws of the Gateway Cities Affordable Housing Trust

ARTICLE I - Name

The name of this entity shall be the "Gateway Cities Affordable Housing Trust" or "GCAHT" in these Bylaws.

ARTICLE II – Board of Directors

Section A: GCAHT Board of Directors

1. All members of the Board of Directors must be from a city that is a party to the Agreement and shall be appointed as set forth in the Agreement.

2. Each of the nine (9) voting members of the Board of Directors of GCAHT shall be entitled to one (1) vote on the Board.

Section B: Selection of Advisory Board Members

An Advisory Board may be appointed by the Trust Board consisting of various government staff, persons with housing development, housing services, finance, and development expertise.

All Advisory Board members are entitled to attend all GCAHT regular and special meetings and to fully participate in such meetings but shall not constitute voting members of the Board.

Advisory Board members need not be elected officials.

Section C: Terms and Vacancies

1. Board of Directors: As set forth in the Agreement, terms of office for members of the Board of Directors shall generally be for two (2) years, subject to initial one (1) year terms for certain members as set forth in the Agreement. A Board of Director's seat shall be deemed vacant if he or she leaves elected office, or if his or her appointing body removes him or her. Upon a vacancy, the appointing body shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.

2. Advisory Board: Terms of office for members of the Advisory Board shall be for two (2) years. An Advisory Board member's seat shall automatically be deemed vacant if that member fails to attend three consecutive regular or special meetings. Upon a vacancy, the Trust Board shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.

ARTICLE III – Duties of Officers and Board Members

Section A: Duties of the Board of Director Members:

1. Meet when called by the Chair to plan and coordinate the business and proposed activities of GCAHT;
2. Review and consider applications for project funding;
3. Review and consider GCAHT's financial information, including the Annual Financial Report, any related independent audit, and the GCAHT's annual budget; and
4. Serve on subcommittees or task forces when appropriate.

Section B: Formation of Subcommittees

The Board may create subcommittees or task forces to accomplish the goals and purposes of GCAHT.

ARTICLE IV – Meetings

Section A: Regular Meetings

Regular meetings of GCAHT's Board shall be held once every two (2) months, unless otherwise called by the Chair. Meeting notice, agenda, and public comment procedures shall comply with the provisions of the Ralph M Brown Act. The Clerk of the Board shall prepare meeting agendas and handle noticing requirements.

Section B: Special Meetings

Special meetings of GCAHT may be held at any time upon call of the Chair, provided that the special meetings' noticing, and agenda complies with the Ralph M. Brown Act.

Section C: Voting on Project Funding

As set forth in the Agreement, every act or decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. However, the Board should strive to attain a unanimous decision on all projects which receive funding from GCAHT.

Section D: Voting on Amending GCAHT's Bylaws, Principles, or Procedures

1. Amendments to GCAHT's Bylaws, Principles or Procedures shall be considered at a regular meeting and shall comply with the Ralph M. Brown Act.
2. An amendment to these Bylaws must be approved by a majority vote of the Board of Directors.

Section E: Minutes

The Clerk of the Board shall take minutes for GCAHT. A previous meeting's minutes shall be considered and approved at a subsequent meeting by a majority vote of the Board of Directors.

Section F: Meeting Procedure

The conduct of meetings shall be guided by Robert's Rules of Order (most recent published edition) where the question at issue is not determined by these Bylaws.

Section G: Location of Meetings

The Board must meet in publicly accessible places typical for hosting public meetings, such as Council Chambers or city community rooms.

ARTICLE V – GCAHT Board Code of Conduct

This GCAHT Board Code of Conduct represents GCAHT's commitment to high standards of ethics, public service, collegiality, and transparency. The following standards should be regarded as minimum expectations for conduct. GCAHT Board Members will act in accordance with and maintain the highest standards of professional integrity, impartiality, diligence, creativity, and productivity. GCAHT will act in accordance with applicable federal, state, and local laws and regulations.

Section A: Compliance with Policies

Members of the Board of Directors and Advisory Board will conduct the GCAHT business in accordance with the Agreement, these Bylaws, and all adopted policies, including conflict of interest policies.

Section B: Conflicts of Interest

1. The Board of Directors may not have a conflict of interest as determined by the California Political Reform Act (the "Act"), inclusive of the Levine Act, California Government Code section 81000, et. seq., and the regulations promulgated to effectuate the Act. Nor shall the Board of Directors have a conflict of interest under California Government Code section 1090.
2. Members of the Board of Directors are required to file a Statement of Economic Interest (Form 700) in the disclosure category as designated on the GCAHT Conflict of Interest Code.

Section C: Confidentiality

Members of the Board of Directors and Advisory Board must maintain the highest standards of confidentiality regarding information obtained directly or indirectly through their involvement with the GCAHT. This includes but is not limited to information about applications for funding, GCAHT parties and their organizations and funded agencies. Members must also avoid inadvertent disclosure of confidential information through casual public discussion, which may be overheard or misinterpreted. Notwithstanding the foregoing, the GCAHT recognizes that excepting such confidential information which must be carefully preserved, the conduct of its business shall be open and transparent in accordance with the Ralph M. Brown Act and the California Public Records Act.

Section D: Gifts or Honoraria

It is not permissible for members of the Board of Directors and Advisory Board to offer or accept gifts, gratuities, excessive favors, or personal rewards intended to influence GCAHT decisions or activities.

Section E: Harassment

Harassment, interpreted as unwelcome conduct, comment, gesture, contact, or intimidating and offensive behavior likely to cause offense or humiliation, will not be tolerated and may result in disciplinary measures up to and including removal from GCAHT Board.

Section F: Laws and Regulations

GCAHT business will be conducted in a manner that reflects the highest standards and in accordance with all applicable federal, state, and local laws and regulations.

ITEM # 4

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: **ADOPT CITY COUNCIL RESOLUTION NO. 23-18 / SUCCESSOR AGENCY RESOLUTION NO. 23-04, APPROVING THE PURCHASE, SALE, AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT NO. 4075, RELOCATION PLAN AND APPRAISAL FOR PHASE 1 PROJECT SITE AMONG THE CITY OF MONTEBELLO AND THE MONTEBELLO SUCCESSOR AGENCY ("SELLERS") AND THE MONTEBELLO AFFORDABLE HOUSING, LP 112, 114, 121, 124, 128 AND 132 SOUTH 6TH STREET GRAND, CITY OF MONTEBELLO ("DEVELOPER")**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council / Successor Agency:

1. Adopt City Council Resolution No. 23-18/ Successor Agency Resolution No. 23-04, approving a Purchase, Sale, and Affordable Housing Agreement No. 4075 (Attachment A) among the City of Montebello ("City"), Montebello Affordable Housing and Cesar Chavez Foundation ("CCF"), Relocation Plan (Attachment C) and Appraisal (Attachments D-E) for Phase 1 project site – a proposed three (3) and four (4) story residential building with approximately sixty-three (63) affordable housing units with 1 to 3 bedrooms, with parking and related amenities located at four (4) vacant City owned (and one Successor Agency-owned) parcels at 112, 114, 121, 124, and 132 South 6th Street (APN No.: 6349-005-900, 901, 902, and 903), and 128 and 128 ½ South 6th Street (APN No.: 6349-005-006), owned by CCF, to allow the construction, use, and maintenance of an affordable housing development; and
2. Take such additional, related, action that may be desirable.

FISCAL IMPACT:

Based on the certified appraisal (dated December 7, 2021), the appraised value for all properties (located at 112, 114, 124,128, AND 132 S. 6th Street) is Three Million Seven Hundred and Sixty Thousand Dollars ($3,760,000). The privately owned parcel is appraised at $685,000. Therefore, the purchase price for the City Owned Properties will be Three Million and Seventy Five Thousand Dollars ($3,075,000), which will be loaned from the City to Developer pursuant to the terms and conditions of the Purchase, Sale, and Affordable Housing Agreement (Purchase and Sale Agreement). The loan in the amount of $3,075,000 is in the form of a "land loan" and does not require the City to provide any upfront cash. The Purchase and Sale Agreement includes terms that require the repayment of the appraised value over a set period of time.

The purchase price for the former Successor Agency-Owned Property at 121 S. 6th Street will be One Hundred Nineteen Thousand Dollars ($119,000), which will be paid in cash at closing by CCF to the City/Successor Agency. Pursuant to the statutes and laws governing the dissolution of redevelopment agencies, these funds will be remitted to the State of California for eventual disbursement to taxing agencies within the former Montebello Redevelopment Agency project areas. This property is on the Successor Agency's Long Range Property Management Plan (LRPMP) and is being disposed of (sold) in a manner consistent with current redevelopment law and the LRPMP.

The City will make a second loan to the Developer in the amount of Nine Hundred Fifty Thousand Dollars ($950,000) in the form of a deferment of the impact fees due by the Developer to the City in connection with the Project. This amount represents the total amount of fees which would be paid by a similar residential development in the City. Finally, a third loan in the amount of $549,000 from the City's General Fund to incentivize the affordable housing project will be made. It is anticipated that this funding will be needed by the Developer by January, 2024. The City loans will be secured by the Project Site, and are consideration for Developer's commitment to the affordable units, with repayment terms spelled out in the Purchase and Sale Agreement.

The development received a CTCAC 9% Award in October 2022. With the receipt of the CTCAC funding, all the project financing is anticipated to close and construction will commence pursuant to a notice to proceed in March 2023. Part of the financing included the following loan/grants: (1) LACDA AHT, (2) LACDA PBV, (3) HCD IIG, (4) City Land Loan, (5) City Impact Fee Loan, (6) SGRVHTF Loan, (7) City Gap Loan, (8) Debt, and (9) Tax Credit Equity.

BACKGROUND/DISCUSSION:

This item concerns the potential development of a sixty-three (63) unit development of one hundred percent (100%) affordable family housing and victims of domestic violence. CCF will enter into an Agreement to purchase five (5) vacant City owned parcels on 6th Street and the City will issue a low interest residual receipt loan for the value of the four (4) the five (5) project parcels to CCF. Only four (4) of the City parcels will be part of the

development with the remaining City parcel being used for another development. CCF purchased a single residential parcel, with two residential units, from a private owner to combine with the City parcels for the development.

The City is the owner of those certain parcels of real property located at 112, 114, 124, and 132 South 6th Street, City of Montebello, (collectively, the "City Properties"), and the Successor Agency is the owner of that certain parcel of real property located at 121 S. 6th Street, City of Montebello. Developer, a wholly owned subsidiary of Cesar Chavez Foundation, a California nonprofit public benefit corporation ("CCF"), is the owner of those certain parcels of real property located at 128 and 128 ½ South 6th Street, City of Montebello, (collectively, the "Developer").

Developer desires to: (1) purchase the City Properties from the City and the City-owned Property from the Successor Agency; (2) consolidate the City Properties with the Developer Property to create a single development parcel totaling thirty-five thousand square feet (35,000 sf) (or .7880 acres), (the "Project Site"), for development and operation thereon of an affordable housing project with supportive services targeting families and survivors of domestic violence (the "Project"); and (3) retain the Successor Agency Property for future development.

As described in an Assignment Agreement previously entered into between the City and CCF, CCF will separately be acquiring those certain parcel(s) of real property located immediately north of the Project Site at 501, 507, 509, 513, 517, 525 Whittier Boulevard, City of Montebello ("Phase II Site"). The Phase II Site will be developed with a mixed-use project with approximately sixty-nine (69) housing units (35% of which will be restricted for affordable housing) and approximately 10,100 square feet of commercial / retail space with supportive parking ("Phase II Project"), and CCF's acquisition of the Phase II Site and development of the Phase II Project. CCF's pledge to proceed with the Phase II Project will be secured by CCF's issuance of a performance guarantee for the value of the City loans to Phase I.

Furthermore, CCF is to cover partial costs for installation of a traffic signal between the intersection of 6th Street and Whittier Boulevard in the amount of three-hundred thousand dollars ($300,000.) The total cost associated with the installation of the new traffic signal is estimated to be five-hundred thousand dollars ($500,000).

Pursuant to Section 34364 of the Government Code and notwithstanding any other law, Sellers, the City, may sell, convey, or otherwise dispose of the Agency Properties to Developer for the provision of affordable housing on the terms and conditions the City deems best suited to the provision of such housing.

DISCUSSION

PURCHASE SALE AND DEVELOPMENT AGREEMENT

As referenced above, the City and CCF previously entered into that certain Assignment of Purchase, Sale, and Development Agreement dated November 10, 2021 ("Assignment

Agreement"), pursuant to which, among other things: (1) the City and Successor Agency approved CCF's acquisition of a former developer, Ku & Associates ("Former Developer"), right to purchase and develop the subject properties under a preexisting agreement with the City; and (2) the City and CCF established the general terms and conditions associated with CCF's purchase and development of the 6th Street properties.

The proposed Agreement now presented for the City Council / Successor Agency's consideration would facilitate this transaction originally described in the Assignment Agreement. If approved, CCF will provide support for very low and low-income (30% to 60% of the area median income) families by planning, building, operating, and providing residential services for the 6th Street Grand apartment. Half of the units, thirty-one (31) units will be restricted to households who are survivors of domestic violence.

The building consists of three (3) and four (4) story residential building over one (1) level of subterranean parking garage with forty-two (42) parking stalls. There will also be a residential community center on the first floor with fifteen (15) surface parking spaces, which seven (7) will be for electric vehicles. There will be sixty-seven (67) total parking spaces and thirty (30) spaces for bike parking. The building also offers amenities, including, but not limited to laundry rooms, tot lot, barbeque areas, and community rooms. The City of Montebello's General plan and Zoning will identify the site as Multi-Density Residential (R-3) and General Commercial (C-2).

Key terms and conditions of the Purchase Agreement are the following:

1. Zoning Approvals; Entitlements. On November 10, 2021, the City Council adopted Resolution No. 21-91 approving Developer's application for discretionary land use entitlements for the Project, and specifically: (a) approving Developer's application for an Amendment to the Precise Plan of Development for Planned Development District No. PD2-15, Site Plan Review, and Parking Management Plan (Case No. PC-2021-0002-PD-SRP-PMP), to permit the Project Site to be developed with the Project, subject to certain conditions of approval set forth in said resolution (cumulatively the "Zoning Approvals"); and (b) Adopting the Addendum (with the Precise Plan, Zoning Approvals, and MND cumulatively the "Entitlements"). The Developer has agreed to accept all conditions of approval set forth in the Entitlements, and to comply with said conditions and all approvals, permits and other governmental actions regarding the development or operation of the Project on the Project Site as a condition to the Close of Escrow.
2. Project Permits. Application Condition to Closing. At least twenty (20) days prior to the Closing Date, and as a condition to the Closing of Escrow, Developer shall submit to the Sellers, on the City's standard form and inclusive of any required plans, specifications, or other information or documentation, an application for a building permit for the Project.
3. Developer to Pay All Costs and Expenses. The Parties agree that Sellers shall not provide any financial assistance to the Developer in connection with the Project except as is expressly set forth in this Agreement relative to the Land Loan, Impact Fee Loan, and Predevelopment Loan.

4. City Loans and Security. The City shall make three separate loans to Developer – one for the Purchase Price of the City Properties in the form of a "land loan" that does not require the City to provide any upfront cash, a second for the deferment of impact fees, and a third to incentivize the project – which shall be paid by Developer to City on the terms and conditions set forth in the Notes for the applicable loan, and which will be secured on the Project Site. Because of the financial guarantee provided by CCF for Phase II, these City loans also provide an incentive for the Developer to proceed with that development.
5. Developer indemnifies the City and does not assume the risk, and shall not be responsible for, damages relating to or arising from the Project or the Agreement.
6. Construction of the Phase I Project will commence by March 2023 and must be completed by December 2024.

RELOCATION PLAN FOR 112-132 S.6TH Street

On February 2022, Vista Del Monte Affordable Housing, Inc., (“Developer”) proposed the 6th Street Grand Project, an affordable housing project consisting of sixty-three (63) affordable housing units with on-site subterranean parking and related amenities. The new units will be comprised of sixty-two (62) tenant units plus one manager’s unit for a total of sixty-three (63) units. Overland, Pacific & Cutler, LLC (“”OPC”), a relocation consulting firm, was retained to prepare a relocation plan to evaluate the present circumstances, replacement housing requirements of the displaced, and required relocation assistance. Adequate funds are available to permanently relocate the eligible project households. Tax credit proceeds will be used to pay relocation benefits. The total budget estimate for permanent relocation for this project is one-hundred and twenty thousand dollars ($120,000.00.)

The Developer proposed to purchase six (6) City/Agency-owned parcel(s) and enter into an ENA and DDA with the City of Montebello/Successor Agency for the development of the site for 112-132 S. 6th Street. All parcels are vacant with the exception of two (2) occupied residential dwellings located at 128 and 128 ½ S. 6th Street, and that acquisition has been completed by the Developer. The two (2) existing residential dwellings which currently occupy the project site, will need to be permanently relocated to facilitate the new construction activities.

The tenants occupy a single-family residence and converted garage in a densely populated mixed-use neighborhood. The two (2) households comprised of four (4) adults and no children (17 years or younger) living on the project site will be permanently relocated for the project and would be eligible for relocation assistance. The occupants rent a one-bedroom single-family resident and a two-bedroom with rent ranging from $900-$1,950.

Both households would like to remain within the immediate community to remain in proximity to employment and family. The comparable available replacement housing identified is within nine (9) miles of the project site, although most were within five (5)

miles. All units were in similar mixed-use neighborhoods. Several units were also within three (3) miles of the project site, which would keep tenants in proximity to their current employment. There are adequate replacement resources for both households, but some of the tenant occupants will likely have an increase in monthly rent. Possible increases, if any, will met through the Developer's obligation under applicable relocation laws. No residential displacee will be required to move without both adequate notice and access to available, affordable, decent, safe, and sanitary housing.

Relocation staff will provide the displaced tenants with required technical and advisory assistance and distribute all required notices and informational statements. Close contact will be maintained with the tenants. In the course of a personal interview and follow-up visits, each person displaced will be counseled as to available options and the consequences of any choice with respect to financial assistance. The Developer will process advance payment requests to mitigate hardships for tenants who do not have access to sufficient funds to pay move-in costs (i.e., first month's rent, security deposits.) Residential occupants will also be eligible to receive payment for moving expenses.

APPRAISAL OF 112-132 S. 6TH STREET

On October 19, 2021, the City's Planning Commission approved a resolution to commence construction of sixty-three (63) affordable housing units.

On January 14, 2022, CCF presented an appraisal of 112-132 S. 6th Street. As of December 7, 2021, the market value subject free and clear of financing is three million and seventy-five thousand dollars ($3,075,000.). Ownership of 128 S. 6th Street is vested in CCF. It transferred in October 2021 from Ying Sing, LP, a California Limited partnership for the price of $685,000. This is considered a market-oriented transaction.

If this Purchase, Sale, and Affordable Housing Agreement is approved and adopted, ownership of parcels 112-132 S. 6th Street will transfer to CCF. Currently, the subject is improved with a duplex that is planned to be razed prior to redevelopment of the project site. The project site sits on 0.81 acres or 39,240 square feet and is rectangular in shape. The project site represents a legal conforming use and zoned as a mixture of C-2-PD, General Commercial Planned District & R-3-PD, Multiple Family Residential Planned District, Center City Planned District Neighborhood Mixed-Use Center (MC).

APPRAISAL OF 121 S. 6TH STREET

On January 14, 2022, CCF presented an appraisal of 121 S. 6th Street (APN No. 6349-006-900.) As of December 7, 2021, the market value subject free and clear of financing is four-hundred and twenty thousand dollars ($420,000.) The Subject is zoned C-2, General Commercial. The project site area is 0.14 acres or 6,057 square feet, rectangular in shape, and currently vacant. Ownership of the project site is vested in the Successor Agency to the Former Community Redevelopment Agency of the City of Montebello. There is an exclusive negotiation agreement between the Successor Agency and CCF, and any of CCF's affiliates in order to purchase the parcel valued in the appraisal.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Staff recommends the City Council and Successor Agency adopt City Council Resolution No. 23-18/ Successor Agency Resolution No. 23-04 (Attachment B), approving a Purchase, Sale, and Affordable Housing Agreement No. 4075 (Attachment A), Relocation Plan (Attachment C) and Appraisal (Attachment D-E) for Phase 1 project site by and between the City of Montebello, Montebello Affordable Housing LP, and Cesar Chavez Foundation ("CCF") to allow the construction, use, and maintenance of an affordable housing development.

ATTACHMENT(S)

1. Attachment A - Agr No. 4075 - Purchase, Sale and Affordable Housing Development - 6th Street Grand
2. Attachment B - City Council Resolution 23-18 / Successor Agency Resolution No. 23-04
3. Attachment C - Relocation Plan
4. Attachment D - Appraisal of 112-132 6th Street
5. Attachment E - Appraisal of 121 6th Street

NEXT STEPS:

N/A

PURCHASE, SALE, AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT NO. 4075
(6th Street Grand, Montebello Phase 1)

among

THE CITY MONTEBELLO,
a California municipal corporation, and
THE MONTEBELLO SUCCESSOR AGENCY,
a California successor agency created and operating under H&S Code 34170 *et seq*.

as "Sellers"

AND
MONTEBELLO AFFORDABLE HOUSING, LP,
a California limited partnership

as "Developer"

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This PURCHASE, SALE, AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT ("**Agreement**") is dated for reference purposes as of February 27, 2023 ("**Date of Agreement**"), and is entered into by and among the CITY OF MONTEBELLO, a California municipal corporation ("**City**"), the MONTEBELLO SUCCESSOR AGENCY, a California successor agency created and existing pursuant to Health & Safety Code section 34170 *et seq*. (the "**Successor Agency,**" jointly with City the "**Sellers**") and the MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Developer**").

RECITALS

This Agreement is entered into with reference to the following recitals of fact ("**Recitals**") that Sellers and Developer believe to be true as of the Effective Date of this Agreement:

A. The City is the owner of those certain parcels of real property located at 112, 114, 124, and 132 South 6th Street, City of Montebello, as legally described in **Exhibit "A"** hereto (collectively, the "**City Properties**"), and the Successor Agency is the owner of that certain parcel of real property located at 121 S. 6th Street, City of Montebello, as legally described in **Exhibit "B"** hereto (the "**SA Property**").

B. Developer, an affiliate of Cesar Chavez Foundation, a California nonprofit public benefit corporation ("**CCF**"), is the owner of those certain parcels of real property located at 128 and 128 ½ South 6th Street, City of Montebello, as legally described in **Exhibit "C"** hereto (collectively, the "**Developer Property**"). Developer desires to: (1) purchase the City Properties from the City and the SA Property from the Successor Agency; (2) consolidate the City Properties with the Developer Property to create a single development parcel totaling thirty-five thousand square feet (35,000 sf) (or .80 acres), as depicted in **Exhibit "D"** hereto (the "**Project Site**"), for development and operation thereon of an affordable housing project with supportive services targeting families and survivors of domestic violence (the "**Project**"); and (3) retain the SA Property for future development.

C. The City and CCF have previously entered into that certain Assignment of Purchase, Sale, and Development Agreement dated November 10, 2021 ("**Assignment Agreement**"), the Recitals of which describe the facts and circumstances predating the Assignment Agreement and pursuant to which, among other things: (1) Sellers approved and CCF acquired any and all rights held by the "Assignor" (as defined in the Assignment Agreement) to purchase and develop the City Properties and SA Property (jointly at times herein the "**Agency Properties**") under that certain preexisting "PSDA" (as defined in the Assignment Agreement); and (2) Sellers and CCF established the general terms and conditions associated with CCF's purchase of the Agency Properties and subsequent development of the City Properties.

D. In addition, the Assignment Agreement described CCF's commitment to acquire those certain parcels of real property located immediately north of the Project Site at 501, 507, 509, 513, 517, 525 Whittier Boulevard, City of Montebello ("**Phase II Site**") for a second phase development consisting of a mixed-use development with approximately sixty-nine (69) housing units (35% of which will be restricted for affordable housing) and approximately 10,000 square feet of commercial / restaurant space with supportive parking ("**Phase II Project**"), and CCF's

acquisition of the Phase II Site and development of the Phase II Project was a material inducement to the City's approval of the Assignment Agreement and entering into this Agreement.

E. The Parties now desire to enter into this Agreement to amend, restate, and fully replace and supersede the PSDA and Assignment Agreement to memorialize the terms and conditions by which the Sellers will sell the Agency Properties to Developer, and Developer will develop and operate the Project on the Project Site; and further, the terms and conditions by which CCF will separately proceed with completing the acquisition, development and construction of the Phase II Project.

F. In connection with approving this Agreement, and based upon all evidence presented to the City Council in connection with its consideration of this Agreement, including but not limited to staff reports, presentations, public testimony, and plans and specifications for the Project, the City Council for the City of Montebello finds and declares as follows:

1) Developer's proposed acquisition of the Agency Properties and subsequent construction and completion of the Project on the Project Site pursuant to the terms of this Agreement is in the best interest of the City and the health, safety and welfare of the City's taxpayers and residents, advances stated housing goals of the state and City and public purposes set forth in applicable law, and is expressly authorized by applicable law.

2) Implementation of this Agreement will further and is consistent with the goals and objectives of the General Plan of the City of Montebello by promoting development of affordable housing in a manner compatible with surrounding uses and on a site identified by the City as appropriate for low income housing, and the Project will provide new housing for low, very-low and extremely-low income households furthering the City's Regional Housing Needs Assessment (RHNA) obligation.

3) Implementation of this Agreement is consistent with the requirements of the Montebello Zoning Code by advancing City goals of revitalizing the downtown district, providing affordable housing options to residents, and creating job opportunities for the community, and the Agreement advances an overriding public interest by addressing the shortage of affordable housing in the community through the creation of affordable units with supportive services.

4) Pursuant to Section 34364 of the Government Code and notwithstanding any other law, Sellers may sell, convey, or otherwise dispose of the Agency Properties to Developer for the provision of affordable housing on the terms and conditions Sellers deem best suited to the provision of such housing.

5) The Successor Agency's sale of the SA Property to the City was approved by Resolution No. 18-05 of the Montebello Oversight Board adopted on June 19, 2018, and by the Assignment Agreement and this Agreement, the City hereby assigns and conveys its right to purchase the Property to Developer subject to the terms and conditions specified in this Agreement.

6) The City, as "lead agency," has evaluated the potential environmental impacts of the this Agreement pursuant to the requirements of the California Environmental Quality Act ("**CEQA**") by way of: (a) a Mitigated Negative Declaration that was approved by the City Council on June 22, 2016 ("**MND**"), which found that the "project" described in the original

PSDA, with mitigation, would not have a significant effect on the environment; and (b) an Addendum to the MND that was approved by the City Council on November 10, 2021, and concluded that none of the circumstances requiring preparation of a new negative declaration, mitigated negative declaration, or environmental impact report exist ("**Addendum**").

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Sellers and Developer, the Parties agree as follows:

TERMS AND CONDITIONS

ARTICLE I.
DEFINITIONS; REPRESENTATIONS AND WARRANTIES; EFFECTIVE DATE

1.1 Definitions. All initially capitalized terms not otherwise defined in this Agreement shall have the following meanings:

1.1.1 "Affiliate" means and refers to any person or entity, directly or indirectly, through one or more intermediaries, Controlling or Controlled by or under common Control with the applicable person or entity, whether by direct or indirect ownership of equity interests, by contract or otherwise.

1.1.2 "**CCF**" means Cesar Chavez Foundation, a California nonprofit public benefit corporation.

1.1.3 "**Certificate of Completion**" means the written certification of City that the construction of the Project has been completed in compliance with the terms and conditions of this Agreement.

1.1.4 "**City Loan Deed of Trust**" has the meaning ascribed thereto in Section 6.1.

1.1.5 "**City Grant Deed**" means a deed substantially in the form of **Exhibit "E"** to this Agreement, conveying the City's ownership interest in the City Properties to the Developer.

1.1.6 "**City Manager**" means the City Manager of the City or his or her designee or successor in function.

1.1.7 "**City's Title Notice Response**" means the written response of the City to the Developer's Title Notice, in which the City either (i) elects to cause the removal from the Preliminary Report of any matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy that were objected to in the Developer's Title Notice, or (ii) elects not to cause the removal from the Preliminary Report of any matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy that were objected to in the Developer's Title Notice.

1.1.8 "**Close of Escrow**" or "**Closing**" means the recording of the Grant Deeds for the Agency Properties in the official records of the Recorder of the County, and completion of each of the actions set forth in ARTICLE III by the Escrow Holder for the Sellers to sell the Agency Properties to the Developer and the Developer to purchase the Agency Properties from the Sellers.

1.1.9 "**Construction Financing"** means the loans Developer shall obtain identified in this Agreement and the Project Budget, the proceeds of which shall be used and applied to pay the reasonable costs of obtaining such loan(s) plus Project Costs. If applicable, any such loan(s) obtained by Developer shall provide for normal and customary disbursement controls for the payment of Project Costs and may include normal and customary fees and expenses for loan(s) of similar size and purpose.

1.1.10 "**Control"** means and refers to possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether by ownership of equity interests, by contract or otherwise.

1.1.11 "**Controlling"** and **"Controlled"** mean and refer to exercising or having Control.

1.1.12 "**County**" means the County of Los Angeles, California.

1.1.13 "**Developer's Title Notice**" means a written notice from the Developer to the City indicating the Developer's objection to specific matters shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy for the Agency Properties, describing in suitable detail the actions that the Developer reasonably believes are indicated to cure or correct each of the Developer's objections, other than the Permitted Exceptions.

1.1.14 "**Due Diligence Investigations**" means the Developer's due diligence investigations of the Agency Properties to determine their suitability for development and operation of the Project, including, without limitation, investigations of the environmental and geotechnical suitability of the Agency Properties, as deemed appropriate in the reasonable discretion of the Developer, all at the sole cost and expense of the Developer.

1.1.15 "**Due Diligence Investigation Rejection Notice**" means a written notice of the Developer delivered to the Sellers and the Escrow Holder, prior to the end of the Due Diligence Period, indicating the Developer's rejection of the condition of the Agency Properties and refusal to accept a conveyance of fee title to the Agency Properties, describing in reasonable detail the actions that the Developer reasonably believes are indicated to allow the Developer to accept the condition of the Agency Properties.

1.1.16 "**Due Diligence Period**" means the date commencing on the Effective Date and ending at 5:00 p.m. on the 30th day following the Effective Date.

1.1.17 "**Environmental Laws**" means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability of standards of conduct concerning any hazardous substance (as later defined), or pertaining to occupational health or industrial hygiene

(and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Agency Properties), occupational or environmental conditions on, under, or about the Agency Properties, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [California Health & Safety Code Section 25288 et seq.]; the California Hazardous Substances Account Act [California Health & Safety Code Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [California Health & Safety Code Section 24249.5 et seq.] the Porter-Cologne Water Quality Act [California Water Code Section 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Agency Properties, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

1.1.18 "**Escrow Closing Date**" means, subject to extension due to Unavoidable Delay, March 23, 2023, provided that in no event shall the Escrow Closing Date shall occur later than March 27, 2023, unless extended in writing upon the mutual consent of the Parties.

1.1.19 "**Escrow Holder**" means Commonwealth Title Insurance Company, through its office located at 601 S Figueroa St #4000, Los Angeles, CA 90017, or such other escrow holder mutually agreed upon in writing by both Sellers and Developer.

1.1.20 "**FIRPTA Affidavit**" means an affidavit complying with Section 1445 of the United States Internal Revenue Code.

1.1.21 "**Governmental Agency**" means any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, or otherwise) whether now or later in existence.

1.1.22 "**Governmental Requirements**" means all codes, statutes, ordinances, laws, permits, orders, and any rules and regulations promulgated thereunder of any Governmental Agency with jurisdiction over or applicable to the Agency Properties, Project Site, and/or Project.

1.1.23 "**Grant Deeds**" means, collectively, the City Grant Deed and the SA Grant Deed.

1.1.24 "**Hazardous Substances**" means, without implied limitation, substances defined as "hazardous substances," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601, et seq.; the TSCA; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq.; those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the EPA, or any successor authority, as hazardous substances [40 CFR Part 302]; and those substances defined as "hazardous waste" in Section 25117 of the California Health and Safety Code or, as "hazardous substances" in Section 25316 of the California Health and Safety Code; other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under federal, state, or local laws or regulations and in the regulations adopted pursuant to said laws, and shall also include manure, asbestos, polychlorinated biphenyl, flammable explosives, radioactive material, petroleum products, and substances designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317. Notwithstanding the foregoing, "Hazardous Substances" shall not include such products in quantities as are customarily used in the construction, maintenance, development, operation or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner generally used in other comparable residential developments, or substances commonly ingested by a significant population living within the Project including, without limitation, alcohol, aspirin, tobacco and saccharine.

1.1.25 "**Impact Fee Loan**" has the meaning ascribed thereto in Section 6.1.

1.1.26 "**Impact Fee Note**" has the meaning ascribed thereto in Section 6.1.

1.1.27 "**Institutional Lender**" means any of the following: (a) a bank (State, Federal or foreign), trust company (in its individual or trust capacity), insurance company, credit union, savings bank (State or Federal), pension, welfare or retirement fund or system, real estate investment trust (or an umbrella partnership or other entity of which a real estate investment trust is the majority owner), Federal, State or local governmental agency regularly making or guaranteeing mortgage loans, investment bank or a subsidiary of a Fortune 500 company; or (b) any person or entity that is an Affiliate of or is a combination of any one or more of the persons or entities described in "(a)" of this Section.

1.1.28 "**Land Loan**" has the meaning ascribed thereto in Section 6.1.

1.1.29 "**Land Note**" has the meaning ascribed thereto in Section 6.1.

1.1.30 "**Lender**" means the holder of any Security Instrument and its successors and assigns.

1.1.31 "**Managing General Partner**" means Montebello Affordable Housing, LLC, a California limited liability company.

1.1.32 "**Parties**" means, collectively, the Sellers and the Developer.

1.1.33 "**Party**" means, individually, the City, the Successor Agency, or the Developer, as applicable.

1.1.34 "**PCO Statement**" means a preliminary change of ownership statement provided for in California Revenue and Taxation Code Section 480.3.

1.1.35 "**Permanent Loan**" any loan that the Developer obtains from an Institutional Lender, the proceeds of which are to be used and applied solely to pay: (1) the reasonable costs of obtaining such loan; (2) the then current outstanding principal and interest under any Construction Financing; and (3) any reasonable and customary fees or charges of the Institutional Lender, as applicable, providing the Construction Financing relating to pay-off of the Construction Financing. The Permanent Loans are set forth in the Project Budget.

1.1.36 "**Permitted Exceptions**" means (i) any and all items shown in Schedule B of the Preliminary Report as exceptions to coverage under the proposed Title Policy that the Developer accepts, pursuant to Section 2.4; (ii) any exceptions from coverage under the proposed Title Policy; (iii) non-delinquent property taxes and assessments; (iv) this Agreement; (v) the Grant Deeds; (vi) the Regulatory Agreement; (vii) any Permitted Security Instrument; (xiii) any encumbrance recorded against the Project Site with Developer's consent or as a result of the activities of Developer; and (ix) any other document or encumbrance expressly required or allowed to be recorded against the subject property under the terms of this Agreement.

1.1.37 "**Permitted Security Instrument**" means any Security Instrument: (a) that encumbers the Project Site or portion thereof or interest in the Project Site; (b) that is a requirement of the Lender for the Construction Financing, any Permanent Financing, or any Refinancing; and (c) that only secures: (i) the repayment of money used to pay or reimburse the Construction Financing; (ii) a bona fide Permanent Loan; (iii) a delivery assurance fee regarding a Permanent Loan that is refundable to Developer at the close of the Permanent Loan; or (iv) said Refinancing. Developer shall promptly delivery a copy of any Security Instrument to the City, with the Lender's name and notice address.

1.1.38 "**Permitted Transfer**" means any of the following types of Transfer by Developer, which unless otherwise provided do not require the Sellers' prior written approval, but which shall be subject to the person or entity to which such Transfer is made expressly and unconditionally assuming in a written assignment and assumption agreement between such person or entity, Developer and Sellers that is in a form reasonably acceptable to Sellers (as evidenced by execution of such assignment and assumption agreement by the City Manager), all obligations of Developer under this Agreement:

1.1.38.1 Any Transfer to an Institutional Lender: (1) pursuant to a Permitted Security Instrument as collateral for bona fide Construction Financing to pay all or any part of the Project Costs; or (2) pursuant to a Permitted Security Instrument as collateral for a bona fide Permanent Loan or any Refinancing.

1.1.38.2 Any Transfer directly resulting from the foreclosure or deed in lieu of foreclosure of a Permitted Security Instrument for a loan from an Institutional Lender to the Project or as otherwise permitted.

1.1.38.3 Any Transfer of stock or equity in the Party that does not change management or operational Control of the Project, with no material change in beneficial ownership (with the exception of any conveyance to member(s) of the immediate family(ies) of the transferor(s) or trusts for their benefit) and which constitutes a tax-free transaction under Federal income tax law and California real estate transfer tax.

1.1.38.4 The lease of residential units in the Project consistent with the Regulatory Agreement.

1.1.38.5 Any Transfer of this Agreement and the Project Site to a limited liability company in which CCF, Vista Del Monte or an Affiliate of CCF or Vista Del Monte is a majority member and manager.

1.1.38.6 Any Transfer of this Agreement and the Project Site to a limited partnership in which a general partner is an Affiliate of Developer, CCF, or Vista Del Monte, and the managing general partner is a 501(c)(3) tax exempt nonprofit corporation or its Affiliate.

1.1.38.7 The Transfer and sale of limited partnership interests in Developer while the Developer is in the form of a limited partnership.

1.1.38.8 In the event that any general partner of the Developer, while the Developer is in the form of a limited partnership, is removed by the limited partner of such limited partnership for cause following default under the partnership agreement, the Transfer of the general partner interest to a 501(c)(3) tax exempt nonprofit corporation or its Affiliate selected by the limited partner and approved by the Sellers, which approval shall not be withheld unreasonably, delayed or conditioned.

1.1.38.9 The Transfer of the Project from Developer, while the Developer is in the form of a limited partnership, to one or more of the general partners of the Developer or their Affiliates at the end of the tax credit compliance period for the Project;

1.1.38.10 Any dilution of a general partner's interest in the Developer while the Developer is in the form of a limited partnership, in accordance with the Developer's limited partnership agreement;

1.1.38.11 The Transfer of Developer's rights and obligations pursuant to this Agreement regarding the purchase and sale of the SA Property and the development of the Phase II Project to CCF.

1.1.39 "**Phase II Performance Guaranty**" means a performance guaranty regarding CCF's acquisition and subsequent development of the Phase II Project, substantially in the form attached hereto as **Exhibit "N"**.

1.1.40 "**Predevelopment Loan**" has the meaning ascribed thereto in Section 6.1.

1.1.41 "**Predevelopment Loan Agreement**" has the meaning ascribed thereto in Section 6.1.

1.1.42 "**Predevelopment Loan Deed of Trust**" has the meaning ascribed thereto in Section 6.1.

1.1.43 "**Predevelopment Loan Note**" has the meaning ascribed thereto in Section 6.1.

1.1.44 "**Preliminary Report**" means a preliminary report issued by the Title Company in contemplation of the issuance of the Title Policy, accompanied by legible copies of all documents listed in Schedule B of the report as exceptions to coverage under the proposed Title Policy. The Parties acknowledge that they may prepare one (1) or more Preliminary Reports for each parcel, or group of parcels, comprising the Agency Properties. In such case, all reports, notices, and objection letters which pertain to the Preliminary Report for the entirety of the Agency Properties shall apply separately to each Preliminary Report associated with a parcel or a group of parcels.

1.1.45 "**Project**" means the construction and development of the Project Site with a sixty-three (63) unit affordable housing project and associated amenities and improvements, as further described in Developer's "Project Narrative" attached hereto as **Exhibit "G,"** with the final Project as specifically described in the Entitlements and Project Permits.

1.1.46 "**Project Budget**" means the Project Costs and anticipated sources of funds to pay the Project Costs as set forth in the Project pro forma set forth in **Exhibit H**, as may be modified from time to time pursuant to Section 6.2.

1.1.47 "**Project Commencement Date**" means no later than the date that is sixty (60) days after the Closing of Escrow. The Project Commencement Date is further described and defined in the Schedule of Performance in **Exhibit I.**

1.1.48 "**Project Completion Date**" means the date by which a Certificate of Completion shall be issued for the Project, as more particularly provided in the Schedule of Performance. The Project Completion Date shall be no later than the date which is thirty (30) months after the Close of Escrow, subject to Unavoidable Delay.

1.1.49 "**Project Costs**" means all of the Developer's costs actually incurred for acquisition of the Agency Properties and development and construction of the Project.

1.1.50 "**Property Transfer"** means and refers to any "change in ownership," as defined in Revenue and Taxation Code Sections 60, et seq., of all or any portion of the Agency Properties.

1.1.51 "**Refinancing**" means any loan secured by a Permitted Security Instrument that the Developer obtains from an Institutional Lender subsequent to recordation of the Permanent Loan for any of the following purposes: (1) to pay off all or a portion of an existing loan secured by a Permitted Security Instrument where the Lender providing the new loan will disburse loan proceeds to or on behalf of Developer exceeding the amount of principal and interest under the existing loan being paid plus the amount of any reasonable and customary fees and costs associated with obtaining such new loan that are actually paid by Developer and not rebated or refunded to Developer; (2) disbursing funds to or on behalf of Developer without paying off any existing loan

secured by a Permitted Security Instrument; or (3) any loan extension, modification or equivalent regarding an existing loan to Developer secured by a Permitted Security Instrument that results in the Lender of the existing loan disbursing additional loan proceeds to or on behalf of Developer in excess of the original principal amount of the loan.

1.1.52 "**Regulatory Agreement**" means the Regulatory Agreement and Declaration of Restrictive Covenants, Conditions and Restrictions Restricting the Use of Property for Affordable Housing in substantially the form of **Exhibit J** attached to this Agreement, which shall be recorded against the Project Site as a condition for the Close of Escrow.

1.1.53 "**SA Grant Deed**" means a deed substantially in the form of **Exhibit "F"** to this Agreement, conveying the Successor Agency's interest in the SA Property to the Developer.

1.1.54 "**Schedule of Performance**" means the schedule for the performance of certain actions by the Parties pursuant to this Agreement, attached to this Agreement as **Exhibit I**.

1.1.55 "**Security Instrument**" means any security instrument, deed of trust, security deed, contract for deed, deed to secure debt, or other voluntary real property (including leasehold) security instrument(s) or agreement(s) intended to grant real property (including leasehold) security for any obligation (including a purchase-money or other promissory note) encumbering the Project Site, as entered into, renewed, modified, consolidated, increased, decreased, amended, extended, restated, assigned (wholly or partially), collaterally assigned, or supplemented from time to time, unless and until paid, satisfied, and discharged of record. If two or more such security instruments are consolidated or restated as a single lien or held by the same Lender (as applicable), then all such security instruments so consolidated or restated shall constitute a single Security Instrument. A participation interest in a security instrument (or partial assignment of the secured loan) does not itself constitute a Security Instrument.

1.1.56 "**State**" means the State of California.

1.1.57 "**Tax Credit Equity**" means the equity investment toward the cost of development and construction of the Project contributed to the Developer (when in the form of a limited partnership) by the Tax Credit Investor, in the amount set forth in the Project Budget.

1.1.58 "**Tax Credit Investor**" means the limited partner in Developer (when in the form of a limited partnership) that provides the Tax Credit Equity for the development and construction of the Project.

1.1.59 "**Tax Credits**" means an allocation from TCAC of nine percent (9%) federal low income housing tax credits and State low income housing tax credits to finance a portion of the Project Costs, in accordance with applicable state and federal regulations and associated TCAC regulations.

1.1.60 "**TCAC**" means the California Tax Credit Allocation Committee or successor in function.

1.1.61 "**TCAC Regulatory Agreement**" means the regulatory agreement required to be recorded against the Project Site by TCAC to obtain the Tax Credits.

1.1.62 "**Title Company**" means Commonwealth Title Insurance Company, or such other title company mutually agreed upon in writing by both Sellers and Developer

1.1.63 "**Title Policy**" means a standard CLTA owners' policy of title insurance issued by the Title Company, with coverage in the full amount of the Purchase Price and insuring fee title to the Agency Properties, subject only to the Permitted Exceptions. However, at Developer's option, Developer may acquire an ALTA extended coverage policy. Sellers shall pay for the standard CLTA policy. Developer shall pay for any additional incremental costs for obtaining the ALTA extended coverage policy.

1.1.64 "**Transfer**" means any of the following:

1.1.64.1 Any assignment, conveyance, grant, hypothecation, mortgage, pledge, sale, or other transfer, whether direct or indirect, of all or any part of such property, right or obligation, or of any legal, beneficial, or equitable interest or estate in such property, right or obligation or any part of it (including the grant of any easement, lien, or other encumbrance); or

1.1.64.2 Any conversion, exchange, issuance, modification, reallocation, sale, or other transfer of any direct or indirect equity interest(s) in the owner of such property, right or obligation by the holders of such equity interest(s); or

1.1.64.3 Any merger, consolidation, sale, or lease of all or substantially all of the assets of the Developer or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest of all or substantially all of the assets of the Developer; or

1.1.64.4 Any Property Transfer; or

1.1.64.5 The recordation of any deed of trust, mortgage, lien or similar encumbrance against all or any portion of the Agency Properties or the Project Site.

1.1.65 "**Unavoidable Delay**" means any delay that is caused exclusively by the other Party or that is beyond the reasonable control of the Sellers or the Developer, including, without limitation, delay caused by strikes, acts of God, weather, inability to obtain labor or materials, inability to obtain governmental permits or approvals, governmental restrictions or priorities, epidemics, pandemics, civil commotion, including strikes, lockouts or riots, litigation, acts of the public enemy, fire, earthquakes, or similar causes.

1.1.66 "**Vista Del Monte**" means Vista Del Monte Affordable Housing, Inc., a California nonprofit public benefit corporation.

1.2 Representations and Warranties.

1.2.1 Sellers' Representations and Warranties. The representations and warranties of Sellers contained in this Section are true and correct to the best knowledge and belief of the City and/or Successor Agency, as applicable, as of the Effective Date. Sellers' liability for misrepresentation or breach of warranty, representation, or covenant, wherever contained in this Agreement, shall survive the execution and delivery of this Agreement and the Closing. Sellers'

hereby make the following representations, covenants and warranties and acknowledge that the execution of this Agreement by Developer has been made in material reliance by Developer on such covenants, representations, and warranties:

1.2.1.1 City is a California municipal corporation duly formed and operating under the laws of the State of California. City has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the transactions contemplated hereby. Successor Agency is a California successor agency duly formed and operating under the laws of the State of California. Successor Agency has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the transactions contemplated hereby.

1.2.1.2 The persons executing any instruments for or on behalf of Sellers have been authorized to act on behalf of Sellers, and this Agreement is valid and enforceable against Sellers in accordance with its terms and each instrument to be executed by Sellers pursuant hereto or in connection therewith will, when executed, shall be valid and enforceable against Sellers in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution and delivery of and compliance with this Agreement by Sellers.

1.2.1.3 Sellers have taken all requisite action and obtained all requisite consents for agreements or matters to which either City or Successor Agency is a party in connection with entering into this Agreement and the instruments and documents referenced herein and in connection with the consummation of the transactions contemplated hereby and no consent of any other party is required for the Seller's authorization to enter into Agreement.

1.2.1.4 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Sellers are a party or by which the Sellers may be bound, or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to the Sellers or to the Project Site.

1.2.1.5 This Agreement is, and all agreements, instruments and documents to be executed by the Sellers pursuant to this Agreement shall be, duly executed by and shall be valid and legally binding upon the Sellers and enforceable in accordance with their respective terms. No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution and delivery of in compliance with this Agreement by the Sellers.

1.2.1.6 The Agency Properties comprise legally formed parcels.

1.2.1.7 City is the owner of the entire right, title and interest in and to the City Properties, and Successor Agency is the owner of the entire right, title and interest in and to the SA Property.

1.2.1.8 None of the Agency Properties has been used for the purposes of storing, manufacturing, releasing, or dumping Hazardous Substances.

1.2.1.9 There are no pending or, to the best of the Seller's knowledge, threatened claims, allegations or lawsuits of any kind that could materially and adversely affect the value of the Agency Properties or prohibit the sale thereof, nor to the best of Seller's knowledge, is there any governmental investigation of any type or nature pending or threatened against or relating to any of the Agency Properties or the transactions contemplated hereby.

1.2.1.10 Except as disclosed in the Preliminary Report, no portion of the Agency Properties is subject to any lease, license, option, or use agreement and no person or entity other than Sellers have any right to occupy and/or use the Agency Properties.

1.2.1.11 If the Sellers become aware of any act or circumstance that would change or render incorrect, in whole or in any material part, any representation or warranty made by the Sellers under this Agreement, whether as of the date given or any time thereafter, whether or not such representation or warranty was based upon the Sellers' knowledge and/or belief as of a certain date, the Sellers will give immediate written notice of such changed fact or circumstance to the Developer.

Any representation made by "Sellers" pursuant to this Section 1.2.1 shall constitute an individual representation by each of City and Successor Agency.

1.2.2 Developer Representations and Warranties. The representations and warranties of Developer contained in this Section are true and correct to the best knowledge and belief of Developer as of the Effective Date. The Developer's liability for misrepresentation or breach of warranty, representation or covenant, wherever contained in this Agreement, shall survive the execution and delivery of this Agreement and the Closing. The Developer hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by Sellers has been made in material reliance by Sellers on such covenants, representations and warranties:

1.2.2.1 The Developer is a California limited partnership, lawfully entitled to do business in the State of California and the City. The Developer has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby. The persons executing this Agreement and the instruments referenced herein on behalf of the Developer hereby represent and warrant that such persons have the power, right and authority to bind the Developer.

1.2.2.2 The Developer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby, and no consent of any other party is required for the Developer's authorization to enter into Agreement.

1.2.2.3 Developer has the knowledge, skill, expertise, financing or funds, and capacity to complete the Project in accordance with the requirements of this Agreement.

1.2.2.4 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Developer is a party or by

which the Developer may be bound, or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to the Developer or to the Project Site.

1.2.2.5 This Agreement is, and all agreements, instruments and documents to be executed by the Developer pursuant to this Agreement shall be, duly executed by and shall be valid and legally binding upon the Developer and enforceable in accordance with their respective terms. No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution and delivery of in compliance with this Agreement by the Developer.

1.2.2.6 If the Developer becomes aware of any act or circumstance that would change or render incorrect, in whole or in any material part, any representation or warranty made by the Developer under this Agreement, whether as of the date given or any time thereafter, whether or not such representation or warranty was based upon the Developer's knowledge and/or belief as of a certain date, the Developer will give immediate written notice of such changed fact or circumstance to the Sellers.

1.2.3 Effective Date. This Agreement is dated in the first paragraph for reference purposes only. This Agreement shall not become effective until the date on which all of the following are true ("**Effective Date**"): (a) this Agreement is approved and executed by the appropriate authorities of Developer and delivered to Sellers; (b) this Agreement is approved by the City Council for the City and Successor Agency Governing Board for the Successor Agency; and (d) this Agreement is executed by the authorized representatives of each of the Sellers.

1.2.4 Exhibit List. The following is a list of the Exhibits attached to this Agreement. Each of the Exhibits is incorporated by this reference into the text of this Agreement.

Exhibit A	Legal Description of City Properties
Exhibit B	Legal Description of SA Property
Exhibit C	Legal Description of Developer Property
Exhibit D	Legal Description of Project Site
Exhibit E	Form of City Grant Deed
Exhibit F	Form of SA Grant Deed
Exhibit G	Developer's Project Narrative
Exhibit H	Project Budget / Proforma
Exhibit I	Schedule of Performance
Exhibit J	Form of Regulatory Agreement
Exhibit K	Form of Land Note
Exhibit L	Form of Deed of Trust Securing Land Note and Impact Fee Note
Exhibit M	Form of Impact Fee Note
Exhibit N	Phase II Performance Guranty

ARTICLE II.
PROPERTY DISPOSITION

2.1 Purchase and Sale.

2.1.1 City Properties; Purchase Price. In consideration for the "City Purchase Price" (as defined below) and Developer's other covenants and commitments set forth herein, the City shall sell the City Properties to the Developer, and the Developer shall purchase the City Properties from the City pursuant the such terms and conditions of this Agreement. The purchase price for the City Properties shall be Three Million Seventy-Five Thousand Dollars ($3,075,000) ("**City Purchase Price**").

2.1.2 SA Property. In exchange for the "SA Purchase Price" (as defined below) and the Developer's other covenants and undertakings set forth herein, the Successor Agency shall sell the SA Property to the Developer and the Developer shall purchase the SA Property from the Successor Agency pursuant to the terms and conditions of this Agreement. The purchase price for the SA Property shall be One Hundred Nineteen Thousand Dollars ($119,000.00) (the "**SA Purchase Price**").

2.2.3 Manner of Transaction. For the purposes of exchanging funds and documents to complete the sale from the Sellers to Developer and the purchase by the Developer from Sellers of the Agency Properties pursuant to the terms of this Agreement, the Sellers and the Developer agree to open an escrow ("**Escrow**") with the Escrow Holder. ARTICLE III of this Agreement constitutes the joint escrow instructions of the Parties to the Escrow Holder for completion of the Escrow for the sale of the Agency Properties as contemplated by this Agreement. The Developer and the Sellers shall execute such further escrow instructions, consistent with the provisions of this Agreement, as may be reasonably requested by the Escrow Holder. In the event of any conflict between the provisions of this Agreement and any other escrow instructions requested by the Escrow Holder, the provisions of this Agreement shall control except as such escrow instructions are executed by the Parties and expressly reference an amendment to this Agreement.

2.2 Payment of Purchase Price.

2.2.1 City Properties; City Note and Deed of Trust. The Developer shall pay the City Purchase Price by depositing the Land Note and Deed of Trust into Escrow at least three (3) business days preceding the Escrow Closing Date.

2.2.2 SA Property. The Developer shall deposit by cash, check, or wire, an amount equal to the SA Purchase Price into Escrow at least three (3) business days preceding the Escrow Closing Date.

2.3 Eminent Domain. If any portion of the Agency Properties or any interest in any portion of the Agency Properties becomes the subject of any eminent domain proceeding prior to Close of Escrow, including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain commenced by any Governmental Agency, the Sellers shall immediately give the Developer notice of such occurrence, and the Developer shall have the option, exercisable within ten (10) business days after receipt of such notice from the Sellers, to either: (1) cancel the Escrow and terminate this Agreement and the Escrow, in which case the Parties and the Escrow Holder shall proceed in accordance with Section 3.10; or (2) continue with this Agreement in accordance with its terms, in which event the Sellers shall assign to the

Developer any right of the Sellers to receive any condemnation award attributable to the Agency Properties.

2.4 Title Approval. As soon as practicable following the Effective Date, Sellers shall obtain from Title Company the Preliminary Report and deliver a copy of the Preliminary Report to the Developer. Within ten (10) days following the Developer's receipt of a Preliminary Report for the Agency Properties, the Developer shall deliver the Developer's Title Notice to the Sellers. If the Developer fails to deliver the Developer's Title Notice to the Sellers within ten (10) days following the Developer's receipt of the Preliminary Report, the Developer will be deemed to disapprove the status of title to the Agency Properties. Within seven (7) days following receipt by the Sellers of Developer's Title Notice or, if none is sent, expiration of Developer's ten (10) day timeframe to deliver Developer's Title Notice, the Sellers shall serve Sellers' Title Notice Response. If Sellers do not serve Sellers's Title Notice Response, if necessary, within seven (7) days following its receipt of Developer's Title Notice, the Sellers shall be deemed to elect not to remove any matter objected to in Developer's Title Notice, if any, from the Preliminary Report. If Sellers elect in Sellers' Title Notice Response to cause the removal of any matter objected to in Developer's Title Notice from the Preliminary Report, the Sellers shall cause the removal of each such objectionable matter from the Preliminary Report prior to or concurrently with the Close of Escrow or such other period of time that may be agreed to in writing by both the Sellers and the Developer. If Sellers are unwilling or unable to cause the removal of any matter objected to in Developer's Title Notice from the Preliminary Report, then, within seven (7) days following the Developer's receipt of Sellers's Title Notice Response stating that the Sellers are unwilling to remove or cause the removal of any matter objected to in Developer's Title Notice or if Sellers fail to upon the expiration of the above thirty (30) day time period during which the Sellers elected to remove such objectionable matters from the Preliminary Report and were unable to do so, the Developer may either: (1) refuse to accept the title to and conveyance of the Agency Properties, in which case the Parties shall have the right, subject to Section 2.4.2, to cancel the Escrow and terminate this Agreement without liability to either Party or any other person, by delivery of a written notice of termination to the Escrow Holder, or (2) be deemed to waive its objection to any items set forth in Developer's Title Notice.

2.4.1 If at any time prior to the Close of Escrow the Title Company issues an updated Preliminary Report containing any previously undisclosed matter affecting title to the Agency Properties, or Sellers become aware of any previously undisclosed matter affecting title to the Agency Properties, following the delivery of the Developer's Title Notice, the Sellers shall provide written notice to the Developer of such matter, together with any updated Preliminary Report related to such matter. The Sellers and the Developer shall have such rights and obligations with respect to such previously undisclosed title matters as they did with respect to any title matters set forth in the original Preliminary Report.

2.4.2 Before exercising any right a Party may have under this Section to cancel the Escrow and terminate this Agreement, such Party shall notify the non-terminating Parties in writing of its election to terminate and shall, upon a non-terminating Party's request, which must be delivered, if at all, within three (3) days following its receipt of the terminating Party's notice of election to terminate, meet and confer with the non-terminating Parties for a period of fifteen (15) days. During such time, the Parties shall meet as often as reasonably requested by any Party to negotiate, in good faith, methods and means by which the objectionable title matter may be

eliminated or mitigated. Nothing herein shall constitute an agreement, representation, or warranty by any Party that an acceptable resolution of the objectionable title matter will be achieved, nor shall any Party be obligated to expend any funds or undertake any other action whatsoever with respect to such title matter unless such agreement is reduced to a writing which is approved by all Parties, in their sole and absolute discretion. If, at the end of such thirty (30) day period, the Parties have not been able to agree on a mutually acceptable method of resolving such title matter, or if any proposed agreement is disapproved by the City Council and Successor Agency Governing Board, the Escrow shall be cancelled, this Agreement shall be terminated without liability to any Party, and the Parties shall proceed pursuant to Section 3.10.

2.4.3 The Sellers agree not to place any matters of record against the Agency Properties (other than Permitted Exceptions and any matters arising from Sellers's issuance or exercise of any remedy related to this Agreement or any approval for the Project), prior to the Close of Escrow without the prior written consent of Developer.

2.5 Developer Investigations.

2.5.1 The Developer shall have until the expiration of the Due Diligence Period to complete all of its Due Diligence Investigations with respect to the entirety of the Agency Properties. The Developer shall complete all of its Due Diligence Investigations within the Due Diligence Period and shall conduct all of its Due Diligence Investigations at its sole cost and expense. With the exception of the representations and warranties made by the Sellers pursuant to this Agreement, including without limitations in Section 1.2.1 above, the Developer shall rely solely and exclusively upon the results of its Due Diligence Investigations of the Agency Properties, including, without limitation, investigations regarding geotechnical soil conditions, compliance with applicable laws pertaining to the use of the Agency Properties by the Developer and any other matters relevant to the condition or suitability of the Agency Properties for the Project, as the Developer may deem necessary or appropriate. With the exception of the representations and warranties made by the Sellers pursuant to this Agreement, including without limitations in Section 1.2.1 above, Sellers make no representation or warranty to the Developer relating to the condition of the Agency Properties or suitability of the Agency Properties for any intended use or development by the Developer. The Developer shall deliver a Due Diligence Investigation Rejection Notice to the Sellers prior to the end of the Due Diligence Period. If the Developer does not timely deliver its Due Diligence Investigation Rejection Notice prior to the end of the Due Diligence Period, the Developer shall be deemed to have accepted the condition of the Agency Properties in its current condition. If the condition of the Agency Properties is rejected, then either Party shall have the right, subject to Section 2.4.2, to cancel the Escrow and terminate this Agreement, in its sole discretion, without liability to the other Party or any other person, by delivery of a written notice of termination to the other Party and Escrow Holder. If the Developer proceeds with the Closing, in its sole discretion and with the exception of the representations and warranties made by the Sellers pursuant to this Agreement, including without limitations in Section 1.2.1 above, the Developer's acceptance of the Agency Properties shall be in the "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS" condition. The Developer shall conduct during the Due Diligence Period such environmental assessment(s) of the Agency Properties as the Developer deems appropriate. If such assessment(s) do not reveal the presence of any Hazardous Substances on the Agency Properties in levels that exceed applicable Governmental Requirements, then the Sellers shall promptly and at its sole cost and expense install security fencing around the

Agency Properties. If such assessment(s) do reveal the presence of any Hazardous Substances on the Agency Properties in levels that exceed applicable Governmental Requirements, then the Sellers and the Developer shall negotiate in good faith in an effort to reach agreement as to the allocation of responsibility and cost of remediation thereof; provided, however, that if the Parties are unable to reach agreement, each in their sole and absolute discretion, then either Party shall have the right, subject to Section 2.4.2, to cancel the Escrow and terminate this Agreement, in its sole discretion, without liability to the other Party or any other person, by delivery of a written notice of termination to the other Party and Escrow Holder.

2.5.2 Any Due Diligence Investigations of the Agency Properties by the Developer shall not unreasonably disrupt any then-existing use or occupancy of the Agency Properties or the operations of the Sellers. The Developer shall be liable for any damage or injury to any person or property arising from the acts or omissions of the Developer, its employees, agents or representatives during the course of any Due Diligence Investigations on the Agency Properties and the Developer shall indemnify, defend with counsel reasonably acceptable to Seller and hold harmless the Sellers and its elected officials, officers, directors, attorneys, contractors, agents and employees (collectively the "**Seller Parties**") from any and all actual or alleged liens, claims, demands or liability arising from any Due Diligence Investigations by the Developer on the Agency Properties except to the extent caused by any of the Seller Parties, and other than for discovery of existing conditions on the Agency Properties. Prior to commencing any Due Diligence Investigations on the Agency Properties, the Developer shall deliver copies of policies or certificates of insurance to the City evidencing compliance by the Developer with the liability insurance requirements of Section 5.3.

2.5.3 Before exercising any right a Party may have under this Section 2.5 to cancel the Escrow and terminate this Agreement, such Party shall notify the non-terminating Parties in writing of its election to terminate and shall, upon a non-terminating Party's request, which must be delivered, if at all, within three (3) days following its receipt of the terminating Party's notice of election to terminate, meet and confer with the non-terminating Parties for a period of fifteen (15) days. During such time, the Parties shall meet as often as reasonably requested by any Party to negotiate, in good faith, methods and means by which the objectionable due diligence matter may be eliminated or mitigated. Nothing herein shall constitute an agreement, representation, or warranty by any Party that an acceptable resolution of the objectionable due diligence matter will be achieved, nor shall any Party be obligated to expend any funds or undertake any other action whatsoever with respect to such due diligence matter unless such obligation is reduced to a writing which is approved by all Parties, in their sole and absolute discretion. If, at the end of such fifteen (15) day period, the Parties have not been able to agree on a mutually acceptable method of resolving the objectionable due diligence matter, or if any proposed agreement is disapproved by the City Council, the Escrow shall be cancelled, this Agreement shall be terminated without liability to any Party, and the Parties shall proceed pursuant to Section 3.10.

2.6 <u>Project Entitlements</u>.

2.6.1 Parcel Map. On June 21, 2022, the Planning Commission for the City of Montebello approved with conditions Tentative Parcel Map No. 83718 for the Project Site ("**Parcel Map**").

2.6.2 Zoning Approvals; Entitlements. On November 10, 2021, the City Council adopted Resolution No. 21-91 approving Developer's application for discretionary land use entitlements for the Project, and specifically: (a) approving Developer's application for an Amendment to the Precise Plan of Development for Planned Development District No. PD2-15, Site Plan Review, and Parking Management Plan (Case No. PC-2021-0002-PD-SRP-PMP), to permit the Project Site to be developed with the Project, subject to certain conditions of approval set forth in said resolution (cumulatively the "**Zoning Approvals**"); and (b) Adopting the Addendum (with the Precise Plan, Zoning Approvals, and MND cumulatively the "**Entitlements**"). The Developer has agreed to accept all conditions of approval set forth in the Entitlements, and to comply with said conditions and all approvals, permits and other governmental actions regarding the development or operation of the Project on the Project Site as a condition to the Close of Escrow.

2.7 Project Permits – Application Condition to Closing. At least twenty (20) days prior to the Closing Date, and as a condition to the Closing of Escrow, Developer shall submit to the Sellers, on the City's standard form and inclusive of any required plans, specifications, or other information or documentation, an application for a building permit for the Project ("**Permit Application**"), which upon approval by the City shall constitute Developer's authorization to proceed with construction of the Project on the Project Site. ("**Project Permits**"). In the event Developer fails to submit said Permit Application, or in the event Sellers conclude the Permit Application is incomplete or inconsistent with the Entitlements or this Agreement, then Sellers may provide written notice to Developer and Escrow not later than ten (10) days prior to the Closing, with Sellers' written notice specifying Developer's failure to file the Permit Application or the grounds on which the Permit Application is incomplete or otherwise inconsistent with the Entitlements or this Agreement ("**Notice of Sellers' Objection to Permit Application**"). In the event Sellers deliver a Notice of Sellers' Objection to Permit Application, the Escrow shall not Close unless and until Sellers deliver a subsequent notice to Developer and Escrow that the Project Permits have been issued. Following the Closing of Escrow, Developer shall expeditiously pursue and satisfy any remaining pre-construction conditions of approval set forth in the Entitlements or Project Permits, and expeditiously and diligently prosecute development of the Project Site with the Project in accordance with the Entitlements, Project Permits, and this Agreement.

2.8 City Requirements. To the extent applicable, the City's zoning, building and land use regulations (whether contained in ordinances, the City's municipal code, and/or conditions of approval) (collectively, the "**City Requirements**"), shall be applicable to the use and development of the Project on the Project Site by the Developer. The Developer acknowledges that the Permit Application and any plans and specifications for the Project shall comply with all applicable City Requirements. No action by the City with reference to this Agreement or any related documents shall be deemed to constitute a waiver of any applicable City Requirements regarding the Project Site, the Project, the Developer, any successor-in-interest of the Developer or any successor-in-interest to the Project Site. The City Requirements may only be changed or waived by modification or variance approved in the discretion of the City and consistent with this Agreement. Notwithstanding any other provision of this Agreement, the City agrees that the only discretionary City entitlements necessary for the Project are the Entitlements, and no other discretionary entitlements are required for the Project. No entitlement, permit or other approval from the City for development of the Project on the Project Site shall attach to any portion of the Project Site or otherwise become effective to allow the Developer to develop the Project on the Project Site until

after the Developer owns fee title to that portion of the Project Site to which such entitlement, permit or other approval pertains.

2.9 Developer to Pay All Costs and Expenses. The Parties agree that Sellers shall not provide any financial assistance to the Developer in connection with the Project except as is expressly set forth in this Agreement relative to the Land Loan, Impact Fee Loan, and Predevelopment Loan. The Developer shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees and permit expenses associated with the Project. The Developer shall pay any and all fees pertaining to the review and approval of the Project by the City, any other Governmental Agency and utility service providers, including the costs of preparation of all required construction, planning and other documents reasonably required by a Governmental Agency pertinent to the development or operation of the Project on the Project Site, including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications, environmental review and disclosure documents and design review documents. The Developer shall pay for any and all costs, including, but not limited to, the costs satisfying any conditions of approval in the Entitlements or Project Permits, and the costs of design, construction, relocation and securing of permits for sewer or utility improvements and connections, or intersection or traffic improvements, that may be required in development of the Project, whether located on or off of the Project Site. The Developer shall obtain any and all necessary approvals prior to the commencement of applicable portions of construction, and the Developer shall comply with any conditions of approval of this Agreement and the Entitlements, and shall take reasonable precautions to ensure the safety and stability of surrounding properties during said construction. In accordance with this Section Developer shall be responsible for the costs of the following:

2.9.1 all fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by the Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning and/or design activities, drawings, specifications or other activity or matter relating to the Project Site or the Project or the negotiation of this Agreement that may be undertaken by the Developer;

2.9.2 all fees, charges and costs, and all deposits and bonds or other security required in connection with the submission to and processing by the City of any and all applications and other documents and information to be submitted to the City by the Developer pursuant to this Agreement or otherwise required for the Project; and

2.9.3 all entitlements, permits and other approvals for use and development of the Project on the Project Site from each Governmental Agency, within the time period for such actions specifically set forth in the Schedule of Performance, subject to any extensions of time authorized by this Agreement, including upon the occurrence of an Unavoidable Delay.

2.10 Fair Share of Intersection Improvements. Developer acknowledges and agrees that: certain public infrastructure improvements are included in the conditions of approval for the Entitlements, specifically including installation of a traffic signal at the intersection of 6th Street and Whittier Boulevard. The total cost to install the traffic signal is Five Hundred Thousand Dollars ($500,000.00). The "fair share" of cost which is attributable to the Project is Three Hundred Thousand Dollars ($300,000.00) (the "Project's Fair Share of Signal Costs"). As a

condition precedent, and prior to, the Closing, Developer shall deposit funds in an amount equal to the Project's Fair Share of Signal Costs into Escrow. The Project's Fair Share of Signal Costs shall be released and paid to the City at Closing.

2.11 Delivery of Property Free of Occupants. At the Close of Escrow, the Sellers will deliver possession of the Agency Properties to Developer free and clear of all occupants and free and clear of any contractual rights created by or with the consent of the Sellers for any person or entity (other than Developer) to access, use or occupy the Agency Properties; provided that this section shall not impact the ongoing covenants and conditions relative to use and occupancy of the City Properties for affordable housing as set forth in this Agreement.

ARTICLE III.
ESCROW INSTRUCTIONS

3.1 Opening of Escrow. For purposes of this Agreement, the opening of Escrow shall be the first date on which a fully executed copy of this Agreement is deposited with Escrow Holder ("**Escrow Opening Date**"). The Developer shall cause the Escrow to be opened and this Agreement to be delivered to Escrow Holder within five (5) days following the Effective Date. Escrow Holder shall promptly confirm in writing to each of the Parties the date of the Escrow Opening Date. This ARTICLE III shall constitute the joint escrow instructions of the Sellers and the Developer to Escrow Holder for conduct of the Escrow to complete the purchase and sale of the Agency Properties between them, as contemplated in this Agreement.

3.2 Conditions to Close of Escrow. The conditions set forth below shall be satisfied or waived, in writing, by the respective benefited Party on or before the Escrow Closing Date or the Party benefited by any unsatisfied condition shall not be required to proceed to close Escrow.

3.2.1 Conditions to Developer's Obligation to Close of Escrow. The Developer's obligation to purchase the Agency Properties from the Sellers on the Escrow Closing Date shall be subject to the satisfaction of the following conditions precedent, each of which can only be waived, in writing, by the Developer:

3.2.1.1 The Developer agrees to accept the title to and conveyance of the Agency Properties;

3.2.1.2 The Developer fails to deliver a Due Diligence Investigation Rejection Notice to the Sellers prior to the expiration of the Due Diligence Period;

3.2.1.3 City has delivered an executed counterpart to the Regulatory Agreement to Escrow;

3.2.1.4 Developer has obtained binding commitments for the Construction Financing for the Project, and the Construction Financing has closed or will close simultaneously with the Closing;

3.2.1.5 The Title Company is unconditionally committed to issue the Title Policy for the Agency Properties, subject to any Permitted Exceptions, to the Developer;

3.2.1.6 Developer has approved the Escrow Holder's estimated Escrow closing/settlement statement;

3.2.1.7 The representations, warranties and covenants of the Sellers set forth in Section 1.2.1 are true and correct in all material respects on the Effective Date and on the Escrow Closing Date;

3.2.1.8 The Sellers have completed all of their material obligations required by this Agreement to be completed prior to the Close of Escrow and are not in default hereunder; and

3.2.1.9 The Sellers have deposited the items into the Escrow required by Section 3.3.

3.2.2 Conditions to Sellers' Obligation Close of Escrow. The Sellers's obligation to sell the Agency Properties to the Developer on or before the Escrow Closing Date shall be subject to the satisfaction of the following conditions precedent, which can only be waived in writing by the Sellers:

3.2.2.1 The Developer agrees to accept the title to and conveyance of the Agency Properties;

3.2.2.2 The Developer fails to deliver a Due Diligence Investigation Rejection Notice to the Sellers prior to the expiration of the Due Diligence Period;

3.2.2.3 The Title Company is unconditionally committed to issue the Title Policy for the Agency Properties, subject to any Permitted Exceptions, to the Developer;

3.2.2.4 The Developer has submitted the Permit Application in a form acceptable to Sellers, and Sellers have not issued a Notice of Sellers' Objection to Permit Application within the time specified therefor;

3.2.2.5 The Developer submits to the Sellers evidence satisfactory to the Sellers, in the Sellers's reasonable discretion, that the Developer has obtained the Construction Financing, together with any other permits or approvals necessary for the development of the Project Site from each applicable Governmental Agency in accordance with Government Requirements;

3.2.2.6 Developer has delivered a fully executed Land Note and Impact Fee Note to Escrow agreeing to the terms and conditions thereof;

3.2.2.7 Developer has delivered a fully executed a City Loan Deed of Trust to Escrow agreeing to the terms and conditions thereof;

3.2.2.8 Developer has delivered an executed counterpart signature to the Regulatory Agreement to Escrow;

3.2.2.9 Sellers have approved the Escrow Holder's estimated Escrow closing/settlement statement;

3.2.2.10 Developer has paid the Project's Fair Share of Signal Costs into Escrow;

3.2.2.11 The Developer has completed all of its material obligations required by this Agreement to be completed prior to the Close of Escrow and is not in default hereunder;

3.2.2.12 The Developer submits to the Sellers and the City's Director of Risk Management has approved in writing, in his/her reasonable discretion, the certificates of insurance demonstrating compliance with the insurance requirements of this Agreement;

3.2.2.13 The representations, warranties and covenants of the Developer set forth in Section 1.2.2 are true and correct in all material respects on the Effective Date and on the Escrow Closing Date; and

3.2.2.14 The Developer deposits the items into the Escrow required by Section 3.3.

3.2.2.15 Developer has delivered the Phase II Performance Guaranty executed by an authorized representative(s) of CCF to the City.

3.3 Developer's Escrow Deposits. Following satisfaction or waiver of each of the Developer's conditions to Close of Escrow set forth in Section 3.2.1, the Developer shall deposit the following funds and/or documents into Escrow at least three (3) business days prior to the Escrow Closing Date:

3.3.1 PCO Statement. A PCO Statement executed by the authorized representative(s) of the Developer.

3.3.2 Regulatory Agreement. The Regulatory Agreement executed by the authorized representative(s) of Developer in recordable form, to be recorded against the Project Site at the Close of Escrow.

3.3.3 Land Note. The Land Note signed by the authorized representative(s) of Developer.

3.3.4 Impact Fee Note. The Impact Fee Note signed by the authorized representative(s) of Developer.

3.3.5 City Loan Deed of Trust. The City Loan Deed of Trust executed by the authorized representative(s) of Developer in recordable form, to be recorded against the Project Site at the Close of Escrow and securing the Land Note and Impact Fee Note.

3.3.6 Phase II Performance Guaranty The Phase II Performance Guaranty executed by the authorized representative of CCF.

3.3.7 SA Purchase Price. Funds in United States currency equal to the SA Purchase Price.

3.3.8 Construction Financing Security Instrument(s) (as applicable). Permitted Security Instrument(s) securing repayment of the Construction Financing, executed by the authorized representative(s) of Developer in recordable form, to be recorded against the Project Site at the Close of Escrow.

3.3.9 Other Funds and Documents. Such other funds and documents required from Developer under the terms of this Agreement to close the Escrow.

3.4 City's Escrow Deposits. Following satisfaction or waiver of each of the Sellers's conditions to Close of Escrow set forth in Section 3.2.2, the Sellers shall deposit the following documents into Escrow at least one (1) business days prior to the Escrow Closing Date:

3.4.1 Grant Deeds. The SA Grant Deed executed by the authorized representative(s) of the Successor Agency in recordable form, and the City Grant Deed executed by the authorized representative(s) of the City in recordable form.

3.4.2 FIRPTA Affidavit (City). The FIRPTA Affidavit completed and executed by the authorized representative(s) of the Sellers.

3.4.3 Regulatory Agreement. The Regulatory Agreement signed by the authorized representative(s) of the City in recordable form, which shall be recorded against the entire Project Site.

3.5 Closing Procedure. When each of the Developer's Escrow required deposits, as set forth above, and each of the Sellers's Escrow required deposits, as set forth above, are deposited into Escrow, Escrow Holder shall request confirmation in writing from both the Sellers and the Developer that each of their respective conditions to the Close of Escrow are satisfied or waived. Upon Escrow Holder's receipt of written confirmation from both the Sellers and the Developer that each of their respective conditions to the Close of Escrow are either satisfied or waived, Escrow Holder shall close the Escrow for the Agency Properties by doing all of the following:

3.5.1 Recordation of Documents. File the documents set forth in Section 3.7 with the Office of the Recorder of the County, for recordation in the order set forth in Section 3.7.

3.5.2 Distribution of Recorded Documents. Distribute each recorded document to the Party or person designated for such distribution.

3.5.3 PCO Statement. File the PCO Statement with the Office of the Recorder of the County.

3.5.4 FIRPTA Affidavit. File the FIRPTA Affidavit with the United States Internal Revenue Service.

3.5.5 Title Policy. Obtain and deliver the Title Policy to the Developer.

3.5.6 Original Notes and City Security Instruments. Deliver the original Land Note, Impact Fee Note, and Phase II Performance Guaranty, and copy of recorded City Loan Deed of Trust to the City.

3.5.7 Funds. Deliver all funds held by the Escrow Holder for the account of Sellers to Sellers, less any charges to the account of Sellers pursuant to the terms of this Agreement, and all other remaining funds held by the Escrow Holder for the account of Developer to Developer, less any other charges to the account of Developer pursuant to the terms of this Agreement.

3.6 Close of Escrow. The Close of Escrow shall occur on or before the Escrow Closing Date. The Sellers and the Developer may mutually agree to change the Escrow Closing Date by joint written instruction to the Escrow Holder. The City Manager is authorized to agree to one or more extensions of the Escrow Closing Date on behalf of the Sellers up to a maximum time period extension of six (6) months in the aggregate, in the City Manager's sole and absolute discretion. If for any reason the Close of Escrow has not occurred by the Escrow Closing Date, then any Party not then in default of this Agreement may cancel the Escrow and terminate this Agreement, subject to the notice and cure provisions of Section 7.1 (to the extent applicable), without liability to any other Party or any other person for such termination and cancellation, by delivering written notice of termination to the other Party(ies) and Escrow Holder and, thereafter, the Parties shall proceed pursuant to Section 3.10 if the non-terminating Party is not in default or pursuant to Section 7.1, 7.2, or 7.3 (as applicable) if the non-terminating Party is in default. Without limiting the right of any Party to terminate this Agreement, pursuant to the preceding sentence, if Escrow does not close on or before the Escrow Closing Date, and no Party has exercised its contractual right to cancel Escrow and terminate this Agreement before such time, then Escrow shall close as soon as reasonably possible following the first date on which Escrow Holder is in a position to close the Escrow pursuant to the terms and conditions of this Agreement.

3.7 Recordation and Distribution of Documents. As applicable, Escrow Holder shall cause the following documents to be recorded on the Project Site in the official records of the Recorder of the County in the following order of priority at the Close of Escrow: (a) the Grant Deeds; (b) the Permitted Security Interest securing repayment of the Construction Financing; (c) the Regulatory Agreement; (d) "LACDA AHTF Regulatory Agreement"; (e) the "HCD IIG Regulatory Agreement"; (f) the "SGVRHT Regulatory Agreement; (g) City Loan Deed of Trust; (h) the "LACDA AHTF Deed of Trust"; (i) the "SGVRHT Deed of Trust"; (j) the "Sponsor Loan Deed of Trust," (as those terms are defined in Section 6.2), and (k) any other documents to be recorded through the Escrow upon the joint instructions of the Seller and the Developer. The Escrow Holder shall deliver conformed copies of all documents filed for recording in the official records of the County through the Escrow to the Sellers, the Developer and any other entity or person designated in the written joint escrow instructions of the Parties to receive an original or conformed copy of each such document. Each copy of a document filed for recording shall show all recording information. The Parties intend and agree that this Section 3.7 shall establish the relative priorities of the documents to be recorded in the official records of the County through the Escrow, by providing for recordation of senior interests prior in time to junior interests, as provided in this Section 3.7.

3.8 Escrow Closing Costs, Taxes and Title Policy Premium. The Developer shall pay Escrow fees and such other costs as Escrow Holder may charge for the conduct of the Escrow. Escrow Holder shall notify the Developer and the Sellers of the costs to be borne by each of them at the Close of Escrow by delivering the Escrow Holder's estimated closing/settlement statement to both the Sellers and the Developer at least four (4) business days prior to the Escrow Closing Date. The Developer shall pay the premium charged by the Title Company for the standard Title Policy for the Agency Properties, exclusive of any endorsements or other supplements to the coverage of such Title Policy that may be requested by the Developer, as well as documentary transfer taxes and any and all other charges, fees and taxes levied by a Governmental Agency relative to the conveyance of any portion of the Agency Properties through the Escrow transaction contemplated in this Agreement. The Developer shall pay any and all recording fees relative to the conveyance of any portion of the Agency Properties through the Escrow transaction contemplated in this Agreement.

3.9 Escrow Cancellation Charges. If the Escrow fails to close due to either of the Sellers's material default under this Agreement and the Escrow is cancelled and this Agreement is terminated, the Sellers shall pay all ordinary and reasonable Escrow and title order cancellation charges. If the Escrow fails to close due to the Developer's material default under this Agreement and the Escrow is cancelled and this Agreement is terminated, the Developer shall pay all ordinary and reasonable Escrow and title order cancellation charges. If the Escrow fails to close for any reason other than the material default of either the Developer or the Sellers and the Escrow is cancelled and this Agreement is terminated, the Developer and the Sellers shall each pay one-half (1/2) of any ordinary and reasonable Escrow and title order cancellation charges.

3.10 Escrow Cancellation. If this Agreement is terminated and the Escrow cancelled pursuant to a contractual right granted to a Party in this Agreement to terminate this Agreement and cancel the Escrow, other than due to the material default of another Party, the Parties shall do each of the following:

3.10.1 Cancellation Instructions. The Parties shall, within three (3) business days of receipt of Escrow Holder's written request, execute any reasonable Escrow cancellation instructions requested by Escrow Holder;

3.10.2 Return of Funds and Documents. Within ten (10) days of receipt by the Parties of a settlement statement of Escrow and title order cancellation charges from Escrow Holder: (a) the Developer or Escrow Holder shall return to the Sellers any documents previously delivered by the Sellers to the Developer or Escrow Holder, (b) the Sellers or Escrow Holder shall return to the Developer all documents previously delivered by the Developer to the Sellers or Escrow Holder; (c) Escrow Holder shall return to the Developer any funds deposited by Developer into Escrow, less the Developer's share of customary and reasonable Escrow and title order cancellation charges, if any; and (d) Escrow Holder shall return to the City any funds deposited by Sellers into Escrow if it has already been deposited, less the Sellers's share of customary and reasonable Escrow and title order cancellation charges, if any.

3.11 Report to IRS. Following the Close of Escrow and prior to the last date on which such report is required to be filed with the Internal Revenue Service, if such report is required pursuant to Section 6045(e) of the Internal Revenue Code, Escrow Holder shall report the gross

proceeds of the purchase and sale of the Agency Properties to the Internal Revenue Service on Form 1099-B, W-9 or such other form(s) as may be specified by the Internal Revenue Service pursuant to Section 6045(e). Upon the filing of such reporting form with the Internal Revenue Service, Escrow Holder shall deliver a copy of the filed form to the Sellers and the Developer.

ARTICLE IV.
PROJECT DEVELOPMENT

4.1 Developer Covenant to Undertake Project. The Developer covenants, for itself, its successors and assigns, to and for the benefit of the Sellers, that subject to Unavoidable Delay, the Developer shall commence and complete the development of the Project on the Project Site within the time period for such actions set forth in the Schedule of Performance, and, subject to Unavoidable Delay, said completion shall occur no later than the Project Completion Date. The Developer covenants and agrees for itself, its successors, and assigns, that the Project Site shall be improved and developed with the Project in substantial conformity with the terms and conditions of this Agreement, the Schedule of Performance, the Entitlements, Project Permits, and any and all plans, specifications and similar development documents required by this Agreement, except as approved in Section 4.2 below. The covenants of this Section 4.1 shall run with the land of the Project Site until the date of the City's issuance of a final Certificate of Occupancy for all units included in the Project, and a final Certificate of Completion for any on-site or off-site improvements required by this Agreement.

4.2 Changes to Plans and Specifications During Course of Construction. Modifications or changes to the Project from that approved in the Entitlements shall be governed by the conditions of approval for the Entitlements and provisions of the Montebello Zoning applicable to the subject Entitlement(s).

4.3 Construction Start and Completion of Project. Subject to Unavoidable Delays, the Developer shall commence construction of the Project no later than the Project Commencement Date specified in the Schedule of Performance and thereafter shall diligently proceed to complete the construction of the Project without interruption in a good and workmanlike manner in substantial conformity with the Project Permit, Entitlements, Schedule of Performance, and this Agreement. After commencement of the work of improvement of the Project, the Developer shall not permit the work of improvement of the Project to cease or be suspended for a time period in excess of thirty (30) consecutive calendar days, subject to Unavoidable Delays, and shall timely apply for and cause any inspections of the Project during construction to be performed by applicable Government Agencies at such intervals as may be required to comply with the Schedule of Performance. The Developer shall obtain a Certificate of Occupancy for the dwelling units and a Certificate of Completion for all other improvements on or off-site on or before the Project Completion Date, subject to Unavoidable Delays. The Developer will, promptly upon completing construction of the Project, cause the Project to be inspected by each Governmental Agency with jurisdiction over the Project, and shall promptly and without delay correct any defects and deficiencies that may be disclosed by any such inspection and shall cause to be duly issued all occupancy certificates and other licenses, permits and authorizations necessary for the operation and occupancy of the completed Project.

4.4 Compliance with Laws. All work performed in connection with the development of the Project shall comply with all Governmental Requirements.

4.5 Schedule of Performance. The Schedule of Performance establishes various dates and times for the accomplishment of various tasks assigned to the Sellers and the Developer and the satisfaction of the conditions precedent to the close of the Escrow, and Developer's obligation following the Closing to proceed with development of the Project. The Parties agree that time is of the essence in the performance of such tasks and the satisfaction of conditions precedent, in view of the large investment of resources that all Parties recognize will be required for the undertaking of the Project. If the date or time for the performance of a task or the satisfaction of a condition, as set forth in either the text of this Agreement or in the Schedule of Performance, may not be achieved, then prior to such date or time set forth in the text of this Agreement or the Schedule of Performance, the Parties shall consider whether a modification to the text of this Agreement or to the Schedule of Performance is indicated. Any decision to approve a modification to a time or date established in either the text of this Agreement or the Schedule of Performance shall be subject to the sole discretion of each Party. Any modification of a time or date for performance of a particular task or satisfaction of a particular condition may be approved by the City Manager, in his or her sole discretion, provided that no modification (or series of modifications) approved by the City Manager may extend the Project Completion Date by more than one hundred eighty (180) days. A modification of a time or date for performance of a task or satisfaction of a condition (or a series of such modifications) that results in a change of the Project Completion Date by more than one hundred eighty (180) days shall be subject to the approval of the City Council and Successor Agency Governing Board, each in its sole and absolute discretion. Notwithstanding the foregoing, if performance of a task or satisfaction of a condition in the Schedule Performance is prevented or delayed by Unavoidable Delays, the deadline for completion of such task or satisfaction of such condition shall be extended by the period of such Unavoidable Delays.

4.6 Developer Attendance at City Meetings. The Developer agrees to have one or more of its employees or consultants who are knowledgeable regarding this Agreement and the development of the Project, such that such person(s) can meaningfully respond to Sellers's questions regarding the progress of the Project, attend City Council and Successor Agency meetings, when requested to do so on not less than ten (10) days prior written notice by Sellers's staff.

4.7 City's Right to Inspect Project and Property. Officers, employees, agents and representatives of the City shall have the right of reasonable access to the Project Site, without the payment of charges or fees, following not less than seventy-two (72) hours' prior written notice and during normal construction hours, during the period of construction of the Project. Such officers, employees, agents, consultants, or representatives of the City shall be those persons who are designated by the City Manager from time to time. Any and all officers, employees, agents or representatives of the City shall, upon their entrance on to the Project Site, identify themselves at the construction management office, and shall at all times be accompanied by a representative of the Developer, while on the Project Site. The Developer shall make a representative of the Developer available for this purpose. The City shall indemnify and hold the Developer harmless from injury, property damage or liability arising out of the exercise by the City of the right of access to the Project Site provided in this Section 4.7, other than injury, property damage or

liability arising from the active negligence or willful misconduct of the Developer or its officers, agents or employees. Unless access is unreasonably denied by Developer, the City shall inspect relevant portions of the Project Site, prior to issuing any written statements reflecting adversely on the Developer's compliance with the terms and conditions of this Agreement pertaining to development of the Project. If in the City's reasonable judgment it is necessary, the City shall have the further right, from time to time, to retain a consultant or consultants at Developer's cost to inspect the Project and verify compliance by the Developer with the provisions of this Agreement. The Developer acknowledges and agrees that any such inspections are for the sole purpose of protecting the City's rights under this Agreement, are made solely for the City's benefit, that the inspections may be superficial and general in nature, and are for the purposes of informing the City of the progress of the Project and the conformity of the Project with the terms and conditions of this Agreement, and that the Developer shall not be entitled to rely on any such inspection(s) as constituting an approval, satisfaction or acceptance of any materials, workmanship, conformity of the Project with this Agreement or otherwise. The Developer agrees to make its own regular inspections of the work of construction of the Project to determine that the quality of the Project and all other requirements of the work of construction of the Project are being performed in a manner satisfactory to the Developer. The Developer also agrees to promptly notify the City in writing should the Developer's inspections show any matters that will prevent the entire Project from being completed by the Project Completion Date set forth therefore in the Schedule of Performance. Without limiting the foregoing, the Developer shall permit the City upon not less than seventy-two (72) hours' prior written notice to examine and copy all books and account records and other papers relating to the Project Site and the construction of the Project. The Developer will use commercially reasonable efforts to cause all contractors, subcontractors and materialmen to cooperate with the City to enable such examination.

4.8 Cost of Construction. The cost and expense of undertaking and completing the Project, including, without limitation, constructing all legally imposed on- and off-site improvements, and providing all utilities therefor, shall be borne by Developer at its sole cost, expense and liability except as otherwise provided in this Agreement. Developer shall be solely responsible for payment of all application, land use, construction, inspection, plan check and development impact fees associated respect to the development of the Project. Developer shall bear all costs and expenses associated with the processing and obtaining of the entitlements and shall bear all costs and expenses (except to the extent expressly set forth otherwise in this Agreement), associated with any and all terms, conditions, requirements, mitigation measures and other exactions imposed on, or required in connection with, the entitlements.

4.9 Prevailing Wages.

4.9.1 Work performed by Developer or its contractor(s) may be a "public work" for prevailing wage purposes. The Developer acknowledges that the Sellers have not made any representation, express or implied, to the Developer or any person associated with the Developer regarding whether or not laborers employed relative to the construction of the Project must be paid the prevailing per diem wage rate for their labor classification, as determined by the State of California, pursuant to Labor Code Sections 1720, et seq. Developer is solely responsible for ensuring prevailing wages are paid when required. The Developer agrees with the Seller that the Developer shall assume the responsibility and be solely responsible for determining whether or

not laborers employed relative to the construction of the Project must be paid the prevailing per diem wage rate for their labor classification.

4.9.2 The Developer, on behalf of itself, its successors, and assigns, waives and releases the Sellers from any right of action that may be available to it pursuant to Labor Code Sections 1726 and 1781. The Developer acknowledges the protections of Civil Code Section 1542 relative to the waiver and release contained in this Section 4.9which 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, THE DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 4.9.2.

_____
Developer's Initials

4.9.3 Additionally, in accordance with Section 7.66, the Developer shall indemnify, defend with counsel acceptable to the Sellers and hold the Sellers harmless against any claims pursuant to Labor Code Sections 1726 and 1781 arising from this Agreement or the construction or operation of the Project.

4.10 Certificate of Completion.

4.10.1 Following the substantial Completion of Construction of the Project, and upon written request from the Developer for issuance of a Certificate of Completion for the Project, the City shall inspect the Project to determine whether or not the Project has been substantially completed in compliance with this Agreement and the Entitlements. If the City determines in its reasonable discretion that the Project is complete and in compliance herewith, the City Manager shall furnish the Developer with a Certificate of Completion for the Project. If the City determines in its reasonable discretion that the Project is not in compliance with this Agreement, Entitlements and Project Permit, the City Manager shall send written notice of each non-conformity to the Developer. Upon issuance of the final Certificate of Occupancy for every unit included in the Project and a final Certificate of Completion for all public and private improvements on or off-site, based on the plans approved by the City in the Entitlements and Project Permit, the City shall furnish the Developer with a Certificate of Completion for the Project.

4.10.2 The Certificate of Completion, upon issuance, shall be evidence of the City's conclusive determination of satisfactory substantial completion of the entirety of the Project pursuant to the terms of this Agreement and the Entitlements.

4.10.3 The City shall not unreasonably withhold the issuance of a Certificate of Completion, and it may be recorded by Developer on the Project Site following issuance by City. After the recordation of a Certificate of Completion for the Project, any person then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Project Site improved with the Project shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement regarding construction or installation of the Project except that such person shall be bound by any reservations, covenants, conditions, restrictions and other interests recorded against the Project Site in the Regulatory Agreement or otherwise pursuant to this Agreement and the City Grant Deed.

4.10.4 If the City fails or refuses to issue a Certificate of Completion following written request from the Developer, the City shall, within fifteen (15) calendar days of the Developer's written request therefor, provide the Developer with a written statement setting forth the reasons for the City's failure or refusal to issue a Certificate of Completion. The statement shall also contain the City's opinion of the action(s) the Developer must take to obtain a Certificate of Completion from the City. If the reason for the Developer's failure to complete the Project is confined to the immediate unavailability of specific items or materials for construction or landscaping at a price reasonably acceptable to the Developer or other minor building "punch-list" items, the City may issue its Certificate of Completion upon the posting of a bond or irrevocable standby letter of credit by the Developer in a form reasonably acceptable to the City in an amount representing the fair value of the work on the Project remaining to be completed, as reasonably determined by the City. If the City fails to provide such written statement, within the specified time period, the Developer shall be deemed conclusively and without further action of the City to have satisfied the requirements of this Agreement with respect to the Project, as if a Certificate of Completion had been issued by the City pursuant to this Agreement.

4.10.5 A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage securing money loaned to finance the Project, or any parts thereof. A Certificate of Completion shall not be deemed to constitute a notice of completion under Section 8182 of the California Civil Code, nor shall it act to terminate the continuing covenants, restrictions or conditions contained in the Grant Deed or any other instruments recorded against the Project Site pursuant to this Agreement. A Certificate of Completion is not evidence of the compliance of the Project with any City Requirements or any building code, conditions of approval, land use, zoning or other requirements of the City or any Governmental Agency with jurisdiction over the Project Site, other than the City.

ARTICLE V.
DEVELOPER COVENANTS

5.1 Obligation to Refrain from Discrimination. The Developer for itself, its successors and assigns to all or any part or portion of the Agency Properties and/or Project, covenants and agrees that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Agency Properties nor shall the Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessees or vendees of the Agency Properties. With respect to familial status, this Section 5.1 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 5.1 hall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760 and 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 5.1. The covenant of this Section 5.1 shall run with the land of the Agency Properties and shall be enforceable against the Developer and its successors and assigns in perpetuity and be a covenant in the Grant Deeds.

5.2 Form of Non-Discrimination and Non-Segregation Clauses. The Developer for itself, its successors and assigns to all or any part or portion of the Agency Properties and/or Project, covenants and agrees that:

5.2.1 The Developer, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Agency Properties (or any portion thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. With respect to familial status, this Section 5.2.1 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 5.2.1 shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760 and 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 5.2.1.

5.2.2 All deeds, leases or contracts pertaining to the Agency Properties shall contain or be subject to substantially the following non-discrimination or non-segregation covenants:

5.2.2.1 In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

5.2.2.2 In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sub-lessee, sub-tenants, or vendees in the premises herein leased.

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph"

5.2.2.3 In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub-lessees, sub-tenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

"Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Sections 4760 and 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph."

5.2.3 The covenant of this Section 5.2 shall run with the land of the Agency Properties in perpetuity, shall be enforceable against the Developer and its successors and assigns, and shall be covenants set forth in the Grant Deeds.

5.3 Environmental Indemnity of the Sellers by the Developer. The Developer agrees, at its sole cost and expense, to fully indemnify, protect, hold harmless, and defend (with counsel selected by the Developer and reasonably acceptable to the Sellers) the Sellers and their respective commissions, agents, attorneys, officers, employees, and authorized representatives (collectively, the "**Indemnified Parties**"), from and against any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses, including, without limitation, reasonable attorney

fees, and reasonable costs of environmental consultants and other experts, and all foreseeable damages or costs of any kind or of any nature whatsoever (collectively, "**Environmental Claims**") that may, at any time, be imposed upon, incurred or suffered by, or claimed, asserted or awarded against, the Indemnified Parties, directly or indirectly relating to or arising from any of the following "**Environmental Matters**" occurring during or arising from the Developer's ownership of the Agency Properties or construction or operation of the Project:

5.3.1 The presence of Hazardous Substances on, in, under, from or affecting all or any portion of the Agency Properties or the Project the existence of which first arose following the Close of Escrow.

5.3.2 The storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substances on, in, under, from or affecting the Agency Properties or the Project, except to the extent that such Hazardous Substances were present on the Agency Properties prior to the Closing Date.

5.3.3 The violation of any law, rule, regulation, judgment, order, permit, license, agreement, covenant, restriction, requirement or the like by the Developer, its agents or contractors, relating to or governing in any way Hazardous Substances on, in, under, from or affecting the Agency Properties or the Project.

5.3.4 The failure of the Developer, its agents or contractors, to properly complete, obtain, submit and/or file any and all notices, permits, licenses, authorizations, covenants and the like in connection with the Developer's activities on the Agency Properties or regarding the Project.

5.3.5 The implementation and enforcement by the Developer, its agents or contractors of any monitoring, notification or other precautionary measures that may, at any time, become necessary to protect against the release, potential release or discharge of Hazardous Substances on, in, under, from or affecting the Agency Properties or the Project the existence of which first arose following the Close of Escrow.

5.3.6 The failure of the Developer, its agents or contractors, in compliance with all applicable Environmental Laws, to lawfully remove, contain, transport or dispose of any Hazardous Substances existing, stored or generated on, in, under or from the Agency Properties or the Project the existence of which first arose following the Close of Escrow.

5.3.7 Any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency in connection with any Hazardous Substances on, in, under, from or affecting the Agency Properties or the Project the existence of which first arose following the Close of Escrow or the Developer's violation of any Environmental Law relating to the Agency Properties or the Project.

5.3.8 The Developer shall pay to the Indemnified Parties all costs and expenses including, without limitation, reasonable attorneys' fees and costs, incurred by the Indemnified Parties in connection with enforcement of the aforementioned environmental indemnity except to the extent that a court of competent jurisdiction or arbiter mutually selected by the Parties

determines that Developer is not required to indemnify the Indemnified Parties with respect to the enforcement action in question.

5.4 Insurance. In order to protect the City and its commissions, agents, attorneys, officers, employees and authorized representatives (collectively, "**Additional Insureds**") against any and all claims and liability for death, injury, loss and damage resulting from the Developer's actions in connection with this Agreement, the Agency Properties, and the Project, the Developer shall secure and maintain the insurance coverage, described in and required by this Section 5.4. The Sellers shall not have any obligation under this Agreement until the Developer provides the required policies and/or certificates evidencing the insurance required by this Section 5.4 to the City and the City approves such evidence of insurance. The Developer shall pay any deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Agreement. Developer shall retain all insurance policies as set forth in this Section 5.4 until recordation of the Certificate of Completion.

5.4.1 Workers' Compensation Insurance Requirement. The Developer shall submit written proof that the Developer is insured against liability for workers' compensation in accordance with the provisions of Section 3700 of the Labor Code. By executing this Agreement, the Developer makes the following certification, required by Section 1861 of the Labor Code:

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

The Developer shall require each contractor and sub-contractor performing work on the Project to provide workers' compensation coverage for all of such contractor's or sub-contractor's employees, unless the contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by the Developer. If any class of employees engaged in work or services performed in connection with the Project is not covered by Labor Code Section 3700, the Developer shall provide and/or require each contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees. Each workers' compensation policy procured pursuant to this Section 5.4.1 shall contain a full waiver of subrogation clause in favor of the Additional Insureds.

5.4.2 Liability and Permanent Insurance Requirements.

5.4.2.1 The Developer shall maintain in full force and effect, from the Effective Date until the issuance of the Certificate of Completion, subject to Section 5.4.2.4, the following insurance coverage:

5.4.2.1.1 Commercial General Liability Insurance coverage, including, but not limited to, Premises-Operations, Contractual Liability Insurance (specifically covering all indemnity obligations of the Developer pursuant to this Agreement), Products-Completed Operations Hazards, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of the construction of the Project and/or the Developer's operations

concerning the Agency Properties or the Project. The commercial general liability insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of ONE MILLION DOLLARS ($1,000,000) each occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate.

5.4.2.1.2 Automobile Liability Insurance against claims of Personal Injury (including bodily injury and death) and Property Damage covering all owned, leased, hired and non-owned vehicles used by the Developer with minimum limits for Bodily Injury and Property Damage of ONE MILLION DOLLARS ($1,000,000) each occurrence and ONE MILLION DOLLARS ($1,000,000) aggregate. Such insurance shall be provided by a business or commercial vehicle policy.

5.4.2.1.3 If the Developer hires a consultant to provide design services, such as architectural or engineering services in connection with the Project, or any portion of the Project, the Developer shall require each such consultant to provide Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of such design services, with limits of not less than ONE MILLION DOLLARS ($1,000,000).

5.4.2.1.4 Upon acceptance of the Project or any portion thereof, from each contractor, the Developer shall maintain Fire and Extended Coverage Insurance, excluding earthquake coverage, on the Project on a blanket basis or with an agreed amount clause in amounts not less than 100% of the replacement value of all portions of the Project so accepted.

5.4.2.2 During the construction of the Project, the Developer shall require that each contractor performing work on the Project maintain the following insurance coverage, as specified below, at all times during the performance of said work, or the Developer shall provide for such contractors "wrap" coverage, as specified below, at all times during the performance of said work:

5.4.2.2.1 The Developer shall maintain Builder's Risk Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to 100% of the completed insurable value of the Project or portion of the Project on which such contractor is performing work.

5.4.2.2.2 Each general contractor and each sub-contractor shall maintain Commercial General Liability Insurance with limits of not less than ONE MILLION DOLLARS ($1,000,000) per occurrence and TWO MILLION DOLLARS ($2,000,000) aggregate to protect the Developer during the construction of the Project from claims involving bodily injury and/or death and damage to the property of others.

5.4.2.2.3 Each general contractor and each sub-contractor shall maintain Automobile Liability Insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of ONE MILLION DOLLARS ($1,000,000) each occurrence and TWO

MILLION DOLLARS ($2,000,000) aggregate. Such automobile liability insurance shall be provided by a business or commercial vehicle policy.

5.4.2.3 The insurance required in Section 5.4.2.1 and Section 5.4.2.2 above shall include endorsements naming the Additional Insureds as additional insured for liability arising out of this Agreement and any operation related to this Agreement.

5.4.2.4 Any insurance coverage required under this Agreement shall not be written on a "claims made" basis. The applicable certificate of insurance must clearly provide that the coverage is on an "occurrence" basis. The requirements of this Section 5.4.2.4 shall survive any expiration or termination of this Agreement and the recordation of the Grant Deed and any Certificate of Completion.

5.4.2.5 Receipt by the City of evidence of insurance that does not comply with the above requirements shall not constitute a waiver of the insurance requirements of this Agreement.

5.4.2.6 Subject to Section 5.4.2.4, all of the insurance coverage required under this Section 5.4 shall be maintained by the Developer or its contractors, as required by the terms of this Agreement, until the issuance of the Certificate of Completion and shall not be reduced, modified, or canceled without, at least, thirty (30) days prior written notice to the City. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or any coverage for the Additional Insureds. The Developer shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy.

5.4.2.7 All insurance to be obtained and maintained by the Developer under this Section 5.4 shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A:VII" rating and be admitted to conduct business in the State of California by the State of California Department of Insurance.

5.4.2.8 The City will not accept self-insurance in satisfaction of the insurance requirements of this Section 5.4.

5.4.2.9 All insurance obtained and maintained by the Developer in satisfaction of the requirements of this Agreement shall be primary to and not contributing to any insurance maintained by the Additional Insureds.

5.4.2.10 Insurance coverage in the minimum amounts set forth in this Section 5.4 shall not be construed to relieve the Developer of any liability, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall it preclude the Additional Insureds from taking such other actions as are available to them under any other provision of this Agreement or otherwise at law.

5.4.3 Failure by the Developer to maintain all insurance coverage required by this Section 5.4 in effect following written notice to Developer and Developer's failure to procure

following a fifteen (15) day cure period shall be an Event of Default by the Developer. The City, at its sole option, may exercise any remedy available to them in connection with such an Event of Default. Alternatively, the City may, at its sole option, purchase any such required insurance coverage and the City shall be entitled to immediate payment from the Developer for any premiums and associated costs paid by the City for such insurance coverage. Any election by the City to purchase or not to purchase insurance otherwise required to be carried by the Developer shall not relieve the Developer of its obligation to obtain and maintain the insurance coverage required by this Agreement.

5.5 Developer Covenant to Defend this Agreement. The Developer acknowledges that the Sellers are each a "public entity" and/or "public agency" as defined under applicable California law. Therefore, the Sellers must satisfy the requirements of certain California statutes relating to the actions of public entities and public agencies including, without limitation, CEQA. Also, as a public body, the Sellers's action in approving this Agreement may be subject to proceedings to invalidate this Agreement or mandamus. The Developer assumes the risk of delays and damages that may result to the Developer from any third-party legal actions related to the Sellers's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, even in the event that an error or omission by the Sellers is determined to have occurred. If a third-party files a legal action regarding the Sellers's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, either Developer or the Sellers may terminate this Agreement on thirty (30) days written notice to the other Parties of the intent to terminate this Agreement, referencing this Section 5.5, without any further obligation to perform the terms of this Agreement and without any liability to the other Parties resulting from such termination, unless the Developer unconditionally agrees to indemnify and defend the Sellers, with legal counsel selected by Developer and reasonably acceptable to the Sellers, against such third-party legal action, as provided in the next sentence. Within thirty (30) days of receipt of the Sellers's notice of intent to terminate this Agreement, as provided in the preceding sentence, the Developer may offer to defend the Sellers, with legal counsel reasonably acceptable to Sellers, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Any such offer from the Developer must be in writing and reasonably acceptable to the Sellers in both form and substance. Nothing contained in this Section 5.5 shall be deemed or construed to be an express or implied admission that the Sellers are liable to the Developer or any other person or entity for damages alleged from any alleged or established failure of the Sellers to comply with any statute, including, without limitation, CEQA. The Developer's defense of such third-party actions as described in this Section 5.5 shall constitute an Unavoidable Delay. Notwithstanding anything to the contrary in this Agreement, including in this Section 5.5, Developer does not assume the risk, and shall not be responsible for, damages, including any fines or penalties assessed or charged to City and/or Successor Agency, pursuant to the Surplus Land Act (Government Code section 54220 et seq) or pursuant to redevelopment dissolution laws (Health and Safety Code section 34170 et seq.).

5.6 Affordability Covenant. The Developer for itself, its successors and assigns agrees that sixty-two (62) of the units created by the Project shall be restricted for affordable housing purposes for a period of time not less than fifty-five (55) years, earning between thirty percent (30%) and sixty percent (60%) of median income, and subject to the specific terms and

conditions set forth in the Regulatory Agreement that shall be recorded on the Project Site and run with the land for the term thereof.

ARTICLE VI.
PROJECT FINANCING

6.1 City Loans.

6.1.1 Land Note and Security. The City shall make a loan to Developer in the amount of the City Purchase Price ("**Land Loan**"), which shall be paid by Developer to City on the terms and conditions set forth in the Land Note substantially in the form attached hereto as **Exhibit "K"** ("**Land Note**"), and which shall be secured by the Project Site by way of the City Loan Deed of Trust substantially in the form attached hereto as **Exhibit "M"** hereto ("**City Loan Deed of Trust**").

6.1.2 Impact Fee Note and Security. The City shall make a loan to Developer in the amount of NINE HUNDRED AND FIFTY THOUSAND DOLLARS ($950,000.00) ("**Impact Fee Loan**") in the form of a deferment of the development impact fees due by Developer to the City in connection with the Project, which shall be paid by Developer to City on the terms and conditions set forth in the Impact Fee Note substantially in the form attached hereto as **Exhibit "L"** ("**Impact Fee Note**"), and which shall be secured by the Project Site by way of the City Loan Deed of Trust.

6.1.3 Predevelopment Loan. Conditioned upon the Closing and the issuance of the Project Permits to Developer, the City shall make a loan to Developer in the amount of FIVE HUNDRED AND FORTY NINE THOUSAND DOLLARS ($ 549,000.00) ("**Predevelopment Loan**"), which principal amount shall accrue interest at the rate of three percent (3%) and have a maturity date that is fifty-fifty (55) years from the date on which the Construction Financing converts to the Permanent Loan. The City shall make the Predevelopment Loan to Developer no later than January 31, 2024, and as a condition to the loan and receipt of the proceeds Developer shall execute a promissory note in favor of City that is substantially in the form and includes the same general terms and conditions as the Impact Fee Note, and which shall be secured on the Project Site by way of a deed of trust that is substantially in the form and includes the same general terms and conditions as the City Loan Deed of Trust.

6.1.4 Limited-Recourse. Neither the Developer nor its partners shall have any direct or indirect personal liability for payment of the principal of, or interest on, the Land Note, Impact Fee Note, or Predevelopment Loan Note, or the performance of the covenants of the Developer under the City Loan Deed of Trust or Predevelopment Loan Deed of Trust. The sole recourse of the City with respect to the principal of, or interest on, the Land Note, Impact Fee Note, and/or Predevelopment Loan Note, and defaults by Developer in the performance of its covenants under the City Loan Deed of Trust and Predevelopment Loan Deed of Trust shall be to the Project Site, as described in each of the City Loan Deed of Trust and Predevelopment Loan Deed of Trust.

6.2 Construction Financing. Developer shall finance the development and construction of the Project in accordance with the Project Budget. Further, City and Developer

agree that the financing of the Project shall comply with all of the following (the "**Construction Financing**"):

6.2.1 **Tax Credit Financing**. Prior to the Effective Date, Developer has applied for and been awarded an allocation of Tax Credits in an amount set forth in the Project Budget to finance a portion of the Project Costs.

6.2.2 **LADCDA AHTF Loan.** Prior to the Effective Date, Developer has applied for and been awarded a loan from the Los Angeles County Development Authority ("**LADCDA**") from Affordable Housing Trust Funds in an amount set forth in the Project Budget to finance a portion of the Project Costs ("**LADCDA AHTF Loan**"), and which will be secured by the Project Site by way of a deed of trust in a form reasonably acceptable to the City ("**LACDA AHTF Deed of Trust**"). As a condition of LADCDA providing the LACDA AHTF Loan, Developer will execute and record at the Close of Escrow a regulatory agreement in favor of LADCDA imposing affordability requirements on the Project (the "**LADCA AHTF Regulatory Agreement**").

6.2.3 **Sponsor Loan.** Prior to the Effective Date, Vista Del Monte applied for and was awarded a grant from the California Department of Housing and Community Development ("**HCD**") Infill Infrastructure Grant Program in an amount set forth in the Project Budget to finance a portion of the Project Costs, which grant funds are being loaned by Vista Del Monte to Developer as a sponsor loan ("**Sponsor Loan**"), and which will be secured by the Project Site by way of a deed of trust in a form reasonably acceptable to the City ("**Sponsor Loan Deed of Trust**"). As a condition of HCD providing the grant, Developer will execute and record at the Close of Escrow a regulatory agreement in favor of HCD imposing affordability requirements on the Project (the "**HCD IIG Regulatory Agreement**")

6.2.4 **SGVRHT Loan.** Prior to the Effective Date, Developer has applied for and been awarded a loan from the San Gabriel Valley Regional Hospital in an amount set forth in the Project Budget to finance a portion of the Project Costs ("**SGVRHT Loan**"), and which will be secured by the Project Site by way of a deed of trust in a form reasonably acceptable to the City ("**SGVRHT Deed of Trust**"). As a condition to SGVRHT providing the SGVRHT Loan, Developer will execute and record at the Close of Escrow a regulatory agreement in favor of SGVRHT imposing affordability requirements on the Project (the "**SGVRHT Regulatory Agreement**").

6.2.5 **City National Bank Construction Loan**. Developer has obtained a commitment for a construction loan from City National Bank in the approximate amount of Twenty-Seven Million Five Hundred Thousand Dollars ($27,500,000.00).

6.2.6 **Terms of Construction Financing**. Prior to the Close of Escrow, Developer shall provide for the City's review and approval, which shall not be unreasonably withheld, conditioned or delayed, the terms of the Construction Financing, and shall provide the City the opportunity to review such terms with the lender providing such Construction Financing.

6.3 **Project Budget**. While the Project Budget has been prepared based on the best, good faith estimate of Developer of the costs which are likely to be incurred for the Project, the Parties recognize that events and circumstances not currently contemplated, some of which are

outside of the control of the Parties, could result in changes in the Project Costs, necessitating changes in the Project Budget. To the extent that Developer is required to make changes to the Project Budget, Developer shall promptly submit a revised Project Budget to the City Manager for review and approval, which review and approval shall not be unreasonably withheld, conditioned or delayed, as to the consistency of the financing secured with Developer's obligations under this Agreement, and the sufficiency of the financing secured by Developer to meet the revised Project Costs.

6.4 Only Permitted Exceptions. Developer shall not record and shall not allow to be recorded against the Project Site any Security Instrument, lien or other encumbrance that is not a Permitted Exception. Developer shall remove or cause to be removed (or providing title insurance in form and substance reasonably acceptable to the Sellers and issued by a title insurance company reasonably acceptable to the Sellers, insuring the priority of the Regulatory Agreement and the Deeds of Trust as superior to such lien, with such title insurance being in the minimum amount of the outstanding principal and interest under the Notes plus 125% of the amount of the lien claim or providing a statutory bond resulting in removal of such lien) any non-Permitted Exception made or recorded against the Project Site or shall assure the complete satisfaction of any such non-Permitted Exception to the satisfaction of the City, in the City's sole and absolute discretion. The covenants of Developer set forth in this Section regarding the placement of encumbrances on the Project Site shall run with the land and bind successive owners thereof until issuance of a Certificate of Completion for the Project.

6.5 City Right to Discharge Prohibited Encumbrances. After sixty (60) calendar days' Notice to Developer of a non-Permitted Exception and provided that Developer has not caused such non-Permitted Exception to be removed, the City shall have the right, but not the obligation, to satisfy or remove any non-Permitted Exception and receive reimbursement from Developer for any amounts paid or incurred in satisfying or removing any such non-Permitted Exception, upon demand. Any amount expended by the City to discharge a non-Permitted Exception that is not reimbursed to the City by Developer within thirty (30) calendar days following written demand for payment from the City shall accrue interest at an annual rate equal to the lesser of eight percent (8%) per annum or the maximum highest rate of interest allowed by law under the circumstances, until paid in full. Nothing in this Section 6.5, though, shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge that Developer is in the process of contesting the validity or amount thereof, in good faith, and so long as such contest shall not subject all or any portion of the Project Site to forfeiture or sale.

6.6 Rights of Lender and City Regarding Permitted Security Instruments.

6.6.1 Notice of Liens. With the exception of Security Instruments listed in Section 3.7 or the Project Budget, the Developer shall promptly notify the City of any Security Instrument or lien asserted against or attached to all or any portion of the Project Site prior to the date of issuance of a Certificate of Completion for the Project, whether by voluntary act of Developer or otherwise.

6.6.2 Notice of Default to Lenders. Whenever the City delivers any notice of default to Developer under this Agreement, the City shall send a copy of such notice of default to each Lender holding a Permitted Security Instrument of which the City has received notice and a

contact address for transmittal of such notices. Each Lender receiving a copy of any such notice of default shall have the right, at its option, to commence the cure or remedy of any default of Developer set forth in such notice and to diligently and continuously proceed with such cure or remedy such default within the cure period allowed to Developer under this Agreement plus an additional sixty (60) days, and to thereafter proceed with completion of the Project in accordance with the Schedule of Performance. The City shall accept such performance by a Lender with the same force and effect as if furnished by Developer. If such default can only be remedied or cured by the Lender upon obtaining possession of the Project Site, the City shall allow the Lender a reasonable opportunity to obtain possession with diligence and exigency through exercise of remedies under such Lender's Permitted Security Instrument and to remedy or cure such default within ninety (90) days after obtaining possession of the Project Site. If the default reasonably requires more than ninety (90) days to cure, however, then the time available to a Lender to cure pursuant to this Section 6.6 shall be the reasonable time required to complete such cure, as long as the Lender has commenced the cure of the default within such ninety (90) day period after obtaining possession of the Project Site and diligently pursues the cure to completion. During such extension of time, the City shall not terminate this Agreement or exercise other remedies under this Agreement by reason of such default. In addition, any Lender properly completing the Project with the consent of the City shall be entitled, upon written request made to the City, to a Certificate of Completion from the City. Any Lender desiring to complete the Project must provide the City with evidence reasonably satisfactory to the City that the Lender has the qualifications (or will engage one or more licensed contractor(s) or consultant(s) with such qualifications) and financial capability necessary to perform such obligations.

6.6.3 No Termination of Permitted Security Instruments by Default. An Event of Default by Developer under this Agreement shall not defeat or render invalid the lien of any Permitted Security Instrument made in good faith and for value as to all or any part of the Project Site, whether or not the Lender is subordinated to this Agreement; but unless otherwise provided in this Agreement, this Agreement shall be binding and effective against any owner of the Project Site, including those whose title thereto is acquired pursuant to exercise of remedies under a Permitted Security Instrument or from a person or entity exercising any such remedies.

6.6.4 Lender Rights on Termination or Modification. No termination of this Agreement shall be binding upon a Lender unless the termination occurs after notice to such Lender and such Lender's failure to cure all then existing defaults under this Agreement pursuant to this Section 6.6, or with such Lender's prior written consent. No modification of this Agreement that affects the rights of a Lender in any respect shall be binding upon the Lender without its prior written consent.

6.6.5 No Construction Obligation of Lender. A Lender shall in no way be obligated by the provisions of this Agreement to construct or complete the development of the Project or to guarantee such construction or completion, but may do so pursuant to and in accordance with this Section 6.6. Nothing in this Agreement shall be deemed to construe, permit, or authorize any Lender to devote all or any portion of the Project Site to any uses, or to construct any improvements thereon, other than those uses or the Project provided for or authorized by this Agreement.

6.6.6 City Right to Cure Obligations. In the event of a default by Developer under any Permitted Security Instrument, where the Lender has not exercised its option to complete the Project under Section 6.6.2, the City may cure the default of Developer under the applicable Permitted Security Instrument, but is under no obligation to do so, prior to completion of any sale or foreclosure of all or any portion of the Project Site under the applicable Permitted Security Instrument. The City shall be entitled to reimbursement from Developer of all costs and reasonable expenses incurred by the City in curing any default of Developer under any Permitted Security Instrument, under demand. Any amount expended by the City to cure a default of Developer under any Permitted Security Instrument that is not reimbursed to the City, by Developer within thirty (30) calendar days after notice of such amount to Developer, shall accrue interest at an annual rate equal to the lesser of eight percent (8%) per annum or the maximum highest rate of interest allowed by law under the circumstances until paid in full. City's rights to cure under this Section shall remain in effect until Developer has repaid the Land Note and the Impact Fee Note in full.

6.6.7 Foreclosure of Permitted Security Instrument. Foreclosure of any Permitted Security Instrument, whether by judicial proceedings or by power of sale, or any conveyance by deed in lieu of foreclosure, shall not require the consent of the City or constitute a default under this Agreement.

6.6.8 Subordination. The City Loan Deed of Trust and Predevelopment Loan Deed of Trust shall be subordinated to loans from Institutional Lenders, including the Construction Financing, the Permanent Loan, and any Refinancing of the foregoing (in each case, a "Senior Loan"), provided all of the proceeds of the proposed Senior Loan, less any transaction costs, are used to finance development of the Project, and provided the proceeds of any Refinancing, less any transaction costs, any amounts used to pay for Project repairs or capital improvements, any amounts required to be paid towards a Senior Loan, and any amounts required to be deposited into reserve accounts, are used to repay and redeem preexisting Senior Loan(s). Each of this Agreement and the Regulatory Agreement shall be subordinated to any Senior Loan that satisfies the criteria in the preceding sentence. The Predevelopment Loan Deed of Trust (but not the City Loan Deed of Trust) shall be subordinated to the lien(s) securing the LACDA AHTF Loan and the SGVRHT Loan, and each of the Predevelopment Loan Deed of Trust and City Loan Deed of Trust shall be subordinated to the LACDA AHTF Regulatory Agreement and the SGVRHT Regulatory Agreement. The City Manager or his/her designee on behalf of the City is authorized to execute subordination agreements in forms reasonably acceptable to the City Attorney that provide for the subordinations described above without the necessity of any further action or approval by the City Council.

ARTICLE VII.
DEFAULTS, REMEDIES AND TERMINATION

7.1 Defaults - General.

7.1.1 Subject to any extensions of time provided for in this Agreement, failure or delay by any Party to perform any term or provision of this Agreement shall constitute an "Event of Default" under this Agreement; provided, however, that if a Party otherwise in default commences to cure, correct or remedy such default, within thirty (30) calendar days after receipt of written notice from the injured Party specifying such default, and shall diligently and

continuously prosecute without interruption such cure, correction or remedy to completion (and where any time limits for the completion of such cure, correction or remedy are specifically set forth in this Agreement, then within said time limits), such Party shall not be deemed to be in default under this Agreement and no Event of Default shall be deemed to have occurred.

7.1.2 The injured Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

7.1.3 Any failure or delays by any Party in asserting any of their rights and/or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by any Party in asserting any of its rights and/or remedies shall not deprive that Party of its right to institute and maintain any actions or proceedings that it is reasonably necessary to protect, assert or enforce any such rights or remedies.

7.1.4 In addition to other acts or omissions of the Developer that may legally or equitably constitute a default or breach of this Agreement, the occurrence of any of the following specific events, prior to the issuance of a Certificate of Completion for the Project, shall constitute an "Event of Default" under this Agreement and shall not be subject to the notice and cure provisions of Section 7.1.1:

7.1.4.1 Any material default by the Developer under any Security Financing Instrument for any purpose or reason that remains uncured following any applicable notice and expiration of any applicable cure period under such Security Financing Instrument.

7.1.4.2 Any representation, warranty or disclosure made to the Sellers by the Developer regarding this Agreement or the Project is known by the Developers to be materially false or materially misleading, whether or not such representation or disclosure appears in this Agreement.

7.1.4.3 There occurs any event of dissolution, reorganization or termination of the Developer that adversely and materially affects the operation or value of the Project Site or the Project, and such event is not corrected within five (5) business days following written notice of such event from the Sellers to the Developer.

7.1.4.4 The Developer Transfers its interest in this Agreement, the Project Site, or the Project, or any portion thereof, whether voluntarily or involuntarily or by operation of law, in violation of the terms and conditions of this Agreement and such action is not cured within the period prescribed in Section 8.2.2.

7.1.4.5 The Developer becomes insolvent or a receiver is appointed to conduct the affairs of the Developer under state or federal law.

7.1.4.6 The Developer's legal entity status authorized by the Secretary of State of the State of California to transact business in California is suspended or terminated and is not promptly reinstated.

7.2 DEVELOPER'S ELECTION RE: SPECIFIC ENFORCEMENT OF AGREEMENT OR WAIVER OF RIGHT TO SPECIFIC PERFORMANCE AND LIMITATION ON RECOVERY OF DAMAGES PRIOR TO CLOSE OF ESCROW. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT PERTAINING TO THE CONVEYANCE OF THE AGENCY PROPERTIES OR ANY PORTION THEREOF BY THE SELLERS UNDER THIS AGREEMENT PRIOR TO CLOSE OF ESCROW, THE DEVELOPER SHALL, AS ITS SOLE AND EXCLUSIVE REMEDY, HAVE THE RIGHT TO EXERCISE ONE OF THE ALTERNATIVE REMEDIES DESCRIBED IN SECTIONS 7.2.1 AND 7.2.2. THE DEVELOPER'S ELECTION, ONCE MADE, SHALL BE IRREVOCABLE.

7.2.1 WAIVER OF RIGHT TO SPECIFIC PERFORMANCE AND LIMITATION ON RECOVERY OF DAMAGES. THE DEVELOPER MAY WAIVE THE REMEDIES SET FORTH IN SECTION 7.2.2 AND MAY CANCEL THE ESCROW PURSUANT TO SECTION 3.10, AND UPON CANCELLATION OF THE ESCROW, THE DEVELOPER SHALL BE RELIEVED OF ANY OBLIGATION UNDER THIS AGREEMENT TO PURCHASE OR ACCEPT TITLE TO THE AGENCY PROPERTIES AND ANY SUCH ESCROW CANCELLATION SHALL BE WITHOUT ANY LIABILITY OF THE DEVELOPER TO THE SELLERS OR ANY OTHER PERSON ARISING FROM SUCH ACTIONS. THE DEVELOPER SHALL BE LIMITED TO RECOVERING ANY AMOUNTS ACTUALLY EXPENDED BY THE DEVELOPER IN REASONABLE RELIANCE ON THIS AGREEMENT PRIOR TO THE DATE OF THE OCCURRENCE OF THE EVENT OF DEFAULT BY THE SELLERS NOT TO EXCEED AN AGGREGATE TOTAL OF TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00). THE DEVELOPER WAIVES ANY RIGHT TO RECOVER ANY OTHER SUMS FROM THE SELLERS ARISING FROM AN EVENT OF DEFAULT BY THE SELLERS PRIOR TO THE CLOSE OF ESCROW. THE DEVELOPER SHALL NOT BE ENTITLED TO, AND HEREBY WAIVES, ANY RIGHT TO RECOVER ANY OTHER SUMS FROM THE SELLERS ARISING FROM AN EVENT OF DEFAULT BY THE SELLERS PRIOR TO THE CLOSE OF ESCROW. THE DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 7.2.1, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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, THE DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 7.2.1.

DEVELOPER'S INITIALS _____

IN CONNECTION WITH THE WAIVERS OF THIS SECTION 7.2.1, THE DEVELOPER FURTHER WAIVES THE RIGHT TO RECORD A NOTICE OF PENDENCY

OF ACTION AGAINST ALL OR ANY PORTION OF THE AGENCY PROPERTIES EXCEPT DEVELOPER MAY RECORD SUCH A NOTICE IN CONNECTION WITH ANY SUIT FOR SPECIFIC PERFORMANCE PERMITTED HEREUNDER IN THE EVENT DEVELOPER ELECTS NOT TO WAIVE ITS RIGHT TO SEEK SPECIFIC PERFORMANCE UNDER SECTION 7.2.2.

7.2.2 SPECIFIC PERFORMANCE. THE DEVELOPER MAY WAIVE THE REMEDIES SET FORTH IN SECTION 7.2.1 AND, IN ACCORDANCE WITH CIVIL CODE SECTION 3384, ET SEQ., INSTITUTE AN ACTION AGAINST THE SELLERS FOR SPECIFIC PERFORMANCE OF THE TERMS OR PROVISIONS OF THIS AGREEMENT WHICH WERE TO HAVE BEEN COMPLETED BY THE SELLERS PRIOR TO THE CLOSE OF ESCROW.

7.3 SELLERS' ELECTION RE: SPECIFIC ENFORCEMENT OF AGREEMENT OR WAIVER OF RIGHT TO SPECIFIC PERFORMANCE AND LIMITATION ON RECOVERY OF DAMAGES PRIOR TO CLOSE OF ESCROW. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT PERTAINING TO DEVELOPER'S FAILURE TO CLOSE ESCROW AND ACQUIRE THE AGENCY PROPERTIES FROM THE SELLERS UNDER THIS AGREEMENT, THE SELLERS SHALL, AS THEIR SOLE AND EXCLUSIVE REMEDY, HAVE THE RIGHT TO EXERCISE ONE OF THE ALTERNATIVE REMEDIES DESCRIBED IN SECTIONS 7.3.1 AND 7.3.2. THE SELLER'S ELECTION, ONCE MADE, SHALL BE IRREVOCABLE.

7.3.1 WAIVER OF RIGHT TO SPECIFIC PERFORMANCE AND LIMITATION ON RECOVERY OF DAMAGES. THE SELLERS MAY WAIVE THE REMEDIES SET FORTH IN SECTION 7.3.2 AND MAY CANCEL THE ESCROW PURSUANT TO SECTION 3.10, AND UPON CANCELLATION OF THE ESCROW, THE SELLERS SHALL BE RELIEVED OF ANY OBLIGATION UNDER THIS AGREEMENT TO SELL THE AGENCY PROPERTIES AND CONTRIBUTE FUNDS TO CONSTRUCTION OF THE PROJECT, AND ANY SUCH ESCROW CANCELLATION SHALL BE WITHOUT ANY LIABILITY OF THE SELLERS TO DEVELOPER OR ANY OTHER PERSON ARISING FROM SUCH ACTIONS. THE SELLERS SHALL BE LIMITED TO RECOVERING ANY AMOUNTS ACTUALLY EXPENDED BY THE SELLERS IN REASONABLE RELIANCE ON THIS AGREEMENT PRIOR TO THE DATE OF THE OCCURRENCE OF THE EVENT OF DEFAULT BY THE DEVELOPER, NOT TO EXCEED AN AGGREGATE TOTAL OF TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00). THE SELLERS WAIVE ANY RIGHT TO RECOVER ANY OTHER SUMS FROM THE DEVELOPER ARISING FROM AN EVENT OF DEFAULT BY THE DEVELOPER PRIOR TO THE CLOSE OF ESCROW. THE SELLERS ACKNOWLEDGE THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 7.3.1, 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, THE SELLERS KNOWINGLY AND VOLUNTARILY WAIVE THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF THIS SECTION 7.3.1.

CITY'S INITIALS _____

SUCCESSOR AGENCY'S INITIALS _____

7.3.2 SPECIFIC PERFORMANCE. THE SELLERS MAY WAIVE THE REMEDIES SET FORTH IN SECTION 7.3.1 AND, IN ACCORDANCE WITH CIVIL CODE SECTION 3384, ET SEQ., INSTITUTE AN ACTION AGAINST THE DEVELOPER FOR SPECIFIC PERFORMANCE OF THE TERMS OR PROVISIONS OF THIS AGREEMENT WHICH WERE TO HAVE BEEN COMPLETED BY THE DEVELOPER PRIOR TO THE CLOSE OF ESCROW.

7.4 Legal Actions.

7.4.1 Except as otherwise provided by Section 7.2 and/or Section 7.3, any Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy available to that Party under this Agreement or at law or in equity. Such legal actions must be instituted in the Superior Court of the State of California in and for the County of Los Angeles, California, in any other appropriate court within the County of Los Angeles, California. The prevailing party in such legal action shall be entitled to collect its reasonable attorney fees and costs from the other party in addition to any other damages or relief obtained in such proceedings.

7.4.2 The procedural and substantive laws of the State of California shall govern the interpretation and enforcement of this Agreement, without regard to conflicts of laws principles. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the City of Montebello, County of Los Angeles, California.

7.5 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties set forth in this ARTICLE VII are non-exclusive and cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party(ies).

7.6 Developer Indemnification of the Sellers. In addition to any other specific indemnification or defense obligations of the Developer set forth in this Agreement, the Developer agrees to indemnify, defend (upon written request by the Sellers and with counsel reasonably acceptable to Sellers) and hold harmless the Indemnified Parties, from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs and expenses, including, but not limited to reasonable attorney's fees of counsel retained by the Indemnified

Parties, expert fees, of whatever kind or nature, that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of the Developer or the Developer's officers, agents, employees, independent contractors or subcontractors of any tier, relating in any manner to this Agreement, any work to be performed by the Developer related to this Agreement, the Agency Properties, or the Project, or any authority or obligation exercised or undertaken by the Developer under this Agreement. Without limiting the generality of the foregoing, the Developer's obligation to indemnify the Indemnified Parties shall include injury or death to any person or persons, damage to any property, regardless of where located, including the property of the Indemnified Parties, any workers' compensation or prevailing wage determination, claim or suit or any other matter arising from or connected with any goods or materials provided or services or labor performed regarding the Project or the Property on behalf of the Developer by any person or entity. Notwithstanding anything to the contrary in this Agreement, including in this Section 7.6, Developer does not assume the risk, and shall not be responsible for, damages, including any fines or penalties assessed or charged to City and/or Successor Agency, pursuant to the Surplus Land Act (Government Code section 54220 et seq) or pursuant to redevelopment dissolution laws (Health and Safety Code section 34170 et seq.).

ARTICLE VIII.
GENERAL PROVISIONS.

8.1 Incorporation of Recitals. The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement in their entirety by this reference.

8.2 Restrictions on Transfers.

8.2.1 The Developer acknowledges that the qualifications and identity of the Developer are of particular importance to the City. The Developer further recognizes and acknowledges that the City has relied and is relying on the specific qualifications and identity of the Developer in entering into this Agreement with the Developer and, as a consequence, Transfers are permitted only as expressly provided in this Agreement. The Developer shall promptly notify the City in writing of any and all changes whatsoever in the identity of the business entities or individuals either comprising or in Control of the Developer, as well as any and all changes in the interest or the degree of Control of the Developer by any such person, of which information the Developer or any of its partners, members or officers are notified or may otherwise have knowledge or information.

8.2.2 Except as expressly permitted in this Agreement, the Developer represents to the City that it has not made and agrees that it will not make or create, or suffer to be made or created, any Transfer other than a Permitted Transfer, either voluntarily, involuntarily or by operation of law, until after the recordation of a Certificate of Completion for the Project; provided, however, that the City may approve in its reasonable discretion, Transfers other than Permitted Transfers prior to the recordation of a Certificate of Completion. In deciding whether to approve or disapprove any such proposed Transfer, the City may consider the proposed transferee's financial strength and the experience of the proposed transferee and its senior management in undertaking and successfully completing projects of a similar type and size as the Project or that portion of the Project proposed to be transferred. Any Transfer made in contravention of this

Agreement shall be voidable at the election of the City and this Agreement may be terminated by the City or the City may exercise any other remedy available to the City under the terms of this Agreement, provided, however, that (i) the City shall first notify the Developer in writing of its intention to terminate this Agreement or to exercise any other remedy, and (ii) the Developer shall have thirty (30) calendar days following its receipt of such written notice to commence and, thereafter, diligently and continuously proceed to cure the default of the Developer and submit evidence of the initiation and satisfactory completion of such cure to the City, in a form and substance reasonably satisfactory to the City.

8.2.3 The Developer shall provide the City no less than thirty (30) days prior written notice of any proposed Permitted Transfer which the Developer desires to enter into prior to the recordation of a Certificate of Completion for the Project subject to the Transfer. The Developer shall have the burden of demonstrating to the City's reasonable satisfaction that the proposed Permitted Transfer meets the conditions and requirements of this Agreement with respect to Permitted Transfers.

8.2.4 Anything in this Agreement to the contrary notwithstanding, the restrictions and prohibitions on Transfers contained in this Section 8.2 shall terminate upon issuance of a Certificate of Completion for the Project.

8.3 Notices, Demands and Communications Between the Parties.

8.3.1 Any and all notices, demands or communications submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper, if in writing and dispatched by messenger for immediate personal delivery, by a nationally recognized overnight courier service or by registered or certified United States Mail, postage prepaid, return receipt requested, to the principal office of the Sellers or the Developer, as applicable, as designated in Section 8.3.2. Such written notices, demands or communications may be sent in the same manner to such other addresses as either Party may from time to time designate. Any such notice, demand or communication shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is delivered by personal delivery, on the date of delivery by a nationally recognized overnight courier service or three (3) calendar days after it is placed in the United States Mail, as provided in this Section 8.3.

8.3.2 The following are the authorized addresses for the submission of notices, demands or communications to the Parties:

TO DEVELOPER: Montebello Affordable Housing, LP
c/o Cesar Chavez Foundation
Attn: Legal Department
29700 Woodford Tehachapi Road
Keene, CA 93531
Attention: Paul S. Park
(T) 213-362-0260 (Ext 2261)
(F) 855-897-1429

COPY TO: Rutan & Tucker, LLP
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Attention: Patrick D. McCalla
(T) 714-641-5100
(F) 714-546-9035

TO CITY: City of Montebello

Attention: City Manager
(T)
(F)

COPY TO: Alvarez-Glasman & Colvin
13181 Crossroads Pkwy. North
Suite 400 - West Tower
City of Industry, CA 91746
Attention: Arnold M. Alvarez-Glasman
Christopher G. Cardinale
(T) 562-699-5500
(F) 562-692-2244

8.4 Conflict of Interest. No member, official or employee of either Party has any conflict of interest, direct or indirect, related to this Agreement, the Agency Properties, or the development or operation of the Project within the meaning of applicable federal, state and local conflict of interest laws, including the Political Reform Act (Gov. Code, § 81000 *et seq.*) and California Government Code Section 1090. In compliance with the Levine Act (Government Code Section 84308), Developer represents and warrants that: (a) neither Developer nor any agent on behalf of Developer has made any campaign contributions of more than $250 to any member of the City Council between January 1, 2023 and the Effective Date of this Agreement; and (b) neither Developer nor any agent on behalf of Developer will make any campaign contribution of more than $250 to any member of the City Council within twelve (12) months after the date this Agreement is approved by the City Council.

8.5 Warranty Against Payment of Consideration for Agreement. The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 8.5, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Developer.

8.6 Non-liability of Sellers, Officials and Employees. No member, official or employee of the Sellers shall be personally liable to the Developer, or any successor in interest of the Developer, in the event of any default or breach by the Sellers under this Agreement or for any amount that may become due to the Developer or to its successor, or on any obligations under the terms of this Agreement, except as may arise from the gross negligence or willful acts of such member, official or employee.

8.7 Unavoidable Delay; Extension of Time of Performance.

8.7.1 Subject to specific provisions of this Agreement, performance by any Party under this Agreement shall not be deemed, or considered to be, in default where any such default is caused by an Unavoidable Delay that is not attributable to the fault of the Party claiming an extension of time to perform. An extension of time for any Unavoidable Delay shall be for the period of the Unavoidable Delay and shall commence to run from the date of occurrence of the Unavoidable Delay, if the Party asserting the existence of the Unavoidable Delay provides the other Parties with written notice of the occurrence of the Unavoidable Delay, within twenty (20) days of the commencement of such asserted Unavoidable Delay. Otherwise, the extension of time for an Unavoidable Delay shall commence on the date of receipt of written notice of the occurrence of the Unavoidable Delay by the Parties not requesting an extension of time to perform due to such Unavoidable Delay.

8.7.2 The Parties expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of either of them that may have provided a basis for entering into this Agreement and that occur at any time after the execution of this Agreement, do not constitute an Unavoidable Delay and do not provide any Party with grounds for asserting the existence of an Unavoidable Delay in the performance of any covenant or undertaking arising under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement. Notwithstanding the foregoing, the limitations set forth in this section 9.7.2 shall not apply to delays in procurement of materials and/or labor due to cost escalation or to delays attributable to the unavailability of labor and/or materials required for the timely execution of the Project, which are the result of changes in general economic conditions that are outside of Developer's control, which may include, but shall not be limited to, supply chain disruptions, transportation delays, and material and/or labor shortages.

8.8 Inspection of Books and Records. The Sellers shall have the right at all reasonable times, at the Sellers's cost and expense, to inspect the books and records of the Developer pertaining to the Property and/or the Project, upon no less than seven (7) days prior written notice. The Developer shall also have the right at all reasonable times, at the Developer's sole cost and expense, to inspect the books and records of the Sellers pertaining to the Agency Properties, Project Site, and/or the Project, to the extent relevant to the Developer's obligations under this Agreement, upon no less than seven (7) days prior written notice. Nothing in this Section 8.8 or elsewhere in this Agreement shall, however, constitute a waiver or modification of any right or privilege which any Party may have with respect to any document, statement, or other record, including, without implied limitation, the attorney-client privilege, the attorney-work product privilege, any privilege arising under any state or federal evidentiary code or rule, or any privilege or exclusionary right arising under any state or federal freedom of information or public records disclosure law.

8.9 Real Estate Commissions. The Sellers and the Developer each represent and warrant to the other that no real estate brokerage commission is payable to any person or entity in connection with the transactions contemplated hereby on account of or due to the acts or omissions of such representing party, and each agrees to and does hereby indemnify, defend and hold the

other harmless from and against the payment of any commission to any other person or entity claiming by, through or under the Sellers or the Developer, as applicable.

8.10 Binding on Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

8.11 Entire Agreement.

8.11.1 This Agreement shall be executed in three (3) duplicate originals, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement includes the exhibits and documents referenced and incorporated herein, and constitutes the entire understanding and agreement of the Parties regarding the Property, the Project, and the other subjects addressed in this Agreement.

8.11.2 This Agreement integrates all of the terms and conditions mentioned in this Agreement or incidental to this Agreement, and supersedes all negotiations or previous agreements between the Parties with respect to the Property, the Project, and the other subjects addressed in this Agreement.

8.11.3 None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any deed conveying title to the Property and this Agreement shall continue in full force and effect before and after such conveyances.

8.11.4 All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representative(s) of all Parties.

8.12 Execution of this Agreement. Following execution of three (3) duplicate originals of this Agreement by the authorized representative(s) of the Developer and prompt delivery of such originals, thereafter, to the Sellers, accompanied by an official action of the governing body of the Developer authorizing the individuals executing this Agreement on behalf of the Developer to execute and perform this Agreement, in form and substance reasonably acceptable to the Sellers, this Agreement shall be subject to the review and approval by the City Council and Successor Agency Governing Board, in their sole and absolute discretion.

8.13 Survival of Indemnity Obligations. All general and specific indemnity and defense obligations of the Parties set forth in this Agreement shall survive the expiration or termination of this Agreement, the execution or recordation of the Grant Deeds, and/or the issuance and recordation of any Certificate of Completion.

8.14 Time Declared to be of the Essence. As to the performance of any obligation hereunder as to which time is a component thereof, the performance of such obligation within the time provided is of the essence.

8.15 Approvals. Except as otherwise provided in this Agreement, approvals required of the Sellers or the Developer, or any officers, agents or employees of the Sellers or the Developer, shall not be unreasonably withheld and approval or disapproval shall be given within the time set forth in this Agreement or, if no time is given, within a reasonable time.

8.16 Further Assurances. The Parties agree to reasonably consider such additional actions or the execution of such other documents as may be reasonably necessary or convenient to the financing, development, and operation of the Project, although nothing in this Section 8.16 shall be deemed a representation, guaranty or commitment by any Party to take any action or execute any document.

8.17 City Approvals and Actions. The City Manager shall have the authority, on behalf of the Sellers (to the extent not provided otherwise in this Agreement), to make approvals, issue interpretations, waive provisions, grant extensions of time, approve amendments to this Agreement and changes to the attached exhibits prior to their execution and execute documents, including, without limitation, the Notice of Completion and any documents necessary to implement any changes in the number or affordability of the Qualifying Units (as defined in the Regulatory Agreement), as may be required by any of the Construction Financing, so long as such actions do not reduce the length of affordability of the Qualifying Units (as defined in the Regulatory Agreement). The City Manager reserves the right, in his or her sole and absolute discretion, to submit any requested modification, interpretation, amendment or waiver to the City Council and Successor Agency Governing Board if the City Manager reasonably determines or reasonably believes that such action could increase the risk, liability or costs to Sellers, or reduce the length of affordability of the Project, or is otherwise required by law.

8.18 Investor Limited Partner Provisions. If and when the Developer is in the form of a limited partnership and admits an investor limited partner into Developer's partnership, the City agrees to the following provisions for the benefit of the Developer's investor limited partner:

8.18.1 If Developer has provided advance written notice to the City of the address and contract information of an investor limited partner, the City will give the limited partner a copy of any notice of default (at the limited partner's address provided in a notice by Developer to the City) that the City and/or Successor Agency gives to the Developer under this Agreement, the Regulatory Agreement, and/or the City Notes;

8.18.2 The City will give known limited partners at least thirty (30) days after receipt of such default notice to cure a non-payment of any sum due under this Agreement, the Regulatory Agreement, and/or the City Notes;

8.18.3 Each of the City and Successor Agency will give the limited partner sixty (60) days after the limited partner's receipt of such notice to cure any non-monetary default under this Agreement, the Regulatory Agreement, and/or the City Notes;

8.18.4 If a non-monetary default is incapable of being cured within sixty (60) days, each of the City and Successor Agency shall allow the limited partner a reasonable time to cure such default provided the limited partner has commenced to cure such default within said sixty (60) day period, and diligently thereafter proceeding to cure such default without interruption until the default is cured;

8.18.5 If the limited partner makes any such payment or otherwise cures such default, each of the City and Successor Agency will accept such action as curing such default as if such payment or cure were made by the Developer;

8.18.6 Each of the City and Successor Agency will permit the limited partner to transfer the limited partner's interest under the partnership agreement to any person or entity at any time;

8.18.7 Each of the City and Successor Agency will permit the limited partner to remove the general partner of the partnership in accordance with the partnership agreement, provided that the substitute general partner is reasonably acceptable to the City, provided, however that any general partner that is an Affiliate of the tax credit investor is hereby deemed to be acceptable to the City; and

8.18.8 Each of the City and Successor Agency will permit insurance and condemnation proceeds to be used to rebuild the Project provided that (i) sufficient funds are provided from other sources to effectively rebuild the Project to a lawful affordable housing multi-family complex, and (ii) subject to the rights of any Senior Lenders, the City shall hold all such proceeds and disburse them based on the progress of construction, subject to such additional reasonable conditions as the City may impose.

[Signatures on Following Pages]

SIGNATURE PAGE

CITY:

THE CITY OF MONTEBELLO
a California municipal corporation

Dated:_____, 2023 By:_____
City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO LEGAL FORM:

ALVAREZ-GLASMAN & COLVIN

By: _____
City Attorney

[Signatures continued on next page]

DEVELOPER:

MONTEBELLO AFFORDABLE HOUSING, LP
a California limited partnership

By: Montebello Affordable Housing, LLC
a California limited liability company
Its General Partner

By: Cesar Chavez Foundation,
a California nonprofit corporation,
Its Managing Member

By: _____
Paul S. Park, Secretary

EXHIBIT A

Legal Description of City Properties

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

PARCEL 1:

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395 PAGE 381, OFFICIAL RECORDS.

PARCEL 2:

LOT 20 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO) AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 36 FEET OF THE NORTH 44 FEET OF THE WEST 115 FEET THEREOF.

PARCEL 3:

THE SOUTHERLY 36 FEET OF THE NORTHERLY 44 FEET OF THE WESTERLY 115 FEET OF LOT 20 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM FROM PARCELS 2 AND 3 ABOVE ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, PRODUCED FROM THE PREMISES, AS EXCEPTED IN THE DEED FROM HENRY M. NEWMARK AND MARIE LOUISE NEWMARK, HIS WIFE, AND ROSE N. SUTRO AND ALFRED SUTRO, HER HUSBAND, RECORDED IN BOOK 6771 PAGE 81 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE SOUTHERLY 44 FEET OF LOT 19 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN INTEREST IN ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL RIGHTS THERETO, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE, AS EXCEPTED OR RESERVED BY DEED RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

APN: 6349-005-900, 901, 902 (Parcels 1-3) and 903 (Parcel 4)

EXHIBIT B

Legal Description of SA Property

EXHIBIT C

Legal Description of Developer Property

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

PARCEL 5:

THE SOUTHWESTERLY 44 FEET OF THE NORTHEASTERLY 88 FEET OF LOT 19 OF ADDITION NO. 1, TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395, PAGE 381, OF OFFICIAL RECORDS.

APN: 6349-005-006 (Parcel 5)

EXHIBIT D

Depiction of Project Site

(See attached)

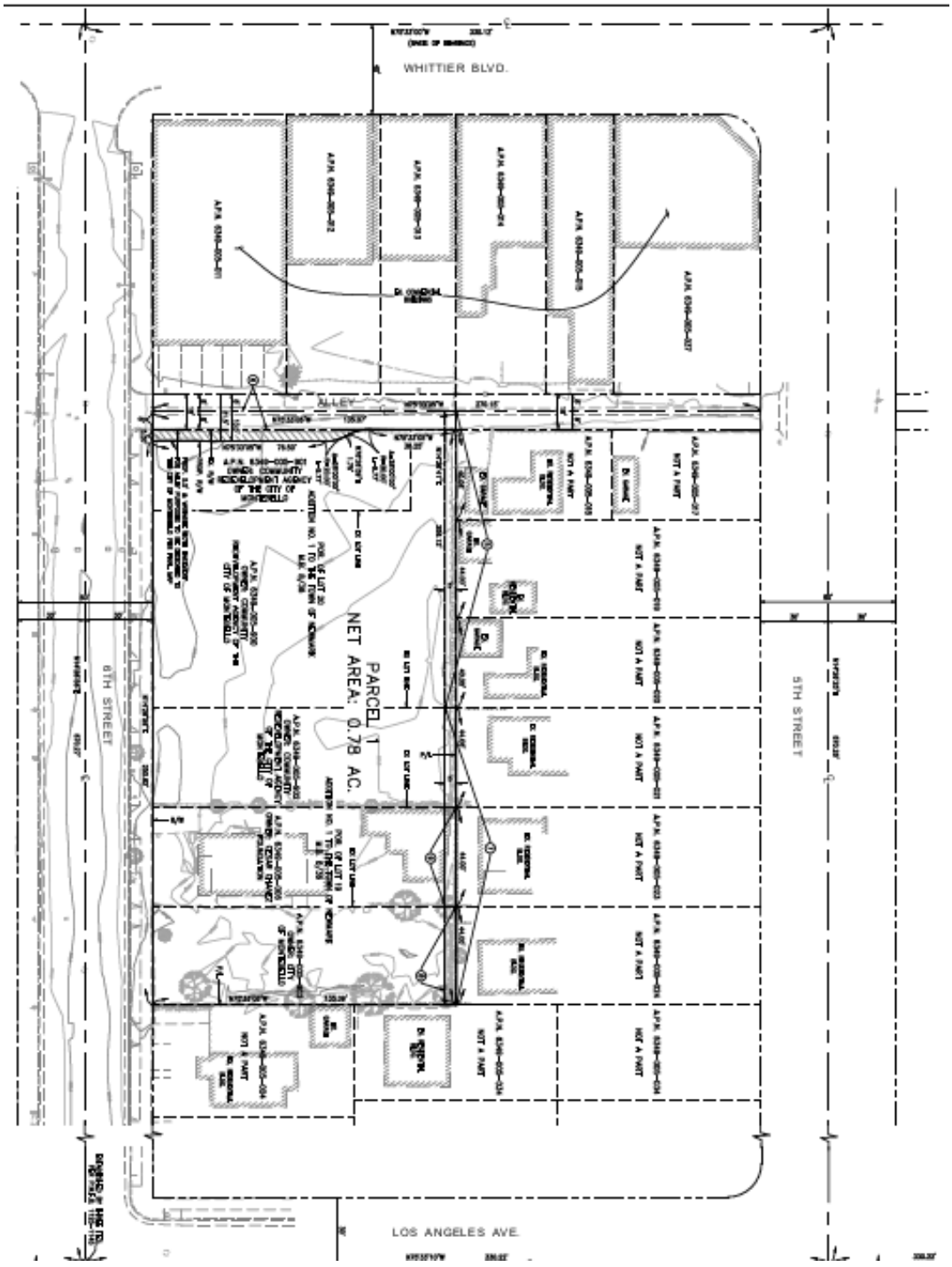

WHITTIER BLVD.
ALLEY
8TH STREET
5TH STREET
LOS ANGELES AVE.
PARCEL 1
NET AREA: 0.78 AC.

Exhibit D

EXHIBIT E

Form of Grant Deed for City Properties

(see attached)

RECORDING REQUESTED BY: City of Montebello WHEN RECORDED MAIL TO AND MAIL TAX STATEMENTS TO:	

SPACE ABOVE FOR RECORDER'S USE ONLY

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

Documentary Transfer Tax is $ _____.;

PART ONE

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE CITY OF MONTEBELLO, a California municipal corporation ("**Grantor**"), hereby grants to MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Grantee**"), that certain real property located in the City of Montebello, County of Los Angeles, State of California, specifically described in Exhibit "A" attached to this Grant Deed ("**Property**") and made a part of this Grant Deed by this reference.

PART TWO

The conveyance of the Property by the Grantor to the Grantee in Part One is subject to the following community development terms, conditions, covenants and restrictions:

Section 1. Obligation to Refrain from Discrimination**.** The Grantee for itself, its successors and assigns to all or any part or portion of the Property and/or Project, covenants and agrees that:

1.1. There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall the Grantee, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessees or vendees of the Property. With respect to familial status, this Section 1.1 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 1.1 shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and

799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 1360 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 1.1.

1.2. The covenant of this Section 1 shall run with the land of the Property in perpetuity and shall be enforceable against the Grantee and its successors and assigns in perpetuity.

Section 2. Form of Non-Discrimination and Non-Segregation Clauses. The Grantee for itself, its successors and assigns to all or any part or portion of the Property and/or Project, covenants and agrees that:

2.1. The Grantee, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any portion thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. All deeds, leases or contracts pertaining to the Property shall contain or be subject to substantially the following non-discrimination or non-segregation covenants:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sub-lessee, sub-tenants, or vendees in the premises herein leased.

Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(b) shall not be construed to apply to housing for older persons, as defined in

Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub-lessees, sub-tenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

"Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(c) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

The covenants of this Section 2 shall run with the land of the Property in perpetuity.

GRANTOR:

THE CITY OF MONTEBELLO
a California municipal corporation

By: _____
Rene Bobadilla, City Manager

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

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 _____)

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

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

WITNESS my hand and official seal.

_____
Name: _____
Notary Public

CERTIFICATE OF ACCEPTANCE OF GRANT DEED

The undersigned hereby acknowledges acceptance by _____, as the Grantee identified within the above Grant Deed, of the delivery of the subject Property described in the within Grant Deed from the City of Montebello and of Grantee's acceptance of the terms, conditions, and covenants stated therein.

GRANTEE:

_____,

Dated:_____, 20__ By: _____

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

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 _____)

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

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

WITNESS my hand and official seal.

_____
Name: _____
Notary Public

EXHIBIT A
TO GRANT DEED

(Legal Description)

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

PARCEL 1:

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395 PAGE 381, OFFICIAL RECORDS.

PARCEL 2:

LOT 20 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO) AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 36 FEET OF THE NORTH 44 FEET OF THE WEST 115 FEET THEREOF.

PARCEL 3:

THE SOUTHERLY 36 FEET OF THE NORTHERLY 44 FEET OF THE WESTERLY 115 FEET OF LOT 20 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM FROM PARCELS 2 AND 3 ABOVE ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, PRODUCED FROM THE PREMISES, AS EXCEPTED IN THE DEED FROM HENRY M. NEWMARK AND MARIE LOUISE NEWMARK, HIS WIFE, AND ROSE N. SUTRO AND ALFRED SUTRO, HER HUSBAND, RECORDED IN BOOK 6771 PAGE 81 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE SOUTHERLY 44 FEET OF LOT 19 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN INTEREST IN ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL RIGHTS THERETO, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE, AS EXCEPTED OR RESERVED BY DEED RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

APN: 6349-005-900, 901, 902 (Parcels 1-3) and 903 (Parcel 4)

EXHIBIT F

Form of Grant Deed for SA Property

(see attached)

RECORDING REQUESTED BY:

Montebello Successor Agency

WHEN RECORDED MAIL TO AND MAIL TAX STATEMENTS TO:

SPACE ABOVE FOR RECORDER'S USE ONLY

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

Documentary Transfer Tax is $ _____.;

PART ONE

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE MONTEBELLO SUCCESSOR AGENCY, a California successor agency created and existing pursuant to Health & Safety Code section 34170 *et seq*. ("**Grantor**"), hereby grants to CESAR CHAVEZ FOUNDATION, a California non-profit corporation ("**Grantee**"), that certain real property located in the City of Montebello, County of Los Angeles, State of California, specifically described in Exhibit "A" attached to this Grant Deed ("**Property**") and made a part of this Grant Deed by this reference.

PART TWO

The conveyance of the Property by the Grantor to the Grantee in Part One is subject to the following community development terms, conditions, covenants and restrictions:

Section 1. Obligation to Refrain from Discrimination**.** The Grantee for itself, its successors and assigns to all or any part or portion of the Property, covenants and agrees that:

1.1. There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall the Grantee, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessees or vendees of the Property. With respect to familial status, this Section 1.1 shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in this Section 1.1 hall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and

Section 1360 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to this Section 1.1.

1.2. The covenant of this Section 1 shall run with the land of the Property in perpetuity and shall be enforceable against the Grantee and its successors and assigns in perpetuity.

Section 2. Form of Non-Discrimination and Non-Segregation Clauses. The Grantee for itself, its successors and assigns to all or any part or portion of the Property, covenants and agrees that:

2.1. The Grantee, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any portion thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry or national origin of any person. All deeds, leases or contracts pertaining to the Property shall contain or be subject to substantially the following non-discrimination or non-segregation covenants:

(a) In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants, sub-lessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

(b) In leases: "The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sub-lessee, sub-tenants, or vendees in the premises herein leased.

Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(b) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing

paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub-lessees, sub-tenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

"Notwithstanding the foregoing paragraph, with respect to familial status, paragraph 2.1(c) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Section 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code relating to housing for senior citizens. Subdivisions (d) of Section 51 and Section 4760, and Section 6714 of the Civil Code and subdivision (n), (o), and (p) of Section 12955 of the Government Code shall apply to foregoing paragraph."

2.2. The covenants of this Section 2 shall run with the land of the Property in perpetuity.

GRANTOR:
THE MONTEBELLO SUCCESSOR AGENCY
a California successor agency

By: _____
Rene Bobadilla, Executive Director

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

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 _____)

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

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

WITNESS my hand and official seal.

_____
Name: _____
Notary Public

CERTIFICATE OF ACCEPTANCE OF GRANT DEED

The undersigned hereby acknowledges acceptance by _____, as the Grantee identified within the above Grant Deed, of the delivery of the subject Property described in the within Grant Deed from the Montebello Successor Agency and of Grantee's acceptance of the terms, conditions, and covenants stated therein.

GRANTEE:

CESAR CHAVEZ FOUNDATION,
a California nonprofit public benefit corporation

Dated:_____, 20__

By: _____

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

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 _____)

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

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

WITNESS my hand and official seal.

_____
Name: _____
Notary Public

EXHIBIT A
TO GRANT DEED

(Legal Description)

EXHIBIT G

Developer's Project Narrative

Project Site: The Project Site is five (5) lots at 112, 114, 124, 128, 132 South 6th Street in Montebello, California 90640, with the following Los Angeles County Assessor's Parcel Numbers (APN): 6349-005-900, 901, 902, 903 and 006. The Project Site is approximately 35,000 square feet or .80 acres.

Housing Unit Mix and Affordability: The 63-unit development shall be 100% affordable housing (with the exception of one (1) manager's unit) and target families and survivors of domestic violence and have LACDA project based vouchers ("special needs units"). The unit mix shall be: (a) 27 one (1)-bedroom units, 25 of which shall be special needs units; (b) 16 two (2)-bedroom units, 3 of which shall be special needs units; (c) 19 three (3)-bedroom units, 3 of which shall be special needs units; and (d) 1 three (3)-bedroom manager's unit. The unit mix and affordability levels of the affordable housing units shall be as follows:

Bedrooms	Low Income Units	Special Needs Units	Total Units
1	2 @ 60% AMI	25 @ 30% AMI	27
2	13 @ 60% AMI	3 @ 30% AMI	16
3	16 @ 60% AMI	3 @ 30% AMI	19 (plus 1 manager unit)
TOTAL	31@ 60% AMI	31 @ 30% AMI	62 (plus 1 manager unit)

Project Buildings: The Project building shall be a mix of three (3) and four (4) stories that is developed over one (1) level of subterranean parking. The Project shall incorporate sustainable building features including solar panels and shall be LEED Gold certified upon issuance of a final Certificate of Occupancy. The subterranean parking and ground floor shall be Construction Type A, and a podium deck under the 3rd and 4th stories shall be Construction Type VA.

Parking: The subterranean parking garage shall include 42 parking stalls, and an additional 15 surface parking stalls shall be provided (7 of which shall be electric charging stations); for a total of 67.

Architecture: The Project shall offer an infill mid-rise building that incorporates a contemporary modern theme design with distinct color paneling. Upper terrace decks shall be iincorporated into the design for common open space overlooking a ground floor entry courtyard.

Open Space and Amenities: Open space terraces shall include decorative landscaped courtyards, a tot lot, tween and a recreational areas. A community room shall be located on first and shall include the following amenities: computer room, mmanagement office, meeting/classroom space, counseling office, public resident restrooms, facilities for after-school, active and passive recreation areas. Laundry rooms and BBQ areas shall be provided.

EXHIBIT H

Project Budget / Proforma

PROJECT SUMMARY	Cesar Chavez Foundation	6TH STREET GRAND
62 units plus 1 mgr. unit		9% Credits
New Construction		Non-Rural
PW Family project		QCT-No DDA-No

Permanent Sources				
Source	Amount	Rate	Amm.	/ Unit
Perm Loan	$8,291,372	6.55%	40	$131,609
Tax Credit Proceeds	27,136,474	NA	NA	430,738
City of Montebello Loan	3,075,000	3.00%	30	48,810
City Impact Fee Loan	950,000	3.00%	30	15,079
LACDA AHTF	2,000,000	3.00%	55	31,746
HCD IIG	2,500,000	3.00%	55	39,683
SGVRHT	1,700,000	3.00%	55	26,984
City of Montebello HOME	549,000	3.00%	30	8,714
Interest Income	0	NA	NA	0
Operating Income	0	NA	NA	0
Deferred Developer Fee	3,556	6.00%	NA	56
	$46,205,402			$733,419

Permanent Uses		
Uses	Amount	Per Unit
Land Costs	$4,059,782	$64,441
Permits, Fees, & Studies	4,671,000	74,143
Direct Construction Costs	28,683,593	455,295
Offsites	0	0
Contingency	1,734,398	27,530
Developer Fee	2,000,000	31,746
Indirect Construction Costs	1,087,198	17,257
Rent-Up Costs	336,000	5,333
Reserves	592,188	9,400
Financing Costs	3,041,243	48,274
	$46,205,402	$733,419

Source Pay in Schedule			
Source	Amount	Date	Notes
Perm Loan	$8,291,372	Aug-25	Convert
Tax Credit Proceeds	2,713,647	Apr-23	Close
Tax Credit Proceeds	4,070,471	Feb-24	50% Comp.
Tax Credit Proceeds	0	Mar-25	Lease up
Tax Credit Proceeds	20,080,991	Aug-25	Convert
Tax Credit Proceeds	271,365	Nov-25	8609s
City of Montebello Loan	3,075,000	Apr-23	Close
City Impact Fee Loan	950,000	Apr-23	Close
LACDA AHTF	1,800,000	Apr-23	Close
LACDA AHTF	200,000	Aug-25	Convert
HCD IIG	2,500,000	Feb-24	50% Comp.
SGVRHT	$1,700,000	Apr-23	Close
City of Montebello HOME	$549,000	Apr-23	Close

Construction Sources		
Source	Amount	Per Unit
Tax Credit Proceeds	6,784,119	$107,684.42
City of Montebello Loan	3,075,000	48,809.52
City Impact Fee Loan	950,000	15,079.37
LACDA AHTF	1,800,000	28,571.43
HCD IIG	2,500,000	39,682.54
SGVRHT	1,700,000	26,984.13
City of Montebello HOME	549,000	8,714.29
Totals	17,358,119	$275,525.69

Bedroom Mix/Average Rent			
Bedrooms	Quantity	% of Units	Avg. Rent
0			
1	27	44%	552.44
2	16	26%	1,258.25
3	19	31%	1,468.95
4+			

Rent Schedule					
Calculation	Quantity	Bedrooms	AMI	Rent	Util.
MGR	1	3	100%	$0	$0
TCAC (PBV)	13	1	30%	503	167
TCAC (PBV)	12	1	50%	503	167
TCAC	2	1	60%	1,173	167
TCAC (PBV)	3	2	30%	605	199
TCAC	13	2	60%	1,409	199
TCAC (PBV)	3	3	30%	687	242
TCAC	16	3	60%	1,616	242

1BR x 13 @PBV = $1,929 contract rents
1BR x 12 @PBV = $1,929 contract rents
2BR x 3 @PBV = $2,467 contract rents
3BR x 3 @PBV = $3,223 contract rents

Operating Expenses		
Expenses	Amount	Per Unit
Management	45,360	$720
Administration	42,380	673
Salaries & Benefits	196,812	3,124
Maintenance	55,900	887
Utilities	43,282	687
Insurance	52,010	826
Taxes	1,000	16
Services	20,000	317
Reserves	31,500	500
Fees	10,500	167
Totals	$498,744	$7,917

Assumptions		Assumptions	
TCAC Tiebreaker	41.11%	Con. Length	20
Site (acres)	0.00	CL Closing:	4/1/23
Debt Cov. Ratio	1.15	Est. Completion	12/1/24
Vacancy Factor	7.8%	Con. Loan	26,862,896

EXHIBIT I

Schedule of Performance

TASK	COMPLETION DEADLINE
All conditions to closing have been satisfied or waived and Close of Escrow occurs.	No later than March 31, 2023
Developer commences construction	No later than 60 days after Close of Escrow
City disburses Predevelopment Loan	No later than January 31, 2024
Developer completes construction	No later than the date that is 30 months after the date a building permit is issued for the Project by the City.
Developer's Construction Financing converts to the Permanent Loan	No later than 9 months after completion of construction

EXHIBIT J

Form of Regulatory Agreement

(see attached)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Montebello
1600 West Beverly Blvd,
Montebello, California
Attn: City Manager

APN: 6349-005-900, 901, 902, 903 & 006

SPACE ABOVE FOR RECORDER'S USE ONLY
EXEMPT FROM RECORDING FEE PER
GOVERNMENT CODE §27383

REGULATORY AGREEMENT
(6th Street Grand, Montebello Phase 1)

by and between

THE CITY OF MONTEBELLO,
a California municipal corporation,

and

MONTEBELLO AFFORDABLE HOUSING, LP,
a California limited partnership,

[Dated as of March ___, 2023, for reference purposes only]

REGULATORY AGREEMENT
(6th Street Grand, Montebello Phase 1)

This REGULATORY AGREEMENT (6th Street Grand, Montebello Phase 1) ("**Regulatory Agreement**") is made and entered into as of March __, 2023, by and between THE CITY OF MONTEBELLO, a California municipal corporation ("**City**") and MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Owner**").

RECITALS

A. The City, the Montebello Successor Agency, and Owner entered into that certain Purchase, Sale, and Affordable Housing Development Agreement (6th Street Grand, Montebello Phase 1) dated as of _____, 2023 (the "**Affordable Housing Agreement**"), pursuant to which and subject to the terms and conditions therein the City sold to the Owner those certain properties located at 112, 114, 124, and 132 South 6th Street, City of Montebello, California (APN 6349-005-900, 901, 902 and 903) (the "**City Properties**"), and Developer agreed to combine the City Properties with those certain properties owned and controlled by Owner located at 128 and 128 ½ South 6th Street, City of Montebello, California (APN 6349-005-006), into a single development parcel totaling 35,000 square feet (or .80 acres) legal described in Attachment No. 1 hereto (the "**Project Site**").

B. Under the Affordable Housing Agreement, the City has agreed to provide financial assistance to the Owner for acquisition of the Property and the construction thereon by the Owner of a sixty-three (63)-unit affordable rental housing residential development (the "**Project**"), as more specifically described and defined in the Affordable Housing Agreement.

C. The City and the Owner desire that the Project be operated as a multifamily residential community on the Property with the residential units made available to Qualified Households at an Affordable Rent as more specifically defined herein. This Regulatory Agreement establishes terms and conditions which govern the operation of the Property.

D. The terms of the Affordable Housing Agreement require that certain covenants and affordability restrictions remain in full force and effect on the Project for a term commencing on the date of recordation of this Regulatory Agreement and continuing for fifty-five (55) years following the recordation of the Certificate of Completion as defined herein.

Now, therefore, in consideration of the mutual covenants and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the City do hereby covenant and agree for themselves, their successors and assigns as follows:

1. Definitions of Certain Terms. As used in this Regulatory Agreement, the following words and terms shall have the meaning as provided in the recitals or in this Section 1. All initially capitalized terms used and not otherwise defined in the recitals or in this section shall have the meaning ascribed to such term by the Affordable Housing Agreement.

1.1. 30% Household. An individual or household that has a household income not

greater than thirty percent (30%) of then current AMI adjusted for household size.

1.2. 60% Household. An individual or household that has a household income not greater than sixty percent (60%) of current AMI adjusted for household size.

1.3. Affordable Rent. In reference to each Qualifying Unit, the maximum rent, with allowance for utilities, for the applicable household income not to exceed for 30% Households the amount set forth in California Health & Safety Code Section 50053(b)(1) adjusted for family size appropriate for the unit, and not to exceed for 60% Income Households the product of 30 percent times 60 percent of the AMI adjusted for family size appropriate for the unit.

1.4. AMI. The median gross yearly income in the County of Los Angeles, California, as published from time to time by HCD using the standards set forth in the California Health & Safety Code. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the City shall provide the Developer with other income determinations which are substantially similar with respect to methods of calculation to those previously published by HCD.

1.5. Annual Report. The Certification of Continuing Program Compliance attached to this Regulatory Agreement as Attachment No. 3 and incorporated by this reference or comparable report filed annually by the Owner with TCAC or other governmental agencies.

1.6. Automobile Liability Insurance. Insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all the Owner owned, leased, hired and non-owned vehicles, with minimum limits for bodily injury and property damage of One Million Dollars ($1,000,000). Such insurance shall be provided by a business or commercial vehicle policy and may be provided through a combination of primary and excess or umbrella policies, all of which shall be subject to pre-approval by the City, which approval shall not be unreasonably withheld, delayed or conditioned.

1.7. Certificate of Completion. The written certification of the City, in substantially the form of Exhibit G attached to the Affordable Housing Agreement, certifying that the construction of the Project has been completed in compliance with the terms and conditions of this Regulatory Agreement.

1.8. City Parties. Collectively, the City and its commissions, agents, attorneys, officers, employees, and authorized representatives.

1.9. HCD. The California Department of Housing and Community Development.

1.10. Income Certification Form. The Certification of Tenant Eligibility attached to this Regulatory Agreement as Attachment No. 2 and incorporated by this reference, or comparable income certification form required by TCAC or other governmental agencies.

1.11. Liability Insurance. Commercial general liability insurance against claims for bodily injury, personal injury, death, or property damage occurring upon, in, or about the Property or the Project, at least as broad as Insurance Services Office Occurrence Form CG0001, with a minimum liability limit of Two Million Dollars ($2,000,000) for any one occurrence and which

may be provided through a combination of primary and excess or umbrella insurance policies. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Project or the general aggregate limit shall be twice the required minimum liability limit for any one occurrence.

1.12. Management Agent. A person with significant experience in management of affordable rental housing projects substantially similar to the Project and that is, at the time, managing other financially self-supporting, successful affordable rental housing projects substantially similar to the Project.

1.13. Manager Unit. The one (1) Three Bedroom Unit within the Project reserved exclusively for use by the on-site manager employed by the Owner or the Management Agent, as applicable.

1.14. One Bedroom Unit. Any one of the one bedroom residential accommodations within the Project.

1.15. Project. The operation of a multi-family rental housing project which shall include not less than sixty-three (63) units, sixty-two (62) of which shall be rented to Qualified Households at Affordable Rents, and all related on- and off-site improvements, as more particularly described in the Affordable Housing Agreement**.**

1.16. Property Insurance. Insurance providing coverage for the Property and all improvements on or to the Property against loss, damage, or destruction by fire and other hazards encompassed under the broadest form of property insurance coverage then customarily used for like properties in the County of Los Angeles, excluding earthquake coverage, in an amount equal to one hundred percent (100%) of the replacement value (without deduction for depreciation) of all improvements comprising the Project (excluding excavations and foundations) and in any event sufficient to avoid co-insurance and with no co-insurance penalty provision, with "ordinance or law" coverage. To the extent customary for like properties in the County of Los Angeles at the time, such insurance shall include coverage for explosion of steam and pressure boilers and similar apparatus located on the Property; an "increased cost of construction" endorsement; and an endorsement covering demolition and cost of debris removal, all subject to policy sublimits. Property Insurance shall also include rental or business interruption insurance in an amount, at least, equal to the average annual gross income from the Project for the preceding three (3) calendar years and providing for a 12-month extended period of indemnity.

1.17. Qualified Households. A household that (1) intends to reside in the Qualifying Unit; and (2) whose income does not exceed the maximum income allowable for the subject Qualifying Unit.

1.18. Qualifying Units. The twenty-seven (27) One Bedroom Units, sixteen (16) Two Bedroom Units, and nineteen (19) Three Bedroom Units within the Project restricted to occupancy by Qualified Households as set forth in Section 6 (exclusive of the Manager Unit).

1.19. Special Needs Household. Means twenty-five (25) of the One Bedroom Units, three (3) of the Two Bedroom Units, and three (3) of the Three Bedroom Units that shall be restricted for residency by individuals or families that are survivors of domestic violence, and each

of which shall be a 30% Household.

1.20. Tax Credits. An allocation from TCAC of nine percent (9%) federal low income housing tax credits and State low income housing tax credits to finance a portion of the costs of the Project, in accordance with Section 42 of the Internal Revenue Code of 1986, as amended, all associated Internal Revenue Service regulations and all associated TCAC regulations.

1.21. TCAC. The California Tax Credit Allocation Committee or its successor in function.

1.22. Term. The period of time following the date of recordation of this Regulatory Agreement, and ending on the fifty-fifth (55th) anniversary of recordation of the Certificate of Completion.

1.23. Three Bedroom Unit. Any one of the three bedroom residential accommodations within the Project.

1.24. Two Bedroom Unit. Any one of the two bedroom residential accommodations within the Project.

1.25. Workers Compensation Insurance. Workers compensation insurance complying with the provisions of California law and an employer's liability insurance policy or endorsement to a liability insurance policy, with a minimum liability limit of One Million Dollars ($1,000,000) per accident for bodily injury or disease, covering all employees of the Owner.

2. Reservation of Property for Affordable Housing. The Owner covenants and agrees to reserve and restrict the Property for construction of the Project and, thereafter, reserve and restrict use and residential occupancy of the Qualifying Units by households who, at the time of initial occupancy of a Qualifying Unit and continuously thereafter (subject to the other provisions of this Regulatory Agreement), until the end of the Term, are members of a Qualifying Household. One (1) Three Bedroom Unit within the Project may be used as a Manager Unit at any given time provided that no Qualifying Unit shall be used as a Manager Unit.

3. Affordable Multi-Family Residential Rental Property Restrictive Covenant. The Owner covenants to and for the benefit of the City that the Owner shall develop, own, manage and operate, or cause the management and operation of, the Project to provide multi-family residential rental housing in the Qualifying Units only to Qualifying Households at an Affordable Rent. The Owner hereby confirms and remakes its covenant set forth in Section 4.1 of the Affordable Housing Agreement to develop the Property with the Project and such covenant is incorporated into this Regulatory Agreement in its entirety by this reference. The Owner will not knowingly permit any Qualifying Unit to be used on a transient basis and will not lease or rent any Qualifying Unit for an initial period of less than twelve (12) months. No Qualifying Unit will, at any time, be leased or rented for use as a hotel, motel, time share, short term rental unit, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitary or rest home.

4. Continuous Operation Covenant. The Owner covenants to and for the benefit of the City to cause the Project to be continuously operated, in accordance with the other provisions of this Regulatory Agreement, throughout the Term.

5. Abandonment. The Owner shall not abandon or surrender the operation of all or any part of the Project during the Term, except due to material casualty or condemnation.

6. Rental of Qualifying Units. The Owner covenants that each Qualifying Unit shall be occupied or available for occupancy by a Qualifying Household at an Affordable Rent on a continuous basis throughout the Term, in accordance with the following tenant income level mix:

6.1. Not less than two (2) of the One Bedroom Units shall be occupied or available for occupancy by Qualifying Households that are 60% Households; and

6.2. Not less than twenty-five (25) of the One Bedroom Units shall be occupied or available for occupancy by a Special Needs Household; and

6.3. Not less than thirteen (13) of the Two Bedroom Units shall be occupied or available for occupancy by Qualifying Households that are 60% Households; and

6.4. Not less than three (3) of the Two Bedroom Units shall be occupied or available for occupancy by a Special Needs Household; and

6.5. Not less than sixteen (16) of the Three Bedroom Units shall be occupied or available for occupancy by Qualifying Households that are 60% Households; and

6.6. Not less than three (3) of the Three Bedroom Units shall be occupied or available for occupancy by a Special Needs Household.

It is anticipated that the Property will be supported by Project-Based Section 8 rental subsidy payments (the "**Rental Subsidy**"). If, during the term of this Regulatory Agreement, any change in federal law or regulations occurs, or any action (or inaction) by Congress or any federal or State agency occurs, which results in a reduction, termination, or nonrenewal of the Rental Subsidy through no fault of Owner, such that the Rental Subsidy as it exists as of the date of this Regulatory Agreement is no longer available (or available in a lesser amount), Owner may request approval of City to (i) allow 60% Households to occupy the Qualifying Units otherwise restricted for Special Needs Households, and (ii) increase the rent on one or more of such Qualifying Units, to rents that are affordable to 60% Households, as outlined herein.

The income limit and rent increases described in subsections (i) and (ii) above are subject to the following requirements: concurrently with the request, Owner shall provide the City with (a) evidence of the anticipated reduction, termination, or nonrenewal of the Rental Subsidy, (b) a management plan for the Project for the City's approval (such approval not to be unreasonably withheld of delayed), showing the impact of the loss or reduction of the Rental Subsidy, (c) a proposed operating budget reflecting the rent increases (the "**Operating Budget**"), and (d) a description of Owner's efforts to obtain alternate sources of rental subsidies, and, if the foregoing requirements are completed to the City's reasonable satisfaction, subject to the limitations set forth in the immediately succeeding sentence, the City shall approve Owner's request to increase the income limits and rent restrictions applicable to such Qualifying Units. The number of Qualifying Units subject to the rent increase and the amount of the proposed increase may not be greater than (i) the number or amount required to ensure that the Project generates sufficient income to cover its operating costs, required deposits to replacement reserves, and debt service payments on

approved financing as shown on the Operating Budget (together, the "**Minimum Liabilities**"), and (ii) such amount as is necessary for the Project to maintain a debt service coverage ratio of at least 1.15 to 1.00 (the "**Debt Service Coverage Ratio**"). As used herein, "Debt Service Coverage Ratio" means, for any period, the ratio of (a) net operating income for such period to (b) all principal and interest payments due and payable during such period, regardless of whether the Project is generating sufficient cash flow. In addition, upon a reduction, termination, or nonrenewal of the Rental Subsidy as described above, Owner hereby agrees to the following:

i. Owner shall use good faith commercially reasonable efforts to obtain alternative sources of rental subsidies and shall provide the City with quarterly progress reports on efforts to obtain alternative sources of rental subsidies that would allow the rents to be reduced. Upon receipt of any alternative rental subsidies, Owner shall reduce the rents as much as possible with the goal of reverting the rents to their original levels as set forth herein to the extent that the alternative rental subsidies provide sufficient income to cover the Minimum Liabilities of the Project as shown on the Operating Budget and to maintain a Debt Service Coverage Ratio of 1:15 to 1.00;

ii. Owner shall provide tenants in the Qualifying Units with at least sixty (60) days' written notice of any rent increase and shall notify each tenant that if they have received a tenant-based voucher from the Los Angeles County Development Authority or any other governmental entity they may use such voucher to pay the rent for their Qualifying Unit; and

iii. All rent increases are subject to City approval pursuant to the terms herein. No later than sixty (60) days prior to the proposed implementation of any rent increase, Owner shall submit to the City a schedule of any proposed increase in the rent. The City will disapprove a rent increase if it does not comply with the restrictions set forth herein. Notwithstanding the foregoing, rent increases for the Qualifying Units shall be subject to review and approval of the City (such approval not to be unreasonably withheld or delayed) as described above.

With respect to any Qualifying Units for which City has authorized Owner to increase rents pursuant to this Section, all special and/or target population preferences and requirements shall automatically terminate.

7. Affordable Rent. The monthly rent charged to a Qualifying Household for the occupancy of a Qualifying Unit shall never exceed an Affordable Rent for such Qualifying Unit set forth in Section 1.3.

7.1. Rent for Qualifying Units may be increased only once per calendar year, based on changes in AMI; provided that the rent for each Qualifying Unit must never exceed an Affordable Rent for the Qualifying Unit as necessary to maintain the tenant income mix specified in Section 6.

7.2. Determination of Qualifying Household income shall be made by the Owner at the time of initial application by an individual or family for occupancy of a Qualifying Unit. At the time of initial application, the Owner shall require an applicant to complete the Income

Certification Form and certify the accuracy of the information provided on such form. On an annual basis during the Term, the Owner shall require each Qualifying Household occupying a Qualifying Unit to recertify the Qualifying Household's income on the Income Certification Form. The Owner shall make a good faith effort to verify the accuracy of income information provided in any Income Certification Form by an applicant for occupancy of a Qualifying Unit or by a Qualifying Household occupying a Qualifying Unit, by taking one or more of the following steps, as reasonably required or indicated: (1) obtain an income tax return and copy of each W2 Wage and Earnings Statement for the most recently concluded income tax year; (2) conduct a credit reporting agency or similar search; (3) obtain an income verification form from the applicant's or the Qualifying Household's current employer(s); (4) obtain an income verification form from the United States Social Security Administration and/or the California Department of Social Services, if the applicant or the Qualifying Household receives assistance from either of such agencies; or (5) if the applicant or an adult member of a Qualifying Household is unemployed and has no such income tax return, obtain another form of independent verification. All such verification information shall only be obtained by the Owner after obtaining the applicant's or the Qualifying Household's written consent for the release of such information to the Owner. Failure to consent in writing to the release of such income verification information to the Owner may disqualify an applicant for occupancy of a Qualifying Unit or be grounds for termination of Qualifying Household's occupancy of a Qualifying Unit.

7.3. The Qualifying Units are not specifically assigned to any qualifying income category (i.e., 30% Household or 60% Household). The restricted income level of each Qualifying Unit may change as Qualifying Units become vacant, a Qualifying Household tenant's income changes or other Qualifying Units are occupied by Qualifying Households. In all circumstances, though, the rent for each Qualifying Unit shall be an Affordable Rent for the Qualifying Unit as necessary to maintain the restricted income tenant mix required under Section 6. If the income category of a Qualifying Household upon recertification is different from the previous income of the Qualifying Household (i.e. a 30% Household becomes a 60% Household or a 60% Household's income exceeds the qualifying income limit for a 60% Household), the Owner or Management Agent shall rent the next available Unit to a Qualifying Household with an income level that will maintain the tenant income level mix set forth in Section 6. To the extent the federal low-income housing tax credit requirements conflict with the requirements in this Section 7.3 relative to the continued occupancy by households that do not qualify as Qualifying Households, the federal low-income housing tax credit requirements shall apply in place of the provisions in this Section 7.3.

7.4. The Owner shall maintain on file all Income Certification Forms completed by applicants for occupancy of Qualifying Units and by Qualifying Households that occupied or are occupying Qualifying Units in accordance with Section 6 and shall provide copies of the rent roll and Income Certification Forms to the City for its review and approval within fifteen (15) days following written Notice to the Owner.

7.5. The Owner and each Qualifying Household occupying a Qualifying Unit shall permit the City to conduct inspections of the Property, the Project and each Qualifying Unit, from time-to-time, for purposes of verifying compliance with this Regulatory Agreement, upon fifteen (15) days prior written notice to the Owner.

7.6. The Owner shall submit its first Annual Report to the City on the April 30th

immediately following the issuance of the final Certificate of Occupancy for the Project by the City. Thereafter, on each April 30 during the Term, the Owner shall submit an Annual Report to the City. The City shall maintain the confidentiality of the information contained in any Annual Report specifically relating to any particular Qualifying Household occupying a Qualifying Unit, to the extent reasonably allowed by Law, as determined by the City's general or special counsel.

8. The Owner Covenant Regarding Lease of Qualifying Units. The Owner, for itself, its successors and assigns, covenants and agrees that, if any Qualifying Unit is rented or leased during the Term, the rental or lease of the Qualifying Unit shall be accomplished through a written lease agreement and all of the following restrictions shall apply:

8.1. A Qualifying Household shall be the record tenant and only occupant of the Qualifying Unit.

8.2. The lease for each Qualifying Unit shall be for an initial term of not less than twelve (12) months.

8.3. Each lease for a Qualifying Unit shall contain all of the following provisions:

8.3.1. An agreement authorizing the Owner to immediately terminate the tenancy of a Qualifying Household occupying a Qualifying Unit, where one or more members of that Qualifying Household misrepresented any fact material to the qualification of such household as a Qualifying Household;

8.3.2. An agreement providing that each Qualifying Household occupying a Qualifying Unit shall be subject to annual certification or recertification of income as a condition to continued occupancy of the Qualifying Unit;

8.3.3. An agreement providing that each Qualifying Household occupying a Qualifying Unit may be subject to rental increases in accordance with this Regulatory Agreement; and

8.3.4. An agreement providing that the Owner will not discriminate on the basis of race, color, creed, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information or receipt of public assistance or housing assistance in connection with rental of a Qualifying Unit, or in connection with the employment or application for employment of persons for operation and management of the Project, and all contracts, applications and leases entered into for such purposes shall contain similar non-discrimination clauses to such effect.

8.4. The Owner shall not terminate the tenancy or refuse to renew the lease or rental agreement of a Qualifying Household except for: (i) serious or repeated violations of the terms and conditions of the lease; (ii) because the previously Qualifying Household is no longer a Qualifying Household; (iii) for violation of applicable Federal, State, or local law; or (iv) for other good cause. The Owner shall follow all applicable laws in connection with termination of the tenancy of a Qualifying Household or a refusal to renew the lease or rental agreement of a Qualifying Household.

8.5. Tenant Selection Policies and Criteria. The Owner shall adopt written tenant selection policies and criteria that:

8.5.1. are consistent with the purpose of providing affordable rental housing for Qualifying Households at an Affordable Rent;

8.5.2. are reasonably related to tenant eligibility and ability to perform the obligations of the lease for a Qualifying Unit;

8.5.3. subject to applicable fair housing laws and provided that the applicant meets standard applicant screening standards for the Project, give reasonable preference and consideration to the housing needs of households residing in, employed in, or offered employment in the City of Montebello;

8.5.4. provide for the selection of tenants from a written waiting list maintained by the City in the chronological order of their application subject to Section 8.5.3, insofar as is practicable;

8.5.5. give prompt written notice to any rejected applicant of the grounds for rejection;

8.5.6. provide for all of the Qualifying Units to be available for occupancy on a continuous basis to Qualifying Households at an Affordable Rent; and

8.5.7. do not give preference to any particular class or group of persons in leasing or renting the Qualifying Units, except as provided in Section 8.5.3 and to the extent that a tenant must be a Qualifying Household.

To the extent the preferences set forth in this Section 8.5 conflict with the requirements of applicable federal and state fair housing laws or Section 42 of the Internal Revenue Code and implementing guidelines, the requirements of the applicable federal and state fair housing laws and Section 42 will supersede. Developer shall coordinate all marketing efforts through the City.

9. Non-Discrimination. All units in the Project shall be available at an Affordable Rent for occupancy on a continuous basis to Qualified Households. Except as provided in Sections 8.5.3, 8.5.4, and 8.5.6, the Owner shall not give preference to any particular class or group of persons in renting the units in the Project. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Unit. Neither the Owner nor any person claiming under or through the Owner, shall 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, sublessees, subtenants, or vendees of any Unit or in connection with the employment of persons for the operation and management of any Unit, the Project or the Property. All deeds, leases or contracts made or entered into by the Owner as to the units, the Project or the Property or any portion thereof, shall contain covenants prohibiting discrimination, as prescribed by this Regulatory Agreement. The Owner shall include a statement in all advertisements, notices and

signs for the availability of units in the Project for rent to the effect that the Owner is an Equal Housing Opportunity Provider.

10. Equal Housing Notice. Provide for a statement in all advertisements, notices and signs for the availability of Qualifying Units for lease or rent to the effect that the Owner is an equal housing opportunity provider, and include an equal housing opportunity logotype in all notices, signs and advertisements in print media for the Qualifying Units.

11. Development and Management of the Project.

11.1. Management of Project. The Owner shall be responsible for management of the Project including, without limitation, the selection of Qualified Households, certification and recertification of household size, income, gender and the age of the head of household and relation of head of household to the household, of all Qualified Households, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City shall bear no responsibility for the management or operation of the Project or the Property. The Project shall at all times be managed by a Management Agent reasonably acceptable to the City, with demonstrated ability to operate residential rental facilities similar to the Project in a manner that will provide decent, safe, and sanitary housing. For the purposes hereof, if the Owner directly performs the functions of the Management Agent by its employees or by means of a service contract with an entity which is a partner or an affiliate of a partner in the Owner, such Management Agent shall be deemed approved by the City. If the Management Agent is an entity or person other than the Owner, its employees, a partner in the Owner or an entity owned or controlled by the Owner or which owns and/or controls the Owner, the Owner shall submit for the City's approval the identity of any proposed Management Agent, together with additional information relevant to the background, experience and financial condition of any proposed Management Agent, as reasonably requested by the City. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the City shall approve the proposed Management Agent by notifying the Owner in writing within thirty (30) days following the Owner's written request for such approval. Unless the proposed Management Agent is disapproved by the City within thirty (30) days, which disapproval shall state with reasonable specificity the basis for disapproval, it shall be deemed approved. The City hereby approves Advanced Property Services, LLC, as the initial Management Agent.

(1) If the Owner directly performs the functions of the Management Agent by its employees or by means of a service contract with an entity which is a partner or an affiliate of a partner in the Owner and the City determines the Owner has not met its management responsibilities, the City shall have the right to enter the Project, to review relevant documentation to determine if the Owner is acting in a reasonable manner and, subject to the approval of (i) the investor limited partner and special limited partner (collectively, the "**Tax Credit Investor**") of Owner, and (ii) Lender, to require the Owner to hire a third party management company acceptable to the City.

11.2. Insurance.

11.2.1. Required Insurance. The Owner shall maintain, to protect the City Parties against all insurable claims resulting from the actions of the Owner in connection with this

Regulatory Agreement, the Property and the Project, at the sole cost and expense of the Owner during the Term hereof the following insurance (or its then reasonably available equivalent): (a) Liability Insurance; (b) Automobile Liability Insurance to the extent required by this Regulatory Agreement; (c) Property Insurance; and (d) Workers Compensation Insurance. The Owner shall require all subcontractors to maintain the same insurance required of the Owner set forth in this Section 11.2 prior to performing any work on the Property or the Project. Notwithstanding the foregoing, however, Owner's obligation to procure Property Insurance shall not commence until such time as the Certificate of Completion has been recorded.

11.2.2. Policy Requirements and Endorsements. All insurance policies required by this Regulatory Agreement shall contain (by endorsement or otherwise) the following provisions:

Insured. The Owner's Liability Insurance and Automobile Liability Insurance policies shall name the City Parties as "additional insured." The Owner's Property Insurance policy shall name the City as a "loss payee." The coverage afforded to the City Parties shall be at least as broad as that afforded to the Owner regarding the Property and the Project and may not contain any terms, conditions, exclusions, or limitations applicable to the City Parties that do not apply to the Owner.

Primary Coverage. Any insurance or self-insurance maintained by the City Parties shall be in excess of all insurance required under this Regulatory Agreement and shall not contribute to any insurance required under this Regulatory Agreement.

Contractual Liability. The Owner's Liability Insurance policy shall contain contractual liability coverage for the Owner's indemnity obligations under this Regulatory Agreement. The Owner's obtaining or failure to obtain such contractual liability coverage shall not relieve the Owner from nor satisfy any indemnity obligation of the Owner under this Regulatory Agreement.

Deliveries to the City. The Owner shall deliver to the City evidence of all insurance policies required by this Regulatory Agreement. No later than three (3) days before any insurance required by this Regulatory Agreement expires, is cancelled or its liability limits are reduced or exhausted, the Owner shall deliver to the City evidence of the Owner's maintenance of all insurance this Regulatory Agreement requires. Each insurance policy required by this Regulatory Agreement shall be endorsed to state that coverage shall not be cancelled, suspended, voided, reduced in coverage or in limits, except after thirty (30) calendar days' advance written notice of such action has been given to the City by certified mail, return receipt requested; provided that if a thirty (30) days' notice of cancellation endorsement is not available the Owner shall notify the City of this unavailability in writing and shall forward any notice of cancellation to the City within two (2) business days from date of receipt by the Owner; and further provided, however, that only ten (10) days' advance written notice shall be required for any such action arising from non-payment of the premium for the insurance. Phrases such as "endeavor to" and "but failure to mail such Notice shall impose no obligation or liability of any kind upon the company" shall not be included, to the extent commercially available, in the cancellation wording of any certificates or policies of insurance applicable to the City Parties pursuant to this Regulatory Agreement.

Waiver of Certain Claims. The Owner shall cause each insurance carrier providing insurance coverage under this Regulatory Agreement to endorse their applicable policy(ies) with a Waiver of Subrogation with respect to the City Parties, if not already in the policy. To the extent that the Owner obtains insurance with a Waiver of Subrogation, the parties release each other, and their respective authorized representatives, from any claims for damage to any person or property to the extent such claims are paid by such insurance policies obtained pursuant to and in satisfaction of the provisions of this Regulatory Agreement.

No Claims Made Coverage. None of the insurance coverage required under this Regulatory Agreement may be written on a claims-made basis.

11.2.3. Fully Paid and Non-Assessable. All insurance obtained and maintained by the Owner pursuant to this Section 11.2 shall be fully paid for and non-assessable. However, such insurance policies may be subject to insurer audits.

11.2.4. City Option to Obtain Coverage. During the continuance of an Event of Default arising from the failure of the Owner to carry any insurance required by this Regulatory Agreement, the City may, at its option, purchase any such required insurance coverage and the City shall be entitled to immediate payment from the Owner of any premiums and associated reasonable costs paid by the City for such insurance coverage. Any amount becoming due and payable to the City under this Section 11.2.4 that is not paid within fifteen (15) calendar days after written demand from the City for payment of such amount, within an explanation of the amounts demanded, will bear interest from the date of the demand at the rate of eight percent (8%) per annum or the maximum interest rate allowed by applicable law, whichever is less. Any election by the City to purchase or not to purchase insurance otherwise required by the terms of this Regulatory Agreement to be carried by the Owner shall not relieve the Owner of its obligation to obtain and maintain any insurance coverage required by this Regulatory Agreement.

11.2.5. Separation of Insured. The Owner's Liability Insurance and Automobile Liability Insurance policies shall provide for separation of insured for the Owner and the City Parties. Insurance policies obtained in satisfaction of or in accordance with the requirements of this Regulatory Agreement may provide a cross-suits exclusion for suits between named insureds, but shall not exclude suits between named insureds and additional insureds.

11.2.6. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions under insurance policies required by this Regulatory Agreement shall be declared to and approved by the City. The Owner shall pay all such deductibles or self-insured retentions regarding the City Parties or, alternatively, the insurer under each insurance policy required by this Section 11.2 shall eliminate such deductibles or self-insured retentions with respect to the City Parties.

11.2.7. No Separate Insurance. The Owner shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this Regulatory Agreement, unless the City is made an additional insured thereon, as required by this Regulatory Agreement.

11.2.8. Insurance Independent of Indemnification. The insurance requirements of

this Regulatory Agreement are independent of the Owner indemnification and other obligations under this Regulatory Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Owner's indemnification or other obligations or to limit the Owner's liability under this Regulatory Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude the City from taking such other actions as are available to it under any other provision of this Regulatory Agreement or otherwise at law or in equity.

11.2.9. Nature of Insurance. The policies of insurance required by this Regulatory Agreement shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide—Property/Casualty—United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "XI" (exception may be made for the California Compensation Insurance Fund when not specifically rated); and (b) are authorized to do business in California. The Owner may provide any insurance under a "blanket" or "umbrella" insurance policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Property and the Project, which amount(s) shall equal or exceed the amount(s) required by this Regulatory Agreement; and (ii) such policy otherwise complies with this Regulatory Agreement.

12. Maintenance of the Project. The Owner, for itself, its successors and assigns, hereby covenants and agrees that the exterior areas of the Project which are subject to public view (e.g.: all paving, walkways, landscaping, and ornamentation) shall be maintained in good repair and in a neat, clean and orderly condition, ordinary wear and tear excepted. In the event that at any time during the Term, there is an occurrence of an adverse condition on any area of the Project which is subject to public view in contravention of the general maintenance standard described above ("**Maintenance Deficiency**"), then the City shall notify the Owner in writing of the Maintenance Deficiency and give the Owner thirty (30) calendar days from the date of such notice to cure the Maintenance Deficiency as identified in the notice. "Maintenance Deficiency" includes, without limitation, the following inadequate or non-conforming property maintenance conditions and/or breaches of residential property use restrictions: (i) failure to properly maintain the windows, structural elements, and painted exterior surface areas of the units in a clean and presentable manner; (ii) failure to keep the common areas of the Project free of accumulated debris, appliances, inoperable motor vehicles or motor vehicle parts, or free of storage of lumber, building materials or equipment not regularly in use on the Property; (iii) failure to regularly maintain, replace and renew the landscaping in a reasonable condition free of weed and debris; and (iv) the use of garage areas on the Project for purposes other than the parking of motor vehicles and the storage of personal possessions and mechanical equipment of persons residing in the Project.

12.1. In the event the Owner fails to cure or commence to cure the Maintenance Deficiency within the time allowed, the City may thereafter conduct a public hearing following transmittal of written notice thereof to the Owner ten (10) calendar days prior to the scheduled date of such public hearing in order to verify whether a Maintenance Deficiency exists and whether the Owner has failed to comply with the provision of this Section 12. If, upon the conclusion of a public hearing, the City makes a finding that a Maintenance Deficiency exists and that there appears to be non-compliance with the general maintenance standard, as described above, then the City shall have the right to enter the Project (exterior areas of the Project which are subject to

public view only) and perform all acts necessary to cure the Maintenance Deficiency, or to take other action at law or equity that the City may then have to accomplish the abatement of the Maintenance Deficiency. Any sum expended by the City for the abatement of a Maintenance Deficiency as authorized by this Section 12.1 shall become a lien on the Project. If the amount of the lien is not paid within thirty (30) calendar days after written demand for payment by the City to the Owner, the City shall have the right to enforce the lien in the manner as provided in Section 12.3.

12.2. Graffiti which is visible from any public right-of-way which is adjacent or contiguous to the Project shall be removed by the Owner from any exterior surface of a structure or improvement on the Project by either painting over the evidence of such vandalism with a paint which has been color-matched to the surface on which the paint is applied, or graffiti may be removed with solvents, detergents or water as appropriate. In the event that graffiti is placed on the Project (exterior areas only) and such graffiti is visible from an adjacent or contiguous public right-of-way and thereafter such graffiti is not removed within three (3) business days following the time of its application, or the Owner's actual knowledge of its existence, whichever occurs later; then in such event and without notice to the Owner, the City shall have the right to enter the Project and remove the graffiti. Notwithstanding any provision of the Regulatory Agreement to the contrary, any sum expended by the City for the removal of graffiti from the Project as authorized by this Section 12.2 shall become a lien on the Project. If the amount of the lien is not paid within thirty (30) calendar days after written demand for payment by the City to the Owner, the City shall have the right to enforce its lien in the manner as provided in Section 12.3.

12.3. The parties hereto further mutually understand and agree that the rights conferred upon the City under this Section 12 expressly include the power to establish and enforce a lien or other encumbrance against the Property in the manner provided under California Civil Code Sections 2924, 2924b and 2924c, as such sections may be amended or superseded, in the amount as reasonably necessary to restore the Project to the maintenance standards required under this Section 12, including reasonable attorneys' fees and costs of the City associated with the abatement of the Maintenance Deficiency or removal of graffiti and the collection of the costs of the City in connection with such action. In any legal proceeding for enforcing such a lien against the Project, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs of suit. The provisions of this Section 12 shall be a covenant running with the land for the Term and shall be enforceable by the City in its discretion, cumulative with any other rights or powers granted to the City under applicable law. Nothing in the foregoing provisions of this Section 12 shall be deemed to preclude the Owner from making any alterations, additions, or other changes to any structure or improvement or landscaping on the Project, provided that such changes comply with the zoning and development regulations of the City and other applicable law. Notwithstanding anything to the contrary in this Section 12, City acknowledges and agrees that the priority of any such lien shall be deemed to be the date such lien is filed, and not the date this Regulatory Agreement is recorded.

12.4. Capital Replacement Reserve Account. The Owner shall establish an account for the payment of repair and replacement of capital items ("**Capital Replacement Reserve Account**") in an initial amount as required by the Institutional Lenders for the Project or the Tax Credit Investor. Each year thereafter, the Owner shall deposit into the Capital Replacement Reserve Account additional amounts as required by the Institutional Lenders for the Project or the

Tax Credit Investor, but not less than Two Hundred Fifty Dollars ($250) per Unit per year.

12.4.1. Capital Repairs and Replacements. Capital repairs and replacements shall include, but not be limited to, the following: wet and dry utilities; roof repair and replacement as necessary; repair and replacement of boilers and the major operating components thereof; stucco repair and replacement; exterior painting; replacement of carpeting and vinyl or other hard surface flooring; replacement of drapes; replacement of dishwashers, garbage disposals and other interior appliances; repair and replacement of heating, ventilating and air conditioning systems, equipment and components; and installation of solar panels. All of the foregoing and other similar expenditures on the Project shall be considered to be qualifying capital repair and replacement expenses. Interior painting and servicing, repair or replacement of interior hardware shall not be considered to be a capital repair, but shall be ordinary operating expenses for the Project. The Owner shall withdraw funds from the Capital Replacement Reserve Account to pay such capital repair and replacement expenses as the Owner may deem necessary for the purposes of meeting the maintenance and replacement obligations described herein.

12.4.2. Insured Depository. The Capital Replacement Reserve Account shall be maintained in a depository insured by an agency of the federal government.

12.4.3. Documentation. Annually, or more frequently at the City's reasonable written request, the Owner shall document the level of capital repairs and replacements for the preceding period. The Owner shall maintain and shall provide as requested documentation showing the quantity and price of items purchased, price of materials and the cost of contracted labor or other services incurred in connection with such capital repair and replacement, and such other items as the City may reasonably request.

12.4.4. Withdrawals from Reserve Account. On an annual basis, the Owner shall notify the City of the anticipated cash requirements which will need to be withdrawn from the Capital Replacement Reserve Account. Amounts so budgeted and approved by the City (such approval not to be unreasonably withheld, conditioned or delayed) may be withdrawn by the Owner from the indicated Capital Replacement Reserve Account without further City approval. Other withdrawals for unbudgeted, unanticipated or emergency Project expenditures may be withdrawn by the Owner without prior City approval, but the Owner shall notify the City in writing within ten (10) calendar days after withdrawal. All amounts so withdrawn by the Owner shall be expended on the Project and in accordance with this Regulatory Agreement. Withdrawals in excess of Twenty-Five Thousand Dollars ($25,000) in any one calendar year shall be pre-approved by the City in its reasonable discretion, subject to the rights of any Senior Lenders or the Tax Credit Investor.

12.4.5. Interest Earned on Funds in the Capital Replacement Reserve Account. Any interest or other earnings from sums deposited into the Capital Replacement Reserve Account shall be retained in and added to the balance in said account.

12.4.6. Capital Needs Assessment. If requested in writing by the City, the Owner shall deliver to the City, for the City's reasonable review and approval, a capital needs assessment ("**CNA**") no more often than every ten (10) years after the date of the Certificate of Completion for the Project. The CNA shall include an analysis of the Owner's actual expenditures for capital

needs compared to the most recently approved CNA, the Owner's original operating budget and its then-current operating budget. Each CNA shall include a ten (10) year capital needs assessment or analysis of replacement reserve requirements prepared by a qualified third party in accordance with reasonable and customary standards for similar residential rental projects.

12.4.7. Displacement of Residents and Relocation. The Owner shall make commercially reasonable efforts to conduct capital repairs and replacements and ordinary repair and maintenance (collectively, "**Repairs**") in a manner that does not result in the displacement of any of the residents of the Units. If any of the Owner's actions to conduct Repairs result in displacement of any of the Units' residents, the Owner shall notify the City in writing, prior to conducting such Repairs, of the identities of the residents to be displaced, the Units they will be displaced from, and the estimated length of time such residents shall be displaced. If the displacement of the residents triggers relocation obligations, the Owner shall be responsible, at its sole cost and expense, for any and all such relocation obligations and related expenses. The Owner shall comply with all applicable federal, state and local laws, rules and regulations regarding such relocation obligations and related expenses, including any relocation requirements set forth by the City. The Owner shall defend, indemnify and hold harmless the City Parties from and against all liability for any relocation obligations and related expenses attributable to any Repairs.

13. Covenants to Run with the Land. The Owner and the City hereby declare their specific intent that the covenants, reservations and restrictions set forth herein are part of a plan for the promotion and preservation of affordable housing within the territorial jurisdiction(s) of the City and that each shall be deemed covenants running with the land and shall pass to and be binding upon the Property and each successor-in-interest of the Owner in the Property for the Term. The Owner hereby expressly assumes the duty and obligation to perform each of the covenants and to honor each of the reservations and restrictions set forth in this Regulatory Agreement. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

14. Burden and Benefit. The City and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Property is affected by the affordable dwelling use and occupancy covenants hereunder. The City and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the affordable housing goals and objectives of the City and in order to make the Property available for acquisition by the Owner.

15. Defaults.

15.1. Events of Default. The occurrence of any of the following is a default and shall constitute a material breach of this Regulatory Agreement and, if not corrected, cured or remedied in the time period set forth in Section 15.2, shall constitute an "**Event of Default**" hereunder:

15.1.1. failure of the Owner or any person under its direction or control to comply

with or perform when due any material term, obligation, covenant or condition contained in this Regulatory Agreement;

15.1.2. any warranty, representation or statement made or furnished to the City by the Owner under this Regulatory Agreement that is knowingly or intentionally false or misleading in any material respect either now or at the time made or furnished;

15.1.3. the dissolution or termination of the existence of the Owner as an ongoing business, insolvency, appointment of a receiver for any part of the Property, any assignment for the benefit of creditors, any type of creditor workout or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Owner; or

15.1.4. an Event of Default pursuant to the Affordable Housing Agreement.

15.2. Notice of Default. The City shall give written notice of default to the Owner, in accordance with Section 22, stating that such notice is a "**Notice of Default**", specifying the default complained of by the City and requiring the default to be remedied within thirty (30) calendar days of the date of the Notice of Default. Except as required to protect against further material damage, the City may not institute legal proceedings against the Owner until thirty (30) calendar days after providing the Notice of Default. Failure or delay in giving a Notice of Default shall not constitute a waiver of any default, nor shall it change the time of occurrence of the default. If the default specified in the Notice of Default is such that it is not reasonably capable of being cured within thirty (30) calendar days, and if the Owner initiates corrective action within said thirty (30) calendar day period and diligently works to effect a cure as soon as possible, then the Owner may have such additional time as authorized in writing by the City as reasonably necessary to complete the cure of the default prior to exercise of any other remedy for the occurrence of an Event of Default. Such authorization for additional time to cure shall not be unreasonably withheld, conditioned or delayed. The City shall give the Tax Credit Investor the following notice and cure rights:

15.2.1. The City will give the Tax Credit Investor a copy of any Notice (at the Tax Credit Investor's address provided in a notice by the Owner to the City) that the City gives to the Owner under this Regulatory Agreement;

15.2.2. The City will give the Tax Credit Investor thirty (30) days after the date of such Notice to cure a non-payment of any sum due under this Regulatory Agreement;

15.2.3. The City will give the Tax Credit Investor sixty (60) days after the date of such Notice to cure any other default under this Regulatory Agreement;

15.2.4. If a non-monetary default is incapable of being cured within sixty (60) days, the City will give the Tax Credit Investor an additional ninety (90) days to cure such default provided the Tax Credit Investor has commenced to cure such default and is diligently proceeding to cure such default through the end of such period; and

15.2.5. If the Tax Credit Investor makes any such payment or otherwise cures such default, the City will accept such action as curing such default as if such payment or cure were made by the Owner.

If the Owner and Tax Credit Investor fail to take corrective action relating to a default within thirty (30) calendar days following the date of Notice of Default (or to complete the cure within the additional time as may be authorized by the City or set forth above for the Tax Credit Investor), an Event of Default shall be deemed to have occurred.

15.3. Inaction Not a Waiver of Default. Any failure or delays by the City in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by the City in asserting any of its rights and remedies shall not deprive the City of its right to institute and maintain any actions or proceedings which it may reasonably deem necessary to protect, assert or enforce any such rights or remedies.

16. Remedies. Upon the occurrence of an Event of Default, the City shall, in addition to the remedial provisions of Section 12 as related to a Maintenance Deficiency at the Property, be entitled to seek any appropriate remedy or damages by initiating legal proceedings as follows: (i) by mandamus or other suit, action or proceeding at law or in equity, to require the Owner to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the City; or (ii) by other action at law or in equity as necessary or convenient to enforce the obligations, covenants and Agreements of the Owner to the City.

16.1. Rights and Remedies are Cumulative. The rights and remedies of the City as set forth in this Section 16 are cumulative and the exercise by the City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the Owner.

16.2. Enforcement by Third Parties. No third party shall have any right or power to enforce any provision of this Regulatory Agreement on behalf of the City or to compel the City to enforce any provision of this Regulatory Agreement against the Owner or the Project.

17. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of California and applicable federal laws, without regard to conflicts of laws principles.

18. Amendment. This Regulatory Agreement may be amended after its recordation only by a written instrument executed by the Owner and the City.

19. Attorney's Fees. In the event that a party to this Regulatory Agreement brings an action to enforce any condition or covenant, representation or warranty in this Regulatory Agreement or otherwise arising out of this Regulatory Agreement, the prevailing party(ies) in such action shall be entitled to recover from the other party reasonable attorneys' fees to be fixed by the court in which a judgment is entered, as well as the costs of such suit.

20. Severability. If any provision of this Regulatory Agreement shall be declared invalid, inoperative or unenforceable by a final judgment or decree of a court of competent jurisdiction such invalidity or unenforceability of such provision shall not affect the remaining parts of this Regulatory Agreement which are hereby declared by the parties to be severable from any other part which is found by a court to be invalid or unenforceable.

21. Time is of the Essence. For each provision of this Regulatory Agreement which states a

specific amount of time within which the requirements thereof are to be satisfied, time shall be deemed to be of the essence.

22. Notices, Demands and Communications Between the Parties. Any and all notices submitted by any party to another party pursuant to or as required by this Regulatory Agreement shall be dispatched by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to the address of the party, as set forth in this Section. Such notice may be sent in the same manner to such other addresses as any [arty may from time to time designate by notice. Any notice shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is dispatched by messenger for immediate personal delivery, or two (2) calendar days after it is placed in the United States mail, as provided in this Section. Rejection, other refusal to accept or the inability to deliver any notice because of a changed address of which no notice was given or other action by a person or entity to whom notice is sent, shall be deemed receipt of the notice.

The following are the authorized addresses for the submission of notices to the parties, as of the date of this Regulatory Agreement:

To the Owner:	Montebello Affordable Housing, LP c/o Cesar Chavez Foundation 29700 Woodford Tehachapi Road Keene, CA 93531 Attention: Paul S. Park (T) 213-362-0260 (Ext 2261) (F) 855-897-1429
With copies to	Rutan & Tucker, LLP 18575 Jamboree Road, 9th Floor Irvine, CA 92612 Attention: Patrick D. McCalla (T) 714-641-5100 (F) 714-546-9035
and to:	
To the City:	
With copies to:	_____ _____ _____

23. Recording. The parties hereto shall cause this Regulatory Agreement to be recorded in the official records of the County of Los Angeles.

24. No Third Party Beneficiary. No claim as a third-party beneficiary under this Regulatory Agreement by any person, corporation or any other entity, shall be made or be valid against the

City or the Owner.

25. Prohibition Against Transfer.

25.1. Except as expressly provided in the Affordable Housing Agreement, the Owner shall not, without prior written approval of the City, which may not be unreasonably withheld, delayed or conditioned: (i) assign or attempt to assign this Regulatory Agreement or any right herein; or (ii) make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the whole or any part of the Property or the improvements thereon, with the exception of leases of the residential units as permitted by this Regulatory Agreement, or permit to be placed on any of the Property any unauthorized mortgage, trust deed, deed of trust, encumbrance or lien.

25.2. In the absence of specific written agreement or approval by the City, and except as expressly provided in the Affordable Housing Agreement, no unauthorized sale, transfer, conveyance, lease, leaseback or assignment of the Property shall be deemed to relieve the Owner or any other party from any obligations under this Regulatory Agreement.

26. City Approvals and Actions. The City Manager shall have the authority to make approvals, issue interpretations, waive provisions, grant extensions of time, approve amendments to this Regulatory Agreement and execute documents on behalf of the City (to the extent not provided otherwise in this Regulatory Agreement), including, without limitation, any documents necessary to implement any changes in the number or affordability of the Qualifying Units, as may be required by TCAC or to maintain the fiscal integrity of the Project, so long as such actions do not reduce the length of affordability of the Qualifying Units or add to the costs incurred or to be incurred by the City as specified herein. The City Manager reserves the right, in his or her sole and absolute discretion, to submit any requested modification, interpretation, amendment or waiver to the City Council if the City Manager determines or believes that such action could increase the risk, liability or costs to the City, or reduce the length of affordability of the Project.

IN WITNESS WHEREOF, the Owner and the City have caused this Regulatory Agreement to be signed, acknowledged and attested on their behalf by duly authorized representatives in counterpart original copies which shall upon execution by all of the parties be deemed to be one original document.

[Signatures on following pages]

CITY SIGNATURE PAGE
TO
REGULATORY AGREEMENT

CITY:

CITY OF MONTEBELLO,
a California municipal corporation

By: _____ Date: _____

_____
City Manager

ATTEST:

_____
City Clerk

OWNER SIGNATURE PAGE
TO
REGULATORY AGREEMENT

OWNER:

MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership

[to be inserted]

By: _____
,
its _____

ATTACHMENT NO. 1
TO
REGULATORY AGREEMENT
(6th Street Grand, Montebello Phase 1)

Project Site Legal Description

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

PARCEL 1:

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395 PAGE 381, OFFICIAL RECORDS.

PARCEL 2:

LOT 20 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO) AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 36 FEET OF THE NORTH 44 FEET OF THE WEST 115 FEET THEREOF.

PARCEL 3:

THE SOUTHERLY 36 FEET OF THE NORTHERLY 44 FEET OF THE WESTERLY 115 FEET OF LOT 20 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM FROM PARCELS 2 AND 3 ABOVE ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER

MINERALS, PRODUCED FROM THE PREMISES, AS EXCEPTED IN THE DEED FROM HENRY M. NEWMARK AND MARIE LOUISE NEWMARK, HIS WIFE, AND ROSE N. SUTRO AND ALFRED SUTRO, HER HUSBAND, RECORDED IN BOOK 6771 PAGE 81 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE SOUTHERLY 44 FEET OF LOT 19 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN INTEREST IN ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL RIGHTS THERETO, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE, AS EXCEPTED OR RESERVED BY DEED RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

PARCEL 5:

THE SOUTHWESTERLY 44 FEET OF THE NORTHEASTERLY 88 FEET OF LOT 19 OF ADDITION NO. 1, TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395, PAGE 381, OF OFFICIAL RECORDS.

APN: 6349-005-900, 901, 902 (Parcels 1-3) and 903 (Parcel 4)

APN: 6349-005-006 (Parcel 5)

ATTACHMENT NO. 2
TO
REGULATORY AGREEMENT

Certification of Tenant Eligibility
6th Street Grand, Montebello Phase 1

NOTE TO PROPERTY OWNER: This form is designed to assist you in computing Annual Income.

Re: 6th Street Grand, Montebello Phase 1, Montebello, California

I/We, the undersigned, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit being applied for in the property listed above. Listed below are the names of all persons who intend to reside in the unit:

1.	2.	3.	4.	5.
Names of Members of Household	**Relationship to Head of Household**	**Age**	**Social Security Number**	**Place of Employment**
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

6. Head of Household (check one):
Mother: ____
Father: ____
Other: _____ (specify relationship – i.e. legal guardian, sister, brother, etc.)

Income Computation

7. The total anticipated income, calculated in accordance with the provisions of this Section 7, of all persons over the age of 18 years listed above for the 12-month period beginning the date that I/we plan to move into a unit is $ _____.

Included in the total anticipated income listed above are:

(a) all wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services, before payroll deductions;

(b) the net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets);

(c) interest and dividends (including income from assets excluded below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of period receipts, including any lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the maximum amount of public assistance available to the above persons other than the amount of any assistance specifically designated for shelter and utilities;

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling;

(h) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; and

(i) any earned income tax credit to the extent that it exceeds income tax liability.

Excluded from such anticipated income are:

(a) casual, sporadic or irregular gifts;

(b) amounts which are specifically for or in reimbursement of medical expenses

(c) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;

(d) amounts of educational scholarship paid directly to the student of the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, book and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes, are to be included in income;

(e) special pay to a household member who is away from home and exposed to hostile fire;

(f) relocation payments under Title 11 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1977;

(i) payments to volunteers under the Domestic Volunteer Service Act of 1973; payments received under the Alaska Native Claims Settlement Act.

(j) income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(k) payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;

(l) payments received from the Job Training Partnership Act;

(m) the first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims.

8. Do the persons whose income or contributions are included in item 6 above:

(a) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles and interests in Indian trust land)? ___ Yes ____ No; or

(b) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? ___Yes ___No

(c) If the answer to (a) or (b) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than $5,000? ___Yes ___No

(d) If the answer to (c) is yes, state:

(i) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy in the unit that you propose to rent: $_____; and

(ii) the amount of such income, if any, that was included in item 6 above: $_____

9.

(e) Are all of the individuals who propose to reside in the unit full-time students*? ____Yes ____No

*A full-time student is an individual enrolled as a full-time student during each of five calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance and is not an individual pursuing a full-time

course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(f) If the answer to 8(a) is yes, is at least one of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? ____Yes ____No

10. Neither myself nor any other occupant of the unit I/we propose to rent is the Owner of the property in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner or owns, directly or indirectly, any interest in the Ownership. For purposes of this section, indirect the Ownership by an individual shall mean the Ownership by a family member, the Ownership by a corporation, partnership, estate or trust in proportion to the Ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member, and the Ownership, direct or indirect, by a partner of the individual.

11. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit; and I/we declare that all information set forth herein is true, correct and complete and, based upon information I/we deem reliable and that the statement of total anticipated income contained in Section 7 is reasonable and based upon such investigation as the undersigned deemed necessary.

12. I/we will assist the Owner in obtaining any information or documents required to verify the statements made herein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

13. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the units and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for eviction or other appropriate proceedings.

14. Housing Issuer Statistical Information (Optional--will be used for reporting purposes only):

Marital Status: _____

Race (Head of Household)

White _____ Asian _____ Hispanic _____

African-American _____ Native American _____ Other _____

Physical Disability: Yes _____ No _____

[signature on following page]

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

Executed this _____ day of_____, ____ in the County of Los Angeles, California.

_____

Applicant

_____

Applicant

[Signature of all persons over the age of 18 years listed in number 2 above required]

FOR COMPLETION BY PROPERTY THE OWNER ONLY:

1. Calculation of eligible income:

(a) Enter amount entered for entire household in 6 above: $_____

(b) (1) If answer to 7(c) above is yes, enter the total amount entered in 7(d)(1), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance ($_____);

(2) Multiply the amount entered in 7(c) times the current passbook savings rate to determine what the total annual earnings on the amount in 7(c) would be if invested in passbook savings ($_____), subtract from that figure the amount entered in 7(d)(2) and enter the remaining balance

(3) Enter at right the greater of the amount calculated under (1) or (2) above: $_____;

(c) TOTAL ELIGIBLE INCOME

(Line l(a) plus line 1(b)(3): $_____

2. The amount entered in l(c):

_____ Qualifies the applicant(s) as a Qualified Household.

_____ Does not qualify the applicant(s) as Qualified Household.

3. Apartment unit assigned:

Bedroom Size: _____ Rent: $_____

4. This apartment unit [was/was not] last occupied for a period of 31 consecutive days by persons whose aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, qualified them as a Qualified Household.

5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

_____

Manager

The undersigned employee has applied for a rental unit located in a project financed in part by the City of Montebello for persons of very low income. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages _____ Overtime _____ Bonuses _____

Commissions _____

Total current income _____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____ _____ _____

Signature Date Title

I hereby grant you permission to disclose my income to _____ in order that they may determine my income eligibility for rental of an apartment at **[_____]**.

_____ _____

Signature Date

Please send to: _____

_____

_____

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____ _____

Signature Date

ATTACHMENT NO. 3
TO
REGULATORY AGREEMENT
(6th Street Grand, Montebello Phase 1)

Certificate of Continuing Program Compliance
For Annual Reporting Period Ending

The undersigned, _____, as the authorized representative of Montebello Affordable Housing, LP, a California limited partnership ("Owner"), has read and is thoroughly familiar with the provisions of the various documents associated with the financial assistance provided by the City of Montebello ("City"), as established in numerous documents including the Regulatory Agreement, dated as of March __, 2023, between the Owner and the City.

As of the date of this Certificate, the following percentage of residential units in the Project are (i) occupied by Qualified Households (as such term is defined in the Regulatory Agreement) or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date a Qualified Household vacated such unit, as indicated:

Number of Units occupied by Qualified Households: _____

Number of Vacant Units: _____

Number of Qualified Households who commenced

occupancy during the preceding reporting period: _____

Attached is a separate sheet ("Occupancy Summary") listing, among other items, the appropriate information for each residential unit in the Project, the occupants of each unit and the rent paid for each unit. The information contained thereon is true and accurate and reasonable and is based on information submitted to the Owner and is certified under penalty of perjury by each tenant.

[Signatures on following page]

The undersigned hereby certifies that (1) a review of the activities of the Owner during such reporting period and of the Owner's performance under the Regulatory Agreement has been made under the supervision of the undersigned; and (2) to the best of the knowledge of the undersigned, based on the review described in clause (1) hereof, the Owner is not in default under any of the terms and provisions of the above documents.

Dated: _____

OWNER

_____

By: _____

Name: _____

Its: _____

OCCUPANCY SUMMARY

Total Number of Units in the Project: _____

Total Units occupied by Qualified Households: _____

Total Units available for rent to Qualified Households: _____

ATTACHED IS THE FOLLOWING INFORMATION:

A. Resident and rental information on each occupied apartment in the complex.

B. Certification of Tenant Eligibility for all Qualified Households who have moved into _____, Montebello, California, since the filing of the last Occupancy Summary. The same are true and correct to the best of the undersigned's knowledge and belief.

Dated: _____

OWNER:

_____

By: _____
Name: _____
Its: _____

EXHIBIT K

Form of Land Note

(see attached)

LAND PROMISSORY NOTE SECURED BY DEED OF TRUST
(6th Street Grand, Montebello Phase 1)

Principal Amount: $3,075,000	**Date of Note**: _____, 2023
Maker: MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership	**Lender**: CITY OF MONTEBELLO, a municipal corporation
Maturity Date: Fifty-five (55) years from the date on which the Construction Financing converts to the Permanent Loan	**Interest Rate**: Three Percent (3%)

1. Land Loan.

FOR VALUE RECEIVED, the undersigned MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Maker**"), with its principal place of business located at 29700 Woodford Tehachapi Road, Keene, CA 93531, promises to pay to the CITY OF MONTEBELLO, a California municipal corporation (the "**City**" or "**Holder**") at 1600 West Beverly Blvd., Montebello, California, or such place as the Holder may, from time to time, designate by written notice to the Maker, the principal sum of THREE MILLION SEVENTY-FIVE THOUSAND DOLLARS ($3,075,000), (the "**Land Loan**"), together with any accrued interest, if applicable, as set forth in this Note. This Promissory Note (the "**Note**") is made and given pursuant to that certain Purchase, Sale, and Affordable Housing Development Agreement (6th Street Grand, Montebello Phase 1) between the City and Maker's predecessor-in-interest, dated _____, 2023 (the "**Affordable Housing Agreement**"). The Affordable Housing Agreement is incorporated herein by this reference. All initially capitalized terms used but not defined herein shall have the meanings given to them in the Affordable Housing Agreement. The Land Loan is made for the conveyance of the City Properties by City to Maker in accordance with the terms and conditions of the Affordable Housing Agreement.

2. Term of Loan and Right of Prepayment.

a. Maturity Date. All accrued interest, if any, and principal shall be due and payable in full without any further demand or notice fifty-five (55) years from the date on which the Construction Financing converts to the Permanent Loan ("**Maturity Date**").

b. Prepayment. This Note may be prepaid in whole or in part at any time and from time to time without penalty or premium.

3. Security for Note.

This Note is secured by a Deed of Trust executed by Maker which creates a lien on that certain real property as described therein and in the Affordable Housing Agreement.

4. Interest Calculation.

The principal outstanding under this Note shall accrue simple interest at the rate of three percent (3%) per annum, except in the case of Default as set forth in Section 9 of this Note. Principal and interest shall be payable in lawful money of the United States of America. If applicable, interest shall be computed based on an actual day year and the actual number of days elapsed. Interest shall commence on amounts disbursed hereunder from the date of disbursement.

5. Annual Payment.

Following completion of the Project as evidenced by the issuance by the City of a Certificate of Completion as set forth in the Affordable Housing Agreement, and continuing each year thereafter until the Maturity Date, a portion of the Residual Receipts (as defined below) from the Project shall be paid to Holder and applied to pay down the amounts due and owing under this Note. The payments described below shall be paid to Holder no later than September 1 each year, with the first payment due on the September 1 following the issuance of a Certificate of Occupancy for the Project, and continuing each year thereafter.

a. Annual Payments from Residual Receipts. Maker shall make repayments of the outstanding principal and accrued interest, if any, equal to the City's Land Percentage of Fifty Percent (50%) of the Residual Receipts from the Project as repayment of amounts due and owing under this Note. For the purposes of this Note, "**City's Land Percentage**" means the percentage calculated by dividing (1) the original principal amount of the Land Loan actually disbursed to Borrower by (2) the sum of Total Assistance from all other government entities obtained by the Borrower, to the extent not requiring a mandatory debt service payment. "**Total Assistance**" means the collective sum of (i) the original principal amount of the Impact Loan, and (ii) the original principal amounts of loans made by the other government entities which are required to be repaid utilizing Residual Receipts.

Such annual payments shall be accompanied by the Maker's report of Residual Receipts. The Maker shall provide the Holder with the audited financial statement provided for in Section 6, and any other documentation reasonably requested by Holder to substantiate the Maker's determination of Residual Receipts.

All payments made hereunder shall be credited first to any accrued but unpaid interest (if applicable), then to current interest due and owing and lastly to principal.

Notwithstanding the foregoing, the entire outstanding balance of principal and any interest owing under this Note shall be due and payable in full on the Maturity Date.

Prior to any sale of all or any portion of the Project, or Refinancing of all or any portion of the outstanding debt from the Project, and so long as there is any outstanding amount due and owing under this Note, Maker shall notify Holder of any such proposed or intended sale or Refinancing. In such event, Maker and Holder shall meet and confer, and shall use good faith efforts, to determine the feasibility of the payoff or restructuring of the remaining balance owing under this Note as part of any such sale or Refinancing to provide for repayment of this Note sooner than the fifty-five (55) year repayment period.

b. Definition of Residual Receipts. For the purposes of this Note, "**Residual Receipts**" shall mean the sum of money computed as follows:

(i) All rents, revenues, consideration or income (of any form) received by Maker in connection with or relating to the ownership or operation of the Project, including the City's Impact Fee Percentage of any net revenue derived from any Refinancing of the Project which is not required to meet current or future Project obligations (but excluding tenants' security deposits, partner capital contributions and similar advances or interest that is earned on and allocated to reserve accounts) ("**Gross Revenue**") less all of the following: all customary and reasonable costs (i.e., mandatory (hard) mortgage payments) and expenses reasonably and actually incurred in connection with the operation and maintenance of the Project, including but not limited to premiums for property and liability insurance; utility services not paid directly by tenants; maintenance and repair; security services and payments for social/supportive services; any adjuster payments to the investor limited partner required under Maker's partnership agreement; payment of principal or interest on any indebtedness of Maker to any affiliate of Maker (individual or entity) or partner of Maker to repay completion, operating deficit or other loans relating to the Project; asset management fee payable to the limited partner of Maker in an amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement), increased annually by three percent (3%); partnership management fee payable to Maker, not to exceed the amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement), increased annually by three percent (3%); reasonable property management fees not to exceed Sixty-Five Dollars ($65) per unit per year, increased annually by three and one-half percent (3.5%); deferred developer fee in an amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement); amounts (reasonably approved by Holder) expended to restore the Project after a casualty loss or condemnation; reasonable and customary professional fees for legal, accounting, audit and tax returns for Maker and the Project, and similar customary expenses; taxes; franchise tax filing fees; and any cash deposited into replacement and operating reserves in amounts reasonably required by the investor or the lenders for the Project (collectively "**Operating Expenses**").

(ii) Notwithstanding the generality of the foregoing, the following items are not expenses or deductible in computing Residual Receipts: depreciation, cost recovery, amortization and similar items which do not involve the expenditure of cash.

6. Audited Financial Statement.

Maker shall annually provide Holder with an audited financial statement documenting the calculation of Residual Receipts for the previous calendar year ending December 31. The audited financial statement shall be provided on or before September 1, together with payment of the Residual Receipts payment due to Holder. Holder shall have the right to inspect and audit Maker's books and records concerning the calculation of the Residual Receipts Payment and to object within ninety (90) days from receipt of Maker's statement. Failure to timely object shall be deemed acceptance. If Holder does object, Holder shall specify the reasons for disapproval. Maker shall have thirty (30) days to reconcile any disapproved item. If Maker and Holder cannot agree on the amount of the Residual Receipts payment, an independent auditor mutually selected by Maker and Holder shall resolve any disputed items. If the independent auditor determines that Maker's statement underreported the amount of the Residual Receipts by more than three percent (3%), the

cost of the auditor shall be paid solely by Maker. If the independent auditor determines that Maker's statement did not underreport the amount of the Residual Receipts, the cost of the auditor shall be paid solely by Holder. Except in the event that Maker or Holder are solely responsible for the costs of the auditor pursuant to one of the foregoing sentences, the cost of the auditor shall be shared equally by Maker and Holder.

7. Annual Budget.

Maker shall prepare and submit to Holder a proposed annual operating budget for the management and operation of the Project ("**Annual Budget**") no later than 15 days preceding the effective year of such budget. The Annual Budget shall include the projected Gross Revenue and Operating Expenses for the year and a line item showing the projected Residual Receipts from the Project for the year. Holder will review the Annual Budget and, if acceptable, approve it, which approval shall not be unreasonably withheld. If the Annual Budget is not acceptable, Holder shall specify the reasons for disapproval. The intent of this section is to provide Holder an opportunity to disapprove any unreasonable expenses which would diminish the Residual Receipts from the Project. Once approved, any changes to the Annual Budget which exceed ten percent (10%) of the total Annual Budget shall require Holder's prior written consent, which consent shall not be unreasonably withheld.

8. Acceleration Upon Certain Events or Upon Event of Default.

On the occurrence of an Event of any Default under the terms of this Note, the Affordable Housing Agreement or the Regulatory Agreement, the Deed of Trust which is the security for this Note, or under any Senior loans, notes or deeds of trust, at the option of the Holder and after notice to the Maker, providing Maker with thirty (30) days in which to cure any Event of Default, and such Event of Default not having been cured within thirty (30) days (or if a greater amount of time is reasonably necessary to effect a cure, if actions to cure such Event of Default are not undertaken within said thirty (30) day period and pursued with reasonable diligence thereafter), all principal and interest due under this Note shall immediately become due and payable, upon thirty (30) day written notice from the Holder to the Maker. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent Event of Default.

Should the undersigned Maker agree to or sell, convey, transfer, or dispose of the real property described in the Deed of Trust securing this Note or any part thereof or interest therein, without first obtaining the prior written consent of the Holder (except for a Permitted Transfer, as defined in the Affordable Housing Agreement), then, at the option of the Holder, all principal and interest due hereunder shall immediately become due and payable upon thirty (30) days written notice from the Holder to the Maker. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

Notwithstanding the generality of the foregoing, certain transfers permitted under the Affordable Housing Agreement shall not constitute an Event of Default hereunder or under the Affordable Housing Agreement, and any such action shall not accelerate the maturity of this Promissory Note**,** provided that any transfer is either a Permitted Transfer as defined in the Affordable Housing Agreement or is reasonably acceptable to the City with reasonable

promptness, and any transferee under such a transfer agrees to be bound by any and all instruments in favor of the City.

9. Interest on Event of Default.

From and after an Event of Default, the entire outstanding principal balance of this Note shall automatically bear an annual interest rate equal to the lesser of: (a) eight percent (8%) compounding annually; or (b) the maximum interest rate allowed by law.

10. Costs Paid by Maker.

Maker agrees to pay the following costs, expenses and attorneys fees paid or incurred by the Holder of this Note, or as adjudged by a court of competent jurisdiction: (a) reasonable costs of collection, costs and expenses and attorneys fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (b) costs of suit in such sum as the court may adjudge reasonable as attorneys fees in any action to enforce payment of this instrument.

11. Waiver.

Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Holder hereof may extend the Maturity Date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Note. Maker hereby waives, to the fullest extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this instrument or any deed of trust, security agreement, guarantee or other agreement now or hereafter securing this Note.

12. Indemnification.

Maker shall indemnify, defend, protect and hold the City harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys fees and expenses incurred by the Holder hereof, arising as a result of any (i) fraud or intentional material misrepresentation by the Maker under or in connection with the Affordable Housing Agreement or related agreements; (ii) intentional bad faith waste of the real property encumbered by the deed of trust which secures this Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the deed of trust securing this Note and the Affordable Housing Agreement.

13. Nonrecourse.

This Note is a nonrecourse obligation of Maker and Maker's partners, and the Holder must resort only to the Project or the Property, or both, for repayment should the Maker fail to repay the sums evidenced hereby. Neither Maker nor any of its general or limited partners shall have any personal liability for repayment of the Land Loan and no deficiency judgment may be obtained against Maker or any of its general or limited partners except for actual or constructive fraud, intentional material misrepresentation, intentional bad faith waste of or on the Project and such

other matters as are referred to below. Notwithstanding the generality of the foregoing, however, Maker shall indemnify, defend, protect and hold Holder harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys' fees and expenses incurred by the Holder arising as a result of any (i) fraud or intentional material misrepresentation by the Maker under or in connection with the Affordable Housing Agreement or any other agreements or documents provided in connection therewith; (ii) intentional bad faith waste of the Property encumbered by the deed of trust which secures this Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the deed of trust securing this Note. Maker's obligation to indemnify the Holder hereof as aforesaid shall be recourse obligations of the Maker, and in the event of any breach of such obligations, the Holder shall have the right to proceed directly against the Maker to recover any and all losses, damages, liability, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) and may bring any action and institute any proceeding to obtain a deficiency judgment in or following foreclosure for any and all such losses, damages, liabilities, costs and expenses resulting from such breach.

14. Severability.

If any provision of this Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

15. Non-Waiver.

No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the Holder hereof of its right to subsequently demand such performance or to exercise any remedies for any Event of Default hereunder. Further, in order to be effective, any waiver of any of the Holder's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of the Holder hereof. Further, waiver by the Holder hereof of any right hereunder shall not constitute a waiver of any other right, including, but not limited to, the right to exercise any and all remedies for a different or subsequent Event of Default hereunder.

[Signatures on Following Page]

MAKER:

MONTEBELLO AFFORDABLE HOUSING, LP,
a California limited partnership

[to be inserted]

By: _____,
,
its managing general partner

EXHIBIT L

Form of City Loan Deed of Trust

(see attached)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Montebello
1600 West Beverly Boulevard
Montebello, California 90640
Attn: City Manager

APN: _____

SPACE ABOVE FOR RECORDER'S USE ONLY
EXEMPT FROM RECORDING FEE PER
GOVERNMENT CODE §27383

DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)
(6th Street Grand, Montebello Phase 1)

This Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) ("**Deed of Trust**") is dated as of March __, 2023, by MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership, whose address is 29700 Woodford Tehachapi Road, Keene, CA 93531 ("**Trustor**"), to COMMONWEALTH LAND TITLE COMPANY, a California corporation ("**Trustee**"), for the benefit of the CITY OF MONTEBELLO, a California municipal corporation, whose address is 1600 West Beverly Boulevard Montebello, California 90640 ("**Beneficiary**"), and is executed to secure those two certain promissory notes each of even date herewith (the "**Promissory Notes**"), the first known as the Land Promissory Note in the principal amount of Three Million Seventy Five Thousand Dollars ($3,075,000.00), and the second known as the Impact Fee Note in the principal amount of Nine Hundred Fifty Thousand Dollars ($950,000.00), executed by Trustor in favor of Beneficiary (such Promissory Notes, as it may from time to time be supplemented, amended extended, renewed or otherwise modified), the provisions of which are incorporated in the Deed of Trust by this reference.

This Deed of Trust is made with respect to that certain Purchase, Sale, and Affordable Housing Development Agreement (6th Street Grand, Montebello Phase 1), dated _____, 2023, for reference purposes only, between Trustor and the Beneficiary (the "**Affordable Housing Agreement**").

Trustor hereby IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION, the following property ("**Trust Estate**"):

(a) All of that certain real property in the City of Montebello, County of Los Angeles, State of California, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof ("**Subject Property**");

(b) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property ("**Improvements**");

(c) All tenements, hereditament, appurtenances, privileges, franchises and other rights and interests now or in the future benefitting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights ("**Appurtenances**"). (Appurtenances, together with the Subject Property and the Improvements, are hereafter collectively referred to as the "**Real Property**");

(d) Subject to the assignment to Beneficiary set forth in Paragraph 4 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management operation, leasing or occupancy of the Trust Estate, including those past due and unpaid ("**Rents**");

(e) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code ("**UCC**"), whether existing now or in the future) located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property ("**Goods**," and together with the Real Property, collectively the "**Property**"); and

(f) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other

rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (collectively, "**Intangibles**").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "**Personal Property**"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following: (a) payment of that certain Land Promissory Note dated on or about even date hereof in the original principal amount of Three Million Seventy-Five Thousand Dollars ($3,075,000.00) (the "**Land Note**"), (b) payment of that certain Impact Fee Promissory Note dated on or about even date hereof in the original principal amount of Nine Hundred Fifty-Thousand Dollars ($950,000.00) (the "**Project Note**", and together with the Land Note referred to herein as the "**Notes**"); and (c) due, prompt and complete observance, performance and discharge of each and every monetary and non-monetary condition, obligation, covenant and agreement contained herein or contained in the Affordable Housing Agreement. The Affordable Housing Agreement, that certain Regulatory Agreement dated on or about even date hereof, for reference purposes only, between the Trustor and the Beneficiary ("**Regulatory Agreement**") and the Notes (collectively, "**Secured Obligations**") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof, however evidenced.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor shall perform its obligations as set forth in the Secured Obligations at the time and in the manner respectively provided therein;

2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;

3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable. This Deed of Trust shall cover, and the property subject hereto shall include, all property now or hereafter affixed or attached to or incorporated upon the Subject Property in, to or under which Trustor now has or hereafter acquires any right, title or interest, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Subject Property. To the extent any of the property subject to this Deed of Trust consists of rights

in action or personal property covered by the UCC, this Deed of Trust shall also constitute a security agreement, and Trustor hereby grants to Beneficiary, as secured party, a security interest in such property, including all proceeds thereof, for the purpose of securing the Secured Obligations. In addition, for the purpose of securing the Secured Obligations, Trustor hereby grants to Beneficiary, as secured party, a security interest in all of the property described herein in, to, or under which Trustor now has or hereafter acquires any right, title or interest, whether present, future or contingent, including, but not limited to, all equipment, inventory, accounts, general intangibles, instruments, documents and chattel paper, as those terms are defined in the UCC, and all other personal property of any kind (including, without limitation, money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Beneficiary in any capacity; (ii) erected upon, attached to or appurtenant to the Subject Property; (iii) located or used on the Subject Property or identified for use on the Subject Property (whether stored on the Subject Property or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Subject Property or any of the personal property described herein, the construction of any improvements on the Subject Property, the ownership, development, maintenance, management or operation of the Subject Property, the use or enjoyment of the Subject Property or the operation of any business conducted thereon, including, without limitation, all such property described as the Trust Estate hereinabove. The security interests granted in this Paragraph 3 are hereinafter severally and collectively called the "Security Interest". The Security Interest shall be self-operative with respect to the real property described herein but Trustor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the real and personal property encumbered hereby. The Security Interest, at all times, shall be prior to any other interest in the personal property encumbered hereby. Trustor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Beneficiary to establish, maintain and continue the perfected Security Interest. Trustor, on demand, shall promptly pay all costs and expenses of filing and recordation, to ensure the continued priority of the Security Interest. Trustor shall not sell, transfer, assign or otherwise dispose of any personal property encumbered hereby without obtaining the prior written consent of Beneficiary, except that the Trustor may, in the ordinary course of business, replace personal property or dispose of personal property that will not be replaced because of its obsolescence. Unless Beneficiary then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for full replacement shall be paid to Beneficiary to be applied on the Notes subject to the rights of any senior lenders. Although proceeds of personal property are covered hereby, this shall not be construed to mean that Beneficiary consents to any sale of such personal property. Upon its recordation in the real property records of Los Angeles County, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. In addition, a carbon, photostatic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement;

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the Secured Obligations;

5. That upon default hereunder or under the aforementioned agreements, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the Subject Property insured against loss by fire and such other hazards, casualties, and contingencies as may be required by applicable provisions of the Secured Obligations, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies, if requested, shall be deposited with the Beneficiary;

7. To pay before delinquency any taxes and assessments affecting said Property; to pay, when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Paragraph 7;

8. As it is provided more specifically in the Secured Obligations, to keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit bad faith waste thereof; not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property; not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon said Subject Property without the consent of the Beneficiary;

9. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear;

10. Should Trustor fail, after the giving of notice and the expiration of any applicable cure period, to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee, being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action

or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; may pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay his reasonable fees;

11. Beneficiary shall have the right to pay all insurance premiums required by the Secured Obligations when due should Trustor fail to make any required premium payments after the giving of notice and the expiration of any applicable cure period. All such payments made by the Beneficiary shall be added to the sums secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure, at the highest rate of interest permitted by law;

13. That the funds to be advanced hereunder are to be used in accordance with applicable provisions of the Secured Obligations; upon the failure of Trustor to do so, after the giving of notice and the expiration of any applicable cure period, Trustor shall be in default hereunder;

14. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the Subject Property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and/or as provided and/or authorized in the Secured Obligations and further that it will keep and maintain the property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request prior to foreclosure) record in the Office of the Recorder of Los Angeles County, a surety bond in the amount required by law to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary;

15. That any and all improvements made or about to be made upon the premises covered by this Deed of Trust and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such applicable municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

16. Trustor confirms that if Trustor should sell, enter into a contract of sale, convey, or in any way transfer all or any interest of Trustor in the Real Property encumbered by this Deed of Trust or suffer Trustor's title or any interest therein to be divested, whether voluntarily or involuntarily, unless the same is a Permitted Transfer as defined in the Affordable Housing Agreement, without the prior written consent of the Beneficiary being first obtained, then

Beneficiary shall have the right, at Beneficiary's sole option, to declare all sums payable under the Notes secured hereby immediately due and payable in full, irrespective of the maturity date otherwise specified in the Notes. No waiver of this right shall be effective unless in writing and signed by the Beneficiary. Consent by the Beneficiary to any one such transaction shall not be deemed a waiver of the right to require such consent to future or successive transactions. Further, upon default under one of the Secured Obligations, and after the giving of notice and the expiration of any applicable cure period provided therein, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be immediately due and payable in full, irrespective of the maturity date otherwise specified in the Notes;

17. As provided more specifically in the Secured Obligations, should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, subject to the rights of any senior lenders, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage subject to the rights of any senior lenders. All such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary subject to the rights of any senior lenders;

18. Notwithstanding Sections 16 and 17, in the event that a portion of the Property is taken for a public improvement or pursuant to a condemnation proceeding and the Qualifying Units (as defined in the Regulatory Agreement) remain intact and continue to be owned and operated by Trustor in conformance with the Affordable Housing Agreement and the Regulatory Agreement, Beneficiary shall not declare all sums due and payable under the Notes, nor shall the Beneficiary be entitled to any compensation, awards and other payments therefor, provided that subject to the rights of any senior lenders, such compensation, awards and other payments are used for (1) paying principal and interest owed on the Permanent Loan (as defined in the Affordable Housing Agreement), (2) making improvements to the Property that are approved by Beneficiary, in its reasonable discretion, or (3) payment of principal owing under the Notes. In the event that Trustor receives such compensation, awards or other payments and fails to expend the funds in conformance with subsections (1) and (2) this section within thirty (30) days of receipt of such funds, Trustor shall be in default under this Deed of Trust;

19. Upon default by Trustor in taking any action or in making any payments provided for herein, or in the Secured Obligations, if Trustor shall fail to perform any covenant or agreement in this Deed of Trust within thirty (30) days after written demand therefor by Beneficiary (or, in the event that more than thirty (30) days is reasonably required to cure such default, should Trustor fail to promptly commence such cure, and diligently prosecute same to completion), after the giving of notice and the expiration of any applicable cure period, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may

foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby;

20. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the maximum rate allowed by law; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

21. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Deed of Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee;

22. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

23. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto";

24. The trust created hereby is irrevocable by Trustor;

25. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term

"Beneficiary" shall include not only the original Beneficiary hereunder but also any future successor in interest to Beneficiary. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several;

26. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee;

27. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address set forth in the Deed of Trust;

28. Trustor agrees at any time and from time to time, upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income, rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases and full information regarding all rental and occupancy agreements, and the rents provided for by such leases and rental and occupancy agreements, and such other information regarding the premises and their use as may be requested by Beneficiary;

29. Trustor agrees that the obligations secured by this Deed of Trust are made expressly for the purpose of acquiring the Property, completing the construction work necessary to construct a new sixty-three (63) unit affordable housing development on the Property, as is more specifically provided in the Secured Obligations;

30. As is provided more specifically in the Secured Obligations, the obligations of Trustor thereunder are nonrecourse obligations of the Trustor. The sole recourse of Beneficiary shall be the exercise of its rights against the Property;

31. Notwithstanding specific provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are due to: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics, quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; governmental shut-downs, litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts of the other party; acts or failure to act of the City of Montebello or any other public or governmental agency or entity (except that any act or failure to act of Beneficiary shall not excuse performance by Beneficiary unless such act or failure to act is allowed or required by law); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause (a "**Force Majeure Delay**") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times

of performance under this Deed of Trust may also be extended in writing by the Beneficiary and Trustor;

32. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations;

33. (a) Subject to the extensions of time set forth in Paragraph 31, and subject to the further provisions of this Paragraph 33, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Secured Obligations or this Deed of Trust constitutes a default under this Deed of Trust;

(b) Beneficiary shall give written notice of default to Trustor, specifying the default complained of by the Beneficiary. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default;

(c) Any failures or delays by Beneficiary in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies;

(d) If an event of default occurs under the terms of this Deed of Trust, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under this Deed of Trust. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Trustor (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as reasonably possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default;

(e) If an event of default occurs under the terms of the Secured Obligations, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor notice of such default. As is provided more specifically in the Secured Obligations, if the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by the Beneficiary under the Secured Obligations, or this Deed of Trust. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Trustor (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as reasonably possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default.

34. This Deed of Trust shall be subject and subordinate to the terms of that certain extended use agreement executed by the Trustor in connection with the Trustor's allocation of low-income housing tax credits under Section 42 of the Code (the "**Extended Use Agreement**"). If Beneficiary or its successors or assigns (collectively, the "**Subsequent Owner**") acquires the Property by foreclosure (or instrument in lieu of foreclosure), then the "extended use period" (as defined in Section 42(h)(6)(D) of the Internal Revenue Code) shall terminate, except for the obligation of the Subsequent Owner to comply with the limitations on evictions, termination of tenancy and increase in rents for the three year period following the Subsequent Owner's acquisition of the Property, as set forth in Section 42(h)(6)(E)(ii) of the Internal Revenue Code. As provided in the Affordable Housing Agreement, upon request when appropriate, Beneficiary shall execute such documentation as is necessary to subordinate this Deed of Trust to a Senior Loan.

[**Signatures on Following Page**]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first set forth above.

TRUSTOR:

MONTEBELLO AFFORDABLE HOUSING,
LP, a California limited partnership

[to be inserted]

[SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

EXHIBIT A TO
DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)

Legal Description of Subject Property

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

PARCEL 1:

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395 PAGE 381, OFFICIAL RECORDS.

PARCEL 2:

LOT 20 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO) AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 36 FEET OF THE NORTH 44 FEET OF THE WEST 115 FEET THEREOF.

PARCEL 3:

THE SOUTHERLY 36 FEET OF THE NORTHERLY 44 FEET OF THE WESTERLY 115 FEET OF LOT 20 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM FROM PARCELS 2 AND 3 ABOVE ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, PRODUCED FROM THE PREMISES, AS EXCEPTED IN THE DEED FROM

HENRY M. NEWMARK AND MARIE LOUISE NEWMARK, HIS WIFE, AND ROSE N. SUTRO AND ALFRED SUTRO, HER HUSBAND, RECORDED IN BOOK 6771 PAGE 81 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE SOUTHERLY 44 FEET OF LOT 19 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN INTEREST IN ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL RIGHTS THERETO, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE, AS EXCEPTED OR RESERVED BY DEED RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

PARCEL 5:

THE SOUTHWESTERLY 44 FEET OF THE NORTHEASTERLY 88 FEET OF LOT 19 OF ADDITION NO. 1, TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395, PAGE 381, OF OFFICIAL RECORDS.

APN: 6349-005-900, 901, 902 (Parcels 1-3) and 903 (Parcel 4)

APN: 6349-005-006 (Parcel 5)

EXHIBIT M

Form of Impact Fee Note

(see attached)

IMPACT FEE PROMISSORY NOTE SECURED BY DEED OF TRUST
(6th Street Grand, Montebello Phase 1)

Principal Amount: $950,000	**Date of Note**: March __, 2023
Maker: MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership	**Lender**: CITY OF MONTEBELLO, a municipal corporation
Maturity Date: Fifty-five (55) years from the date on which the Construction Financing converts to the Permanent Loan	**Interest Rate**: Three Percent (3%)

1. Impact Fee Loan.

FOR VALUE RECEIVED, the undersigned MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Maker**"), with its principal place of business located at 29700 Woodford Tehachapi Road, Keene, CA 93531, promises to pay to the CITY OF MONTEBELLO, a California municipal corporation (the "**City**" or "**Holder**") at 1600 West Beverly Blvd., Montebello, California, or such place as the Holder may, from time to time, designate by written notice to the Maker, the principal sum of NINE HUNDRED FIFTY THOUSAND DOLLARS ($950,000), (the "**Impact Fee Loan**"), together with any accrued interest, if applicable, as set forth in this Note. This Promissory Note (the "**Note**") is made and given pursuant to that certain Purchase, Sale, and Affordable Housing Development Agreement (6th Street Grand, Montebello Phase 1) between the City and Maker dated _____, 2023 (the "**Affordable Housing Agreement**") and concerning the Project Site. The Affordable Housing Agreement is incorporated herein by this reference. All initially capitalized terms used but not defined herein shall have the meanings given to them in the Affordable Housing Agreement. The Impact Fee Loan is made to defer the impact fees due by Maker for development of the Project Site with the Project in accordance with the terms and conditions of the Affordable Housing Agreement.

2. Term of Loan and Right of Prepayment.

a. Maturity Date. All accrued interest, if any, and principal shall be due and payable in full without any further demand or notice fifty-five (55) years from the date on which the Construction Financing converts to the Permanent Loan ("**Maturity Date**").

b. Prepayment. This Note may be prepaid in whole or in part at any time and from time to time without penalty or premium.

3. Security for Note.

This Note is secured by a Deed of Trust executed by Maker which creates a lien on that certain real property as described therein and in the Affordable Housing Agreement.

4. Interest Calculation.

The principal outstanding under this Note shall accrue simple interest at the rate of three percent (3%) per annum, except in the case of Default as set forth in Section 9 of this Note. Principal and interest shall be payable in lawful money of the United States of America. If applicable, interest shall be computed based on an actual day year and the actual number of days elapsed. Interest shall commence on amounts disbursed hereunder from the date of disbursement.

5. Annual Payment.

Following completion of the Project as evidenced by the issuance by the City of a Certificate of Completion as set forth in the Affordable Housing Agreement, and continuing each year thereafter until the Maturity Date, a portion of the Residual Receipts (as defined below) from the Project shall be paid to Holder and applied to pay down the amounts due and owing under this Note. The payments described below shall be paid to Holder no later than September 1 each year, with the first payment due on the September 1 following the issuance of a Certificate of Occupancy for the Project, and continuing each year thereafter.

a. Annual Payments from Residual Receipts. Maker shall make repayments of the outstanding principal and accrued interest, if any, equal to the City's Impact Fee Percentage of Fifty Percent (50%) of the Residual Receipts from the Project as repayment of amounts due and owing under this Note. For the purposes of this Note, "**City's Impact Fee Percentage**" means the percentage calculated by dividing (1) the original principal amount of the Land Loan actually disbursed to Borrower by (2) the sum of Total Assistance from all other government entities obtained by the Borrower, to the extent not requiring a mandatory debt service payment. "**Total Assistance**" means the collective sum of (i) the original principal amount of the Land Loan, and (ii) the original principal amounts of loans made by the other government entities which are required to be repaid utilizing Residual Receipts.

Such annual payments shall be accompanied by the Maker's report of Residual Receipts. The Maker shall provide the Holder with the audited financial statement provided for in Section 6, and any other documentation reasonably requested by Holder to substantiate the Maker's determination of Residual Receipts.

All payments made hereunder shall be credited first to any accrued but unpaid interest (if applicable), then to current interest due and owing and lastly to principal.

Notwithstanding the foregoing, the entire outstanding balance of principal and any interest owing under this Note shall be due and payable in full on the Maturity Date.

Prior to any sale of all or any portion of the Project, or Refinancing of all or any portion of the outstanding debt from the Project, and so long as there is any outstanding amount due and owing under this Note, Maker shall notify Holder of any such proposed or intended sale or Refinancing. In such event, Maker and Holder shall meet and confer, and shall use good faith efforts, to determine the feasibility of the payoff or restructuring of the remaining balance owing under this Note as part of any such sale or Refinancing to provide for repayment of this Note sooner than the fifty-five (55) year repayment period.

b. Definition of Residual Receipts. For the purposes of this Note, "**Residual Receipts**" shall mean the sum of money computed as follows:

(i) All rents, revenues, consideration or income (of any form) received by Maker in connection with or relating to the ownership or operation of the Project, including the City's any net revenue derived from any Refinancing of the Project which is not required to meet current or future Project obligations (but excluding tenants' security deposits, partner capital contributions and similar advances or interest that is earned on and allocated to reserve accounts) ("**Gross Revenue**") less all of the following: all customary and reasonable costs (i.e., mandatory (hard) mortgage payments) and expenses reasonably and actually incurred in connection with the operation and maintenance of the Project, including but not limited to premiums for property and liability insurance; utility services not paid directly by tenants; maintenance and repair; security services and payments for social/supportive services; any adjuster payments to the investor limited partner required under Maker's partnership agreement; payment of principal or interest on any indebtedness of Maker to any affiliate of Maker (individual or entity) or partner of Maker to repay completion, operating deficit or other loans relating to the Project; asset management fee payable to the limited partner of Maker in an amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement), increased annually by three percent (3%); partnership management fee payable to Maker, not to exceed the amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement), increased annually by three percent (3%); reasonable property management fees not to exceed Sixty-Five Dollars ($65) per unit per year, increased annually by three and one-half percent (3.5%); deferred developer fee in an amount approved as part of the Project Budget (as defined in the Affordable Housing Agreement); amounts (reasonably approved by Holder) expended to restore the Project after a casualty loss or condemnation; reasonable and customary professional fees for legal, accounting, audit and tax returns for Maker and the Project, and similar customary expenses; taxes; franchise tax filing fees; and any cash deposited into replacement and operating reserves in amounts reasonably required by the investor or the lenders for the Project (collectively "**Operating Expenses**").

(ii) Notwithstanding the generality of the foregoing, the following items are not expenses or deductible in computing Residual Receipts: depreciation, cost recovery, amortization and similar items which do not involve the expenditure of cash.

6. Audited Financial Statement.

Maker shall annually provide Holder with an audited financial statement documenting the calculation of Residual Receipts for the previous calendar year ending December 31. The audited financial statement shall be provided on or before September 1, together with payment of the Residual Receipts payment due to Holder. Holder shall have the right to inspect and audit Maker's books and records concerning the calculation of the Residual Receipts Payment and to object within ninety (90) days from receipt of Maker's statement. Failure to timely object shall be deemed acceptance. If Holder does object, Holder shall specify the reasons for disapproval. Maker shall have thirty (30) days to reconcile any disapproved item. If Maker and Holder cannot agree on the amount of the Residual Receipts payment, an independent auditor mutually selected by Maker and Holder shall resolve any disputed items. If the independent auditor determines that Maker's statement underreported the amount of the Residual Receipts by more than three percent (3%), the cost of the auditor shall be paid solely by Maker. If the independent auditor determines that

Maker's statement did not underreport the amount of the Residual Receipts, the cost of the auditor shall be paid solely by Holder. Except in the event that Maker or Holder are solely responsible for the costs of the auditor pursuant to one of the foregoing sentences, the cost of the auditor shall be shared equally by Maker and Holder.

7. Annual Budget.

Maker shall prepare and submit to Holder a proposed annual operating budget for the management and operation of the Project ("**Annual Budget**") no later than 15 days preceding the effective year of such budget. The Annual Budget shall include the projected Gross Revenue and Operating Expenses for the year and a line item showing the projected Residual Receipts from the Project for the year. Holder will review the Annual Budget and, if acceptable, approve it, which approval shall not be unreasonably withheld. If the Annual Budget is not acceptable, Holder shall specify the reasons for disapproval. The intent of this section is to provide Holder an opportunity to disapprove any unreasonable expenses which would diminish the Residual Receipts from the Project. Once approved, any changes to the Annual Budget which exceed ten percent (10%) of the total Annual Budget shall require Holder's prior written consent, which consent shall not be unreasonably withheld.

8. Acceleration Upon Certain Events or Upon Event of Default.

On the occurrence of an Event of Default under the terms of this Note, the Affordable Housing Agreement or the Regulatory Agreement, the Deed of Trust which is the security for this Note, or under any Senior loans, notes or deeds of trust, at the option of the Holder and after notice to the Maker, providing Maker with thirty (30) days in which to cure any Event of Default, and such Event of Default not having been cured within thirty (30) days (or if a greater amount of time is reasonably necessary to effect a cure, if actions to cure such Event of Default are not undertaken within said thirty (30) day period and pursued with reasonable diligence thereafter), all principal and interest due under this Note shall immediately become due and payable, upon thirty (30) day written notice from the Holder to the Maker. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent Event of Default.

Should the undersigned Maker agree to or sell, convey, transfer, or dispose of the real property described in the Deed of Trust securing this Note or any part thereof or interest therein, without first obtaining the prior written consent of the Holder (except for a Permitted Transfer, as defined in the Affordable Housing Agreement), then, at the option of the Holder, all principal and interest due hereunder shall immediately become due and payable upon thirty (30) days written notice from the Holder to the Maker. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.

Notwithstanding the generality of the foregoing, certain transfers permitted under the Affordable Housing Agreement shall not constitute an Event of Default hereunder or under the Affordable Housing Agreement, and any such action shall not accelerate the maturity of this Promissory Note**,** provided that any transfer is either a Permitted Transfer as defined in the Affordable Housing Agreement or is reasonably acceptable to the City with reasonable promptness, and any transferee under such a transfer agrees to be bound by any and all instruments in favor of the City.

9. Interest on Event of Default.

From and after an Event of Default, the entire outstanding principal balance of this Note shall automatically bear an annual interest rate equal to the lesser of: (a) eight percent (8%) compounding annually; or (b) the maximum interest rate allowed by law.

10. Costs Paid by Maker.

Maker agrees to pay the following costs, expenses and attorneys fees paid or incurred by the Holder of this Note, or as adjudged by a court of competent jurisdiction: (a) reasonable costs of collection, costs and expenses and reasonable attorneys fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (b) costs of suit in such sum as the court may adjudge reasonable as attorneys fees in any action to enforce payment of this instrument.

11. Waiver.

Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Holder hereof may extend the Maturity Date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Note. Maker hereby waives, to the fullest extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this instrument or any deed of trust, security agreement, guarantee or other agreement now or hereafter securing this Note.

12. Indemnification.

Maker shall indemnify, defend, protect and hold the City harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys fees and expenses incurred by the Holder hereof, arising as a result of any (i) fraud or material misrepresentation by the Maker under or in connection with the Affordable Housing Agreement or related agreements; (ii) intentional bad faith waste of the real property encumbered by the deed of trust which secures this Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the deed of trust securing this Note and the Affordable Housing Agreement.

13. Nonrecourse.

This Note is nonrecourse obligation of Maker and Maker’s partners and the Holder must resort only to the Project or the Property, or both, for repayment should the Maker fail to repay the sums evidenced hereby. Neither Maker nor any of its general or limited partners shall have any personal liability for repayment of the Land Loan and no deficiency judgment may be obtained against Maker or any of its general or limited partners except for actual or constructive fraud, intentional material misrepresentation, intentional bad faith waste of or on the Project and such other matters as are referred to below. Notwithstanding the generality of the foregoing, however, Maker shall indemnify, defend, protect and hold Holder harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation,

reasonable attorneys' fees and expenses incurred by the Holder arising as a result of any (i) fraud or intentional material misrepresentation by the Maker under or in connection with the Affordable Housing Agreement or any other agreements or documents provided in connection therewith; (ii) intentional bad faith waste of the Property encumbered by the deed of trust which secures this Note; and (iii) losses resulting from Maker's failure to maintain insurance as required under the provisions of the deed of trust securing this Note. Maker's obligation to indemnify the Holder hereof as aforesaid shall be recourse obligations of the Maker, and in the event of any breach of such obligations, the Holder shall have the right to proceed directly against the Maker to recover any and all losses, damages, liability, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) and may bring any action and institute any proceeding to obtain a deficiency judgment in or following foreclosure for any and all such losses, damages, liabilities, costs and expenses resulting from such breach.

14. Severability.

If any provision of this Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

15. Non-Waiver.

No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the Holder hereof of its right to subsequently demand such performance or to exercise any remedies for any Event of Default hereunder. Further, in order to be effective, any waiver of any of the Holder's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of the Holder hereof. Further, waiver by the Holder hereof of any right hereunder shall not constitute a waiver of any other right, including, but not limited to, the right to exercise any and all remedies for a different or subsequent Event of Default hereunder.

[Signatures on Following Page]

MAKER:

MONTEBELLO AFFORDABLE HOUSING, LP,
a California limited partnership

[to be inserted]

By: _____,
,
its managing general partner

EXHIBIT N

Form of Phase II Performance Guaranty

(see attached)

EXHIBIT N
PHASE II PERFORMANCE GUARANTY

This PERFORMANCE GUARANTY AGREEMENT (this "**Guaranty**") is made as of _____, 2023, by CESAR CHAVEZ FOUNDATION, a California non-profit public benefit corporation (the "**Guarantor**"), whose address is 29700 Woodford Tehachapi Road, Keene, CA 93531, in favor of CITY OF MONTEBELLO, a California municipal corporation ("**City**").

WHEREAS, City and MONTEBELLO AFFORDABLE HOUSING, LP, a California limited partnership ("**Phase I Partnership**"), an affiliate of Guarantor, have entered into that certain Amended and Restated Purchase, Sale, and Affordable Housing Development Agreement dated as of February ___, 2023 (the "**AH Agreement**"), with all capitalized terms not defined herein to have the meaning assigned in the AH Agreement;

WHEREAS, the AH Agreement concerns the sale, purchase, and development of certain parcels of real property located between 112 and 132 S. 6th Street, City of Montebello, California, and as relevant here provides for, among other things: (a) the City's sale of the City Properties to the Phase I Partnership; (b) the Phase I Partnership's combination of the City Properties with the Developer Property to create a single Project Site totaling approximately thirty-five thousand square feet (35,000 sf) (or .80 acres); (c) the City's provision of financial assistance to the Phase I Partnership in the form of the Land Note and Impact Fee Note; and (d) the Phase I Partnership's development of the Project Site with a Project to consist of sixty-three (63) affordable housing units (one of which units shall be an unrestricted manager's unit) with affordability covenants of fifty-five (55) years;

WHEREAS, as additional consideration and further inducement for the City's agreement to enter into the AH Agreement with the Phase I Partnership, Guarantor has committed to acquiring those certain parcels of real property located immediately north of the Project Site and located at 501, 507, 509, 513, 517, 525 Whittier Boulevard, City of Montebello ("**Phase II Site**"), and developing the Phase II Site with a second phase development consisting of a mixed-use project with approximately sixty-nine (69) housing units (35% of which will be restricted for affordable housing) and approximately 10,000 square feet of commercial / restaurant space with supportive parking as described in **Attachment "1"** hereto (the "**Phase II Project**"), as Guarantors commitment to the Phase II Project was memorialized in that certain Assignment of Purchase, Sale, and Development Agreement dated November 10, 2021, entered into between the City and Guarantor (the "**PSDA Assignment**");

WHEREAS, Guarantor or an affiliate of Guarantor has a financial interest in the Phase I Partnership;

WHEREAS, on or about the same date hereof, the Phase I Partnership has assigned to Guarantor, and Guarantor has assumed from the Phase I Partnership, all rights and obligations of the Phase I Partnership under the AH Agreement with respect to the Phase II Site and Phase II Project; and

WHEREAS, City would not execute the AH Agreement if Guarantor did not execute and deliver to City this Guaranty.

NOW, THEREFORE, for and in consideration of the execution of the AH Agreement by City, and as a material inducement to City for executing said AH Agreement, Guarantor hereby absolutely, presently, continually, unconditionally and irrevocably guarantees to City that, in the event Guarantor (or an affiliate thereof) does not complete the acquisition of the Phase II Site or does not complete construction of the Phase II Project in accordance with the schedule of performance attached hereto as **Attachment "2"** ("**Schedule of Performance**"), then subject to the terms of this Guaranty, including, without limitation, any applicable notice and cure rights, any "Permitted Delay," and any "Permitted Extension" (as those terms are defined below), then City may deliver written notice to Guarantor (the "**City Payment Notice**"), requiring Guarantor to pay to City, the sum of Three Million Seventy-Five Thousand Dollars ($3,075,000) (the "**Default Payment**"). If Guarantor receives a City Payment Notice, Guarantor shall pay the Default Payment in five (5) equal annual payments of Six Hundred Fifteen Thousand Dollars ($615,000) (each, an "**Installment Payment**"), with each such Installment Payment due on January 1st, commencing on the first January 1st following the date Guarantor receives the City Payment Notice.

Guarantor further agrees as follows:

1. The time within which Guarantor shall be required to perform any act under the Schedule of Performance shall be extended by a period of time equal to the number of days during which performance of such act is delayed unavoidably and beyond the reasonable control of the party seeking the delay by, without limitation, strikes, acts of God, weather, inability to obtain labor or materials, inability to obtain governmental permits or approvals, governmental restrictions or priorities, epidemics, pandemics, civil commotion, including strikes, lockouts or riots, litigation, acts of the public enemy, fire, earthquakes, or similar causes (each a "**Permitted Delay**"). An extension of time for any such cause shall be for the period of the Permitted Delay and shall commence to run from the time of the commencement of the cause, if notice by Guarantor claiming such extension is sent to City within sixty (60) days of the commencement of the cause. If notice is sent after such sixty (60) day period, then the extension shall commence to run no sooner than sixty (60) days prior to the giving of such notice. Guarantor's inability or failure to obtain financing or, subject to the terms of Section 4 below, favorable purchase price terms shall not be deemed to be a cause outside the reasonable control of Guarantor and shall not be the basis for a Permitted Delay.

2. Notwithstanding anything to the contrary in this Guaranty, Guarantor may request one or more extensions to the Schedule of Performance not to exceed, cumulatively, more than twenty-four (24) months. City's Director of Planning & Community Development (the "**Director**") shall have the authority to grant such extensions (any such granted extension, a "**Permitted Extension**"), and shall reasonably consider granting such extensions if, prior to the date of the request for an extension, Guarantor has diligently, without interruption, and in good faith worked to timely complete the tasks in the Schedule of Performance.

3. Subject to any extensions of time provided for in this Guaranty, failure or delay by either party to timely perform any term or provision of this Guaranty shall constitute an "**Event of Default**" under this Guaranty; provided, however, that if a party otherwise in default commences to cure, correct or remedy such default within thirty (30) calendar days after receipt of written notice from the injured party specifying such default, and diligently and continuously prosecutes without interruption such cure, correction or remedy to completion, such party shall not be deemed to be in default under this Guaranty and no Event of Default shall be deemed to have occurred.

4. Notwithstanding anything to the contrary in this Guaranty, the AH Agreement, or the PSDA Assignment, City agrees that if despite Guarantor's diligent and good faith efforts to negotiate the acquisition of the portion of the Project II Site located at 513 Whittier Boulevard (the "**513 Whittier Property**"), Guarantor is unable to reach mutually agreeable sale terms with the owner of the 513 Whittier Property (the "**513 Whittier Property Owner**"), Guarantor shall provide written notice thereof to City (the "**513 Whittier Property Notice**"), and subject to the following two sentences, Guarantor shall be permitted to redesign the Phase II Project to enable the Phase II Project to be constructed on the remaining portions of the Project II Site (i.e., all portions of the Project II Site except the 513 Whittier Property) (the "**Redesigned Phase II Project**"). Upon City's receipt of the 513 Whittier Property Notice, City shall have the right to obtain an appraisal of the fair market value of the 513 Whittier Property (the "**513 Whittier Property Appraisal**"), provided that City notifies Guarantor of such intention, in writing (the "**City Appraisal Notice**"), within thirty (30) days after City's receipt of the 513 Whittier Property Notice, and thereafter obtains the 513 Whittier Property Appraisal within forty-five (45) days after providing the City Appraisal Notice. If City has timely elected to obtain and timely obtains the 513 Whittier Property Appraisal, (i) Guarantor shall be permitted to redesign the Phase II Project with the Redesigned Phase II Project if the sale price offered for the 513 Whittier Property by the 513 Whittier Property Owner exceeds the fair market value of the 513 Whittier Property, as set forth in the 513 Whittier Property Appraisal, by more than ten percent (10%), and (ii) if Guarantor is permitted to redesign the Phase II Project in accordance with the foregoing clause (i), all of the times for performance in the Schedule of Performance shall be automatically extended for the period of time commencing on the date of City's receipt of the 513 Whittier Property Notice and ending on the date on which City provides to Guarantor a copy of the 513 Whittier Property Appraisal. Guarantor's development of a Redesigned Phase II Project shall be conditioned upon and subject to compliance with the Montebello Zoning Code and other applicable laws relating to use and development of the subject project site, and Guarantor's receipt of any and all permits, approvals, and/or discretionary land use entitlements from the City or other governmental entities and required to develop the Redesigned Phase II Project.

5. This Guaranty shall remain in effect until the "**Termination Date,**" which shall be the earlier of (i) the date a Certificate of Completion is issued by the City for the Phase II Project, or (ii) the date Guarantor has paid to City the Default Payment or such lesser amount as set forth in the City Payment Notice.

6. Upon Guarantor's acquisition of all or any portion of the parcels that comprise the Phase II Site, Guarantor shall permit the City to record a standard form deed of trust on the Phase II Site to secure Guarantor's repayment of the Default Payment pursuant to the terms of this Guaranty (the "**Phase II Site Deed of Trust**"). City agrees to subordinate the Phase II Site Deed

of Trust to any acquisition financing obtained by Guarantor. Promptly following the Termination Date, City shall reconvey the Phase II Site Deed of Trust.

7. This Guaranty shall not be released, modified or affected by failure or delay on the part of City to enforce any of the rights or remedies of the City hereunder, whether pursuant to the terms thereof or at law or in equity.

8. On request by City from time to time, Guarantor agrees to provide City with a current balance sheet for Guarantor; provided, however, that Guarantor shall not be obligated to provide its balance sheet to City more than twice each year. In addition, if City requests a balance sheet as of the end of a fiscal quarter, City agrees that Guarantor will have a minimum of sixty (60) days after the end of such fiscal quarter in which to provide the balance sheet. Finally, if City requests a balance sheet as of the end of a fiscal year, City agrees that Guarantor will have a minimum of ninety (90) days after the end of such fiscal year to provide the balance sheet. Guarantor's balance sheets are to be prepared in accordance with generally accepted accounting principles ("GAAP"). Guarantor represents and warrants that all such balance sheets shall be true and correct statements, in all material respects, of Guarantor's financial condition.

9. The liability of Guarantor under this Guaranty is a guaranty of payment and performance and not of collectability, and is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of this Guaranty, or the pursuit by City of any remedies which it now has or may hereafter have with respect thereto, at law, in equity or otherwise.

10. Guarantor has been advised of and hereby waives and agrees not to assert or take advantage of to the extent permitted by law: (i) any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof; (ii) any right or defense that may arise by reason of the incapability, lack of authority, or lack of financial capacity Guarantor or any other person; (iii) all principles or provisions of law which conflict with the terms of this Guaranty, and (iv) any other rights and defenses that are or may become available to Guarantor by reason of Sections 2787 through 2855, inclusive, of the California Civil Code. Guarantor agrees that Guarantor's obligations shall not be affected by any circumstances which constitute a legal or equitable discharge of a guarantor or surety.

11. Guarantor has been advised of and hereby expressly waives any and all benefits under California Civil Code § § 2809, 2810, 2815, 2819, 2821, 2822, 2824, 2845, 2847, 2849, 2850, 2855, 2899 and 3433, and the second sentence of California Civil Code § 2822(a). In addition, Guarantor agrees that Guarantor shall have no right of subrogation or any right of contribution against any other guarantor unless and until all amounts due hereunder have been paid in full and all other obligations hereunder have been satisfied. Guarantor further agrees that, to the extent the waiver of Guarantor's rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have shall be junior and subordinate to any rights City may have, and any rights of contribution Guarantor may have against any other guarantor shall be junior and subordinate to any rights City may have against such other guarantor.

12. The obligations of Guarantor under this Guaranty shall not be altered, limited or affected by any case, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Guarantor or any defense which Guarantor may have by reason of order, decree or decision of any court or administrative body resulting from any such case. City shall have the sole right to accept or reject any plan on behalf of Guarantor proposed in such case and to take any other action which Guarantor would be entitled to take, including, without limitation, the decision to file or not file a claim. Guarantor acknowledges and agrees that any payment which accrues with respect to Guarantor's obligations which accrue after the commencement of any such proceeding (or, if any such payment ceases to accrue by operation of law by reason of the commencement of such proceeding, such payment as would have accrued if said proceedings had not been commenced) shall be included in Guarantor's obligations hereunder because it is the intention of the parties that said obligations should be determined without regard to any rule or law or order which may relieve Guarantor of any of its obligations. Guarantor hereby permits any trustee in bankruptcy, receiver, and debtor-in-possession, assignee for the benefit of creditors or similar person to pay City, or allow the claim of City in respect of, any such payment accruing after the date on which such proceeding is commenced. Guarantor hereby assigns to City Guarantor's right to receive any payments from any trustee in bankruptcy, receiver, debtor-in-possession, assignee for the benefit of creditors or similar person by way of dividend, adequate protection payment or otherwise.

13. Guarantor hereby agrees to indemnify, protect, defend and hold City harmless from and against, all losses, costs and expenses including, without limitation, all interest, default interest, post- petition bankruptcy interest and other post-petition obligations, late charges, court costs and attorneys' fees, which may be suffered or incurred by City in enforcing or compromising any rights under this Guaranty.

14. Any obligation of Guarantor under this Guaranty may be performed by an affiliate of Guarantor. City agrees to accept any such performance, and agrees that such performance shall fully satisfy the respective obligation.

15. All notices, consents, requests, approvals and authorizations (collectively, "**Notices**") required or permitted under this Guaranty shall only be effective if in writing. All Notices shall be sent (A) by registered or certified mail (return receipt requested), postage prepaid, or (B) by Federal Express, U.S. Post Office Express Mail, or similar nationally recognized overnight courier which delivers only upon signed receipt of the addressee, or (C) by e-mail with a copy sent within 24 hours in the manner provided in clause (B) above, and addressed as follows or at such other address, and to the attention of such other person, as the parties shall give notice as herein provided:

To Guarantor:

Cesar Chavez Foundation
Attn: Legal Department
29700 Woodford Tehachapi Road
Keene, CA 93531
Attention: Paul S. Park

With copy to:

Rutan & Tucker, LLP
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Attention: Patrick D. McCalla

To City:

With copy to:

Alvarez-Glassman & Colvin
13181 Crossroads Pkwy, North Tower, Suite 400
City of Industry, CA 91746
Attention: Arnold M. Alvarez-Glassman

16. Guarantor represents and warrants to City as follows: (a) The execution, delivery and performance by Guarantor of this Guaranty have been duly authorized by all necessary corporate action. (b) Guarantor has the full power, authority and legal right to execute and deliver, and to perform and observe the provisions of, this Guaranty including the payment of all moneys hereunder. This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms, except as enforcement thereof may be limited by (a) bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally or (b) the non-availability of equitable remedies which are discretionary with the courts. (c) No consent of any other person, including, without limitation, any creditors of Guarantor, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by Guarantor in connection with this Guaranty or the execution, delivery, performance, validity or enforceability of this Guaranty and all obligations required hereunder. This Guaranty has been duly executed and delivered by Guarantor, and constitutes the legally valid and binding obligation of Guarantor enforceable against such Guarantor in accordance with its terms. (d) The execution, delivery and performance of this Guaranty will not violate any provision of any existing law or regulation binding on Guarantor, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on Guarantor, or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which Guarantor is a party or by which Guarantor or any of Guarantor's assets may be bound, and will not result in, or require, the creation or imposition of any lien on any of Guarantor's property, assets or revenues pursuant to the provisions of any such mortgage, indenture, lease, contract, or other agreement, instrument or undertaking. (e) To the actual knowledge of the undersigned, all information and documentation provided by Guarantor to City regarding the financial condition of Guarantor is true, correct, and complete in all material respect as of the date such information was provided to City and as of the date hereof. (f) Neither the execution or delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof, conflict or will conflict with or result in a breach of any of the terms, conditions or provisions of any law, order, writ, injunction or decree of any court or Governmental Authority, or of any agreement or

instrument to which Guarantor is a party of by which it is bound, or constitutes or will constitute a default thereunder.

17. This Guaranty shall be binding upon Guarantor, Guarantor's heirs, representatives, administrators, executors, successors and assigns and shall inure to the benefit of and shall be enforceable by City, its successors, endorsees and assigns. As used herein, the singular shall include the plural, and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

18. The term "Guarantor" whenever used herein refers to and means the Guarantor specifically named in the preamble hereof and also any assignee or successor to the interests of said Guarantor, whether by assignment or otherwise.

19. In case suit is brought because of the breach of any agreement or obligation contained in this Guaranty, and a breach is established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorneys' fees.

20. Any action to declare or enforce any rights or obligations under this Guaranty may be commenced by City in the Superior Court of Los Angeles County. Guarantor hereby consents to the jurisdiction of such court for such purposes and agrees that any notice, complaint or other legal process therein may be delivered to Guarantor in accordance with the above notice provisions and that any notice, complaint or other legal process so delivered shall constitute adequate notice and service of process for all purposes and shall subject Guarantor to the jurisdiction of such court for purposes of adjudicating any matter related to this Guaranty.

21. TO THE EXTENT ALLOWED BY APPLICABLE LAW, GUARANTOR AND CITY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM OR THEIR HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. If the jury waiver set forth in this section is not enforceable, then any claim or cause of action arising out of or relating to this Guaranty shall be resolved by judicial reference pursuant to Code of Civil Procedure Section 638 et seq. before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the Superior Court of the County of Los Angeles. This section shall not restrict City from exercising pre-judgment remedies under applicable law.

22. This Guaranty shall be governed and construed in accordance with the laws of the State of California.

23. Every provision of this Guaranty is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of

competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

24. This Guaranty may be executed in any number of counterparts each of which shall be deemed an original and all of which shall constitute one and the same Guaranty with the same effect as if all parties had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty and re-attached to any other counterpart of this Guaranty identical inform hereto but having attached to it one or more additional signature pages.

25. No failure or delay on the part of City to exercise any power, right or privilege under this Guaranty shall impair any such power, right or privilege, or be construed to be a waiver of any event of default or any acquiescence therein, nor shall any single or partial exercise of such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

26. This Guaranty shall constitute the entire agreement between Guarantor and the City with respect to the subject matter hereof. No provision of this Guaranty or right of City hereunder may be waived nor may Guarantor be released from any obligation hereunder except by a writing duly executed by an authorized officer, director or trustee of City.

27. The liability of Guarantor and all rights, powers and remedies of City hereunder and under any other agreement now or at any time hereafter in force between City and Guarantor relating to the Phase II Project shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to City by law. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and Guarantor, hereby waives any covenants to the maximum extent permitted by law not to assert any defense in the nature of splitting of causes of action or merger of judgments.

28. The Director shall have the authority to implement the terms of this Guaranty, including to make approvals, issue interpretations, grant the Permitted Extensions, and execute documents on behalf of the City, including, without limitation, subordination agreements, so long as such actions do not materially change the purpose and intent of this Guaranty or add to the costs incurred or to be incurred by the City as specified herein.

CESAR CHAVEZ FOUNDATION,
a California non-profit corporation

By: _____,

its _____

Attachment "1"
Phase II Narrative

8.19 Project Name

The current name of the project is **The Boulevard (project)**, but will be changed at a later time. The Cesar Chavez Foundation (CCF) will rename the project after a founding movement member to memorialize their dedication and commitment in advocating for social, labor and civil rights of working class families.

8.20 Site Location

The Project is located on five (5) commercial lots at 501, 507, 509, 513, 517, 525 Whittier Boulevard in Montebello, California 90640. The site has the following Assessor's Parcel Numbers (APN): 6349-005-011, 012, 013, 014, 015 and 037 in the Downtown District of the City. The site is approximately 35,000 square feet or .80 acres. The census tract is 5321.01. California's Congressional District 38, State Senate District 32, State Assembly District 58, and Los Angeles Supervisorial District 1. The TCAC/HCD opportunity map category is listed as a Low Resource area.

8.21 Project Description

The Boulevard ("Project") is zoned and approved for a mixed-use/mixed-income sixty-nine (69) units, and with the State density bonus can get ninety-three (93) units by-right. CCF is partnering with the City of Montebello, California for this development to be the catalyst in implementing the vision and goals of the City's future Downtown Specific Plan, as proposed by the Planning & Community Development Department, by building and encouraging strong neighborhoods combining strong economic business opportunities, public transit and quality residential housing. The City's Approved Housing Element has this site identified as part of the Downtown Specific Plan to encourage economic activity and transit orientated development in the Downtown area. The project will also assist the City in meeting its State's Regional Hosing Needs Assessment (RHNA) as required by the State's Housing Law.

The mixed-use development will house affordable and workforce families earning thirty percent (30%) to eighty percent (80%) of the area median income for Los Angeles County. CCF will continue its commitment to house the less fortunate population by providing thirty percent (30%) of the total units for survivors of domestic violence. The commercial component will have retail/commercial space. There will be subterranean and/or on grade podium parking. The development will utilize sustainable building methods, solar panels and will be green certified.

8.22 Organizational Structure

The proposed project will be owned and operated by ***Montebello Housing Development, LP*** that will be managed by a general partner, ***Montebello Housing Development, LLC***, a single asset limited liability company, whose sole manager and member will be ***Vista del Monte Affordable Housing, Inc.***, a California non-profit corporation whose affiliate is **Cesar Chavez Foundation** who is the developer. An investor will hold a 99.9% limited partner interest in the partnership.

Attachment "2"
Schedule of Performance

Site Control ENA	Completed
Planning PD and ZC Approval	Completed
SGVRHTF Application	Completed
SGVRHTF Award	Completed
City Loan Award $950,000	Completed
City HOME ARP Application	Completed
HCD IIG-Catalytic Application 1	Completed
HCD IIG-Catalytic Application 2	March 2023
City HOME ARP Award	April 2023
Site Plan Submittal	June 2023
HCD IIG-Catalytic Award	June 2023
AHSC Application	March 2024
AHSC Award	August 2024
Kick Off Construction Drawing	October 2024
CDLAC/CTCAC 4% Submittal	February 2025
Construction Drawing Submittal	April 2025
CDLAC/CTCAC 4% Award	May 2025
Construction Drawing Approval/Building Permits	October 2025
Partnership/Construction Closing	November 2025
Construction Start (24 Month Schedule)	January 2026
Ground Breaking	March 2026
Construction 50% Complete	January 2027
Construction Complete	January 2028
Grand Opening	May 2028

CITY COUNCIL RESOLUTION NO. 23-18
SUCCESSOR AGENCY RESOLUTON NO. 23-04

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AND MONTEBELLO SUCCESSOR AGENCY APPROVING A PURCHASE, SALE, AND AFFORDABLE HOUSING DEVELOPMENT AGREEMENT, RELOCATION PLAN AND APPRAISAL FOR PHASE 1 PROJECT SITE AMONG THE CITY OF MONTEBELLO AND THE MONTEBELLO SUCCESSOR AGENCY AND THE MONTEBELLO AFFORDABLE HOUSING, LP FOR REAL PROPERTY LOCATED AT 112, 114, 124, 128 AND 132 SOUTH 6TH STREET GRAND, CITY OF MONTEBELLO

RECITALS

WHEREAS, the City is the owner of those certain parcels of real property located at 112, 114, 124, and 132 South 6th Street, City of Montebello (the "City Properties"), the Successor Agency is the owner of that certain parcel of real property located at 121 S. 6th Street, City of Montebello (the "SA Property"), and Montebello Affordable Housing LP, a California limited partnership ("Developer"), is the owner of those certain parcels of real property located at 128 and 128 ½ South 6th Street, City of Montebello (the "Developer Property");

WHEREAS, Developer desires to purchase the City Properties from the City and the SA Property from the Successor Agency, to consolidate the City Properties with the Developer Property to create a single development parcel (the "Project Site") for construction and operation of a sixty-three (63) unit affordable housing project with supportive services targeting families and survivors of domestic violence (the "Project"), and retain the SA Property for future development; and

WHEREAS, an Amended and Restated Purchase, Sale, and Affordable Housing Development Agreement ("Agreement"), attached hereto as Exhibit A, has been prepared by the City, Successor Agency, and Developer, and which establishes the terms and conditions by which the City will sell the City Properties to Developer and make certain loans to assist development of the Project, the Successor Agency will sell the SA Property to Developer, Developer will purchase the City Properties and SA Property, and Developer will develop the Project Site with the Project and maintain the affordability of the resulting housing units for at least fifty-five (55) years; and

WHEREAS, the City Council and Governing Board of the Successor Agency have considered all evidence presented in connection with its consideration of the Agreement, including but not limited to staff reports, presentations, public testimony, and plans and specifications for the Project, and based upon the foregoing find and declare:

A. Developer's proposed acquisition of the subject properties and construction and completion of the Project on the Project Site pursuant to the terms of this Agreement is in the best interest of the City and the health, safety and welfare of the City's taxpayers and residents, advances stated housing goals of the

state and City and public purposes set forth in applicable law, and is expressly authorized by applicable law.

B. Implementation of the Agreement will further and is consistent with the goals and objectives of the General Plan of the City of Montebello by promoting development of affordable housing in a manner compatible with surrounding uses and on a site identified by the City as appropriate for low income housing, and the Project will provide new housing for low, very-low and extremely-low income households furthering the City's Regional Housing Needs Assessment (RHNA) obligation.

C. Implementation of this Agreement is consistent with the requirements of the Montebello Zoning Code by advancing City goals of revitalizing the downtown district, providing affordable housing options to residents, and creating job opportunities for the community, and the Agreement advances an overriding public interest by addressing the shortage of affordable housing in the community through the creation of affordable units with supportive services.

D. Pursuant to Section 34364 of the Government Code and notwithstanding any other law, the City may sell, convey, or otherwise dispose of the subject properties to Developer for the provision of affordable housing on the terms and conditions the City deems best suited to the provision of such housing.

E. The Successor Agency's sale of the SA Property to the City was approved by Resolution No. 18-05 of the Montebello Oversight Board adopted on June 19, 2018, and by the Agreement the City assigns and conveys its right to purchase the Property to Developer subject to the terms and conditions specified in this Agreement. The proceeds of the resulting sale will be relinquished to area taxing entities in the manner required by the Redevelopment Dissolution Law (H&S Code § 34170 *et seq*.)

F. A relocation plan has been prepared to evaluate the present circumstances, replacement housing of displaces, and any relocation assistance required by applicable law in connection with the Project ("Relocation Plan").

G. Appraisals have been prepared for the City Properties and SA Property to establish the fair market value thereof (the "Appraisals") and said Appraisals have been considered in connection with this Resolution and used to establish the purchase price of the subject properties.

H. The City, as "lead agency," has evaluated the potential environmental impacts of the this Agreement pursuant to the requirements of the California Environmental Quality Act by way of: (a) a Mitigated Negative Declaration that was approved by the City Council on June 22, 2016 ("MND"), which found that the "project" described in the original PSDA, with mitigation, would not have a significant effect on the environment; and (b) an Addendum to the MND that was approved by the City Council on November 10, 2021, and

concluded that none of the circumstances requiring preparation of a new negative declaration, mitigated negative declaration, or environmental impact report exist. This Agreement merely implements the Project analyzed in the MND and Addendum and does not result or cause any new environmental impacts not previously analyzed and disclosed therein.

WHEREAS, all other legal prerequisites to the adoption of this resolution and approval of the Agreement have been duly performed.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO AND GOVERNING BOARD FOR THE SUCCESSOR AGENCY HEREBY RESOLVE, FIND, AND DECLARE AS FOLLOWS:

SECTION 1: Based on all evidence presented in connection with its consideration of this Resolution, including but not limited to staff reports, presentations, and public testimony, the City Council and Governing Board of the Successor Agency find and declare that the above recitals are true and correct and therefore incorporated herein as a substantive part.

SECTION 2: The City Council and the Governing Board of the Successor Agency hereby approve Appraisals and the Relocation Plan submitted herewith this Report and authorize and direct the City Manager to take such action(s) as are reasonably necessary to ensure compliance and implementation of the Relocation Plan.

SECTION 3: The Amended and Restated Purchase, Sale, and Affordable Housing Development Agreement, in substantially the form as attached to this Resolution, between the City, Successor Agency, and Montebello Affordable Housing LP. The City Council and Successor Agency further authorize and direct the City Manager and Executive Director to execute the Agreement and all other ancillary documents, including but not limited to, escrow instructions, deeds, seller affidavits, and such other customary documents consistent with and reasonably necessary to effectuate the intent of this Resolution and the Agreement, in a form approved by the City Attorney.

SECTION 4: the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect. Notwithstanding the foregoing, this Resolution shall be deemed adopted effective February 22, 2023.

APPROVED and **ADOPTED** this 22nd day of February 2023.

_____
David Torres, Mayor

ATTEST: **APPROVED AS TO FORM:**

_____ _____
Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing City Council Resolution No. 23-18/ Successor Agency Resolution No. 23-04 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February, 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing City Council Resolution No. 23-18/ Successor Agency Resolution No. 23-04, is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____ _____
Christopher Jimenez, City Clerk

6th Street Grand Project

RELOCATION PLAN

Prepared for:

Vista Del Monte Affordable Housing, Inc.
555 N. Broadway, Unit B103
Los Angeles, CA 90012

Prepared by:

Overland, Pacific & Cutler, LLC
3750 Schaufele Avenue, Suite 150
Long Beach, CA 90808
(562) 304-2000

February 2022

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EXHIBIT C: General Information Notice
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EXHIBIT E: Notice to Vacate
EXHIBIT F: Advisory Notice
EXHIBIT G: Public Comments & Responses

Introduction

Vista Del Monte Affordable Housing, Inc.("Developer") has proposed the 6th Street Grand Project ("Project"), an affordable housing project consisting of the new construction of 63 affordable housing units with on-site subterranean parking and related amenities.

The Developer has proposed to purchase six City/Agency-owned parcels and enter into an ENA and DDA with the City of Montebello/Successor Agency for the development of the site as stated above. The parcels are located at 112, 114, 121, 124, 128, and 132 S. 6th Street, Montebello, CA 90640 ("Project site"). All parcels are vacant with the exception of two occupied residential dwellings located at 128 and 128 ½ S. 6th Street, and that acquisition has been completed by the Developer.

The new units will be comprised of 62 tenant units plus one manager's unit for a total of 63 units. The units will consist of 27 one-bedroom units, 16 two-bedroom units, 19 three-bedroom units and a three-bedroom manager's unit. Tenant units will be offered to households at 30% – 60% area median income (AMI). The proposed Project is in conformance with the local housing element.

The Developer anticipates applying for, and utilizing, the following sources of funding: a City of Montebello Land Loan Note, LACDA AHTF funding, LACDA Project-based Vouchers, CTCAC 9% LIHTC, IIG funds from HCD, Equity and a Construction Loan and Permanent Loan.

Two existing households, who currently occupy the Project site, will need to be permanently relocated to facilitate the new construction activities.

Overland, Pacific & Cutler, LLC ("OPC"), an experienced relocation consulting firm, was retained to prepare a Relocation Plan ("Plan"). In compliance with statutory requirements, this Plan has been prepared to evaluate the present circumstances and replacement housing requirements of the displacees. OPC will also provide all required relocation assistance to the households, who will be displaced.

Due to the inclusion of federally derived financing and other non-federal public funds, acquisition and relocation will be conducted under the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (URA), HUD Handbook 1378 of the Department of Housing and Urban Development (HUD), California Relocation Assistance Law, Government Code Section 7260, et seq. (Law), the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development, and Title 25, California Code of Regulations Section 6000, et seq. (Guidelines), collectively known as "Relocation Laws".

As of the date of this Plan, the Project would cause the permanent displacement of two tenant households that may be eligible for relocation assistance. The needs and characteristics of the permanent displacees and the Developer's program to provide assistance to each affected person are general subjects of this Plan.

This Plan is organized in five sections:

1. Project description (**SECTION I**);
2. Assessment of the relocation needs of persons subject to permanent displacement (**SECTION II**);
3. Assessment of available, comparable replacement housing units within the City of Montebello and nearby communities (**SECTION III**);
4. Description of the Developer's relocation program (**SECTION IV**);
5. Description of the Developer's outreach efforts, Project timeline and budget (**SECTION V**).

I. PROJECT DESCRIPTION

A. REGIONAL LOCATION

The Project site is located in the City of Montebello within Los Angeles County. Montebello is located approximately nine miles southeast of Los Angeles and is easily accessible by Interstates 5 and 605 and State Routes 19 and 60. Adjacent communities include Pico Rivera, Whittier, Commerce, Monterey Park, South San Gabriel and South El Monte. (*Figure 1: Regional Project Location*.)

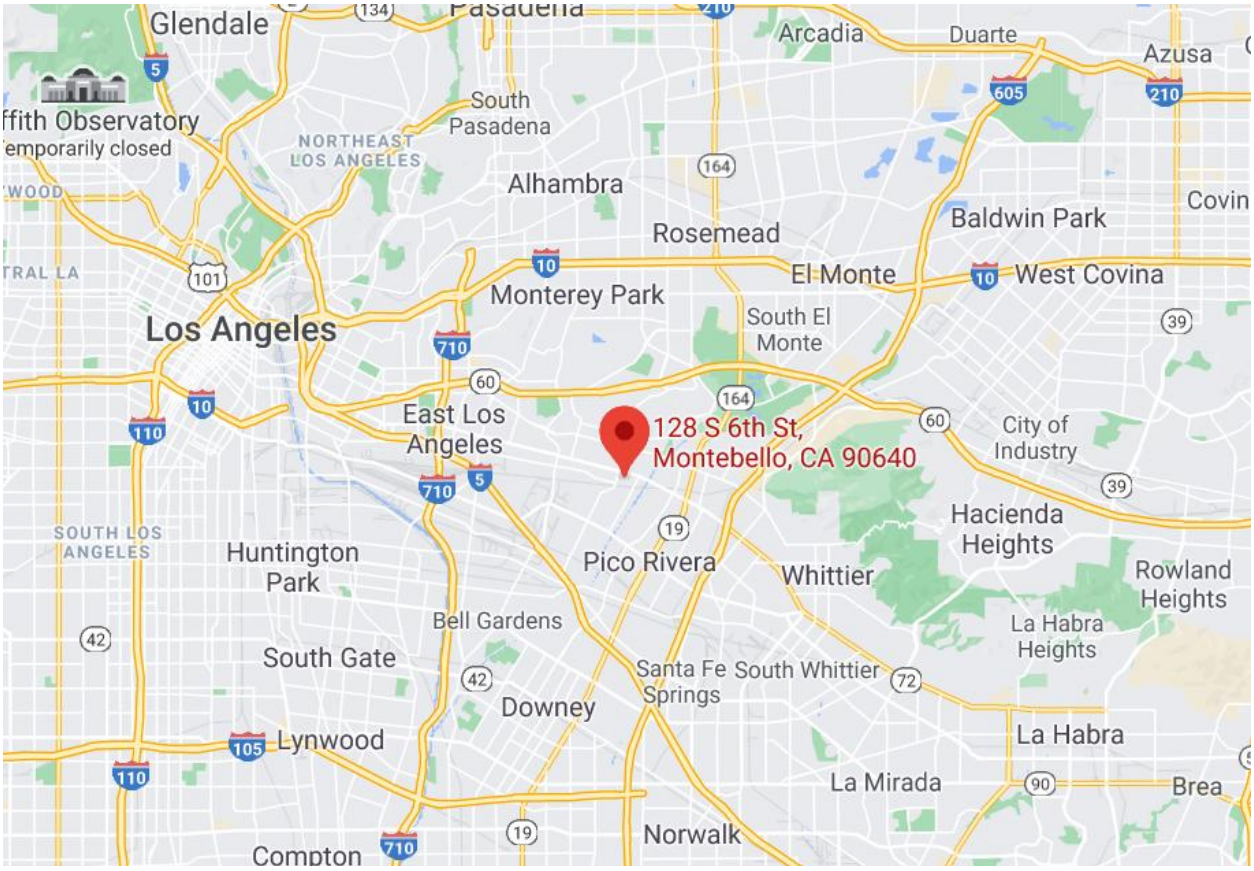


Figure 1: ***Regional Project Location***

B. PROJECT SITE LOCATION AND DESCRIPTION

The Project site consists of six parcels (0.8 acres), five of which are vacant and one that is occupied by residential tenants. The occupied parcel on the Project site is located at 128 and 128 ½ S. 6th Street, Montebello, CA 90640 and is generally bordered by W. Whittier Boulevard, S. 5th Street, W. Los Angeles Avenue and S. 6th Street (*Figure 2: Project Site Location*.)

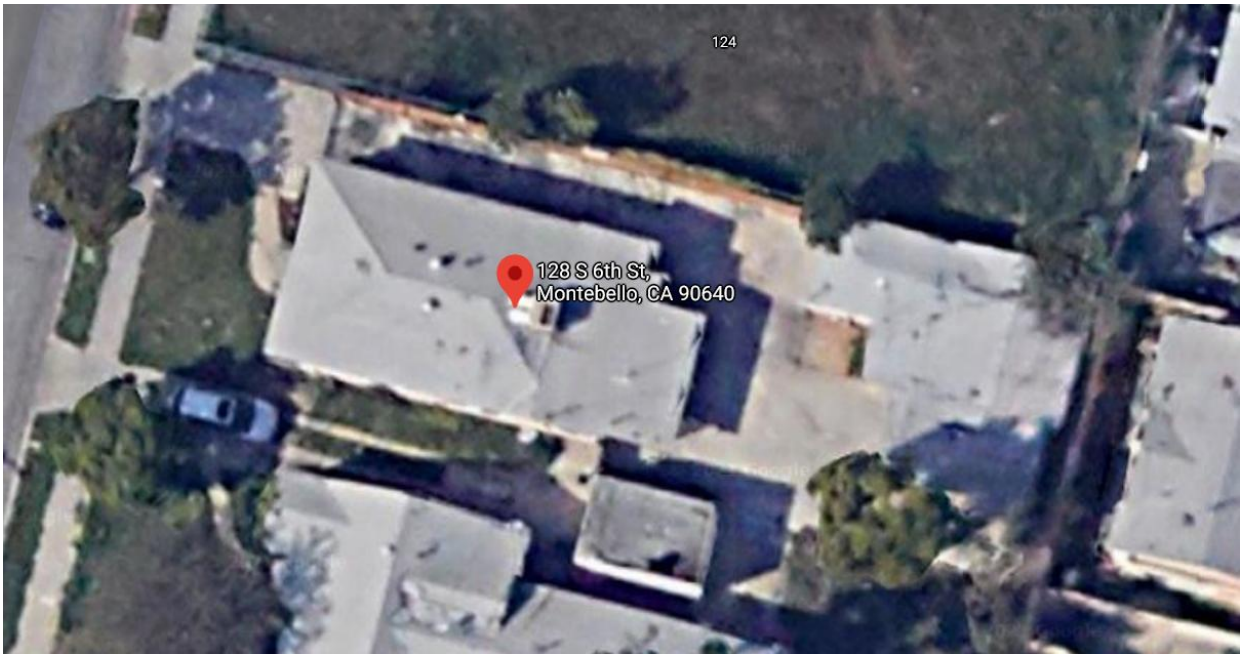


Figure 2: ***Project Site Location***

The tenants occupy a single-family residence and a converted structure considered a single-family residence for the purposes of comparable housing.

The Project households live in a densely populated mixed-use neighborhood in proximity to retail stores, public services, restaurants, schools, medical facilities, public transportation, religious facilities and a park.

II. ASSESSMENT OF RELOCATION NEEDS

A. SURVEY METHOD

To obtain information necessary for the preparation of this Plan, OPC staff interviewed both households in February 2021 and attempted to interview them again in February 2022 to update the household information. One household was non-responsive after numerous contact attempts, and the other household that was interviewed stated their income and household occupancy had not changed since 2021. The data in this section of the Plan are based on the responses of those individuals, who provided verbal information about the households, although, at this time, the information is unconfirmed.

Inquiries made of the residential occupants concerned household size and composition, income, monthly rent and estimated utility costs, length of occupancy, ethnicity, home language, physical disabilities, legal presence status, relocation needs, and replacement housing preferences.

B. TENANT DATA

1. Current Occupants

There are two households comprised of four adults and no children (17 years or younger) living on the Project site who will be permanently relocated for the Project and would be eligible for relocation assistance. The occupants rent a one-bedroom single-family residence (SFR) and a two-bedroom SFR with rents ranging from $900 - $1,950 per month.

2. Replacement Housing Needs

Replacement housing needs, as expressed in this plan, are defined by the total number of required replacement units and distribution of those units by bedroom size. The projected number of required units by bedroom size is calculated by comparing current data for household size with the County's replacement housing occupancy standards. These standards, generally, allow for up to three persons in a one-bedroom unit, five persons in a two-bedroom unit, seven persons in a three-bedroom unit and nine or more persons in a four-bedroom unit.

When determining the comparable size of the replacement unit under the State relocation programs, the number of all household members is taken into consideration regardless of legal presence status. Under the URA, when determining the size of the replacement unit needed, only the legally present members of the household are considered. based on the occupancy standard above. All households will potentially have a choice of two relocations programs, including the Federal URA or the State program, under which to submit claims for assistance and under which the size of the comparable replacement unit will be determined.

Based on available tenant data, there are no overcrowded units. The replacement units required for the current population will include one one-bedroom SR and one two-bedroom SFR.

3. Income

Verbal information regarding gross household income was provided by both households, although the information for one household was incomplete. According to income standards for Los Angeles County (**Exhibit A**) adjusted for family size as published by the United States Department of Housing and Urban Development (HUD), one household qualifies as above Low Income (greater than 80% of AMI), and the income of one household is unknown at this time.

4. Ethnicity/Language

The ethnicity of the households is Hispanic. One household speaks, reads and understands English, and the other household prefers Spanish.

5. Senior/Handicapped Households

Neither household reported having a senior head of household or spouse (62 years or older) or having a member with a disability. If specific special needs are identified when the project occupants are ultimately displaced, appropriate steps will be taken to accommodate those needs and to locate or modify suitable replacement housing to ensure accessibility.

6. Preferred Area to Relocate

Both households would like to remain within the immediate community to remain in proximity to employment and family.

III. RELOCATION RESOURCES

A. METHODOLOGY

For residential replacement housing, a resource survey in February 2022 was conducted to identify available one- and two-bedroom SFRs for rent within Montebello and surrounding communities. The following sources were utilized:

-- Classified rental listings from local newspapers and *For Rent* publications
-- Internet sources of rental opportunities
-- the MLS

B. COMPARABLE REPLACEMENT HOUSING AVAILABILITY

1. Replacement Rental Housing

The data from the resource survey is summarized in **Table 1** below. The individual figures for number of units found by bedroom size are presented in the table alongside the number of units needed (shown in parentheses) to meet the re-housing obligations.

TABLE 1: Availability and Cost of Replacement Rental Housing		
Bedroom Size	One	Two
# Found (# Needed)	4 (1)	7 (1)
Rent Range	$1,500 - $2,095	$2,250 - $2,600
Median Rent	$1,877	$2,350

The comparable available replacement housing identified was within nine miles of the Project site, although most were within five miles. All units were in similar mixed-use neighborhoods with retail, restaurants, public services, parks, medical facilities, public transportation, schools, municipal buildings, and housing. Several units are within three miles of the Project site, which would also keep the tenants in proximity to their employment.

The median rent amount shown in the table is among the figures used to make benefit and budget projections for the Plan. This amount is, naturally, subject to change according to the market rates prevailing at the time of displacement.

2. Summary

Considering the above-described availability of replacement housing resources gathered, it appears that there are more than adequate replacement housing resources for the residential occupants. But, while adequate replacement resources exist, based on survey results of rental opportunities and the tenants' current rents, the some of the tenant occupants will likely have an increase in monthly rent. Possible increases, if any, will be met through the Developer's obligation under applicable Relocation Laws, including Last Resort Housing (LHR) requirements. (See Section IV, E).

C. RELATED ISSUES

1. Concurrent Residential Displacement

There are no public projects scheduled in the City of Montebello for the third quarter of 2022 that may cause significant residential displacements, which would compete with the Project for needed housing resources. However, no residential displacee will be required to move without both adequate notice and access to available, affordable, decent, safe and sanitary housing.

IV. THE RELOCATION PROGRAM

The Developer's Relocation Program is designed to minimize hardship, be responsive to unique project circumstances, emphasize maintaining personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations and conform to all applicable requirements.

The Developer will retain OPC to administer the Relocation Program. OPC has worked on more than 5,000 public acquisition and relocation projects for over 43 years. Additionally, OPC has an extensive resume of housing, redevelopment and public works projects undertaken in Los Angeles County and other Southern California communities. Experienced Developer staff will monitor the performance of OPC and be responsible to approve or disapprove OPC recommendations concerning eligibility and benefit determinations and interpretations of the Developer's policy.

OPC staff will be available to assist any relocated person with questions about the relocation process, relocation counseling and/or assistance in relocating. An OPC relocation agent can be contacted at **(800) 400-7356** from 8:00 am to 5:00 pm Monday through Friday and is available via voicemail and/or cellular phone after hours. The Relocation Office is located at **5000 Airport Plaza Drive, Suite 250, Long Beach, CA 90815.**

The Relocation Program consists of two principal constituents: Advisory Assistance and Financial Assistance.

A. ADVISORY ASSISTANCE

Advisory assistance services are intended to:

1. inform displacees about the relocation program;

2. help in the process of finding appropriate replacement accommodations;

3. facilitate claims processing;

4. maintain a communication link with the Developer;

5. coordinate the involvement of outside service providers.

To follow through on the advisory assistance component of the relocation program and assure that the Developer meets its obligations under the Relocation Laws, OPC staff will perform the following functions:

1. Distribute appropriate written information concerning the Developer's relocation program;

2. Inform the eligible households of the nature of, and procedures for, obtaining available Relocation Benefits (**Exhibit B**);

3. Determine the needs of each displacee eligible for assistance (including through personal interviews with the persons to be displaced);

4. Provide the eligible displacees with at least three referrals to comparable replacement housing within a reasonable time prior to displacement.

   Generally, a comparable replacement dwelling must satisfy the following criteria:

   The unit is decent, safe and sanitary - electrical, plumbing and heating systems are in good repair - no major, observable hazards or defects. The unit is adequate in size and is comparable to the acquired dwelling with respect to number of rooms, habitable living space and type and quality of construction, but not lesser in rooms or living space as necessary to accommodate the displaced person. The unit is functionally equivalent, including principle features.

   The unit is located in an area not subjected to unreasonable adverse environmental conditions from either natural, or man-made sources, and not generally less desirable with respect to public utilities, transportation, public and commercial facilities, including schools and municipal services and reasonably accessible to the displaced person's place of employment.

   The unit is available both on the private market and to all persons regardless of race, color, sex, marital status, religion or, national origin.

   The monthly rental rate is within the financial means of the displaced residential tenant.

5. Maintain an updated database of available housing resources, and distribute referral information to displacees for the duration of the Project;

6. Provide transportation to the residential displacees, if necessary, to inspect replacement sites within the local area;

7. Inspect replacement housing to assure it meets decent, safe and sanitary standards as described in the Relocation Laws;

8. Supply information concerning federal and state programs and other governmental programs providing assistance to displaced persons;

9. Assist eligible occupants in the preparation and submission of relocation assistance claims;

10. Provide additional reasonable services necessary to successfully relocate occupants;

11. Make benefit determinations and payments in accordance with applicable law and the Developer's adopted relocation guidelines;

12. Assure that no occupant is required to move without a minimum of 90 days written notice to vacate;

13. Inform all persons subject to displacement of the Developer's policies with regard to eviction and property management;

14. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the Developer's decisions with respect to relocation assistance; and

15. Provide assistance that does not result in different or separate treatment based on or due to an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

B. RELOCATION BENEFITS

As a function of a comprehensive relocation assistance program, relocation staff will provide the displaced tenants with required technical and advisory assistance and distribute all required notices and the informational statement (**Exhibit B**). Close contact will be maintained with the residents.

The Developer will provide relocation assistance as directed by the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended, HUD Handbook 1378, the implementing regulations at 24 Code of Federal Regulations, Part 42, California Relocation Assistance Law, Government Code Section 7260, et seq. (Law), and the Relocation Assistance and Real Property Acquisition Guidelines adopted by the Department of Housing and Community Development as in Title 25, California Code of Regulations Section 6000, et seq. (Guidelines), collectively the "Relocation Laws". The Developer will pay benefits to the claimants upon submission of required claim forms and documentation in accordance with the Developer's approved procedures.

Specific eligibility requirements and benefit plans will be detailed on an individual basis with all displacees. In the course of a personal interview and follow-up visits, each displacee will be counseled as to available options and the consequences of any choice with respect to financial assistance.

The Developer will process advance payment requests to mitigate hardships for tenants who do not have access to sufficient funds to pay move-in costs such as first month's rent and/or security deposits. Approved requests will be processed expeditiously to help avoid the loss of desirable, appropriate replacement housing.

1. Residential Moving Expense Payments

All residential occupants to be permanently relocated will be eligible to receive a payment for moving expenses. Moving expense payments will be made based upon the actual cost of a professional move or a fixed payment based on a room-count schedule or a combination of both.

a. Actual Cost (Professional Move)

Displacees may elect to have a licensed professional mover perform the move. The actual cost of the moving services, based on at least two acceptable bids, will be compensated by the Developer in the form of a direct payment to the moving company upon presentation of an invoice. Transportation costs are limited to a distance of 50 miles in either case. In addition to the actual move, costs associated with utility reconnections (i.e., gas, water, electricity, telephone, and cable, if any), are eligible for reimbursement.

b. Fixed Payment (based on Room Count Schedule)

An occupant may elect to receive a fixed payment for moving expenses which is based on the number of rooms occupied in the displacement dwelling. In this case, the person to be relocated takes full responsibility for the move. The fixed payment includes all utility connections as described in Paragraph B.1.a., above.

The current schedule for fixed moving payments is set forth in **Table 2** following:

TABLE 2: Schedule of Fixed Moving Payments									
Unfurnished Dwelling									
Room count	1	2	3	4	5	6	7	8	Each additional
Amount	$780	$1,000	$1,250	$1,475	$1,790	$2,065	$2,380	$2,690	$285
Furnished Dwelling									
Room count	1	each additional							
Amount	$510	$100							

2. Rental Assistance to Tenants Who Choose to Rent

To be eligible to receive rental assistance benefits, a displaced tenant household must rent or purchase and occupy decent, safe, and sanitary comparable replacement dwelling within one year from the date they move from the displacement dwelling.

Based upon the available data regarding Project displacees, the displaced households may qualify for, and may be eligible to apply for, relocation benefits under URA and/or State provisions. Except in the case of Last Resort Housing situations, the potential payment to the household will be payable over a 42-month period and limited to a maximum of $7,200 as stated under URA guidelines. The relocation program is explained in detail in the informational brochure to be provided to each permanently displaced household (**Exhibit B**).

Rental Assistance payment amounts are equal to 42 times the difference between the base monthly rent and the lesser of:

(i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or

(ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.

The base monthly rent for the displacement dwelling is the lesser of:

(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Developer. For households, who paid little or no rent, fair market rent will be used as a substitute for actual rent; or

(ii) Thirty percent (30%) of the displaced person's average, monthly gross household income, **if the amount is classified as "low income" by the U. S. Department of Housing and Urban Development's (HUD) Annual Survey of Income Limits for the Public Housing and Section 8 Programs (under the URA)** or adjusted gross monthly income under the State Guidelines**.** (HUD's Survey is shown as **Exhibit A**.) If a displaced household earns more than the amount that would qualify them as a "low income" household, refuses to provide appropriate evidence of income, or is a dependent, the base monthly rent shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling; or

(iii) The total of the amount designated for shelter and utilities if receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.

Table 3 on the following page portrays the benefits determination under the Relocation Laws:

TABLE 3: Example Computation of URA/Title 25 Rental Assistance Payments		
1. Old Rent	$650	Old Rent and Utilities
	or	
2. Ability to Pay	$700	30% of the Gross Household Income (for Low Income Households-URA) or Adjusted Gross Income* (for Title 25)
3. Lesser of lines 1 **or** 2	**$650**	Base Monthly Rental
Subtracted From:		
4. Actual New Rent	$750	Actual New Rent and Utilities
	or	
5. Comparable Rent	$775	Determined by Developer (includes utilities)
6. Lesser of lines 4 **or** 5	**$750**	
7. Yields Monthly Need:	**$100**	Subtract line 3 from line 6
Rental Assistance	**$4,200**	**Multiply line 7 by 42 months**

*Gross adjusted income means the total amount of annual income of a household less the following: (1) a deduction for each dependent in excess of three; (2) a deduction of 10% of total income for the elderly or disabled head of household; (3) a deduction for recurring extraordinary medical expenses defined for this purpose to mean medical expenses in excess of 3% of total income, where not compensated for, or covered by insurance or other sources; (4) a deduction of reasonable amounts paid for the care of children or sick or incapacitate family members when determined to be necessary to employment of head of household or spouse, except that the amount shall not exceed the amount of income received by the person who would not otherwise be able to seek employment in the absence of such care.

3. Downpayment Assistance to Tenants Who Choose to Purchase

A displaced household may opt to apply the entire benefit amount for which they are eligible toward the purchase of a replacement unit (URA, at 49 CFR 24.402(b) and HUD Handbook 1378).

If a displaced household chooses to utilize up to the full amount of rental assistance eligibility (including any Last Resort benefits) to purchase a home, it may have the funds deposited in an open escrow account, provided that the entire amount is used for the downpayment and eligible, incidental costs associated with the purchase of a decent, safe, and sanitary replacement home. A provision shall be made in the escrow arrangements for the prompt return of the Developer funds, in the event escrow should fail to close within a reasonable period of time.

Final determination about the type of relocation benefits and assistance for which the households are eligible will be determined upon verification of the households' occupants and incomes.

C. PROGRAM ASSURANCES AND STANDARDS

Adequate funds are available to permanently relocate the eligible Project households. Tax credit proceeds will be used to pay relocation benefits. Relocation assistance services will be provided to ensure that displacement does not result in different or separate treatment of households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the California Fair Employment & Housing Act, and the Unruh Act, as well as any other arbitrary or unlawful discrimination.

D. GENERAL INFORMATION REGARDING THE PAYMENT OF RELOCATION BENEFITS

Claims and supporting documentation for relocation benefits must be filed with the Developer no later than 18 months after the date of displacement.

The procedure for the preparation and filing of claims and the processing and delivery of payments will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance;

2. Developer staff will review all necessary documentation including, but not limited to, rental agreements or lease documents, moving bids, invoices and escrow material before reaching a determination as to which expenses are eligible for compensation;

3. Required claim forms will be prepared by OPC staff and presented to the claimants for review. Signed claims and supporting documentation will be returned to relocation staff and submitted to the Developer;

4. The Developer will review and approve claims for payment, or request additional information;

5. The Developer will issue benefit checks to claimants in the most secure, expeditious manner possible, wherein the Developer will issue checks to OPC staff to personally deliver the checks to the households and secure Receipts of Payment;

6. Final payments to residential displacees will be issued after confirmation that the Project premises have been completely vacated, and actual residency at the replacement unit is verified;

7. Receipts of payment and all claim material will be maintained in the relocation case file.

E. LAST RESORT HOUSING

Based on data derived from the surveys and analyses of the occupants in the Project area and costs of replacement housing resources, it is anticipated that "comparable replacement housing" will not be available, because the computed replacement housing assistance eligibility exceeds $7,200 and the estimated replacement dwelling monthly rental costs (including utilities) exceed 30% of the households' average gross monthly income.

Therefore, if the Project proceeds, the Developer will authorize sufficient funds to provide housing of last resort to eligible displaced households. Due to the demonstrated number of available replacement housing resources for the displaced households, as shown above in Section III, B - 1, the need to develop a replacement housing plan to produce sufficient number of comparable replacement dwellings will not be necessary. Rather, funds will be used to make payments in excess of the monetary limits specified in the statute ($7,200); hence, satisfying the requirement that "comparable replacement housing" is available.

The Developer, at its discretion, may opt to pay Last Resort Housing payments in installments or in a lump sum. Recipients of Last Resort rental assistance, who intend to purchase rather than rent replacement housing, will have the right to request a lump sum payment of all benefits in the form of downpayment assistance, as described above, to assist with the purchase of a decent, safe and sanitary dwelling.

F. IMMIGRATION STATUS

Federal legislation (PL105-117) prohibits the payment of relocation assistance benefits under the Uniform Act to any alien not lawfully present in the United States unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child any of whom is a citizen or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the Developer to negatively affect the alien's spouse, parent or child. However, the Developer will authorize the payment of relocation assistance benefits to any otherwise eligible residential displacees from non-federally authorized reimbursable funds.

In order to track and account for relocation assistance and benefit payments, Developer staff will be required to seek immigration status information from each displacee aged 18 years or older by having them certify as to their legal status.

G. RELOCATION TAX CONSEQUENCES

In general, relocation payments are not considered income for the purpose of Division 2 of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986 (Title 26, U. S. Code), or for the purpose of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act (42 U. S. Code 301 et seq.) or the Personal Income Tax Law, Part 10 (commencing with Section 17001) of the Revenue and

Taxation Code, or the Bank and Corporation Tax Law, Part II (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code. The above statement on tax consequences is not intended as tax advice by the Developer. Tenants are responsible for consulting with their own tax advisors concerning the tax consequences of relocation payments.

V. ADMINISTRATIVE PROVISIONS

A. NOTICES

Each notice, which the Developer is required to provide to a Project site occupant, shall be personally delivered or sent by certified or registered first-class mail, return receipt requested and documented in the case file. Each notice will be written in plain, understandable language.

Persons who are unable to read and understand any notice will be provided with appropriate translation and counseling. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. There are four principal notices:

1) General Information Notice
2) Informational Statement
3) Notice of Eligibility
4) Ninety-Day Notice to Vacate

The General Information Notice (GIN) is intended to provide potential relocatees with a general written description of the Developer's relocation program and basic information concerning benefits, conditions of eligibility, noticing requirements and appeal rights (**Exhibit C**). The GIN is issued as early as is feasible in the initial stages of a Project, preferably, the planning stage. GINs were mailed certified and regular mail to both households in February 2021.

The Informational Statement is intended to provide potential relocatees with a general written description of the Developer's relocation program and basic information concerning benefits, conditions of eligibility, noticing requirements and appeal rights (**Exhibit B**).

A Notice of Relocation Eligibility (NOE) will be distributed to each eligible permanent displace (**Exhibit D**). The NOE to the residential relocatee contains a determination of eligibility for relocation assistance and a computation of a maximum entitlement based on information provided by the affected household and the analysis of comparable replacement properties undertaken by OPC staff. The NOEs will be issued to any eligible permanent displacee, once the entire Project site has been secured by the Developer and the Project funding is in place.

No lawful occupant will be required to permanently move without having received at least 90 days advance written notice of the earliest date by which the move will be necessary (**Exhibit E**). The 90-day notice will either state a specific date as the earliest date by which the occupant may be required to move or state that the occupant will receive a further notice indicating, at least 60 days in advance, the specific date of the required move. The 90-day notice will not be issued to any residential displacee before a comparable replacement dwelling has been made available.

In addition to the four principal notices, OPC will issue a timely written notification in the form of a Reminder Notice, which discusses the possible loss of rights and sets the expiration date for the loss of benefits to those persons who:

1) are eligible for monetary benefits,
2) have moved from the acquired property, and
3) have not filed a claim for benefits.

Reminder Notices will be issued periodically throughout the qualification period, as appropriate. An attempt shall be made to make written contact with all non-responsive relocatees no later than within the last six months prior to the filing expiration date.

B. PRIVACY OF RECORDS

All information obtained from the tenants is considered confidential and will not be shared without the consent of the tenants or the Developer. Developer staff will comply with federal regulations concerning the safeguarding of relocation files and their contents.

C. GRIEVANCE PROCEDURES

The Developer' Relocation Appeals process will be consistent with the Provisions of Article 5 of the State relocation guidelines (Appendix A) and 6150-6176. The right to appeal shall be described in all relocation explanatory material distributed to displacees.

As required under the State relocation guidelines, displacees will have the right to ask for administrative review when they believe themselves aggrieved by a determination as to eligibility, payment amounts, and the failure to provide comparable replacement housing referrals or the Developer' property management practices.

Requests for administrative review and informal hearings will be directed to the Developer's Director of Business Development. All requests for review will receive written responses from the Developer within three weeks of their receipt. If an informal appeal is denied, appellants will be entitled to file a written request for a formal hearing before an impartial and independent hearing officer.

The appellant does not have to exhaust administrative remedies first; the appeal/grievance can either go directly to the city, directly to HCD or directly to the Court. Any person and/or organization directly affected by the relocation plan may petition the Department of Housing and Community Development (HCD), located at 2020 West El Camino Ave., Sacramento, CA 95833 to review the relocation plan.

More detail concerning the appeals process will be provided upon request. Appellants will retain their appeal rights for up to 18 months following the date of displacement from the Project premises or receipt of final payment for relocation benefits, whichever is later.

D. EVICTION POLICY

1. Eviction may cause the forfeiture of a displacee's right to relocation assistance or benefits. Relocation records will be documented to reflect the specific circumstances surrounding any eviction action.

2. Eviction may be undertaken for one or more of the following reasons:

   (a) Failure to pay rent, except in those cases where the failure to pay is due to the owner's failure to keep the premises in habitable condition, is the result of harassment or retaliatory action, or is the result of discontinuation or a substantial interruption of services;
   (b) Performance of a dangerous and/or illegal act in the unit;
   (c) A material breach of the rental agreement and failure upon notification to correct said breach within 30 days of Notice;
   (d) Maintenance of a nuisance and failure to abate such nuisance upon notification within a reasonable time following Notice;
   (e) Refusal to accept one of a reasonable number of offers of replacement dwellings; and/or,
   (f) A requirement under State or local law or emergency circumstances that cannot be prevented by reasonable efforts on the part of the Developer.

E. CITIZEN/RESIDENT PARTICIPATION

As the process for considering the Project moves forward, the Developer will observe the following protocol:

1. Provide affected tenants with full and timely access to documents relevant to the relocation program in both English and Spanish, as needed;

2. Encourage meaningful participation in reviewing the relocation plan and monitoring the relocation assistance program; including the Project area occupants, neighborhood groups and community organizations forming a relocation committee (due to only two displacements, a relocation committee was not formed);

3. Provide technical assistance necessary to interpret elements of the relocation program;

4. Issue a general notice concerning the availability of the Plan for public review, as required, 30 days prior to its proposed approval (both households will receive a copy of the Relocation Plan and an Advisory Notice (**Exhibit E**)); and

5. Include written or oral comments concerning the Plan as an attachment (**Exhibit F**) when it is forwarded to the City of Montebello for approval.

F. PROJECTED DATE OF DISPLACEMENT

The Developer anticipates that date specific Notices to Vacate will not be issued prior to **August 2022**.

G. ESTIMATED RELOCATION COSTS

The total budget estimate for permanent relocation-related payments for this Project is **$120,000.**

The estimated relocation budget **does not** include any payments related to property acquisition. The estimated cost does include the cost of services necessary to implement the Plan and complete the relocation element of the Project.

If the Project is implemented, and circumstances arise that should change either the number of Project occupants, or the nature of their activity, the Developer will authorize any additional funds that may need to be appropriated. The Developer pledges to appropriate, on a timely basis, the funds necessary to ensure the successful completion of the Project, including funds necessary for LRH as indicated in Section IV, E, of this Plan to meet its obligation under applicable Relocation Laws.

EXHIBIT A

HUD INCOME LIMITS – LOS ANGELES COUNTY

The following figures are approved by the U. S. Department of Housing and Urban Development (HUD) for use in the **County of Los Angeles** to define and determine housing eligibility by income level.

Area Median Income: $80,000			
Family Size	**Extremely Low**	**Very Low**	**Lower**
1 Person	18,950	31,550	50,500
2 Person	21,650	36,050	57,700
3 Person	24,350	40,550	64,900
4 Person	27,050	45,050	72,100
5 Person	29,250	48,700	77,900
6 Person	32,960	52,300	83,650
7 Person	37,140	55,900	89,450
8 Person	41,320	59,500	95,200

Figures are per the Department of Housing and Urban Development, updated in April 2021.

EXHIBIT B

INFORMATIONAL BROCHURE

Relocation Assistance Informational Statement for Families and Individuals

(Federal)

Developer:
Vista Del Monte Affordable Housing, Inc.

Project Name:
6th Street Grand Project

Developer Representative:

Overland, Pacific & Cutler, LLC
5000 Airport Drive, Suite 250
Long Beach, CA 90815
Phone: (800) 400-7356

Informational Statement Content:

1. General Information
2. Assistance In Locating A Replacement Dwelling
3. Moving Benefits
4. Replacement Housing Payment - Tenants And Certain Others
5. Section 8 Tenants
6. Replacement Housing Payment – Homeowners
7. Qualification For And Filing Of Relocation Claims
8. Last Resort Housing Assistance
9. Rental Agreement
10. Evictions
11. Appeal Procedures – Grievance
12. Tax Status of Relocation Benefits
13. Legal Presence Requirement
14. Non-Discrimination and Fair Housing
15. Additional Information And Assistance Available

Spanish speaking representatives are available. Si necesita esta información en español, por favor llame a su representante.

Informational Statement for Families and Individuals

(Federal)

1. GENERAL INFORMATION

The dwelling in which you now live is in a project area to be improved by, or financed through, the Developer using federal and state funds. If and when the project proceeds, and it is necessary for you to move from your dwelling, you may be eligible for certain benefits. You will be notified in a timely manner as to the date by which you must move. Please read this information, as it will be helpful to you in determining your eligibility and the amount of the relocation benefits you may receive under the federal law. You will need to provide adequate and timely information to determine your relocation benefits. The information is voluntary, but if you don't provide it, you may not receive the benefits or it may take longer to pay you. We suggest you save this informational statement for reference.

The Developer has retained the professional firm of **Overland, Pacific & Cutler, LLC (OPC)** to provide relocation assistance to you. The firm is available to explain the program and benefits. Their address and telephone number is listed on the cover.

PLEASE DO NOT MOVE PREMATURELY. THIS IS NOT A NOTICE TO VACATE YOUR DWELLING. However, if you desire to move sooner than required, you must contact your representative with OPC, so you will not jeopardize any benefits. This is a general informational brochure only and is not intended to give a detailed description of either the law or regulations pertaining to the Developer's relocation assistance program.

Please continue to pay your rent to your current landlord, otherwise you may be evicted and jeopardize the relocation benefits to which you may be entitled to receive. Once the Developer acquires the property, you will also be required to pay rent to the Developer.

2. ASSISTANCE IN LOCATING A REPLACEMENT DWELLING

The Developer, through its representatives, will assist you in locating a comparable replacement dwelling by providing referrals to appropriate and available housing units. You are encouraged to actively seek such housing yourself. When a suitable replacement dwelling unit has been found, your relocation agent will carry out an inspection and advise you as to whether the dwelling unit meets decent, safe and sanitary housing requirements. A decent, safe and sanitary housing unit provides adequate space for its occupants, proper weatherproofing and sound heating, electrical and plumbing systems. Your new dwelling must pass inspection before relocation assistance payments can be authorized.

3. MOVING BENEFITS

If you must move as a result of displacement by the Developer, you will receive a payment to assist in moving your personal property. The actual, reasonable and necessary expenses for moving your household belongings may be determined based on the following methods:

- A Fixed Moving Payment based on the number of rooms you occupy (see below); **or**
- A payment for your Actual Reasonable Moving and Related Expenses based on at least two written estimates and receipted bills; **or**
- A combination of both (in some cases).

For example, you may choose a Self-Move, receiving a payment based on the Fixed Residential Moving Cost Schedule shown below, plus contract with a professional mover to transport your grand piano and /or other items that require special handling. In this case, there may be an adjustment in the number of rooms which qualify under the Fixed Residential Moving Cost Schedule.

A. **Fixed Moving Payment (Self-Move)**

A Fixed Moving Payment is based upon the number of rooms you occupy and whether or not you own your own furniture. The payment is based upon a schedule approved by the Developer, and ranges, for example, from $475.00 for one furnished room to $2,505.00 for eight rooms in an unfurnished dwelling. (For details see the table). Your relocation agent will inform you of the amount you are eligible to receive, if you choose this type of payment.

If you select a fixed payment, you will be responsible for arranging for your own move, and the Developer will assume no liability for any loss or damage of your personal property. A fixed payment also includes utility hook-ups and other related moving fees.

B. **Actual Moving Expense (Commercial Move)**
If you wish to engage the services of a licensed commercial mover and have the Developer pay the bill, you may claim the ACTUAL cost of moving your personal property up to 50 miles. Your relocation agent will inform you of the number of competitive moving bids (if any) which may be required and assist you in developing a "mover" scope of services for Developer approval.

Fixed Moving Schedule **CALIFORNIA (Effective 2021)**	
Occupant Owns Furniture:	
1 room	$780
2 rooms	$1,000
3 rooms	$1,250
4 rooms	$1,475
5 rooms	$1,790
6 rooms	$2,065
7 rooms	$2,380
8 rooms	$2,690
Each additional room	$285
Occupant does NOT Own Furniture:	
1 room	$510
Each additional room	$100

4. REPLACEMENT HOUSING PAYMENT – TENANTS AND CERTAIN OTHERS

You may be eligible for a payment up to $7,200.00 to assist in renting or purchasing a comparable replacement dwelling. In order to qualify, you must either be a tenant or owner who has occupied the present dwelling for at least 90 days immediately prior to the initiation of negotiations.

A. **Rental Assistance.** If you **wish to rent** your replacement dwelling, your maximum rental assistance benefits will be based upon the difference over a forty-two (42) month period between the rent you must pay for a comparable replacement dwelling and the lesser of your current rent

or thirty percent (30%) of your monthly household income if your total gross income is classified as "low income" by the U. S. Department of Housing and Urban Development's (HUD) Annual Survey of Income Limits for Public Housing and Section 8 Programs. You will be required to provide your relocation agent with monthly rent and household income verification prior to the determination of your eligibility for this payment.

- OR –

B. **Down-payment Assistance.** If you qualify, and **wish to purchase** a home as a replacement dwelling, you can apply up to the total amount of your rental assistance payment towards the down-payment and non-recurring incidental expenses. Your relocation agent will clarify procedures necessary to apply for this payment.

5. SECTION 8 TENANTS

When you do move, you may be eligible to transfer your Section 8 eligibility to a replacement site. In such cases, a comparable replacement dwelling will be determined based on your family composition at the time of displacement and the current housing program criteria. This may not be the size of the unit you currently occupy. Your relocation agent will provide counseling and other advisory services along with moving benefits.

6. REPLACEMENT HOUSING PAYMENT - HOMEOWNERS

A. If you own and occupy a dwelling to be purchased by the Developer for **at least 90 days** prior to the initiation of negotiation, you may be eligible to receive a payment of up to $31,000.00 to assist you in purchasing a comparable replacement unit. This payment is intended to cover the following items:

1. **Purchase Price Differential** - An amount which, when added to the amount for which the Developer purchased your property, equals the lesser of the actual cost of your replacement dwelling; **or** the amount determined by the Developer as necessary to purchase a comparable replacement dwelling. Your relocation agent will explain both methods to you.

2. **Mortgage Interest Differential** - The amount which covers the increased interest costs, if any, required to finance a replacement dwelling. Your relocation agent will explain limiting conditions.

3. **Incidental Expenses** - Those one time incidental costs related to purchasing a replacement unit, such as escrow fees, recording fees, and credit report fees. Recurring expenses such as prepaid taxes and insurance premiums are not compensable.

B. **Rental Assistance Option** - If you are an owner-occupant and choose to rent rather than purchase a replacement dwelling, you may be eligible for a rental assistance payment of up to the amount that you could have received under the Purchase Price Differential, explained above. The payment will be based on the difference between the fair market rent of the dwelling you occupy and the rent you must pay for a comparable replacement dwelling.

If you receive a rental assistance payment, as described above, and later decide to purchase a replacement dwelling, you may apply for a payment equal to the amount you would have received

if you had initially purchased a comparable replacement dwelling, less the amount you have already received as a rental assistance payment.

7. QUALIFICATION FOR, AND FILING OF, RELOCATION CLAIMS

To qualify for a Replacement Housing Payment, you must rent or purchase and occupy a comparable replacement unit **within one year from the following:**

- For a tenant, the date you move from the displacement dwelling.
- For an owner-occupant, the latter of:
  - **a.** The date you receive final payment for the displacement dwelling, or, in the case of condemnation, the date the full amount of estimated just compensation is deposited in court; **or**
  - **b.** The date the Developer fulfills its obligation to make available comparable replacement dwellings.

All claims for relocation benefits must be filed with the Developer **within eighteen (18) months** from the date on which you receive final payment for your property, or the date, on which you move, whichever is later.

8. LAST RESORT HOUSING ASSISTANCE

If comparable replacement dwellings are not available when you are required to move, or if replacement housing is not available within the monetary limits described above, the Developer will provide Last Resort Housing assistance to enable you to rent or purchase a replacement dwelling on a timely basis. Last Resort Housing assistance is based on the individual circumstances of the displaced person. Your relocation agent will explain the process for determining whether or not you qualify for Last Resort assistance.

If you are a tenant, and you choose to purchase rather than rent a comparable replacement dwelling, the entire amount of your rental assistance and Last Resort eligibility must be applied toward the down-payment and eligible incidental expenses of the home you intend to purchase.

9. RENTAL AGREEMENT

As a result of the Developer's action to purchase the property where you live, you may become a tenant of the Developer. If this occurs, you will be asked to sign a rental agreement which will specify the monthly rent to be paid, when rent payments are due, where they are to be paid and other pertinent information.

10. EVICTIONS

Eviction for cause must conform to applicable State and local law. Any person who occupies the real property and is not in unlawful occupancy on the date of initiation of negotiations, is presumed to be entitled to relocation benefits, unless the Developer determines that:

- The person received an eviction notice prior to the initiation of negotiations and, as a result, was later evicted; or
- The person is evicted after the initiation of negotiations for serious or repeated violation of

material terms of the lease; and
- The eviction was not undertaken for the purpose of evading relocation assistance regulations.

Except for the causes of eviction set forth above, no person lawfully occupying property to be purchased by the Developer will be required to move without having been provided with at least 90 days written notice from the Developer.

11. APPEAL PROCEDURES - GRIEVANCE

Any person aggrieved by a determination as to eligibility for, or the amount of, a payment authorized by the Developer's Relocation Assistance Program may have the appeal application reviewed by the Developer in accordance with its appeals procedure. Complete details on appeal procedures are available upon request from the Developer.

12. TAX STATUS OF RELOCATION BENEFITS

California Government Code Section 7269 indicates no relocation payment received shall be considered as income for the purposes of the Personal Income Tax Law, Part 10 (commencing with Section 170 01) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax law, Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code. Furthermore, federal regulations (49 CFR Part 24, Section 24.209) also indicate that no payment received under this part (Part 24) shall be considered as income for the purpose of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986. The preceding statement is not tendered as legal advice in regard to tax consequences, and displacees should consult with their own tax advisor or legal counsel to determine the current status of such payments.

(IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting marketing or recommending to another party any matters addressed herein)

13. LAWFUL PRESENCE REQUIREMENT

In order to be eligible to receive relocation benefits in federally-funded relocation projects, all members of the household to be displaced must provide information regarding their lawful presence in the United States. Any member of the household who is not lawfully present in the United States or declines to provide this information may be denied relocation benefits, unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child, any of whom is a citizen or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the Developer to negatively affect the alien's spouse, parent or child. Relocation benefits will be prorated to reflect the number of household members with certified lawful presence in the US. However, all displaced tenants will be eligible for relocation assistance under the **State Relocation program** regardless of legal presence status.

14. NON-DISCRIMINATION AND FAIR HOUSING

No person shall on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Developer's relocation assistance program pursuant to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and other applicable state and federal anti-discrimination and fair housing laws. You may file a complaint if you believe you have been subjected to discrimination. For details contact the Developer.

15. ADDITIONAL INFORMATION AND ASSISTANCE AVAILABLE

Those responsible for providing you with relocation assistance hope to assist you in every way possible to minimize the hardships involved in relocating to a new home. Your cooperation will be helpful and greatly appreciated. If you have any questions at any time during the process, please do not hesitate to contact your relocation agent at OPC.

EXHIBIT C

GENERAL INFORMATION NOTICE

General Information Notice

Residential Occupant to Be Displaced

<<DATE>>

<<Name>> and All Other Occupants
_____ S. 6th Street
Montebello, CA 90640

Dear Occupant(s):

Vista Del Monte Affordable Housing, Inc. ("Developer") is interested in acquiring the property you currently occupy at **_____ S. 6th Street, Montebello, CA 90640,** for the development of an affordable housing property (Project). The Developer may receive Project Based Vouchers (PBV) from the US Department of Housing and Urban Development (HUD) as well as other non-federal funding. This notice is to inform you of your rights under federal and/or state law.

If the Developer acquires the property and you are displaced for the Project, you will be eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended and California Relocation Assistance Law (Sec 7260 et. seq. of the CA Government Code.

However, you do not have to move now.
This is not a notice to vacate the premises or a notice of relocation eligibility.

The Developer has retained the professional firm of **Overland, Pacific & Cutler, LLC (OPC)** to represent the Developer and assist you in the relocation process. We are in the process of preparing a Relocation Plan to address the impacts relocation would have on current site occupants and to present the relocation assistance to be offered to eligible tenants.

If you rent your unit, you should continue to pay your monthly rent to your landlord because failure to pay rent and meet your obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a unit before receiving formal notice of eligibility for relocation assistance. If you move or are evicted before receiving such notice, you will not be eligible to receive relocation assistance. Please contact us before you make any moving plans.

If the Developer acquires the property and you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement dwelling. Any person aggrieved by a determination as to eligibility for, or the amount of, a payment authorized by the Developer's Relocation Assistance Program may have the appeal application reviewed by the Developer in accordance with its appeals procedure. Complete details on appeal procedures are available upon request from the Developer.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. If the Developer decides not to purchase the property, you will be notified in writing.

If you have any questions about this or any other relocation issues, please contact Ada Fernandez (OPC) at <<AGENT PHONE NUMBER>>. Your relocation agent will assist you with scheduling an appointment for a relocation interview.

Sincerely,



Dr. Michele Folk, SR/WA, R/W-RAC, R/W-URAC
Senior Vice President
Overland, Pacific & Cutler, LLC

_____ Delivered on/by: _____/_____
Received by

X_____ Posted on/by: _____/_____
Recipient's Signature

_____ Mailed/receipt received on: _____/_____
Date

EXHIBIT D

NOTICE OF ELIGIBIITY

Notice of Eligibility and Conditional Entitlement

Tenant-Occupant (Federal)

<<DATE>>

<<NAME>>
____ S. 6th Street
Montebello, CA 90640

Your OPC Relocation Agent	
Name:	**<<AGENT NAME>>**
Phone:	**(800) 400-7356**
Your Case ID:	**<<CASE ID>>**

Dear <name>>

Vista Del Monte Affordable Housing, Inc. (called here the "Developer") is proceeding with the project known as **6th Street Grand Project**. To carry out this project, it will be necessary for you to relocate from your dwelling at **_____ S. 6th Street, Montebello, CA 90640**.

You will not be required to move without at least 90 days advance written notice of the day by which you must vacate. However, you can contact us at any time for assistance with your move and to receive the benefits for which you are eligible.

This is a notice of eligibility for relocation assistance. You are eligible for relocation assistance and benefits under the Developer's Relocation Assistance Program.

When you do move, and depending on your eligibility for specific programs, you may choose assistance under **either** the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), **or** the California Code of State Regulations Title 25, Division 1, Chapter 6 (Title 25).

Due to the federal funding of this project, under the URA, persons not lawfully present in the United States are not eligible for relocation payments or advisory assistance, unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child any of whom is a citizen or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the Developer to negatively affect the alien's spouse, parent or child. Under Title 25, this requirement does not apply.

Therefore, the entitlements stated below under the URA will reflect the number of legally present persons that have been identified in the Certification of Lawful Presence in the U.S. form provided by you, and/or persons for whom a hardship exemption has been approved. Under the URA, there are **<<#>>** household members out of the total of **<<#>>** who are entitled to assistance and benefits. This eligible household members are <<NAME>>.

Additional information about your benefits was previously provided to you in the Informational Statement. You are eligible to receive the following benefits:

RELOCATION ADVISORY ASSISTANCE provided by Overland, Pacific & Cutler, LLC (OPC), a professional firm hired by the Developer to provide relocation assistance to you, such as referrals to replacement housing and help with filing for benefits.

MOVING EXPENSES: You will receive a payment to assist in moving your personal property.

You may select one of the following payments:

Under the URA

A. A Fixed Moving Payment based on the number of rooms you occupy (from Informational Statement). Your entitlement under this option for **<<#>>** rooms is **$_____ (#/#) or**
B. A payment for your Actual Reasonable Moving and Related Expenses based on at least two written estimates and receipted bills; **or**
C. A combination of both (in some cases).

Under Title 25

A. A Fixed Moving Payment based on the number of rooms you occupy (from Informational Statement). Your entitlement under this option for **<<#>>** rooms is **$_____ or**
B. A payment for your Actual Reasonable Moving and Related Expenses based on at least two written estimates and receipted bills; **or**
C. A combination of both (in some cases).

REPLACEMENT HOUSING ASSISTANCE: You are eligible for a replacement housing payment to rent or purchase a replacement home. The payment will be based on several factors, including the cost of a "comparable replacement dwelling" and your average household income.

You are entitled to choose a replacement housing payment under the URA or Title 25. These two options are explained below.

Replacement Housing Assistance Under the URA

If you choose assistance under the URA and rent replacement housing, you may file a claim for a **RENTAL ASSISTANCE** payment, equal to the difference between the monthly rent and utilities necessary to rent a comparable replacement dwelling (as determined by the Developer) and the base monthly rent, multiplied by 42 months (see table below).

A study was completed to determine the cost of a comparable replacement dwelling for eligible occupants most nearly representative of your current dwelling. The study indicated that the dwelling located at <<**ADDRESS>>** with a monthly rent and estimated utilities of **$_____** (rent of **$_____** and utilities of **$____**) was the most representative of your current dwelling.

Base monthly rent is defined as the lesser of:

(1) **$_____**, which represents the average monthly rent ($400) and average monthly utilities ($0) at your displacement dwelling (if you are paying little or no rent, the amount is based on the economic rental value of your dwelling); **or**
(2) **$_____**, which represents thirty (30) percent of your gross monthly household income if your household income is classified as "low income" by the U. S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs. (If "N/A", income was not used in the calculation because you have been determined to not be "low income" and/or are a dependent, or the income information provided was insufficient evidence of income.)

Based on the above, your base monthly rent amount is **$_____**, and your maximum rental assistance payment is calculated as follows:

Maximum URA Rental Assistance Payment Calculation		
1	Comparable Dwelling Cost	
2	Base Monthly Rent	
3	Monthly Difference (Line 1 minus Line 2)	
4	**Maximum payment (difference times 42 months)**	

Your actual payment depends on the cost of the replacement dwelling you decide to rent. If you rent and occupy a replacement dwelling that rents for **less** than the comparable dwelling, your rental assistance payment will be based on the actual cost of your replacement dwelling. If you rent and occupy a replacement dwelling that rents for **more** than the comparable dwelling, your rental assistance payment will be limited by the cost of the comparable dwelling.

Please find attached a listing of available comparable replacement dwellings that you may want to consider renting that reflect replacement housing needs under the URA. If you need any assistance or transportation to inspect these referrals, please contact the relocation agent identified below.

Replacement Housing Assistance Under Title 25

If you choose assistance under the State Regulations and rent replacement housing, you may file a claim for a **RENTAL ASSISTANCE** payment, equal to the difference between the monthly rent and utilities necessary to rent a comparable replacement dwelling (as determined by the Developer) and the base monthly rent, multiplied by 42 months.

A study was completed to determine the cost of a comparable replacement dwelling for eligible occupants most nearly representative of your current dwelling. The study indicated that the dwelling located at <<**ADDRESS>>** with a monthly rent and estimated utilities of **$_____** (rent of **$_____** and utilities of **$_____**) was the most representative of your current dwelling.

Base monthly rent is defined as the lesser of:

(1) **$_____**, which represents the average monthly rent ($_____) and average monthly utilities ($0) at your displacement dwelling (if you are paying little or no rent, the amount is based on the economic rental value of your dwelling); **or**
(2) **$_____**, which represents thirty (30) percent of your adjusted gross monthly household income. (If "N/A", income was not used in the calculation because you have been determined to not be "low income" and/or are a dependent, or the income information provided was insufficient evidence of income.)

Based on the above, your base monthly rent amount is **$_____** and your maximum rental assistance payment is calculated on the following page:

Maximum Title 25 Rental Assistance Payment Calculation		
1	Comparable Dwelling Cost	
2	Base Monthly Rent	
3	Monthly Difference (Line 1 minus Line 2)	
4	**Maximum payment (difference times 42 months)**	

Your actual payment depends on the cost of the replacement dwelling you decide to rent. If you rent and occupy a replacement dwelling that rents for **less** than the comparable dwelling, your rental assistance payment will be based on the actual cost of your replacement dwelling. If you rent and occupy a replacement dwelling that rents for **more** than the comparable dwelling, your rental assistance payment will be limited by the cost of the comparable dwelling.

If you BUY replacement housing (Downpayment Assistance)

You may use the amount of your rental assistance payment under either the URA or Title 25 for down payment assistance. Should you choose to buy (rather than rent) a decent, safe and sanitary replacement home under the URA or Title 25, you may use the full amount of your rental assistance payment (**$_____ URA**) or (**$_____ Title 25**), as calculated above for a down payment and incidental expenses (typically known as "closing costs") associated with the purchase of a replacement dwelling. Under the URA or Title 25, you are not limited in the type of home you choose.

If you have received any amount as rental supplements, then those amounts will be deducted from all eligible down payment calculations. Let us know if you would prefer to buy a replacement home, and we will help you find such housing.

To be eligible for a replacement housing payment described above, you must rent or purchase and occupy a decent, safe and sanitary replacement dwelling **within 12 months**, as well as file claims for replacement housing or moving payments **within 18 months** from the date you move from your displacement dwelling. **Failure to occupy the replacement dwelling or to submit claims within the above time limits could result in loss of moving and/or replacement housing benefits.**

You do not have to accept any dwelling referred to you by the Developer. You may choose your own replacement, but to qualify for relocation assistance payments it must first be inspected to assure that it meets the "decent, safe and sanitary" standards. For this reason, **DO NOT MOVE from your home and DO NOT CONTRACT to rent or purchase a replacement dwelling without first contacting your relocation agent**. The "decent, safe and sanitary" inspection is **not** a substitute for a professional housing inspection.

If you remain in occupancy of your present dwelling after the Developer has completed the purchase, you must continue to pay your rent to the Developer for the period of your tenancy, as well as meet all other conditions stated in your lease or rental agreement.

The Relocation Assistance Program is very complex. It is important that you carefully read and understand the matters explained in this notice and in the Informational Statement which was

provided to you. Any person aggrieved by a determination as to eligibility for, or the amount of, a payment authorized by the Developer's Relocation Assistance Program may have the appeal application reviewed by the Developer in accordance with its appeals procedure. Complete details on appeal procedures are available upon request from the Developer.

If at any time you have questions or need assistance, please contact your OPC relocation agent:

<<NAME>>
Relocation Agent
Overland, Pacific & Cutler, LLC
5000 Airport Plaza Drive, Suite 250
Long Beach, CA 90815
Phone (562) 304-2000

Sincerely,



Dr. Michele Folk
Senior Vice President
Overland, Pacific & Cutler, LLC

Attachment (referrals)

ACKNOWLEDGMENT BY OCCUPANTS I was personally contacted by the Relocation Agent for the Developer. I have been given a copy of this notice and I have had the available services and entitlements explained to me. I have been advised that the Relocation Agent will be available to assist me if any questions arise or assistance is needed.		
Name:	**Signature:**	**Date:**
I (We) elect to receive relocation benefits under the Uniform Relocation Act (URA). I understand my URA benefits include a Notice of Eligibility and Conditional Entitlement Letter (NOE) that states a maximum relocation benefit payment of **$_____ RAP and $_____ FMP.**		
Signature:		Date:
I (We) elect to receive relocation benefits under the State Regulations. I understand my State benefits include a Notice of Eligibility and Conditional Entitlement Letter (NOE) that states a maximum relocation benefit payment of **$_____ RAP and $_____ FMP.**		
Signature:		Date:

EXHIBIT E

NOTICE TO VACATE

90-Day Notice to Vacate and Termination of Tenancy

<<DATE>>

Your OPC Relocation Agent	
Name:	**<<AGENT NAME>>**
Phone:	**<<OFFICE PHONE>>**
Case ID:	**<<CASE ID>>**

<<NAME>>
____ S. 6th Street
Montebello, CA 90640

Dear <<NAME>>:

Vista Del Monte Affordable Housing, Inc. ("Property Owner") acquired the property which you occupy at **_____ S. 6th Street, Montebello, CA 90640** ("Premises"). The Property Owner has now determined that it will be necessary for you to vacate the Premises.

Notice is hereby given that the Property Owner elects to terminate your tenancy in ninety (90) days beginning <<90DAY START>> and ending <<90DAY END>> and you are hereby to quit and deliver up possession of the property you occupy on or before <<90DAY END>>, or 90 days after service of this notice, whichever date is later. If you do not vacate the Premises by that date, the Property Owner will initiate legal proceedings to recover possession of the Premises, along with any rents and damages.

During this period, **Overland, Pacific & Cutler, LLC (OPC)** will be available to provide assistance with referrals to replacement housing, coordination with movers, the processing of relocation benefit claim forms, and other tasks to help facilitate your relocation. Please contact your relocation agent listed above, if you have any questions regarding this notice or the relocation process. Upon vacating your unit, you are responsible for removing all of your personal property, delivering the Premises in satisfactory condition and turning in the keys to your relocation agent.

State law permits former tenants to reclaim abandoned personal property left at the former address of the tenant, subject to certain conditions. You may or may not be able to reclaim property without incurring additional costs, depending on the cost of storing the property and the length of time before it is reclaimed. In general, these costs will be lower the sooner you contact your former landlord after being notified that property belonging to you was left behind after you moved out.

Sincerely,

<<NAME>>
<<TITLE>>
Overland, Pacific & Cutler, LLC
Authorized Agent of Vista Del Monte Affordable Housing, Inc.
<<OFFICE ADDRESS>>
Phone <<OFFICE PHONE>>

_____ Delivered on/by: _____/_____
Received by

X_____ Posted on/by: _____/_____
Recipient's Signature

_____ Mailed/receipt received on: _____/_____
Date

EXHIBIT F

ADVISORY NOTICE



<<DATE>>

On behalf of Vista Del Monte Affordable Housing, Inc (the Developer), we are notifying you that the Relocation Plan for the 6th Street Grand Project is available for your review. We have enclosed a copy of the Relocation Plan.

If you have any questions or comments regarding the Relocation Plan or want assistance in understanding the proposed Relocation Program, please contact **<<NAME>>** of OPC at **(800) 400-7356**.

You will have a period of 30 days for public review and comment beginning <<DATE>>. All written comments regarding the plan should be submitted no later than **5:00 p.m., <<DATE>>** to:

<<NAME>>
OPC
5000 Airport Plaza Drive, Suite 250
Long Beach, CA 90815

Or

<<EMAIL ADDRESS>>

Once the Project has been approved to move forward, residents will be required to move. OPC staff will contact you to assist you throughout the relocation process. Please do not move before you have been contacted and informed of your eligibility status.

EXHIBIT G

PUBLIC COMMENTS & RESPONSES

Appraisal Of

112-132 S 6th Street
Montebello, CA 90640
APNs: 6349-005-901, 6349-005-900, 6349-005-902, 6349-005-006, 6349-005-903

Effective Date: December 7, 2021

Report Date: January 14, 2022

Mr. Steve Hernandez

Cesar Chavez Foundation

316 W. 2nd Street, Suite 600
Los Angeles, CA 90012

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January 14, 2022

Mr. Steve Hernandez
Cesar Chavez Foundation
316 W. 2nd Street, Suite 600
Los Angeles, CA 90012

Re: Appraisal of 112-132 S 6th Street
Montebello, CA 90640
APNs: 6349-005-901, 6349-005-900, 6349-005-902, 6349-005-006, 6349-005-903

Dear Mr. Hernandez:

We are pleased to present our findings with respect to the value of the above-referenced property. The intended user and client of this report is Cesar Chavez Foundation and their assigns. Additional intended users include the California Tax Credit Allocation Committee (TCAC)/California Debt Limits Allocation Committee (CDLAC), Department of Housing and Community Development (HCD), Los Angeles County Development Authority, and any other funding agencies, partnerships formed, and/or lenders. The intended use of the appraisal is for investment analysis. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without our express written consent.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report as defined by USPAP.

Our value conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

Special & Extraordinary Limiting Conditions

The valuation assumes the hypothetical condition that the site is vacant. A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. The use of the hypothetical conditions may affect assignment results.

As a result of our investigation and analysis, it is our opinion that subject to the limiting conditions and assumptions contained herein, our opinion of the market value of the fee simple interest in the Subject, free and clear of financing, as of December 7, 2021, is:

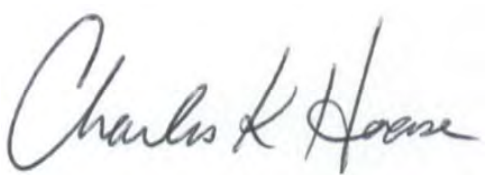
THREE MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS
$3,760,000

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

KINETIC VALUATION GROUP, INC.





Amanda Baker, MAI	Charles Haase
Appraiser	Appraiser
amanda@kvgteam.com	charlie@kvgteam.com
(402) 305-1693	(402) 750-1805
Certified General	Certified General
CA - 3002360	CA - 3004234
Expiration: 7/14/2022	Expiration: 12/21/2022

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ADDENDA

FACTUAL DESCRIPTION

Property Identification

The property appraised is located at the 112-132 S 6th Street, identified as a portion of Assessor's Parcel Numbers 6349-005-901, 6349-005-900, 6349-005-902, 6349-005-006, 6349-005-903, located in Montebello, Los Angeles County, CA. The breakdown of the different parcel information is illustrated in the table below.

Parcel Size Breakdown			
Address	**Parcel ID**	**Acres**	**Square Feet**
112 S 6th Street	6349005901	0.10	4,356
114 S 6th Street	6349005900	0.29	12,632
124 S 6th Street	6349005902	0.14	6,098
128 S 6th Street	6349005006	0.14	6,098
132 S 6th Street	6349005903	0.14	6,098

The developer plans to construct a total of 63 units that will be income-restricted, as per LIHTC guidelines. Parcel 6349005006 is currently improved with a duplex that will be razed prior to construction. Photos of the Subject have been included in the Addenda.

Intended Use and Intended Users of Appraisal

The intended user and client of this report is Cesar Chavez Foundation and their assigns. Additional intended users include the California Tax Credit Allocation Committee (TCAC)/California Debt Limits Allocation Committee (CDLAC), Department of Housing and Community Development (HCD), Los Angeles County Development Authority, and any other funding agencies, partnerships formed, and/or lenders. The intended use of the appraisal is for investment analysis.

Compliance and Competency Provision

We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Legal Description

Included in the Addenda.

Property Interest Appraised

The property interest appraised is the fee simple estate.

Market value is defined as:
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Date of Inspection and Effective Date of Appraisal
The Subject was inspected and photographed on December 7, 2021. This shall be the effective date of the appraisal.

Scope of Appraisal
As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- Charles Haase, a California Certified General Appraiser, performed a physical inspection of the property and the Subject's neighborhood December 7, 2021.
- The identification of the property to be appraised is based on information provided by the client and public records data.
- Regional, city, and county data were based on information obtained from newspaper articles, city of Montebello, Los Angeles County, ESRI Demographics, the Bureau of Labor Statistics, and other resources available to the appraiser. This was performed by Christian Jones.
- Data collection and analysis of market conditions currently affecting the county's real estate market on a national and regional level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, availability of financing and current financing terms, current interest and yield rates, buyer preferences, and economic forecasts. This was performed by Charles Haase.
- The research for land sales and listings included Montebello and the surrounding area, from 2018 to the present. The market data was collected from the appraiser's office files, other appraisers, Realtors, newspapers articles, CoStar, title companies, LoopNet, and public records. This was performed by Charles Haase.
- The information gathered from these surveys and investigations was then analyzed, and comparisons were made to the property. The valuation process included the sales comparison approach.
- Amanda Baker, MAI reviewed the report but did not inspect the Subject site.

[1] 6th Edition of The Dictionary of Real Estate Appraisal.

Ownership and History of Subject

The table below illustrates current ownership of all the parcels.

Owner Breakdown			
Address	**Parcel ID**	**Acres**	**Owner Name**
112 S 6th Street	6349005901	0.10	CITY OF MONTEBELLO, a municipal corporation
114 S 6th Street	6349005900	0.29	SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO, a California successor agency created and existing pursuant to California Health & Safety Code section 34170 et seq.
124 S 6th Street	6349005902	0.14	SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO, a California successor agency created and existing pursuant to California Health & Safety Code section 34170 et seq.
128 S 6th Street	6349005006	0.14	Cesar Chavez Foundation, a California Nonprofit Corporation
132 S 6th Street	6349005903	0.14	CITY OF MONTEBELLO, a municipal corporation

Ownership of 6349005006 is vested in Cesar Chavez Foundation, a California Nonprofit Corporation. It transferred in October 2021 from Ying Sing, LP, a California Limited Partnership for the price of $685,000. It was considered a market-oriented transaction.

There is a pending Purchase Sale and Development Agreement (PSDA) that encompasses all of the remaining parcels, that would transfer ownership of all to Cesar Chavez Foundation, a California Nonprofit Corporation, for an amount to be determined by this appraisal.

We are aware of no other transfers of any of the parcels in the past three years and they are not currently exposed to the market.

REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in the northern portion of Montebello, California. Located in the southwestern section of the San Gabriel Valley, Montebello has a total area of eight square miles. Montebello is positioned eight miles east of downtown Los Angeles in Los Angeles County. As of the 2010 census, the population was 62,500 people.

Los Angeles is the second most populous city in the United States with a population of 3.83 million within its administrative limits which consists of a land area of 498.3 square miles. The greater Los Angeles area extends beyond the administrative city limits with a population of over 14.8 million making it the 14th largest urban area in the world. The Los Angeles–Long Beach–Santa Ana metropolitan statistical area (MSA), which consists of Los Angeles and Orange counties, is home to nearly 12.9 million residents while the broader Los Angeles-Long Beach-Riverside combined statistical area (CSA) contains nearly 17.8 million people. Los Angeles is also the seat of Los Angeles County, the most populated county in the United States.

Transportation

Highway: The Greater Los Angeles area are served by a vast highway and interstate system. The following information describes the most notable roadways in the vicinity of Montebello.

Interstate 405, a bypass of Interstate 5, is a major north/south route running along the western and southern parts of the Greater Los Angeles Area from Irvine in the south to near San Fernando in the north. The entire route is known as the northern segment of the San Diego Freeway. Interstate 405 is a heavily traveled thoroughfare by both commuters and by freight haulers along its entire length and is the busiest and most congested freeway in the United States.

California State Route 60 is a major east/west route that runs along northern Montebello. The route branches off of Interstate 5 and traverses west where it eventually joins Interstate 10 in Beaumont.

California State Route 19 is a major route running north/south and runs on the east side of Montebello. The route starts in Long Beach and runs north where it merges with California State Route 164 east of Montebello in Pico Rivera. The route serves and gives access to the southern portion of the Los Angeles Metropolitan Area.

Interstate 605, a major route running north/south, serves the central portion of the Los Angeles Metropolitan Area. Interstate 605 starts in Los Alamitos and runts north through the Los Angeles region.

Interstate 5 is a major northeast/southwest traversing route running up the coast and through western California. The route starts at the United States and Mexico border and ends at the United States and Canada border in Washington. Interstate 5 runs on the south side of Montebello and serves the central portion of the Los Angeles Metropolitan Area.

Interstate 10 is a major east/west route running east from Santa Monica, on the Pacific Ocean, through Los Angeles and San Bernardino to the border with Arizona. In the greater Los Angeles area, it is known as the Santa Monica Freeway and the San Bernardino Freeway, linked by a short concurrency on Interstate 5 (the Golden State Freeway) at the East Los Angeles Interchange. The highway is located approximately 5.2 miles north of the Subject.

Air: Los Angeles International Airport (LAX) is located approximately 16 miles southwest of the Subject. LAX is the fifth busiest airport in the world and second busiest in the United States, offering 692 daily flights to 85 domestic cities and 928 weekly nonstop flights to 67 cities in 34 countries on 59 passenger air carriers.

Public Transportation

The Los Angeles County Metropolitan Transportation Authority operates bus lines, as well as subway and light rail lines across Los Angeles County, with a combined monthly ridership of 38.8 million. The bus system includes nearly 16,000 stops throughout 170 routes covering a 1,433 square mile service area. The rail system includes eight stations covering 87 miles of service that include four light rail lines and two subway lines. The nearest bus stop is located approximately 0.03 miles from the Subject.

Healthcare

The closest hospital is the Beverly Community Hospital located approximately 0.50 miles northeast of the Subject. Beverly Community Hospital a 224-bed acute care hospital offering comprehensive healthcare including an emergency department, cardiology, pediatrics, surgery, and orthopedic services among others.

Education

The Subject is located in the Montebello Unified School District. The Montebello Unified School District serves more than 29,000 students in pre-school through grade 12. Students who reside at the Subject will be zoned to attend Fremont Elementary School, Montebello Intermediate School, and Montebello High School which are located between 0.36 miles and 1.09 miles from the Subject.

DELINEATION OF MARKET AREA

Primary and Secondary Market Area

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The Subject is located in the southern portion of Montebello, a city in within Los Angeles County that abuts the city of Los Angeles on its eastern and western boundaries. The Primary Market Area consists primarily of the Southeast Los Angeles Submarket as defined by CoStar. The area encompasses the cities of Montebello, Pico Rivera, Monterey Park, and South El Monte, and portions of the cities of El Monte, Whittier, Norwalk, and the unincorporated area of East Los Angeles. The general PMA boundaries for the Subject are defined as follows:

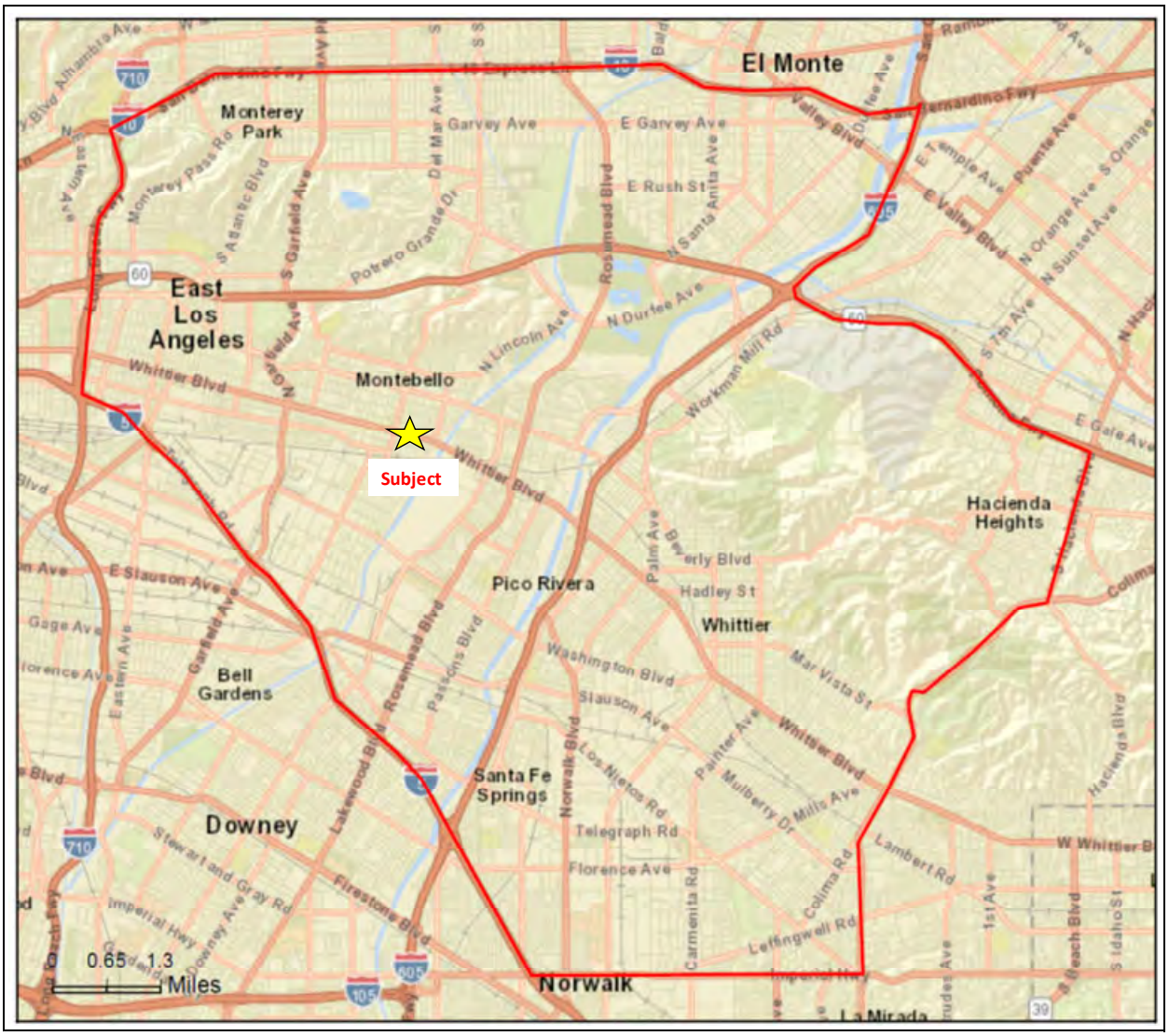
North –	Interstate 10
South –	Imperial Highway
East –	Interstate 605/Highway 60/South Hacienda Blvd/Colima Rd
West –	Interstate 5/Interstate 710

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions as well as surveys of existing market rate and affordable apartment projects undertaken by Kinetic Valuation Group, Inc., and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize a smaller sub-market may exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within this defined area. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, some leakage would be anticipated from outside the PMA from other parts of Los Angeles County.

There are no natural boundaries in Montebello or Los Angeles County that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Both market rate and affordable rental housing of all types is in strong demand. Rental housing in the PMA appears to be stable, with low vacancy rates.

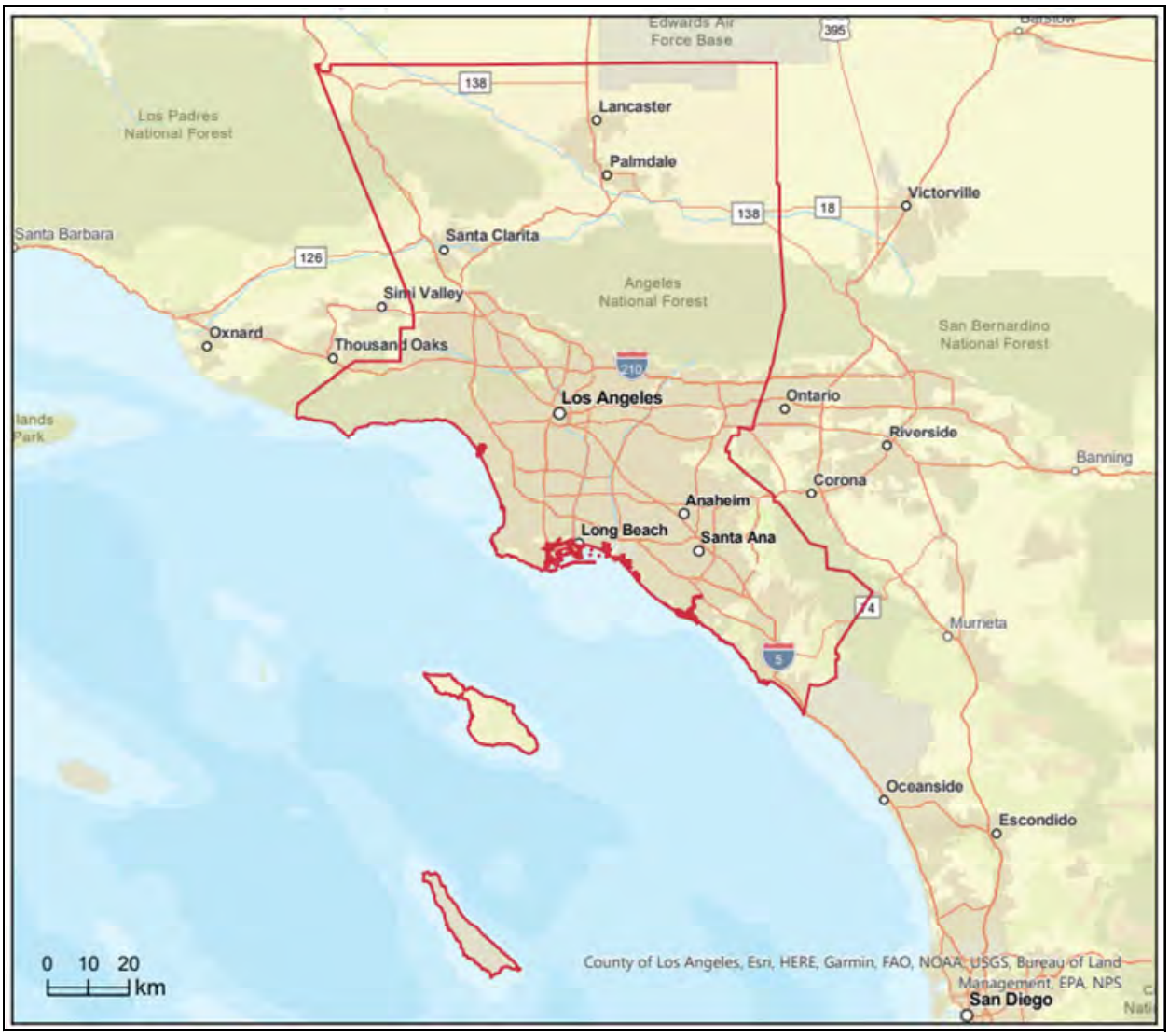
The secondary market area (SMA) for the Subject is the Los Angeles-Long Beach-Anaheim MSA. Maps outlining the PMA and SMA can be found on the following page.

PMA


Subject
El Monte
Monterey Park
East Los Angeles
Montebello
Pico Rivera
Whittier
Hacienda Heights
Bell Gardens
Santa Fe Springs
Downey
Norwalk
La Mirada
0 0.65 1.3
Miles

KVG
Kinetic Valuation Group

SMA

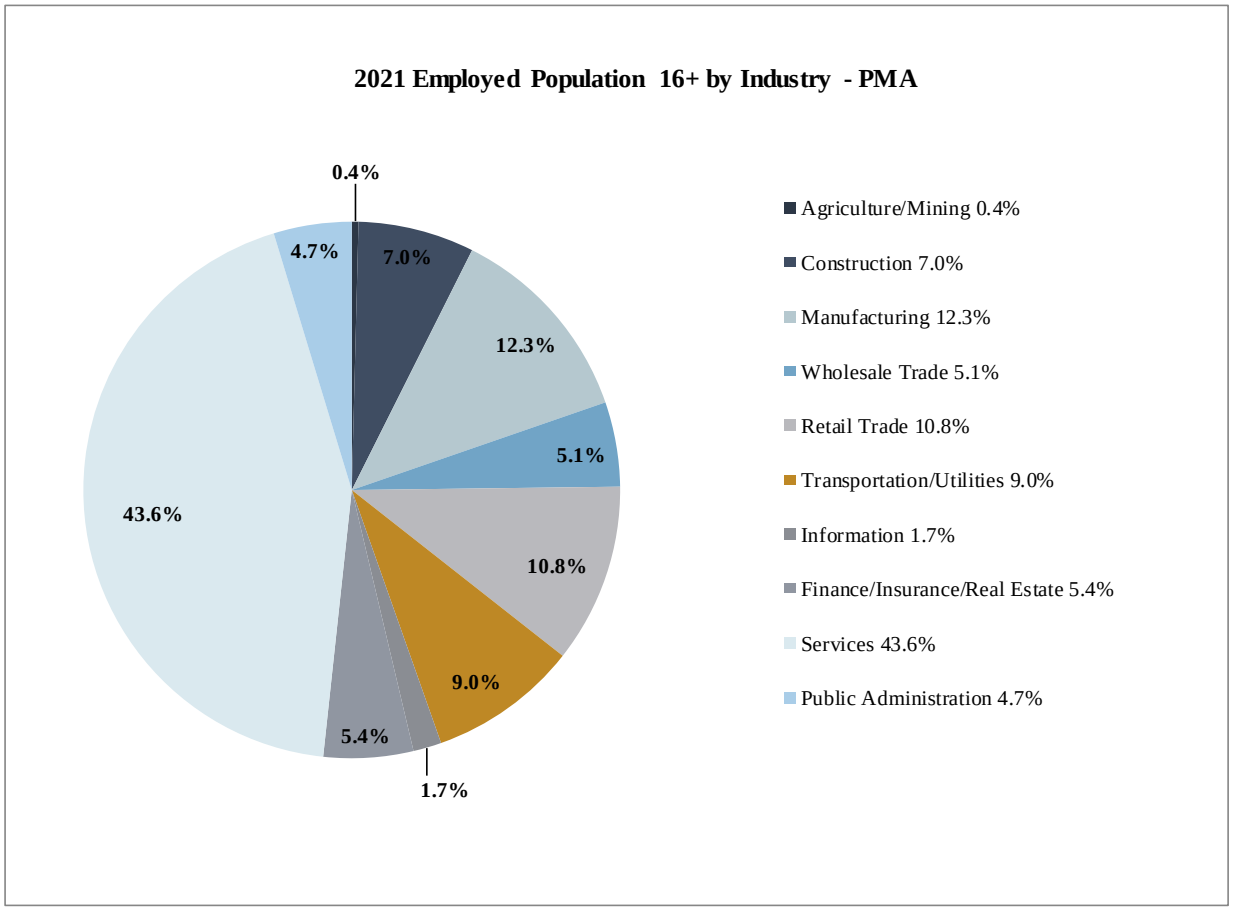


MARKET AREA ECONOMY

The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject's PMA. We obtained economic information from the Bureau of Labor Statistics, city of Montebello, ESRI Demographics, and the Montebello Chamber of Commerce. These data sources are considered to be the most reliable and current.

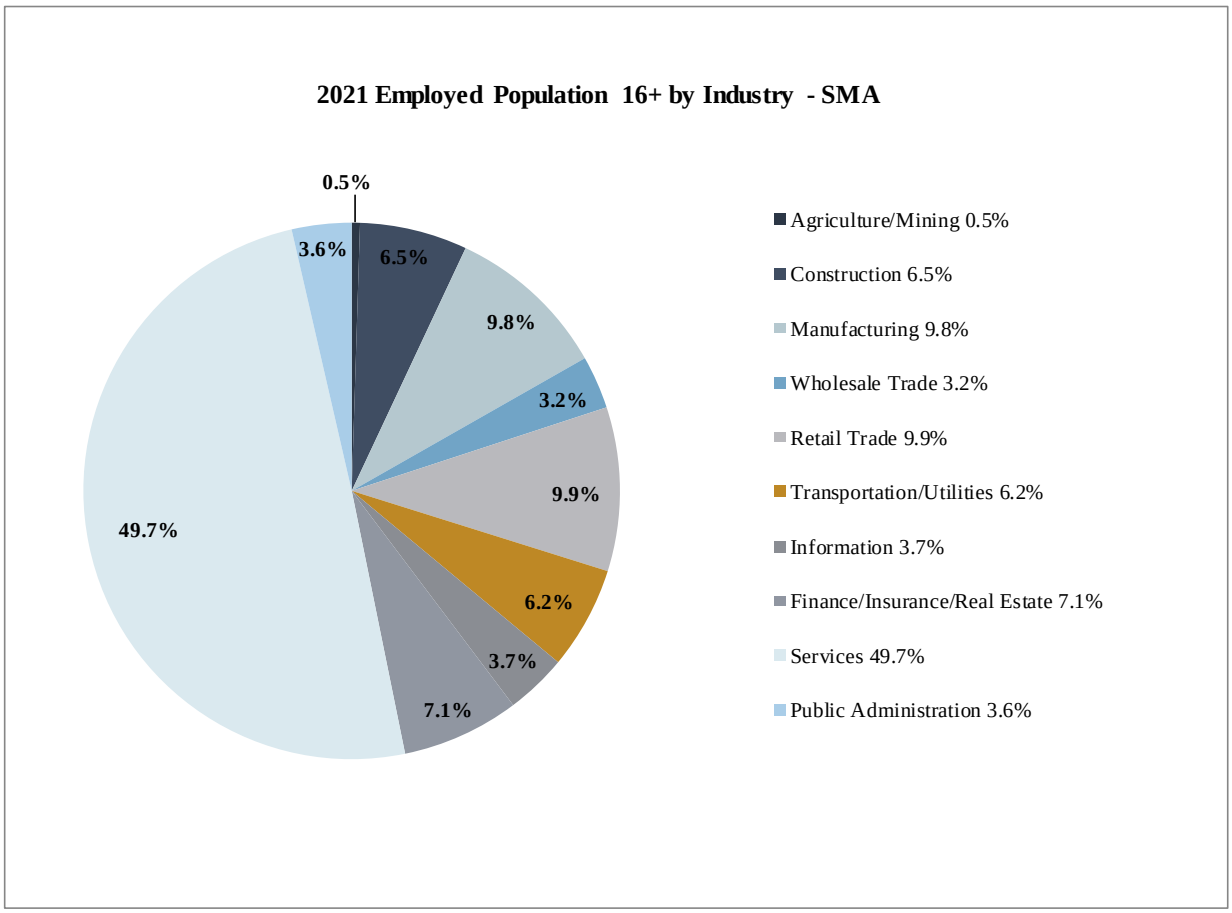
Employment by Industry

The following charts illustrate the distribution of employment sectors by industry within the PMA and SMA.



Source: ESRI Demographics

The largest employment sector in the PMA is the service sector with 43.6 percent, followed by the manufacturing sector with 12.3 percent and the retail trade sector with 10.8 percent.



Source: ESRI Demographics

The largest employment sector in the SMA is the service sector with 49.7 percent, followed by the retail trade sector with 9.9 percent and the manufacturing sector with 9.8 percent.

Major Employers

The following chart identifies the major employers in Los Angeles County in 2021.

Los Angeles County, CA Major Employers - 2021		
Employer	**Location**	**Industry**
AHMC Healthcare Inc	Alhambra	Health Care Management
All Nations Church	Sylmar	Churches
California State Univ NRTHRDG	Northridge	Schools-Universities & Colleges Academic
Cedars-Sinai Health System	West Hollywood	Health Care Management
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
Lac Usc Medical Ctr	Los Angeles	Hospitals
Live Nation	Los Angeles	Entertainment Bureaus
Long Beach City Hall	Long Beach	City Hall
Longshore Dispatch	Wilmington	Nonclassified Establishments
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Ctr	Los Angeles	Pathologists
Los Angeles Police Dept	Los Angeles	Police Departments
National Institutes of Health	Pasadena	Physicians & Surgeons
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Space Exploration Tech Corp	Hawthorne	Aerospace Industries (mfrs)
Twentieth Century Fox	Los Angeles	Motion Picture Producers & Studios
UCLA Community Based Learning	Los Angeles	Junior-Community College-Tech Institutes
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
University of Ca Los Angeles	Los Angeles	University-College Dept/Facility/Office
Vision X	Los Angeles	Call Centers
Walt Disney Co	Burbank	Water Parks
Water Garden Management	Santa Monica	Office Buildings & Parks

Source: CA EDD

Workforce and Unemployment Trends

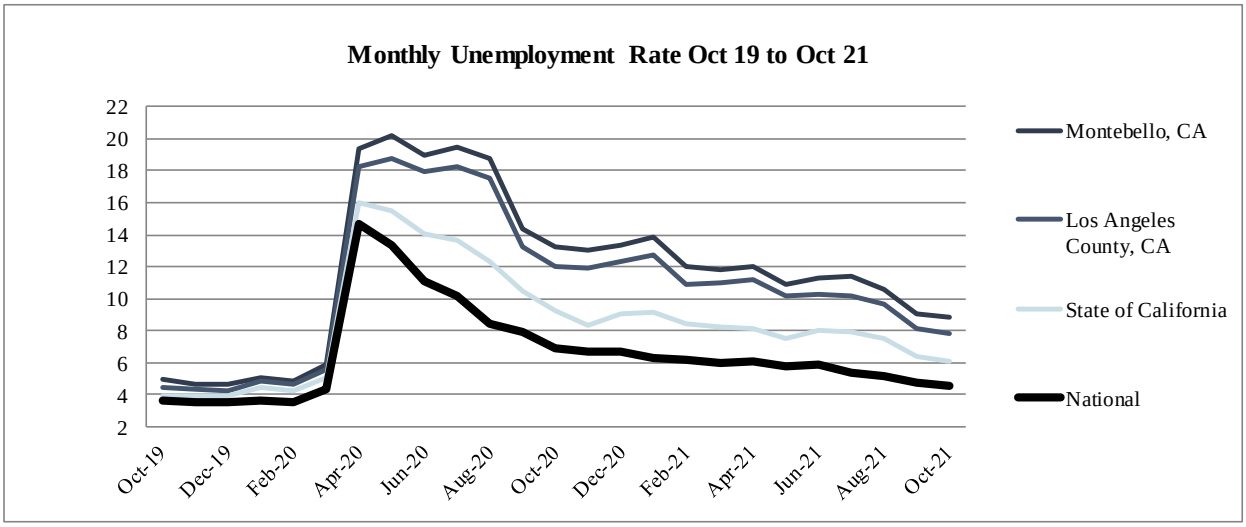
The table below illustrates the workforce and unemployment trends for the city of Montebello and Los Angeles County.

Unemployment Trends - 2010-2021 YTD								
	Montebello, CA				Los Angeles County, CA			
Year	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change
2010	28,130	25,075	10.9	-	4,940,672	4,318,722	12.6	-
2011	28,193	25,221	10.5	-0.4	4,941,667	4,337,370	12.2	-0.4
2012	27,975	25,329	9.5	-1.0	4,904,883	4,365,690	11.0	-1.2
2013	28,226	25,857	8.4	-1.1	4,955,806	4,471,400	9.8	-1.2
2014	28,359	26,358	7.1	-1.3	4,982,412	4,572,171	8.2	-1.6
2015	28,224	26,611	5.7	-1.4	4,973,756	4,641,054	6.7	-1.5
2016	28,708	27,079	5.7	0.0	5,018,920	4,751,209	5.3	-1.4
2017	28,995	27,474	5.2	-0.5	5,088,898	4,843,694	4.8	-0.5
2018	28,919	27,464	5.0	-0.2	5,094,301	4,857,330	4.7	-0.1
2019	28,959	27,523	5.0	0.0	5,122,843	4,888,581	4.6	-0.1
2020	28,022	24,163	13.8	8.8	4,921,499	4,291,688	12.8	8.2
2021 YTD	28,585	26,083	8.8	-5.0	5,027,344	4,632,805	7.8	-5.0

Source: Bureau of Labor Statistics

The unemployment rate in Montebello has fluctuated between 5.0 and 13.8 percent from 2010 through 2021 year to date. From 2009 to 2019 the unemployment rate declined to a decade low of 5.0 percent. Due to the COVID-19 pandemic unemployment rose to 13.8 percent in 2020. As the economy has recovered throughout 2021 the unemployment rate has declined to 8.8 percent. The county follows a similar trend.

Below we have compared the city, MSA, state, and national unemployment rates over the past 24 months.



Source: Bureau of Labor Statistics

The city, county, and state have remained consistently above the national unemployment rate over the past 24 months. Unemployment spiked in April 2020 but began to steadily decline beginning in May 2020.

Employment Trends

The following table illustrates the employment trends in Montebello and Los Angeles County from 2010 to 2021 year to date.

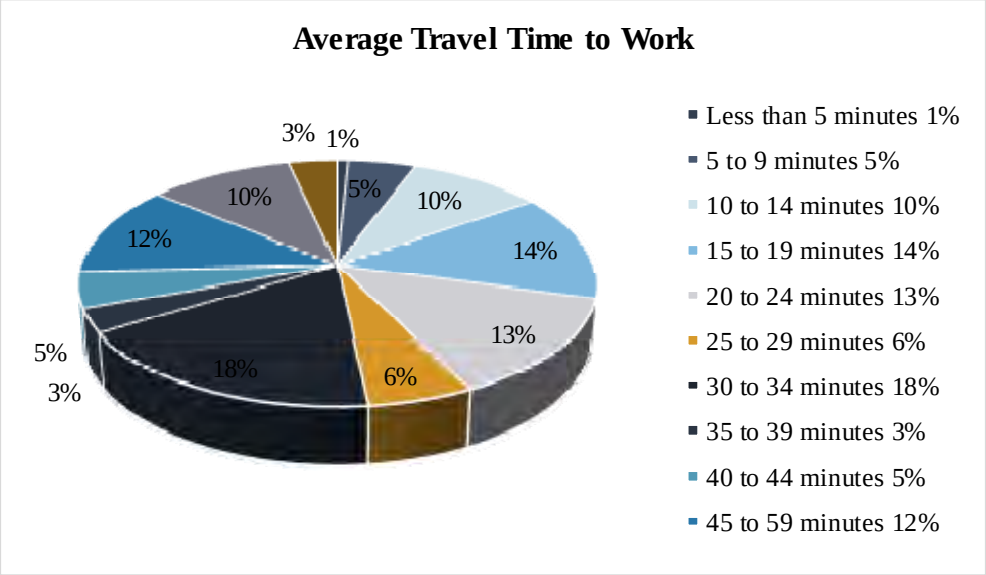
Employment Trends - 2010 - 2021 YTD				
	Montebello, CA		Los Angeles County, CA	
Year	Total Employment	Percentage Growth	Total Employment	Percentage Growth
2010	25,075	-	4,318,722	-
2011	25,221	0.6%	4,337,370	0.4%
2012	25,329	0.4%	4,365,690	0.7%
2013	25,857	2.1%	4,471,400	2.4%
2014	26,358	1.9%	4,572,171	2.3%
2015	26,611	1.0%	4,641,054	1.5%
2016	27,079	1.8%	4,751,209	2.4%
2017	27,474	1.5%	4,843,694	1.9%
2018	27,464	0.0%	4,857,330	0.3%
2019	27,523	0.2%	4,888,581	0.6%
2020	24,163	-12.2%	4,291,688	-12.2%
2021 YTD	26,083	7.9%	4,632,805	7.9%

Source: Bureau of Labor Statistics

The employment level in Montebello and the county has increased every year since 2011, with the exception of 2020. Employment decreased in 2020 due to the COVID-19 pandemic, but as the economy has begun to recover in 2021 year-to-date, employment has risen 7.9 percent.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI data.



Source: ESRI Demographics

Approximately 67 percent of persons in the PMA have a commute time of less than 35 minutes indicating a majority of the persons in the PMA commute to work in nearby areas.

Wages by Occupation

The chart below shows the wages by occupation for the Los Angeles-Long Beach-Anaheim, CA MSA.

Wage by Occupation - Los Angeles-Long Beach-Anaheim, CA MSA - 2020			
Occupational Title	Number of Employees	Average Hourly Wage	Average Annual Wage
All Occupations	5,822,510	$30.61	$63,660
Management Occupations	369,510	$67.37	$140,130
Business and Financial Operations Occupations	389,820	$40.94	$85,160
Computer and Mathematical Occupations	174,170	$48.51	$100,900
Architecture and Engineering Occupations	107,080	$49.00	$101,910
Life, Physical, and Social Science Occupations	48,800	$43.50	$90,480
Community and Social Service Occupations	120,690	$29.75	$61,880
Legal Occupations	61,240	$66.29	$137,890
Educational Instruction and Library Occupations	336,630	$35.35	$73,530
Arts, Design, Entertainment, Sports, and Media Occupations	163,890	$41.65	$86,620
Healthcare Practitioners and Technical Occupations	299,200	$49.27	$102,480
Healthcare Support Occupations	374,240	$16.44	$34,190
Protective Service Occupations	148,980	$30.29	$63,010
Food Preparation and Serving Related Occupations	482,270	$15.45	$32,140
Building and Grounds Cleaning and Maintenance Occupations	152,960	$18.32	$38,110
Personal Care and Service Occupations	114,380	$18.59	$38,660
Sales and Related Occupations	524,510	$23.62	$49,140
Office and Administrative Support Occupations	787,770	$22.68	$47,170
Farming, Fishing, and Forestry Occupations	4,930	$17.31	$36,010
Construction and Extraction Occupations	193,300	$30.58	$63,600
Installation, Maintenance, and Repair Occupations	165,140	$28.18	$58,610
Production Occupations	320,810	$20.09	$41,780
Transportation and Material Moving Occupations	482,170	$20.23	$42,080

Source: Bureau of Labor Statistics

The above chart shows average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was food preparation and serving related occupations, at $15.45 per hour. The highest average hourly wage of $67.37 was for management occupations.

Conclusion

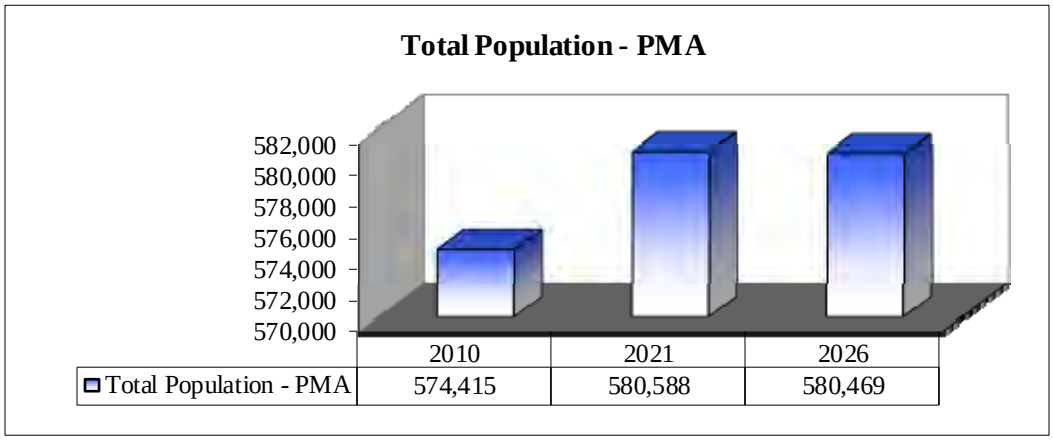
The Subject's neighborhood, city of Montebello, and Los Angeles County include many employment options for area residents. Numerous businesses offering a range of positions and skill levels exist within close proximity to the Subject. The wage rates within the area demonstrate a significant pool of potential tenants exist for affordable housing developments.

POPULATION & HOUSEHOLD TRENDS

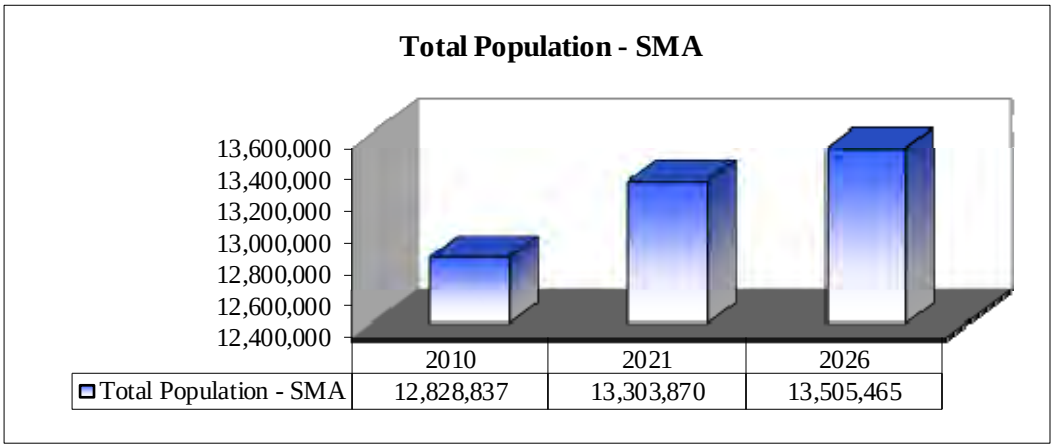
In this section, we compare population, household and income trends in the PMA and SMA. All information is provided to us by ESRI Demographics, which is a national proprietary data provider. Some tables reflect rounding from the data provided, however, it is nominal. The data is presented for the primary market area and secondary market area in which the development is located.

Total Population

The charts below illustrate total population in the PMA and SMA from 2021 through 2026.



Source: ESRI Demographics



Source: ESRI Demographics

The population within the PMA has continuously grown from 2010 to 2021 and though it is expected to decrease slightly through 2026 the demand for affordable housing is still expected to remain high. Similar to the PMA, the SMA is also considered an area of growth, which is a positive indicator for the need of additional affordable housing units.

Population by Age Group

The tables below illustrate population by age group in the PMA and SMA from 2010 through 2026.

Population by Age Group			
PMA			
Age Cohort	**2010**	**2021**	**2026**
0 - 4	39,091	36,671	36,219
5 - 9	39,445	37,906	35,237
10 - 14	43,167	38,330	37,993
15 - 19	46,804	38,878	36,356
20 - 24	42,835	40,930	37,485
25 - 34	79,994	92,595	86,080
35 - 44	81,395	76,739	84,296
45 - 54	76,018	70,324	70,222
55 - 64	57,412	63,800	63,618
65 - 74	34,273	47,589	51,113
75 - 84	24,014	25,389	29,802
85+	9,968	11,436	12,050
Total	**574,415**	**580,588**	**580,469**

Population by Age Group			
SMA			
Age Cohort	**2010**	**2021**	**2026**
0 - 4	837,484	785,996	799,703
5 - 9	832,459	809,413	773,793
10 - 14	889,040	833,110	805,315
15 - 19	981,319	852,307	811,751
20 - 24	966,389	939,865	876,338
25 - 34	1,889,259	2,125,390	2,100,007
35 - 44	1,869,369	1,803,884	1,979,363
45 - 54	1,813,132	1,651,621	1,624,291
55 - 64	1,335,010	1,566,100	1,540,283
65 - 74	755,924	1,124,746	1,230,081
75 - 84	458,306	570,565	701,770
85+	201,146	240,873	262,770
Total	**12,828,837**	**13,303,870**	**13,505,465**

Source: ESRI Demographics

In the PMA, population appears to be the greatest in the 25 to 54-year age group during 2021.

Number of Elderly and Non-elderly

The table below is an illustration of the elderly and non-elderly population.

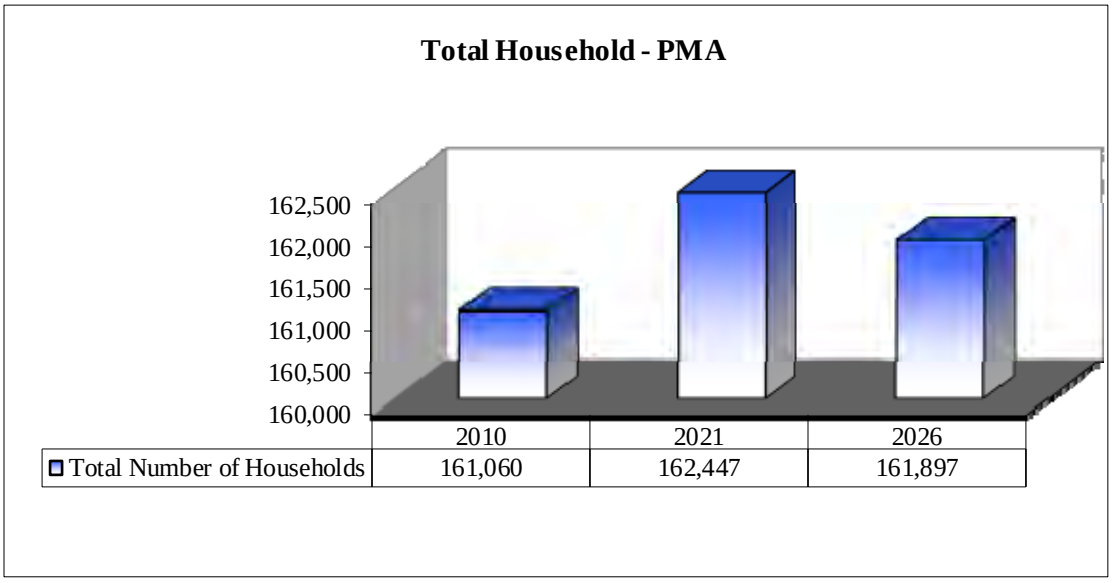
Number of Elderly and Non-Elderly						
	PMA			SMA		
Year	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2010	574,415	448,748	125,667	12,828,837	10,078,451	2,750,386
2021	580,588	432,374	148,214	13,303,870	9,801,586	3,502,284
2026	580,469	423,886	156,583	13,505,465	9,770,561	3,734,904

Source: ESRI Demographics

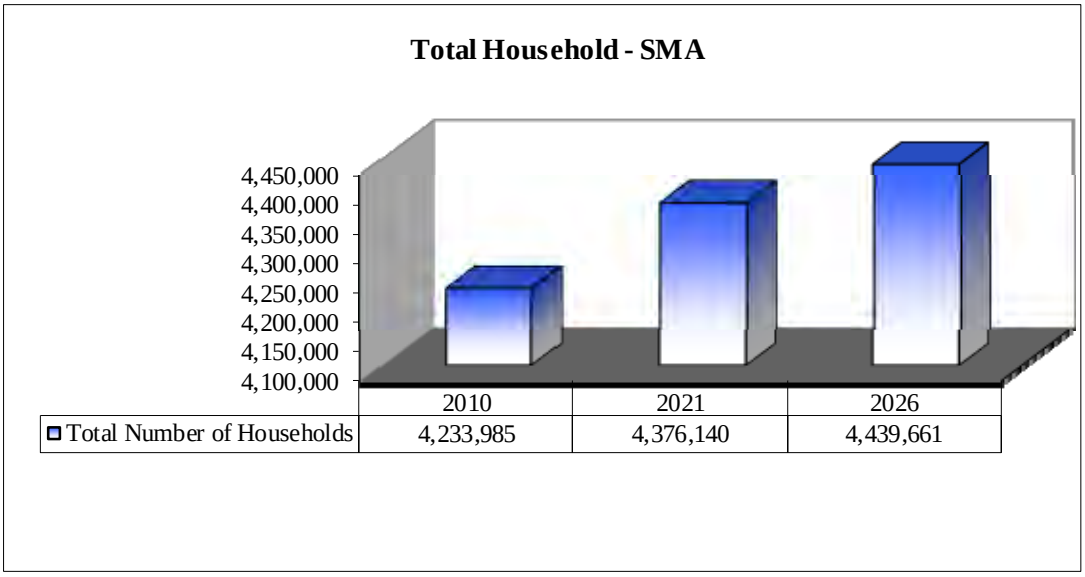
Within the PMA, population is greatest in the non-elderly population, those aged 54 or under. In 2021, the elderly population was approximately 25.5 percent of the total population in the PMA. Within the SMA, the elderly population also comprised 26.3 percent of total population in 2021.

Total Number of Households

The charts below illustrate the total number of households in the PMA and SMA.



Source: ESRI Demographics



Source: ESRI Demographics

Similar to the growth in population in both the PMA and SMA, growth in the number of households is expected to decrease between 2010 and 2026, however demand for affordable multifamily housing is expected to remain high.

Total Household by Tenure

The table below illustrates total households by tenure for the total population in the PMA and SMA.

Tenure Patterns - Total Population								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	87,662	54.4%	73,398	45.6%	2,133,062	50.4%	2,100,923	49.6%
2021	86,367	53.2%	76,081	46.8%	2,127,490	48.6%	2,248,650	51.4%
2026	86,702	53.6%	75,195	46.4%	2,149,662	48.4%	2,289,999	51.6%

Source: ESRI Demographics

As indicated, the total number of renter-occupied housing units within the PMA during 2021 is 46.8 percent. This number is projected to decrease slightly through 2026. Comparatively, the total number of renter-occupied households within the SMA during 2021 is higher, at 51.4 percent.

Average Household Size

The table below illustrates average household size.

Average Household Size				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2010	3.57	-	3.03	-
2021	3.57	0.02%	3.04	0.03%
2026	3.59	0.06%	3.04	0.01%

Source: ESRI Demographics

Average household size in the PMA during 2021 was 3.57 persons; this is projected to increase slightly through 2026. Comparison to the SMA average household size of 3.04 indicates a smaller household size in the SMA than the PMA.

Median Household Income Levels

The table below illustrates the median household income in the PMA and SMA from 2021 through 2026.

Median Household Income				
Year	PMA		SMA	
	Amount	Annual Change	Amount	Annual Change
2021	$65,132	-	$78,908	-
2026	$75,394	3.2%	$89,775	2.8%

Median household income in the PMA is projected to increase 3.2 percent between 2021 and 2026, which is larger than the expected change in the SMA of 2.8 percent.

Renter Household Income Distribution

The following tables illustrate renter household income distribution in 2021 and 2026 in the PMA and SMA.

Renter Household Income Distribution - PMA				
Income Cohort	2021		2026	
	Number	Percentage	Number	Percentage
<$15,000	6,391	8.4%	5,339	7.1%
$15,000 - $24,999	6,771	8.9%	5,414	7.2%
$25,000 - $34,999	6,163	8.1%	5,188	6.9%
$35,000 - $49,999	9,282	12.2%	8,347	11.1%
$50,000 - $74,999	13,695	18.0%	13,084	17.4%
$75,000 - $99,999	10,347	13.6%	10,377	13.8%
$100,000 - $149,999	12,934	17.0%	14,513	19.3%
$150,000 - $199,999	6,010	7.9%	7,444	9.9%
$200,000+	4,413	5.8%	5,489	7.3%
Total	**76,081**	**100%**	**75,195**	**100.0%**
Renter Household Income Distribution - SMA				
Income Cohort	**2021**		**2026**	
	Number	**Percentage**	**Number**	**Percentage**
<$15,000	200,130	8.9%	169,460	7.4%
$15,000 - $24,999	152,908	6.8%	125,950	5.5%
$25,000 - $34,999	152,908	6.8%	132,820	5.8%
$35,000 - $49,999	218,119	9.7%	194,650	8.5%
$50,000 - $74,999	344,043	15.3%	332,050	14.5%
$75,000 - $99,999	278,833	12.4%	288,540	12.6%
$100,000 - $149,999	400,260	17.8%	444,260	19.4%
$150,000 - $199,999	209,124	9.3%	254,190	11.1%
$200,000+	290,076	12.9%	345,790	15.1%
Total	**2,248,650**	**100%**	**2,289,999**	**100%**

Source: ESRI Demographics

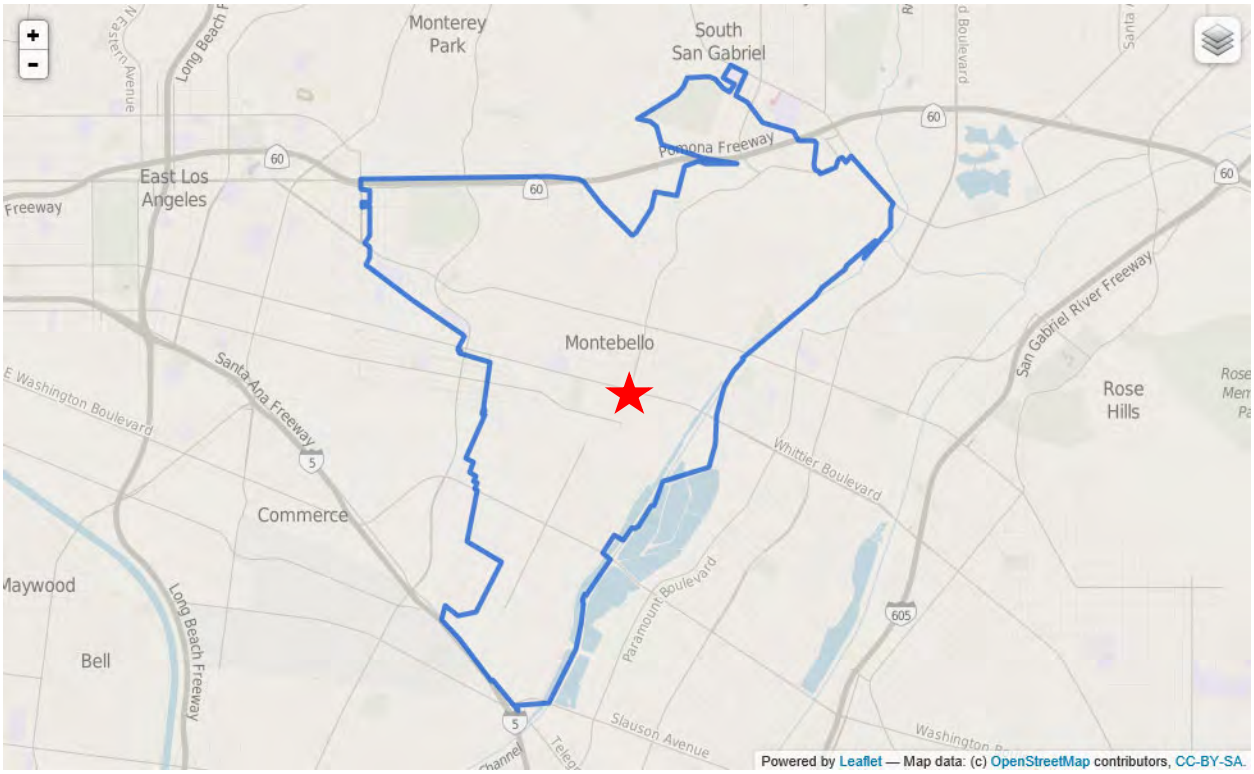
Conclusion

The PMA is comprised of 46.8 percent renter households. Demand for multifamily rental units in the PMA is expected to come from normal turnover and the limited supply of affordable properties in the area. Demand for rental units in the PMA is expected to come from natural population growth and renter turnover. The demographics presented above provide support that there is a stable renter population within the PMA. As housing and rental prices continue to increase, there will be a greater need for affordable housing units. These factors support current and future demand for the Subject.

NEIGHBORHOOD ANALYSIS

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

As defined by the Los Angeles Times, the Subject is located in the southeast portion of the Los Angeles Metropolitan Area within Montebello. The city consists of approximately 8.45 square miles and is located south of Monterey Park and northwest of Pico Rivera. As of the 2010 census the population was 62,500. The area is generally bounded by Highway 60 to the north, Interstate 5 to the South, the Rio Hondo Channel to the east, and Garfield Avenue to the west. The map below illustrates the Subject's location within Montebello.



Access and Traffic Flow

Access to the site is from the east side of Sixth Street. Seventeenth Street is a two-lane north/south neighborhood connector street that provides access to Whittier Boulevard to the north. Whittier Boulevard is a four-lane thoroughfare traversing east/west through the southern portion of Montebello providing access to Interstate 710 to the west and Interstate 605 to the east.

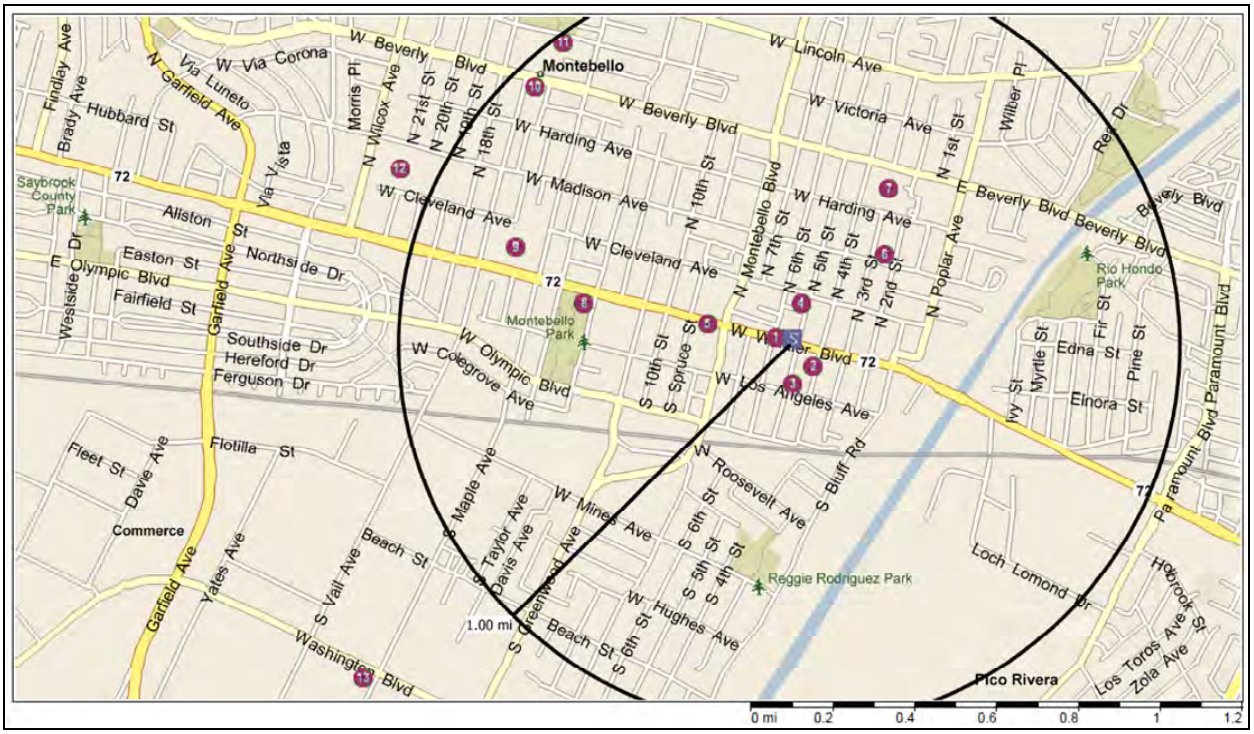
Visibility/Views
The site will have good visibility from the east side of Sixth Street. The Subject is located in a mixed-use neighborhood. To the north consist of mixed-use commercial buildings in average condition. Views to the east, west, and south consist of mixed-use commercial buildings, educational facilities, single-family homes, and multifamily homes, all in average condition.

Location Map
The map below illustrates the Subject and surrounding neighborhood.



Locational Amenities & Map - Overview

The map and table below illustrate the location amenities in relation to the Subject's site.



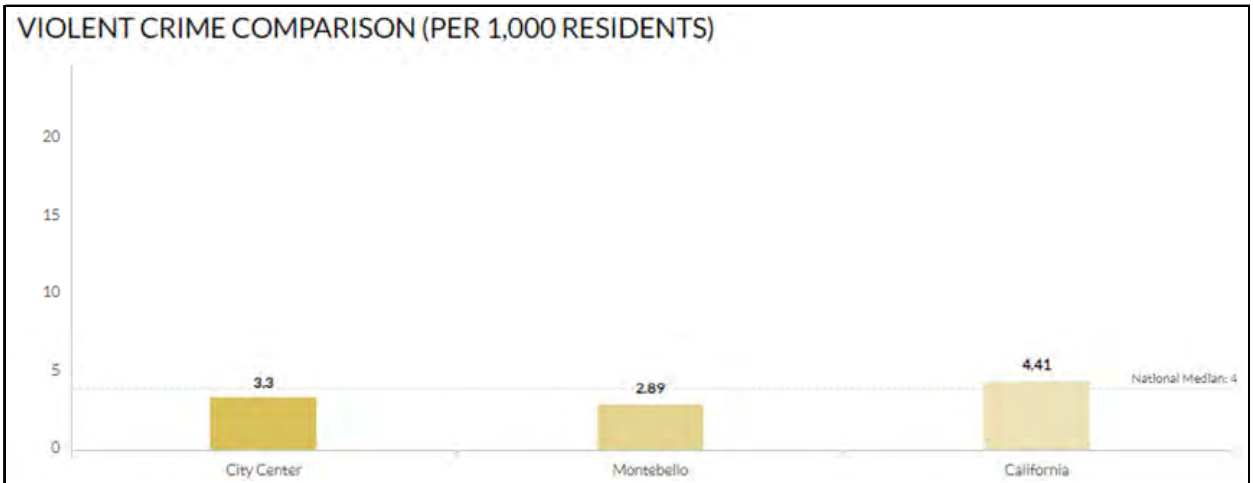
Distance From Local Services			
Map #	Name	Service	Distance
1	Bus Stop	Transportation	0.03 miles
2	First Church of the Nazarene	Church	0.09 miles
3	Alvarado Market	Grocery Store	0.10 miles
4	United States Postal Service	Post Office	0.13 miles
5	Montebello Pharmacy	Pharmacy	0.20 miles
6	Fremont Elementary School	Education	0.36 miles
7	Beverly Hospital	Hospital	0.50 miles
8	Montebello City Park	Recreation	0.53 miles
9	Montebello Intermediate School	Education	0.74 miles
10	U.S. Bank	Bank	0.94 miles
11	Montebello Library	Library	0.98 miles
12	Montebello High School	Education	1.09 miles
13	ARCO	Gas Station	1.38 miles

Crime Statistics

The following crime data is provided by Neighborhood Scout.

TOTAL CRIME INDEX
37
(100 is safest)
Safer than 37% of U.S. neighborhoods.

NEIGHBORHOOD ANNUAL CRIMES	VIOLENT	PROPERTY	TOTAL
Number of Crimes	22	166	188
Crime Rate (per 1,000 residents)	3.30	24.91	28.22



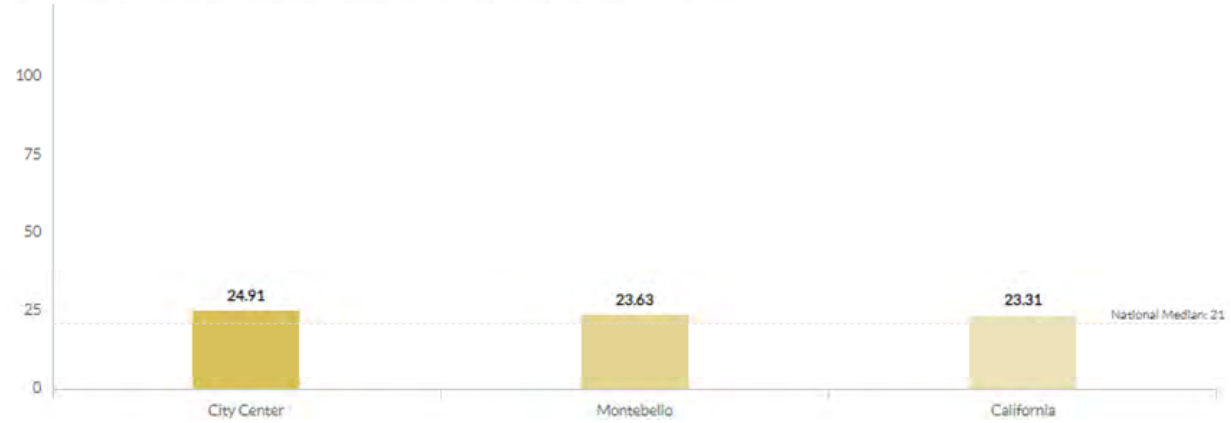
MONTEBELLO VIOLENT CRIMES — POPULATION: 61,954

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	0	11	90	78
Rate per 1,000	0.00	0.18	1.45	1.26

UNITED STATES VIOLENT CRIMES — POPULATION: 328,239,523

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	16,425	139,815	267,988	821,182
Rate per 1,000	0.05	0.43	0.82	2.50

PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



MONTEBELLO PROPERTY CRIMES

POPULATION: 61,954

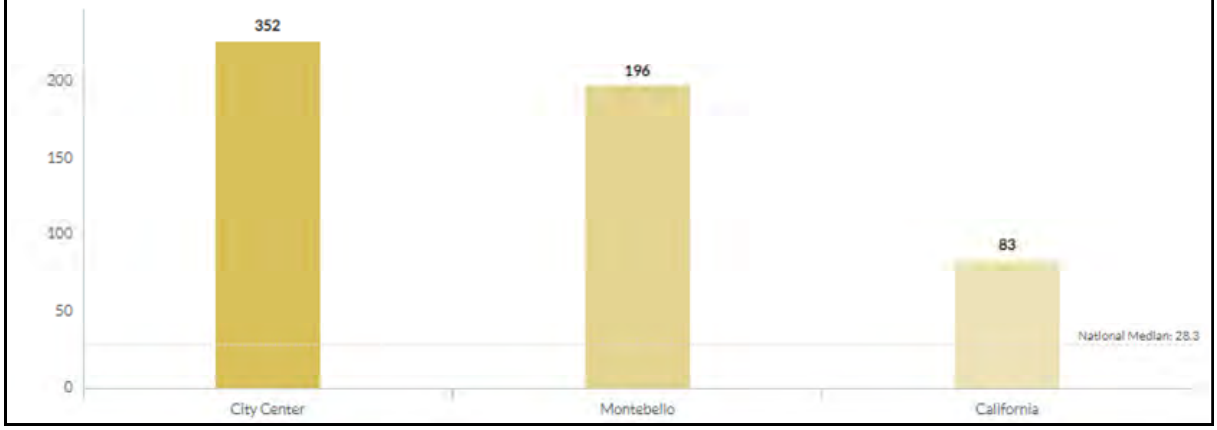
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	489	585	390
Rate per 1,000	7.89	9.44	6.29

UNITED STATES PROPERTY CRIMES

POPULATION: 328,239,523

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	1,117,696	5,086,096	721,885
Rate per 1,000	3.41	15.50	2.20

CRIMES PER SQUARE MILE



After inspection and observation of the Subject's neighborhood, we do not anticipate the overall crime statistics will affect the marketability for the Subject.

Summary

The Subject is planned to provide affordable housing that is in strong demand in the area. The site is located in the southern portion of the city of Montebello. All major shopping, transportation, and recreational amenities are located within a short distance of the Subject. Access to groceries, pharmacy and shopping is convenient, and within reasonable distance.

PROJECT DESCRIPTION

Our description of the Subject is based upon information provided by the developer and the property inspection. We assume the information supplied is accurate.

Site Description

Site Location:	The Subject is located at the 112-132 S 6th Street, Montebello, Los Angeles County, CA. The site is located in Census Tract 5321.01.
Existing Improvements:	The Subject currently is improved with a duplex that is planned to be razed prior to redevelopment of the site.
Size/Shape:	The site contains 0.81 acres or 11,939 square feet, and is rectangular in shape.
Topography:	The site topography generally level.
Vegetation:	The site no notable vegetation.
Proximity to Adverse Conditions:	At this time, we are unaware of any detrimental influences that would impact on the value of the Subject.
Drainage:	Appears adequate, however no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys.
Environmental:	We did not observe any obvious environmental hazards during the site inspection. However, we are not experts within this field.
Zoning:	The Subject is zoned a mixture of C-2-PD, General Commercial Planned District & R-3-PD, Multiple-Family Residential Planned District, Centre City Planned District Neighborhood Mixed-Use Center (MC). According to a resolution approved by the City of Montebello Planning Commission on October 19, 2021, the properties at 112-132 South 6th in Montebello have been approved for the construction of 63 affordable housing units. The Subject represents a legal conforming use.

Flood Plain: According to the Flood Insights Map Number 06073C1663F, dated September 26, 2008, the Subject is located in Zone X. This zone is determined to be an area outside of the 100-year flood.

Photographs: Subject photos are included in the Addenda.

Location Map: The map below illustrates the location of the Subject.



HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Physically Possible
The Subject site consists of approximately 0.81 acres or 39,240 square feet. The site is a rectangular shaped parcel with generally level topography. Accessibility and visibility are considered good. The site is considered adequate for a variety of physically possible uses.

Legally Permissible
According to a resolution approved by the City of Montebello Planning Commission on October 19, 2021, the properties at 112-132 South 6th in Montebello have been approved for the construction of 63 affordable housing units, which appears reasonable.

Financially Feasible
The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land is those uses that are financially feasible. Given the Subject's surrounding land uses, the site's physical attributes, development patterns in the area, and demand, apartment residential is considered the most likely use. It is noted the area is experiencing both market rate and affordable multifamily development. Redevelopment of the site with affordable housing will be consistent with the city's goals of increasing affordable housing within the city.

Maximally Productive
With development of the Subject as proposed the tax credit subsidy is necessary to support feasibility with restricted rents. Therefore, the maximally productive use of this site as if vacant is to construct a multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies.

Conclusion Highest and Best Use "As Vacant"
The highest and best use for the property "as vacant" would be to construct a multifamily residential development with financial subsidies.

APPRAISAL METHODOLOGY

The sales comparison approach of land sale comparables intended for multifamily development to assess the value of the Subject site, as though vacant is the appropriate methodology for valuation of the Subject property. The cost and income approach are not applicable, and were not used in this appraisal report.

LAND VALUATION

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an opinion of land value for the Subject site, we researched and analyzed sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the Montebello area was made. Due to the lack of multifamily sales in Montebello, the search was expanded to include sales from Los Angeles, La Puente, and El Monte. Following is a summary of sales, land sales map, individual land data sheets, and analysis of sales.

Multifamily Land Sales							
Data No.	Property Identification	Date of Sale	Sale Price	Property Size/Acres	Property Size/SF	Price per SF	Price per Unit
1	4641-4655 E. 3rd Street Los Angeles, CA 90022 5250-017-900; -01, 02, 03, 04, 06	Jun-21	$2,826,120	0.52	22,651	$124.77	$36,232
2	1040 N Unruh Ave La Puente, CA 91744 8472-037-027, -009, -010, -012, -013, -026	Jul-19	$3,000,000	1.08	47,045	$63.77	$40,541
3	2704-2728 Santa Anita Avenue El Monte, CA 91733 8104-013-003, 007, 008, 051	Mar-18	$2,330,000	1.76	76,666	$30.39	$58,250

Land Sales Map



Land Sale 1			
Property Identification			
Address/Location	4641-4655 E. 3rd Street Los Angeles, CA 90022		
APN	5250-017-900; -01, 02, 03, 04, 06		
Property Characteristics		**Sale Data**	
Zoning	LCC2	**Sale Price**	$2,826,120
Property Use	Multifamily	**Cash Equivalent**	$2,826,120
Size (Acres)	0.52	**Number of Units Planned**	78
Size (SF)	22,651	**Price per SF**	$124.77
Shape	Rectangular	**Sale Date**	Jun-21
Topography	Level	**Price per Unit**	$36,232
Streets	Paved	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	County of Los Angeles
Other Improvements	None	**Buyer**	3rd & Dangler Lp
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	N/A
Visibility	Average	**Comp ID**	11398
Comments			
Sale information was confirmed with the developer, Lesley Hampton (909-483-2444). The buyer intends to build 78 multifamily LIHTC units.			

Land Sale 2			
Property Identification			
Address/Location	1040 N Unruh Ave La Puente, CA 91744		
APN	8472-037-027, -009, -010, -012, -013, -026		
Property Characteristics		**Sale Data**	
Zoning	LPC2	**Sale Price**	$3,000,000
Property Use	Multifamily	**Cash Equivalent**	$3,000,000
Size (Acres)	1.08	**Number of Units Planned**	74
Size (SF)	47,045	**Price per SF**	$63.77
Shape	Irregular	**Sale Date**	Jul-19
Topography	Level	**Price per Unit**	$40,541
Streets	To Site	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	Gutierrez Family Trust
Other Improvements	None	**Buyer**	Unruh 1040 LP
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	n/a
Visibility	Average	**Comp ID**	5008
Comments			
The sale includes 6 parcels of land with LPC2 zoning. There was previously a single family residence on one of the parcels. Approved plans for 74 units of affordable housing were in place at the time of the sale. The buyer obtained financing from the state for the project. The seller was motivated to divest the property because he could not find a developer to build the 74 units. The buyer was attracted to the property because of the approved plans in place. The sale date, sale price, size of land, buyer information, seller information, and proposed use of land were confirmed by both parties of the transaction.			

Land Sale 3			
Property Identification			
Address/Location	2704-2728 Santa Anita Avenue El Monte, CA 91733		
APN	8104-013-003, 007, 008, 051		
Property Characteristics		**Sale Data**	
Zoning	R3, R1A	**Sale Price**	$2,330,000
Property Use	Multifamily	**Cash Equivalent**	$2,330,000
Size (Acres)	1.76	**Number of Units Planned**	40
Size (SF)	76,666	**Price per SF**	$30.39
Shape	Irregular	**Sale Date**	Mar-18
Topography	Level	**Price per Unit**	$58,250
Streets	Paved	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	SFT Enterprises Inc
Other Improvements	Commercial Buildings	**Buyer**	City Ventures
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	n/a
Visibility	Average	**Comp ID**	5006
Comments			
Planned development of 40 units. Data sources include Costar and marketing package.			

The table below summarizes the adjustments.

Land Sale Analysis							
	Subject	**Sale 1**		**Sale 2**		**Sale 3**	
Address/Location	112-132 South 6th Street Montebello, CA 90640	4641-4655 E. 3rd Street Los Angeles, CA 90022		1040 N Unruh Ave La Puente, CA 91744		2704-2728 Santa Anita Avenue El Monte, CA 91733	
Sale Price		$2,826,120		$3,000,000		$2,330,000	
Price per Unit		$36,232		$40,541		$58,250	
	Comparison	**Comparison**	**Adj.**			**Comparison**	**Adj.**
Property Rights		Fee Simple		Fee Simple		Fee Simple	
Adjusted Price Per Unit			$36,232		$40,541		$58,250
Terms		Yes		Yes		Yes	
Adjusted Price Per Unit			$36,232		$40,541		$58,250
Sale Conditions		Market		Market		Market	
Adjusted Price Per Unit			$36,232		$40,541		$58,250
Sale Date		Jun-21		Jul-19	10%	Mar-18	15%
Adjusted Price Per Unit			$36,232		$44,595		$66,988
Expenditures After Purchase		No		No		No	
Adjusted Price Per Unit			$36,232		$44,595		$66,988
Physical Characteristics	**Comparison**	**Comparison**	**Adj.**	**Comparison**	**Adj.**	**Comparison**	**Adj.**
Zoning	PD	LCC2		LPC2		R3, R1A	
Size (Acres)	0.81	0.52		1.08	5%	1.76	10%
Size (SF)	35,284	22,651		47,045		76,666	
Density	78	150		69		23	
Topography	Level	Level		Level		Level	
Street	Paved	Paved		To Site		Paved	
Off-site Improvements	To Site	To Site		To Site		To Site	
On-site Improvements	None	None		None		Commercial Buildings	
Utilities	To Site	To Site		To Site		To Site	
Location	Average	Inferior	25%	Similar		Simiar	
Total Physical Adjustment			25%		5%		10%
Adjusted Price Per Unit			**$45,290**		**$46,824**		**$73,686**
				Minimum Sale	**$45,290**		
				Maximum Sale	**$73,686**		
				Average Sale	**$55,267**		

Explanation of Adjustments

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. In this analysis, market conditions of Montebello County indicate that adjustments for time and market conditions are necessary.

The land sales occurred between March 2018 and June 2021. Nationally and regionally, land values peaked during the prior cycle near 2008, and stalled during the economic recession. During the time period between 2008 and 2012, there were softened market conditions, and declining market values. Appreciation in land values started being reported in late 2012 and continued to rise through year to date. Interviews with local broker's revealed prices increased on average between five and 10 percent per year during this time frame.

Based on this methodology, Sales 2 and 3 were adjusted 10 and 15 percent, respectively.

Zoning/Density

All of the sales are zoned and approved for multifamily purposes; therefore, no adjustments are necessary. The land valuation is based on a price per allowable unit basis, and the density of allowable units is accounted for when multiplying the price paid per unit times the number of units allowable for the site. No further adjustments are necessary for development density.

Size

Typically, an inverse relationship exists between site size and price per unit indication. The Subject site contains 0.81 acres. Sales 2 and 3 are larger size sites then the Subject and adjusted upward five and 10 percent, respectively. Sale 1 is similarly sized, and no adjustment is warranted.

On-Site Improvements

The opinion of market value represents the site as if vacant. Sales 1 and 2 were vacant at the time of sale and warranted no adjustment. Sale 3 was improved with commercial buildings. No effects on sale price due to demolition costs were reported; therefore, no adjustment was necessary for Sale 3.

Location

The sales are located in the cities of Los Angeles, La Puente, and El Monte. These areas are comparable locations to the Subject's location; however, differences do exist. In order to determine a location adjustment, the median contract rent of the Subject's zip code was compared with the median contract rent of the zip code for each sale. Sale 1 is in an area considered inferior to the Subject's; therefore, an upward adjustment of 25 percent is required. The table below illustrates this analysis.

Location Adjustment				
Sale	**Zip Code**	**Median Contract Rent**	**% Difference**	**Matrix Adjustment**
Subject	90640	$1,247	-	-
Sale 1	90022	$1,003	24%	25%

Summary of Land Value
After adjustments, the comparables range in price from $45,290 to $73,686 per unit, with an average of $55,267 per unit. Greatest weight is placed on Sales 2 and three as they are located in the most similar areas to the Subject's, and secondary weight is placed on Sale 1. A conclusion of $60,000 per unit or $3,780,000 is considered reasonable and market oriented.

The Subject site is currently developed with a two-unit residential development (approximately 2,500 square feet), which will be razed prior to construction. The existing improvements are in fair condition and have limited contributory value. The previously determined highest and best use of the site is redevelopment with higher density multifamily development. As such, it is necessary to take in account the costs of demolition and subtracting them from our previous concluded land value to determine the "as is" value of land.

According to the client, demolition costs are estimated to be $20,000. To evaluate if this estimate is reasonable, we have calculated the cost of demolition utilizing the Marshall & Swift Service Handbook. According to the handbook, demolition costs are approximately $5.52 to $8.21 per square-foot for a Class C structure. As such, demolition costs are estimated to be $17,163 utilizing the average demolition cost of $6.87. The client's estimate of $20,000 appears reasonable, as it is just above our calculation. As such, we have deducted approximately $20,000 from our underlying land value "as if vacant" to account for demolition.

The value indication for the site is below.

Indication of Value		
# of Units	**$/Unit**	**Indication**
63	$60,000	$3,780,000
Demolition		-$20,000
Total		**$3,760,000**

Marketing/Exposure Time

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the *PWC Real Estate Investor Survey.* This estimate assumes a strong advertising and marketing program during the marketing period.

The exposure/marketing time of the subject property is very difficult to judge in that the buy/sell decision involving investment properties is interrelated with the assumption that the property is priced reasonably and is adequately exposed to the proper market. Marketing Time differs from Exposure Time in that the estimate of Marketing Time is a projection into the future with the associated estimates as to future trends and factors that are likely to impact the market segment in which the subject is participating. In an attempt to forecast Marketing Time, consideration is given to the fact that the sales and opinions that have been elicited in the estimation of Exposure Time have been formulated during current economic conditions that are expected to be very similar in the foreseeable future.

Investment property brokers, investors, and sellers familiar with the market, report that the exposure time can range from 30 days to as long as twelve months. This assumes that financing is available and that there are no significant negative items affecting the property. Based upon information gathered during the course of this assignment it is our opinion that the appropriate estimate of the exposure time is equal to the marketing time for the subject and is estimated at six to twelve months.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.

2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.

3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.

4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. The report was made assuming responsible ownership and capable management of the property.

6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.

7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.

8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.

9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.

17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

20. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.

23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

    Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- We have not performed consulting assignments involving the Subject in the past three years;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Valuation Practice of the Appraisal Institute and USPAP;
- Charles Haase, a California Certified General Appraiser, performed a physical inspection of the property and the Subject's neighborhood December 7, 2021. Amanda Baker, MAI did not inspect the Subject site, but did review the report;
- We do not authorize the out of context quoting from or partial reprinting of this market analysis report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of Kinetic Valuation Group, Inc.;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Amanda Baker, MAI and Charles Haase have completed the requirements of the continuing education program of the Appraisal Institute.





Amanda Baker, MAI
Appraiser
amanda@kvgteam.com
(402) 305-1693
Certified General
CA - 3002360
Expiration: 7/14/2022

Charles Haase
Appraiser
charlie@kvgteam.com
(402) 750-1805
Certified General
CA - 3004234
Expiration: 12/21/2022

ADDENDUM B

Subject Photographs and Information

SUBJECT PHOTOGRAPHS



Subject



Subject



Subject



Subject



Subject



Subject

SUBJECT PHOTOGRAPHS



Subject (existing duplex to be razed)



Subject



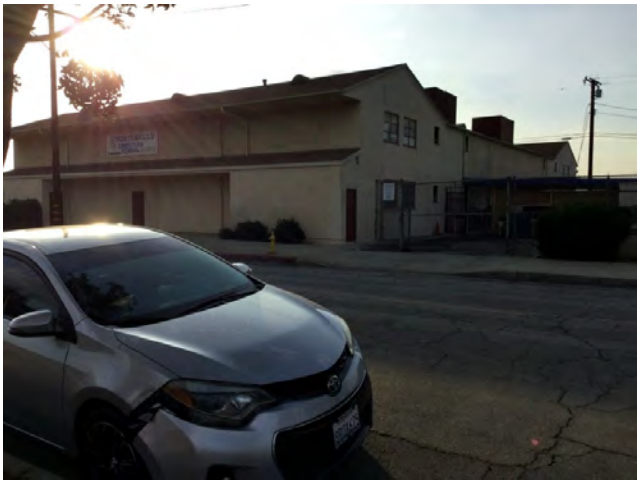
Subject



Subject



Adjacent parking lot



Nearby school

SUBJECT PHOTOGRAPHS



Nearby single family home



Nearby commercial



Nearby commercial



Nearby commercial



South 6th Street traversing north



South 6th Street traversing south

ADDENDUM C

Legal Description

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

PARCEL 1:

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395 PAGE 381, OFFICIAL RECORDS.

PARCEL 2:

LOT 20 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO) AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 36 FEET OF THE NORTH 44 FEET OF THE WEST 115 FEET THEREOF.

PARCEL 3:

THE SOUTHERLY 36 FEET OF THE NORTHERLY 44 FEET OF THE WESTERLY 115 FEET OF LOT 20 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM FROM PARCELS 2 AND 3 ABOVE ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS, PRODUCED FROM THE PREMISES, AS EXCEPTED IN THE DEED FROM HENRY M. NEWMARK AND MARIE LOUISE NEWMARK, HIS WIFE, AND ROSE N. SUTRO AND ALFRED SUTRO, HER HUSBAND, RECORDED IN BOOK 6771 PAGE 81 OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 4:

THE SOUTHERLY 44 FEET OF LOT 19 OF THE ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN INTEREST IN ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL RIGHTS THERETO, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND NOR ANY PORTION OF THE SUBSURFACE, AS EXCEPTED OR RESERVED BY DEED RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

PARCEL 5:

THE SOUTHWESTERLY 44 FEET OF THE NORTHEASTERLY 88 FEET OF LOT 19 OF ADDITION NO. **1, TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF** CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL., RECORDED IN BOOK 7395, PAGE 381, OF OFFICIAL RECORDS.

ADDENDUM D

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
JAY A. WORTMANN, MAI

Qualifications of Partners & Key Personnel

STATEMENT OF PROFESSIONAL QUALIFICATIONS
JAY A. WORTMANN, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 519881

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3001293)
State of Hawaii Certified General Real Estate Appraiser (CGA 1146)
State of Iowa Certified General Real Estate Appraiser (CG03319)
State of Minnesota Certified General Real Estate Appraiser (40392083)
State of Missouri Certified General Real Estate Appraiser (2013040219)
State of Nebraska Certified General Real Estate Appraiser (CG2014002)
State of New Mexico Certified General Real Estate Appraiser (03455-G)
State of Oklahoma Certified General Real Estate Appraiser (13111CGA)
State of Texas Certified General Real Estate Appraiser (TX 1380393 G)
State of South Dakota Certified General Real Estate Appraiser (1527CG)
State of Florida Certified General Real Estate Appraiser (RZ4153)

EDUCATION

University of Nebraska, **Bachelor of Science** in Business Administration with an emphasis in Finance and Management, 2004

All educational requirements successfully completed for the Appraisal Institute MAI designation.

Consortium Institute of Management and Business Analysis (CIMBA) Undergraduate Program, Spring Semester 2004, Paderno del Grappa, Italy

EXPERIENCE

06/2018 to Present	Kinetic Valuation Group, President
10/2015 to 06/2018	Lea & Company, President
01/2007 to 10/2015	Lea & Company, Director Midwest Offices
11/2006 to 5/2008	Assumption-Guadalupe Catholic School - South Omaha CORE Development Director
06/2004 to 10/2006	Novogradac & Company LLP, Real Estate Analyst

PROFESSIONAL TRAINING

Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2008
- Basic Appraisal Principles 12/2008
- Income Approach Part I 07/2010
- Income Approach Part II 08/2010
- General Appraiser Sales Comparison Approach 04/2011
- Market Analysis & Highest & Best Use 05/2011
- Real Estate Finance Statistics and Valuation Modeling 08/2011
- Advanced Income Capitalization 09/2011
- General Appraiser Site Valuation & Cost Approach 10/2011
- General Appraiser Report Writing and Case Studies 12/2011

- National USPAP 15-Hour Course 01/2012
- Nebraska National Appraiser Examination 04/2012
- Advanced Concepts & Case Studies 11/2013
- MAI Comprehensive Exam Module II, III, & IV 04/2014
- MAI Comprehensive Exam Module I 11/2014
- MAI General Demonstration Report-Capstone Program – 11/2014

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Kentucky	Oklahoma
Arkansas	Michigan	Pennsylvania
California	Minnesota	South Carolina
Colorado	Mississippi	Tennessee
Connecticut	Missouri	Texas
Florida	Montana	Utah
Hawaii	Nebraska	Washington
Idaho	New Jersey	Wisconsin
Iowa	New Mexico	Wyoming
Kansas	North Dakota	

STATEMENT OF PROFESSIONAL QUALIFICATIONS
AMANDA M. BAKER, MAI

I. Professional Affiliation

Member of the Appraisal Institute with the MAI Designation, No. 511086

II. State Certifications

State of Arizona Certified General Real Estate Appraiser (32065)
State of California Certified General Real Estate Appraiser (3002360)
State of Colorado Certified General Real Estate Appraiser (CG.200000747)
State of Kansas Certified General Real Property Appraiser (G-2960)
State of Missouri Certified General Real Estate Appraiser (2014021680)
State of Nebraska Certified General Real Property Appraiser (CG2016006R)
State of Nevada Certified General Real Estate Appraiser (A.0207150-CG)
State of Washington Certified General Real Estate Appraiser (1102380)

III. Education

University of Nebraska-Omaha, **Bachelor of Science** in Business Administration
-Specialization in Real Estate and Land Use Economics
-Specialization in Marketing
-Secondary Specialization in Economics

IV. Professional Experience

-Vice President-Kinetic Valuation Group, June 2018-Present
-Manager-Lea & Company, November 2011-June 2018
-Senior Real Estate Analyst, Novogradac & Company LLP, April 2005–October 2011

V. Professional Training

-MAI General Demonstration Report-Capstone Program July 2016
-2016-2017 National USPAP Update March 2016
-MAI Comprehensive Exam August 2015
-Advanced Market Analysis and Highest & Best Use May 2015
-Advanced Income Capitalization October 2014
-Quantitative Analysis June 2014
-Advanced Concepts & Case Studies May 2014

VI. Real Estate Assignments

A representative sample of Due Diligence and Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.

- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
CHARLES K. HAASE

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3004234)
State of Ohio Certified General Real Estate Appraiser (2017003033)
State of Utah Certified General Real Estate Appraiser (10536692-CG00)
State of Oklahoma Certified General Real Estate Appraiser (13344CGA)

EDUCATION

University of Nebraska Omaha, **Bachelor of Arts** in International Studies

- Specialization in Global Strategic Studies.

EXPERIENCE

06/2018 to Present - Kinetic Valuation Group, Certified General Real Estate Appraiser

10/2011 to 06/2018 - Lea & Company, Certified General Real Estate Appraiser

06/2009 to 10/2011 - Nebraska Title Company – Escrow Closer/Title Agent/Searcher

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

• Basic Appraisal Procedures	05/2012
• Basic Appraisal Principles	10/2012
• Statistics, Modeling, and Finance	05/2013
• General Site Valuation and Cost Approach	07/2013
• General Sales Comparison Approach	08/2013
• General Appraiser Income Approach Part I	04/2014
• General Appraiser Market Analysis and Highest & Best Use	08/2014
• General Appraiser Report Writing and Case Studies	10/2014
• National USPAP 15-Hour Course	11/2014
• Business Practice and Ethics	08/2015
• General Appraiser Income Approach Part II	09/2015
• Advanced Income Capitalization	10/2015
• Advanced Concepts & Case Studies	07/2019
• Advanced Market Analysis and Highest & Best Use	11/2019

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Nebraska
Arkansas	New Mexico
California	New York
Colorado	North Dakota
Florida	Ohio
Hawaii	Oklahoma
Iowa	Oregon
Kansas	Pennsylvania
Michigan	Texas
Missouri	Utah
Minnesota	West Virginia
Montana	Washington
Nevada	Wisconsin
	Wyoming

Appraisal Of

121 S 6th Street
Montebello, CA 90640
APN: 6349-006-900

Effective Date: December 7, 2021

Report Date: January 14, 2022

Mr. Steve Hernandez

Cesar Chavez Foundation

316 W. 2nd Street, Suite 600
Los Angeles, CA 90012

KINETIC VALUATION GROUP, INC.

Midwest Omaha
11060 Oak Street Suite 6
Omaha, Nebraska
(402) 202-0771

Southern California
PO Box 68
Corona Del Mar, California
(818) 914-1892

January 14, 2022

Mr. Steve Hernandez
Cesar Chavez Foundation
316 W. 2nd Street, Suite 600
Los Angeles, CA 90012

Re: Appraisal of
121 S 6th Street
Montebello, CA 90640
APN: 6349-006-900

Dear Mr. Hernandez:

We are pleased to present our findings with respect to the value of the above-referenced property. The intended user and client of this report is Cesar Chavez Foundation and their assigns. Additional intended users include the California Tax Credit Allocation Committee (TCAC)/California Debt Limits Allocation Committee (CDLAC), Department of Housing and Community Development (HCD), Los Angeles County Development Authority, and any other funding agencies, partnerships formed, and/or lenders. The intended use of the appraisal is for investment analysis. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without our express written consent.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report as defined by USPAP.

Our value conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

As a result of our investigation and analysis, it is our opinion that subject to the limiting conditions and assumptions contained herein, our opinion of the market value of the fee simple interest in the Subject, free and clear of financing, as of December 7, 2021, is:

FOUR HUNDRED TWENTYTHOUSAND DOLLARS
$420,000

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

KINETIC VALUATION GROUP, INC.





Amanda Baker, MAI	Charles Haase
Appraiser	Appraiser
amanda@kvgteam.com	charlie@kvgteam.com
(402) 305-1693	(402) 750-1805
Certified General	Certified General
CA - 3002360	CA - 3004234
Expiration: 7/14/2022	Expiration: 12/21/2022

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ADDENDA

FACTUAL DESCRIPTION

Property Identification
The property appraised is located at the 121 S 6th Street, identified as Assessor's Parcel Number 6349-006-900, located in Montebello, Los Angeles County, CA. The site area is 0.14 acres and is currently vacant. The developer does not have a proposed use of the site at this time. Photos of the Subject have been included in the Addenda.

Intended Use and Intended Users of Appraisal
The intended user and client of this report is Cesar Chavez Foundation and their assigns. Additional intended users include the California Tax Credit Allocation Committee (TCAC)/California Debt Limits Allocation Committee (CDLAC), Department of Housing and Community Development (HCD), Los Angeles County Development Authority, and any other funding agencies, partnerships formed, and/or lenders. The intended use of the appraisal is for investment analysis.

Compliance and Competency Provision
We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information
In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Legal Description
Included in the Addenda.

Property Interest Appraised
The property interest appraised is the fee simple estate.

Market value is defined as:
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

[1] 6th Edition of The Dictionary of Real Estate Appraisal.

Date of Inspection and Effective Date of Appraisal
The Subject was inspected and photographed on December 7, 2021. This shall be the effective date of the appraisal.

Scope of Appraisal
As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- Charles Haase, a California Certified General Appraiser, performed a physical inspection of the property and the Subject's neighborhood December 7, 2021.
- The identification of the property to be appraised is based on information provided by the client and public records data.
- Regional, city, and county data were based on information obtained from newspaper articles, city of Montebello, Los Angeles County, ESRI Demographics, the Bureau of Labor Statistics, and other resources available to the appraiser. This was performed by Christian Jones.
- Data collection and analysis of market conditions currently affecting the county's real estate market on a national and regional level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, availability of financing and current financing terms, current interest and yield rates, buyer preferences, and economic forecasts. This was performed by Charles Haase.
- The research for land sales and listings included Montebello and the surrounding area, from 2018 to the present. The market data was collected from the appraiser's office files, other appraisers, Realtors, newspapers articles, CoStar, title companies, LoopNet, and public records. This was performed by Charles Haase.
- The information gathered from these surveys and investigations was then analyzed, and comparisons were made to the property. The valuation process included the sales comparison approach.
- Amanda Baker, MAI reviewed the report but did not inspect the Subject site.

Ownership and History of Subject

Ownership of the site is vested in The SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO, a California successor agency created and existing pursuant to California Health & Safety Code section 34170 et seq. ("Successor Agency.") There is an Exclusive Negotiation Agreement between the Successor Agency and the Cesar Chavez Foundation, a California Nonprofit Corporation and any of its affiliates (CCF) in order to purchase the parcel valued in this appraisal. The price is to be determined from this appraisal. We are aware of no transfers of the parcel in the past three years and it is not currently exposed to the market.

REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in the northern portion of Montebello, California. Located in the southwestern section of the San Gabriel Valley, Montebello has a total area of eight square miles. Montebello is positioned eight miles east of downtown Los Angeles in Los Angeles County. As of the 2010 census, the population was 62,500 people.

Los Angeles is the second most populous city in the United States with a population of 3.83 million within its administrative limits which consists of a land area of 498.3 square miles. The greater Los Angeles area extends beyond the administrative city limits with a population of over 14.8 million making it the 14th largest urban area in the world. The Los Angeles–Long Beach–Santa Ana metropolitan statistical area (MSA), which consists of Los Angeles and Orange counties, is home to nearly 12.9 million residents while the broader Los Angeles-Long Beach-Riverside combined statistical area (CSA) contains nearly 17.8 million people. Los Angeles is also the seat of Los Angeles County, the most populated county in the United States.

Transportation

Highway: The Greater Los Angeles area are served by a vast highway and interstate system. The following information describes the most notable roadways in the vicinity of Montebello.

Interstate 405, a bypass of Interstate 5, is a major north/south route running along the western and southern parts of the Greater Los Angeles Area from Irvine in the south to near San Fernando in the north. The entire route is known as the northern segment of the San Diego Freeway. Interstate 405 is a heavily traveled thoroughfare by both commuters and by freight haulers along its entire length and is the busiest and most congested freeway in the United States.

California State Route 60 is a major east/west route that runs along northern Montebello. The route branches off of Interstate 5 and traverses west where it eventually joins Interstate 10 in Beaumont.

California State Route 19 is a major route running north/south and runs on the east side of Montebello. The route starts in Long Beach and runs north where it merges with California State Route 164 east of Montebello in Pico Rivera. The route serves and gives access to the southern portion of the Los Angeles Metropolitan Area.

Interstate 605, a major route running north/south, serves the central portion of the Los Angeles Metropolitan Area. Interstate 605 starts in Los Alamitos and runts north through the Los Angeles region.

Interstate 5 is a major northeast/southwest traversing route running up the coast and through western California. The route starts at the United States and Mexico border and ends at the United States and Canada border in Washington. Interstate 5 runs on the south side of Montebello and serves the central portion of the Los Angeles Metropolitan Area.

Interstate 10 is a major east/west route running east from Santa Monica, on the Pacific Ocean, through Los Angeles and San Bernardino to the border with Arizona. In the greater Los Angeles area, it is known as the Santa Monica Freeway and the San Bernardino Freeway, linked by a short concurrency on Interstate 5 (the Golden State Freeway) at the East Los Angeles Interchange. The highway is located approximately 5.2 miles north of the Subject.

Air: Los Angeles International Airport (LAX) is located approximately 16 miles southwest of the Subject. LAX is the fifth busiest airport in the world and second busiest in the United States, offering 692 daily flights to 85 domestic cities and 928 weekly nonstop flights to 67 cities in 34 countries on 59 passenger air carriers.

Public Transportation

The Los Angeles County Metropolitan Transportation Authority operates bus lines, as well as subway and light rail lines across Los Angeles County, with a combined monthly ridership of 38.8 million. The bus system includes nearly 16,000 stops throughout 170 routes covering a 1,433 square mile service area. The rail system includes eight stations covering 87 miles of service that include four light rail lines and two subway lines. The nearest bus stop is located approximately 0.03 miles from the Subject.

Healthcare

The closest hospital is the Beverly Community Hospital located approximately 0.50 miles northeast of the Subject. Beverly Community Hospital a 224-bed acute care hospital offering comprehensive healthcare including an emergency department, cardiology, pediatrics, surgery, and orthopedic services among others.

Education

The Subject is located in the Montebello Unified School District. The Montebello Unified School District serves more than 29,000 students in pre-school through grade 12. Students who reside at the Subject will be zoned to attend Fremont Elementary School, Montebello Intermediate School, and Montebello High School which are located between 0.36 miles and 1.09 miles from the Subject.

DELINEATION OF MARKET AREA

Primary and Secondary Market Area

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The Subject is located in the southern portion of Montebello, a city in within Los Angeles County that abuts the city of Los Angeles on its eastern and western boundaries. The Primary Market Area consists primarily of the Southeast Los Angeles Submarket as defined by CoStar. The area encompasses the cities of Montebello, Pico Rivera, Monterey Park, and South El Monte, and portions of the cities of El Monte, Whittier, Norwalk, and the unincorporated area of East Los Angeles. The general PMA boundaries for the Subject are defined as follows:

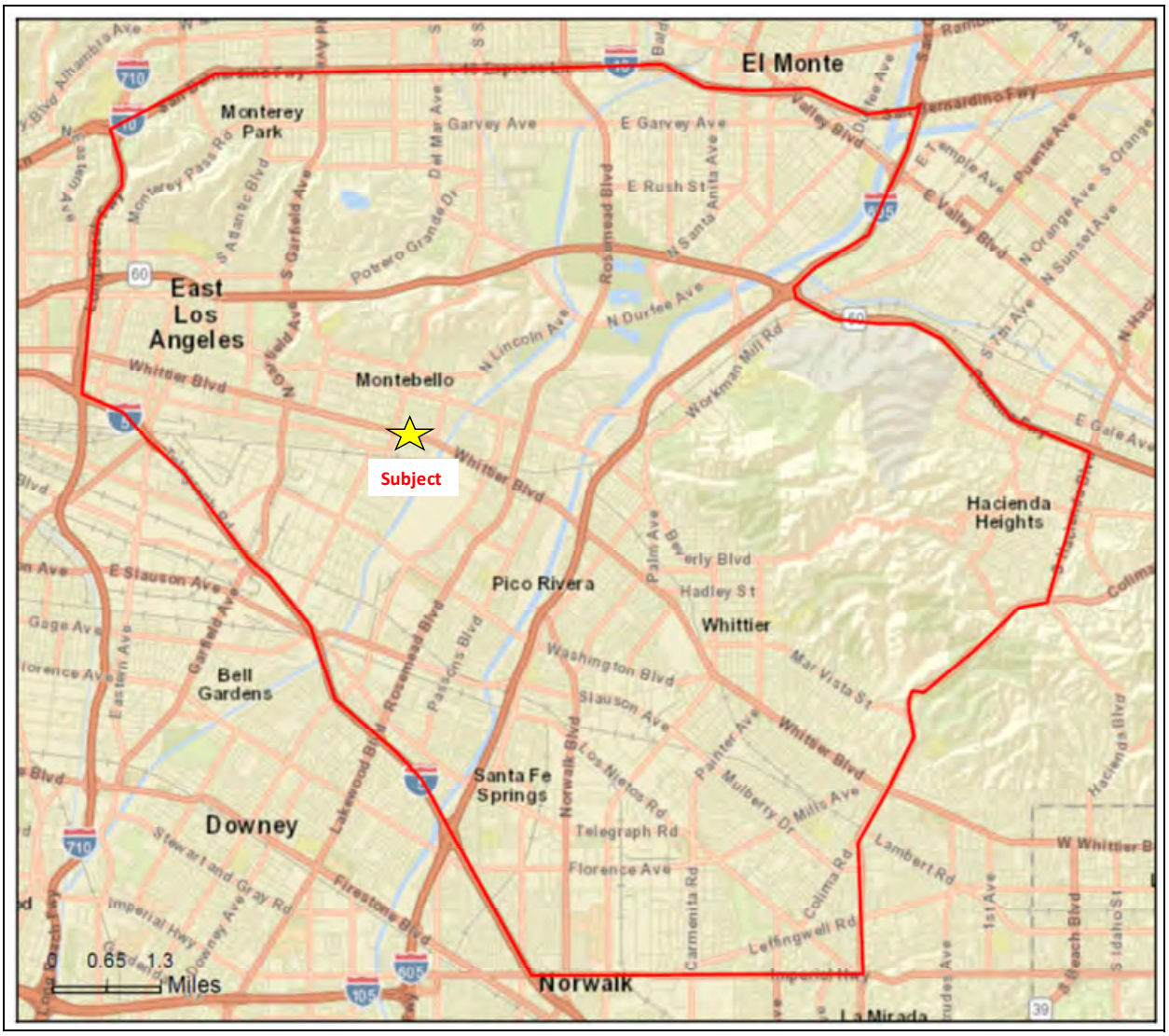
North –	Interstate 10
South –	Imperial Highway
East –	Interstate 605/Highway 60/South Hacienda Blvd/Colima Rd
West –	Interstate 5/Interstate 710

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions as well as surveys of existing market rate and affordable apartment projects undertaken by Kinetic Valuation Group, Inc., and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize a smaller sub-market may exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within this defined area. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, some leakage would be anticipated from outside the PMA from other parts of Los Angeles County.

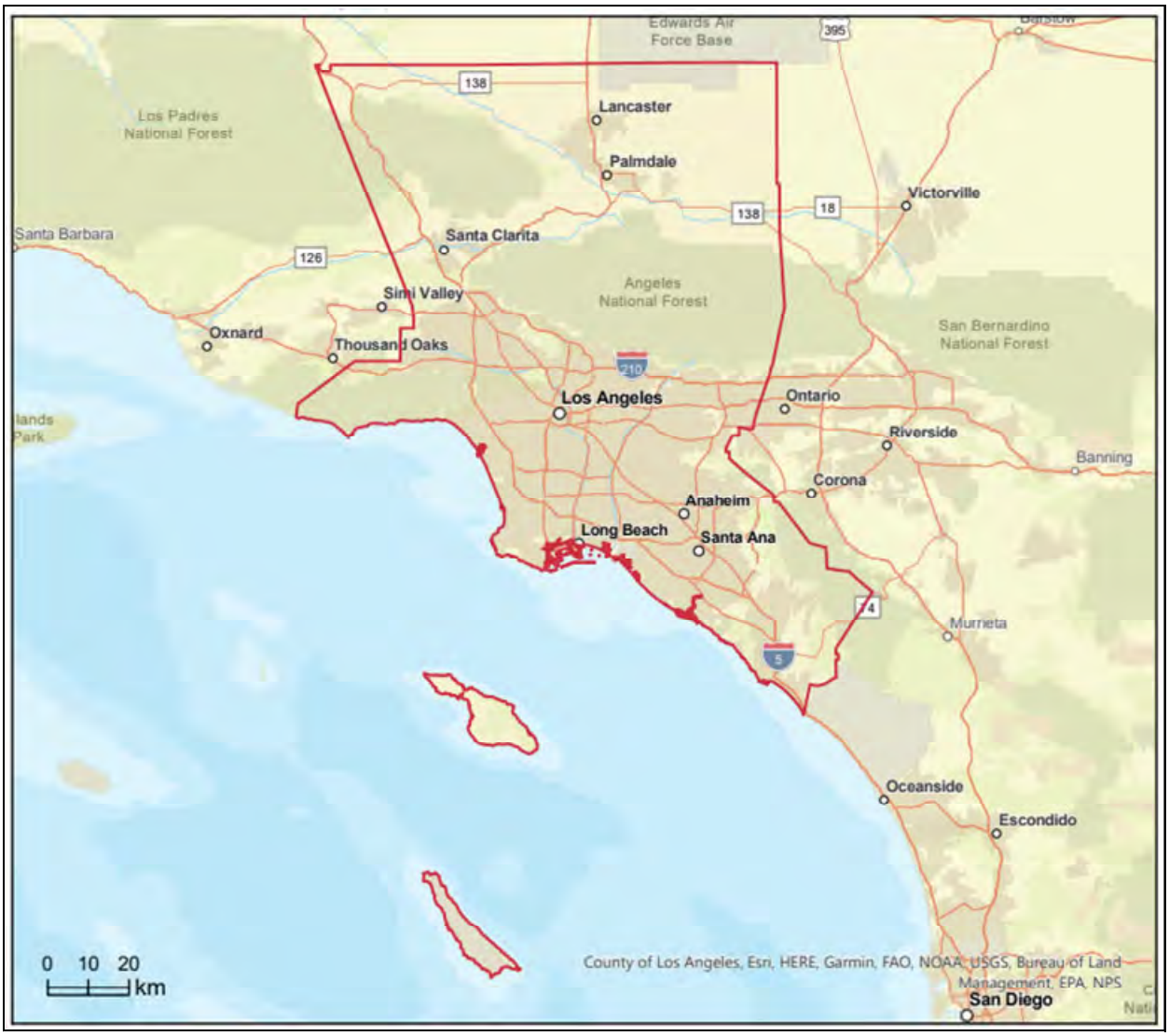
There are no natural boundaries in Montebello or Los Angeles County that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Both market rate and affordable rental housing of all types is in strong demand. Rental housing in the PMA appears to be stable, with low vacancy rates.

The secondary market area (SMA) for the Subject is the Los Angeles-Long Beach-Anaheim MSA. Maps outlining the PMA and SMA can be found on the following page.

PMA


Subject
El Monte
Monterey Park
East Los Angeles
Montebello
Pico Rivera
Whittier
Hacienda Heights
Bell Gardens
Santa Fe Springs
Downey
Norwalk
La Mirada
0 0.65 1.3
Miles

SMA

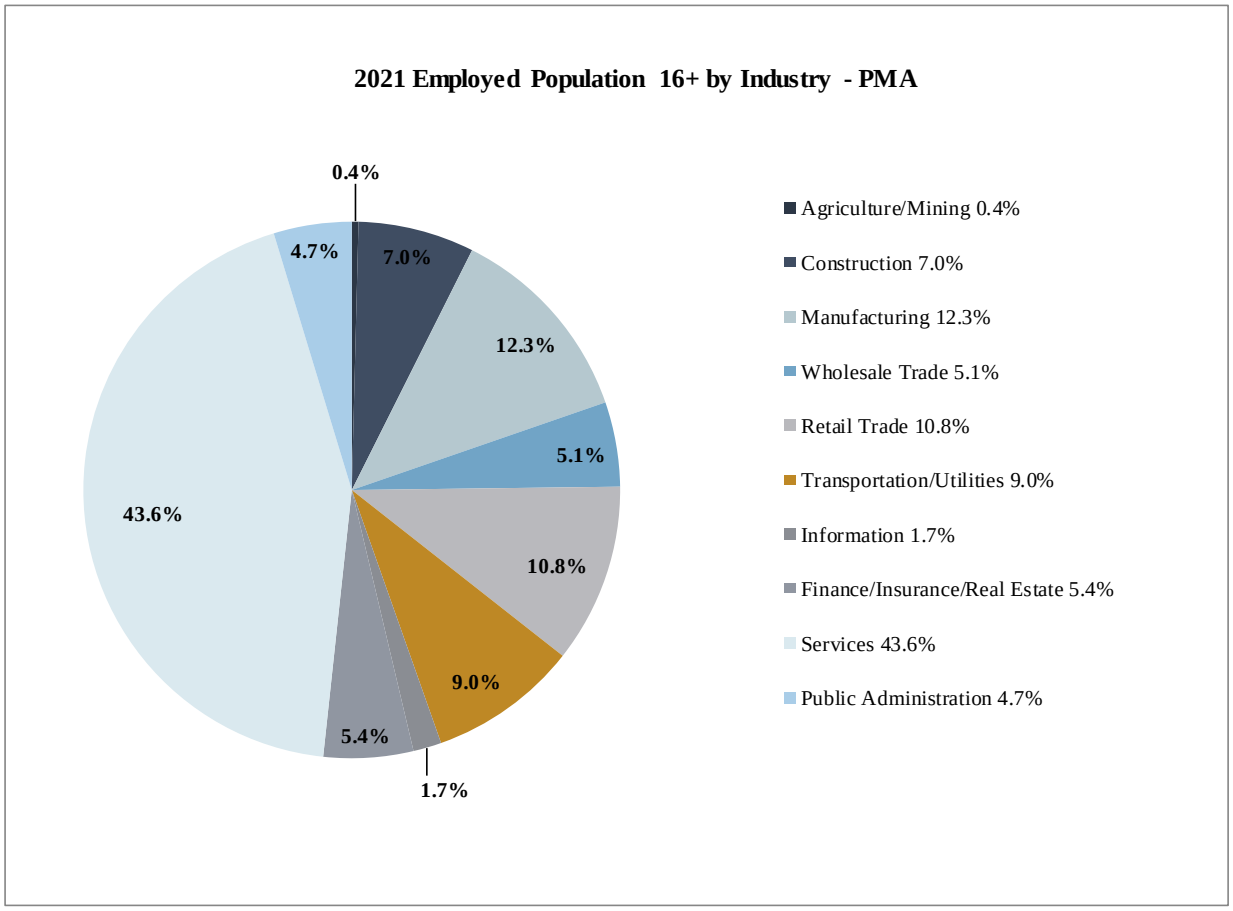

Edwards Air Force Base
395
138
Lancaster
Palmdale
Los Padres National Forest
Victorville
18
Santa Barbara
126
Santa Clarita
Angeles National Forest
Simi Valley
Oxnard
Thousand Oaks
San Bernardino National Forest
210
Los Angeles
Ontario
Riverside
Banning
Corona
Anaheim
Long Beach
Santa Ana
74
Murrieta
5
Oceanside
Escondido
0 10 20
km
County of Los Angeles, Esri, HERE, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS
San Diego

MARKET AREA ECONOMY

The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject's PMA. We obtained economic information from the Bureau of Labor Statistics, city of Montebello, ESRI Demographics, and the Montebello Chamber of Commerce. These data sources are considered to be the most reliable and current.

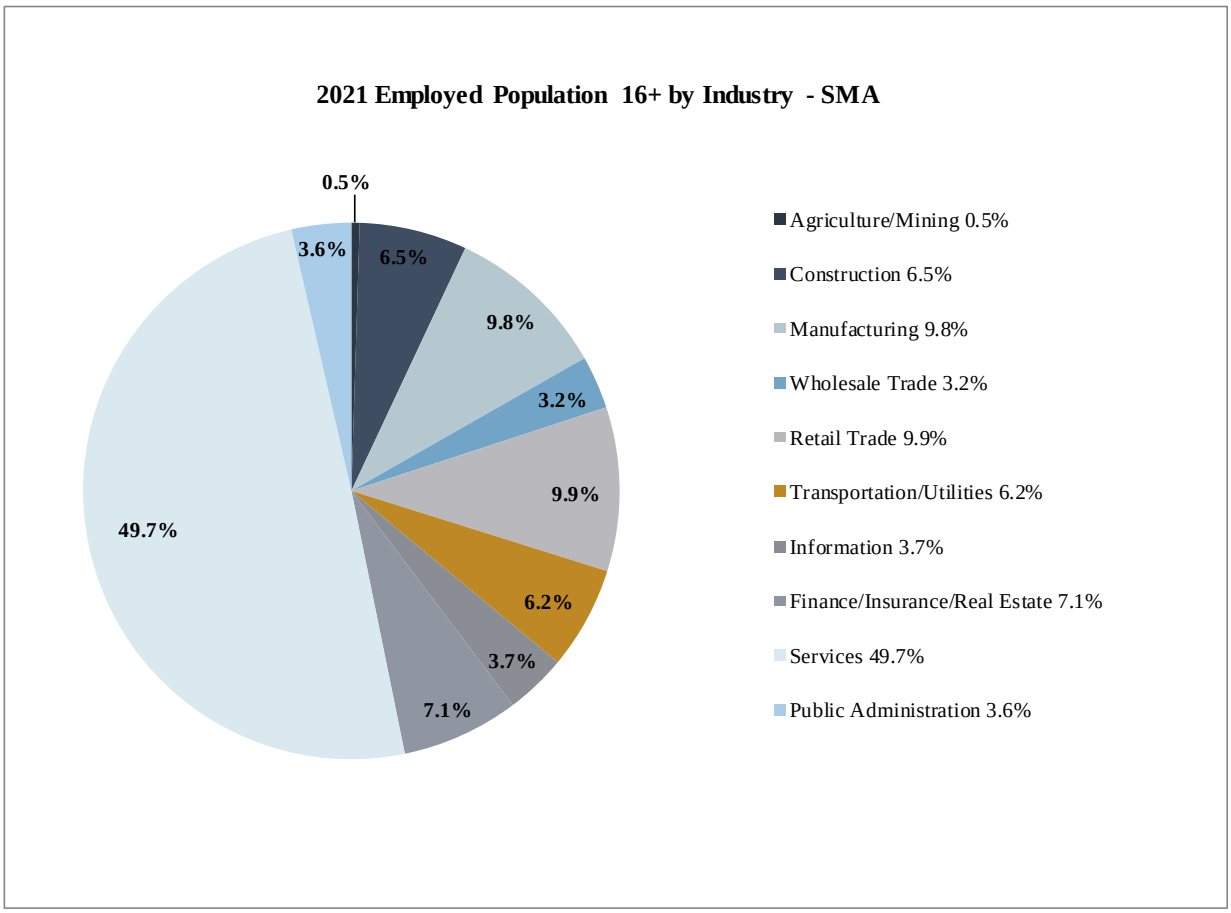
Employment by Industry

The following charts illustrate the distribution of employment sectors by industry within the PMA and SMA.



Source: ESRI Demographics

The largest employment sector in the PMA is the service sector with 43.6 percent, followed by the manufacturing sector with 12.3 percent and the retail trade sector with 10.8 percent.



Source: ESRI Demographics

The largest employment sector in the SMA is the service sector with 49.7 percent, followed by the retail trade sector with 9.9 percent and the manufacturing sector with 9.8 percent.

Major Employers

The following chart identifies the major employers in Los Angeles County in 2021.

Los Angeles County, CA Major Employers - 2021		
Employer	**Location**	**Industry**
AHMC Healthcare Inc	Alhambra	Health Care Management
All Nations Church	Sylmar	Churches
California State Univ NRTHRDG	Northridge	Schools-Universities & Colleges Academic
Cedars-Sinai Health System	West Hollywood	Health Care Management
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
Lac Usc Medical Ctr	Los Angeles	Hospitals
Live Nation	Los Angeles	Entertainment Bureaus
Long Beach City Hall	Long Beach	City Hall
Longshore Dispatch	Wilmington	Nonclassified Establishments
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Ctr	Los Angeles	Pathologists
Los Angeles Police Dept	Los Angeles	Police Departments
National Institutes of Health	Pasadena	Physicians & Surgeons
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Space Exploration Tech Corp	Hawthorne	Aerospace Industries (mfrs)
Twentieth Century Fox	Los Angeles	Motion Picture Producers & Studios
UCLA Community Based Learning	Los Angeles	Junior-Community College-Tech Institutes
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
University of Ca Los Angeles	Los Angeles	University-College Dept/Facility/Office
Vision X	Los Angeles	Call Centers
Walt Disney Co	Burbank	Water Parks
Water Garden Management	Santa Monica	Office Buildings & Parks

Source: CA EDD

Workforce and Unemployment Trends

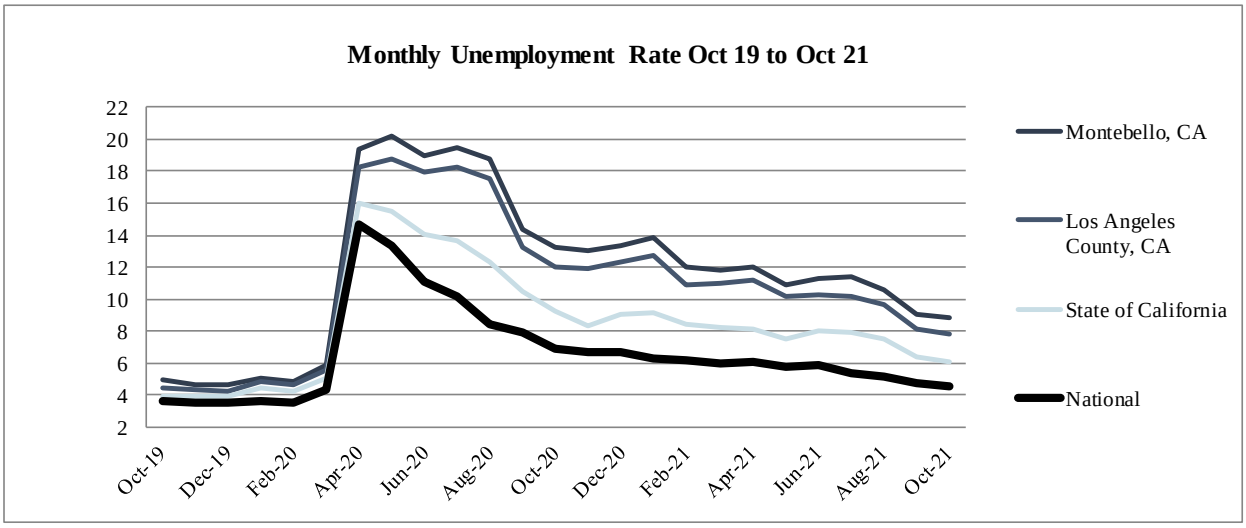
The table below illustrates the workforce and unemployment trends for the city of Montebello and Los Angeles County.

Unemployment Trends - 2010-2021 YTD								
	Montebello, CA				Los Angeles County, CA			
Year	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change
2010	28,130	25,075	10.9	-	4,940,672	4,318,722	12.6	-
2011	28,193	25,221	10.5	-0.4	4,941,667	4,337,370	12.2	-0.4
2012	27,975	25,329	9.5	-1.0	4,904,883	4,365,690	11.0	-1.2
2013	28,226	25,857	8.4	-1.1	4,955,806	4,471,400	9.8	-1.2
2014	28,359	26,358	7.1	-1.3	4,982,412	4,572,171	8.2	-1.6
2015	28,224	26,611	5.7	-1.4	4,973,756	4,641,054	6.7	-1.5
2016	28,708	27,079	5.7	0.0	5,018,920	4,751,209	5.3	-1.4
2017	28,995	27,474	5.2	-0.5	5,088,898	4,843,694	4.8	-0.5
2018	28,919	27,464	5.0	-0.2	5,094,301	4,857,330	4.7	-0.1
2019	28,959	27,523	5.0	0.0	5,122,843	4,888,581	4.6	-0.1
2020	28,022	24,163	13.8	8.8	4,921,499	4,291,688	12.8	8.2
2021 YTD	28,585	26,083	8.8	-5.0	5,027,344	4,632,805	7.8	-5.0

Source: Bureau of Labor Statistics

The unemployment rate in Montebello has fluctuated between 5.0 and 13.8 percent from 2010 through 2021 year to date. From 2009 to 2019 the unemployment rate declined to a decade low of 5.0 percent. Due to the COVID-19 pandemic unemployment rose to 13.8 percent in 2020. As the economy has recovered throughout 2021 the unemployment rate has declined to 8.8 percent. The county follows a similar trend.

Below we have compared the city, MSA, state, and national unemployment rates over the past 24 months.



Source: Bureau of Labor Statistics

The city, county, and state have remained consistently above the national unemployment rate over the past 24 months. Unemployment spiked in April 2020 but began to steadily decline beginning in May 2020.

Employment Trends

The following table illustrates the employment trends in Montebello and Los Angeles County from 2010 to 2021 year to date.

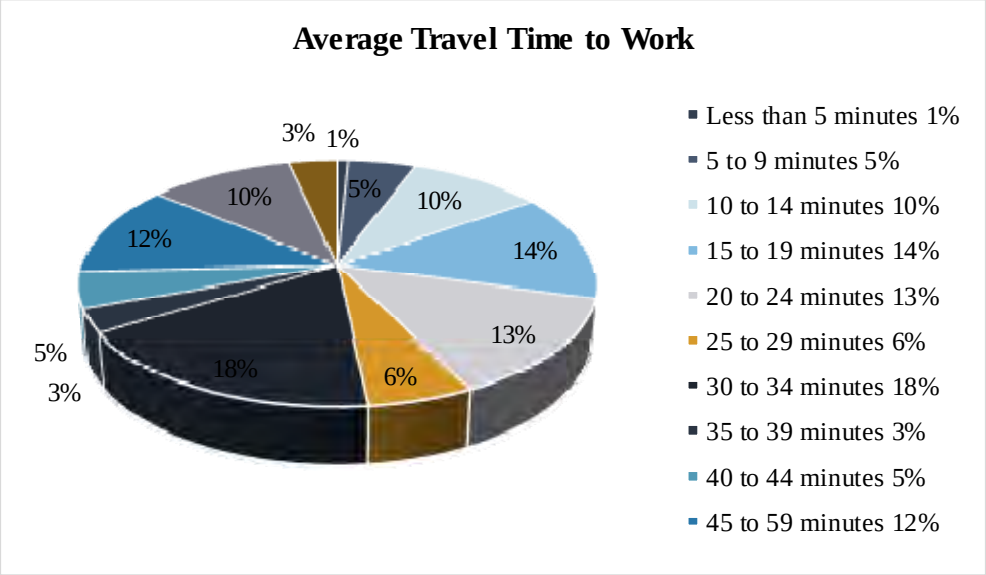
Employment Trends - 2010 - 2021 YTD				
	Montebello, CA		Los Angeles County, CA	
Year	Total Employment	Percentage Growth	Total Employment	Percentage Growth
2010	25,075	-	4,318,722	-
2011	25,221	0.6%	4,337,370	0.4%
2012	25,329	0.4%	4,365,690	0.7%
2013	25,857	2.1%	4,471,400	2.4%
2014	26,358	1.9%	4,572,171	2.3%
2015	26,611	1.0%	4,641,054	1.5%
2016	27,079	1.8%	4,751,209	2.4%
2017	27,474	1.5%	4,843,694	1.9%
2018	27,464	0.0%	4,857,330	0.3%
2019	27,523	0.2%	4,888,581	0.6%
2020	24,163	-12.2%	4,291,688	-12.2%
2021 YTD	26,083	7.9%	4,632,805	7.9%

Source: Bureau of Labor Statistics

The employment level in Montebello and the county has increased every year since 2011, with the exception of 2020. Employment decreased in 2020 due to the COVID-19 pandemic, but as the economy has begun to recover in 2021 year-to-date, employment has risen 7.9 percent.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI data.



Source: ESRI Demographics

Approximately 67 percent of persons in the PMA have a commute time of less than 35 minutes indicating a majority of the persons in the PMA commute to work in nearby areas.

Wages by Occupation

The chart below shows the wages by occupation for the Los Angeles-Long Beach-Anaheim, CA MSA.

Wage by Occupation - Los Angeles-Long Beach-Anaheim, CA MSA - 2020			
Occupational Title	Number of Employees	Average Hourly Wage	Average Annual Wage
All Occupations	5,822,510	$30.61	$63,660
Management Occupations	369,510	$67.37	$140,130
Business and Financial Operations Occupations	389,820	$40.94	$85,160
Computer and Mathematical Occupations	174,170	$48.51	$100,900
Architecture and Engineering Occupations	107,080	$49.00	$101,910
Life, Physical, and Social Science Occupations	48,800	$43.50	$90,480
Community and Social Service Occupations	120,690	$29.75	$61,880
Legal Occupations	61,240	$66.29	$137,890
Educational Instruction and Library Occupations	336,630	$35.35	$73,530
Arts, Design, Entertainment, Sports, and Media Occupations	163,890	$41.65	$86,620
Healthcare Practitioners and Technical Occupations	299,200	$49.27	$102,480
Healthcare Support Occupations	374,240	$16.44	$34,190
Protective Service Occupations	148,980	$30.29	$63,010
Food Preparation and Serving Related Occupations	482,270	$15.45	$32,140
Building and Grounds Cleaning and Maintenance Occupations	152,960	$18.32	$38,110
Personal Care and Service Occupations	114,380	$18.59	$38,660
Sales and Related Occupations	524,510	$23.62	$49,140
Office and Administrative Support Occupations	787,770	$22.68	$47,170
Farming, Fishing, and Forestry Occupations	4,930	$17.31	$36,010
Construction and Extraction Occupations	193,300	$30.58	$63,600
Installation, Maintenance, and Repair Occupations	165,140	$28.18	$58,610
Production Occupations	320,810	$20.09	$41,780
Transportation and Material Moving Occupations	482,170	$20.23	$42,080

Source: Bureau of Labor Statistics

The above chart shows average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was food preparation and serving related occupations, at $15.45 per hour. The highest average hourly wage of $67.37 was for management occupations.

Conclusion

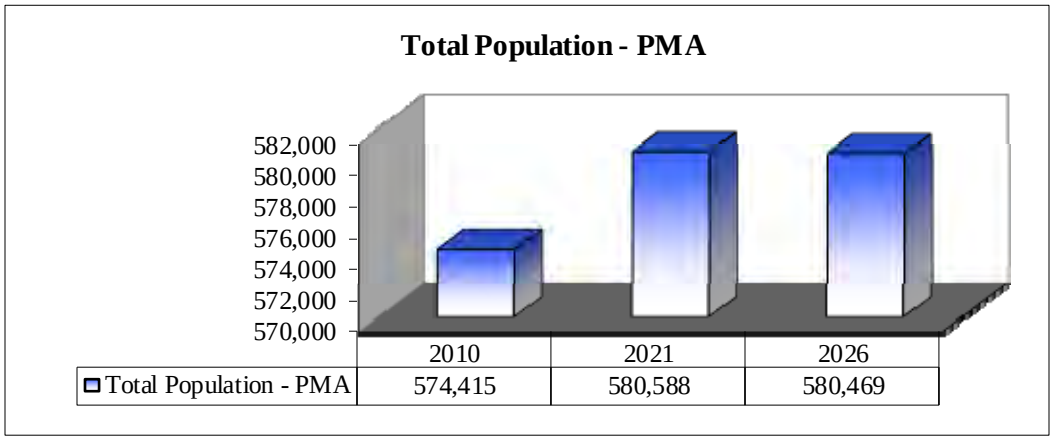
The Subject's neighborhood, city of Montebello, and Los Angeles County include many employment options for area residents. Numerous businesses offering a range of positions and skill levels exist within close proximity to the Subject. The wage rates within the area demonstrate a significant pool of potential tenants exist for affordable housing developments.

POPULATION & HOUSEHOLD TRENDS

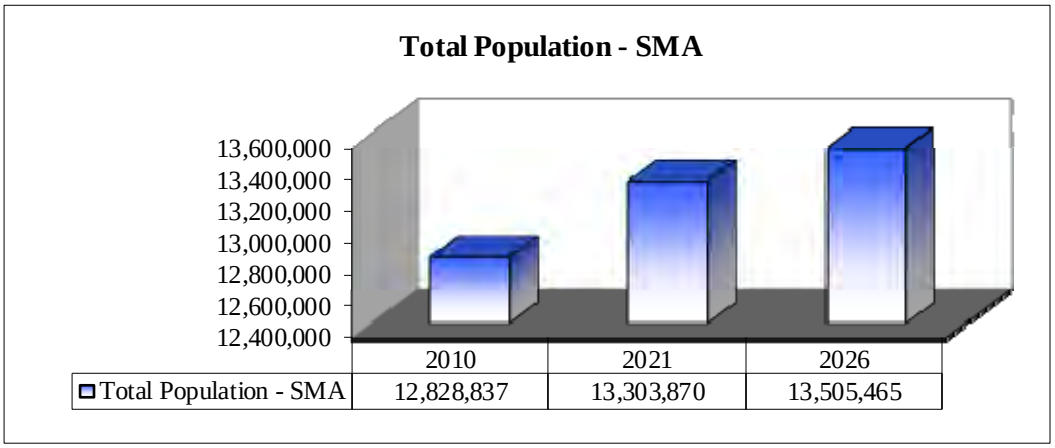
In this section, we compare population, household and income trends in the PMA and SMA. All information is provided to us by ESRI Demographics, which is a national proprietary data provider. Some tables reflect rounding from the data provided, however, it is nominal. The data is presented for the primary market area and secondary market area in which the development is located.

Total Population

The charts below illustrate total population in the PMA and SMA from 2021 through 2026.



Source: ESRI Demographics



Source: ESRI Demographics

The population within the PMA has continuously grown from 2010 to 2021 and is expected to decrease slightly through 2026. The SMA is considered an area of growth, as it is expected to increase through 2026.

Population by Age Group

The tables below illustrate population by age group in the PMA and SMA from 2010 through 2026.

Population by Age Group			
PMA			
Age Cohort	**2010**	**2021**	**2026**
0 - 4	39,091	36,671	36,219
5 - 9	39,445	37,906	35,237
10 - 14	43,167	38,330	37,993
15 - 19	46,804	38,878	36,356
20 - 24	42,835	40,930	37,485
25 - 34	79,994	92,595	86,080
35 - 44	81,395	76,739	84,296
45 - 54	76,018	70,324	70,222
55 - 64	57,412	63,800	63,618
65 - 74	34,273	47,589	51,113
75 - 84	24,014	25,389	29,802
85+	9,968	11,436	12,050
Total	**574,415**	**580,588**	**580,469**

Population by Age Group			
SMA			
Age Cohort	**2010**	**2021**	**2026**
0 - 4	837,484	785,996	799,703
5 - 9	832,459	809,413	773,793
10 - 14	889,040	833,110	805,315
15 - 19	981,319	852,307	811,751
20 - 24	966,389	939,865	876,338
25 - 34	1,889,259	2,125,390	2,100,007
35 - 44	1,869,369	1,803,884	1,979,363
45 - 54	1,813,132	1,651,621	1,624,291
55 - 64	1,335,010	1,566,100	1,540,283
65 - 74	755,924	1,124,746	1,230,081
75 - 84	458,306	570,565	701,770
85+	201,146	240,873	262,770
Total	**12,828,837**	**13,303,870**	**13,505,465**

Source: ESRI Demographics

In the PMA, population appears to be the greatest in the 25 to 54-year age group during 2021.

Number of Elderly and Non-elderly

The table below is an illustration of the elderly and non-elderly population.

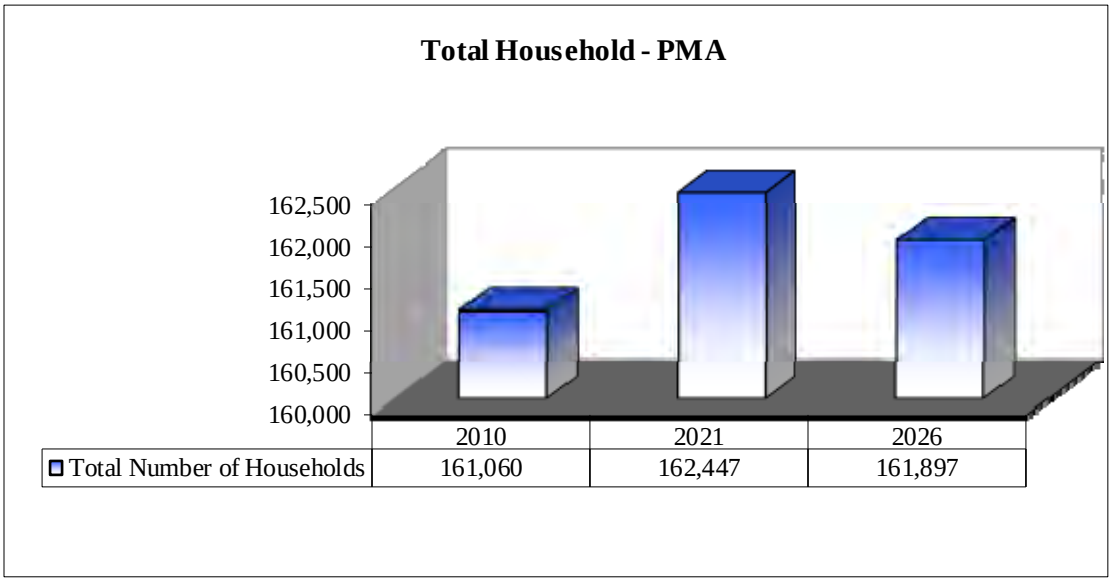
Number of Elderly and Non-Elderly						
	PMA			SMA		
Year	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2010	574,415	448,748	125,667	12,828,837	10,078,451	2,750,386
2021	580,588	432,374	148,214	13,303,870	9,801,586	3,502,284
2026	580,469	423,886	156,583	13,505,465	9,770,561	3,734,904

Source: ESRI Demographics

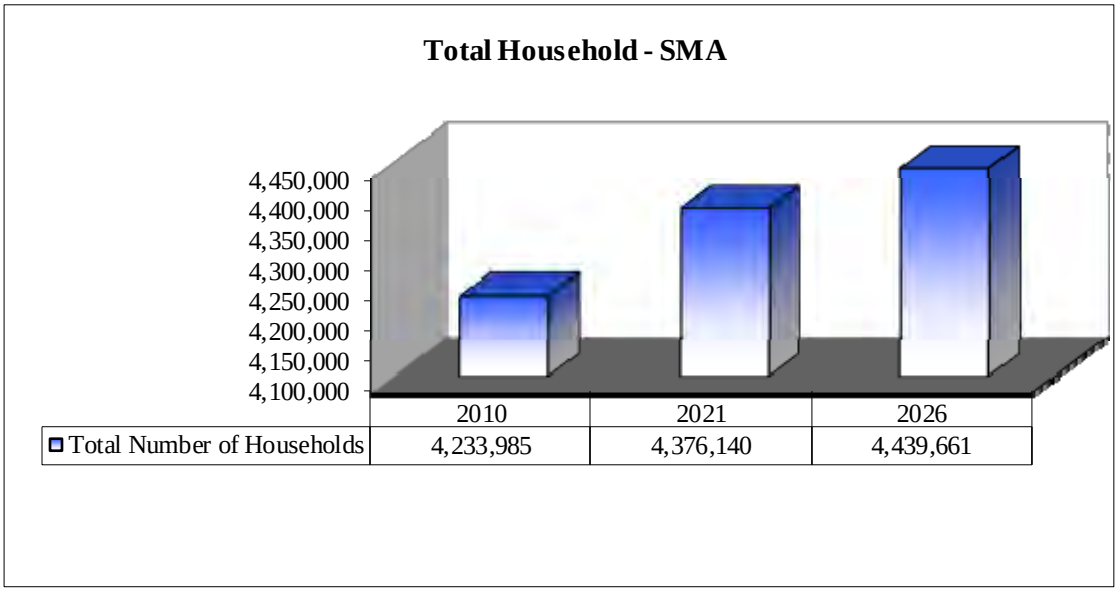
Within the PMA, population is greatest in the non-elderly population, those aged 54 or under. In 2021, the elderly population was approximately 25.5 percent of the total population in the PMA. Within the SMA, the elderly population also comprised 26.3 percent of total population in 2021.

Total Number of Households

The charts below illustrate the total number of households in the PMA and SMA.



Source: ESRI Demographics



Source: ESRI Demographics

Similar to the growth in population in both the PMA and SMA, growth in the number of households is expected to decrease between 2010 and 2026.

Total Household by Tenure

The table below illustrates total households by tenure for the total population in the PMA and SMA.

Tenure Patterns - Total Population								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	87,662	54.4%	73,398	45.6%	2,133,062	50.4%	2,100,923	49.6%
2021	86,367	53.2%	76,081	46.8%	2,127,490	48.6%	2,248,650	51.4%
2026	86,702	53.6%	75,195	46.4%	2,149,662	48.4%	2,289,999	51.6%

Source: ESRI Demographics

As indicated, the total number of renter-occupied housing units within the PMA during 2021 is 46.8 percent. This number is projected to increase slightly through 2026. Comparatively, the total number of renter-occupied households within the SMA during 2021 is higher, at 51.4 percent.

Average Household Size

The table below illustrates average household size.

Average Household Size				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2010	3.57	-	3.03	-
2021	3.57	0.02%	3.04	0.03%
2026	3.59	0.06%	3.04	0.01%

Source: ESRI Demographics

Average household size in the PMA during 2021 was 3.57 persons; this is projected to increase slightly through 2026. Comparison to the SMA average household size of 3.04 indicates a smaller household size in the SMA than the PMA.

Median Household Income Levels

The table below illustrates the median household income in the PMA and SMA from 2021 through 2026.

Median Household Income				
Year	PMA		SMA	
	Amount	Annual Change	Amount	Annual Change
2021	$65,132	-	$78,908	-
2026	$75,394	3.2%	$89,775	2.8%

Median household income in the PMA is projected to increase 3.2 percent between 2021 and 2026, which is larger than the expected change in the SMA of 2.8 percent.

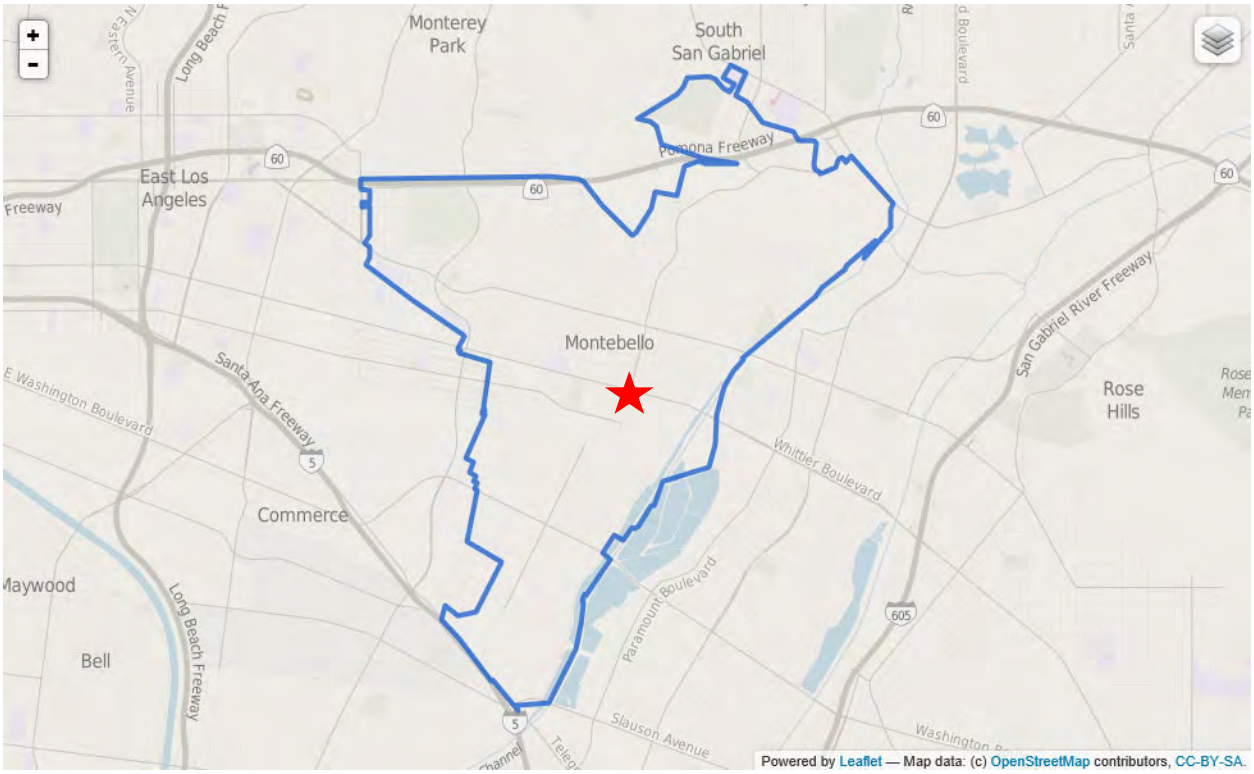
Conclusion

Total population and households are projected to slightly decrease in the PMA through 2026; however, both are projected to increase in the SMA. Additionally, the median household income in both the PMA and SMA is anticipated to increase through 2026.

NEIGHBORHOOD ANALYSIS

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

As defined by the Los Angeles Times, the Subject is located in the southeast portion of the Los Angeles Metropolitan Area within Montebello. The city consists of approximately 8.45 square miles and is located south of Monterey Park and northwest of Pico Rivera. As of the 2010 census the population was 62,500. The area is generally bounded by Highway 60 to the north, Interstate 5 to the South, the Rio Hondo Channel to the east, and Garfield Avenue to the west. The map below illustrates the Subject's location within Montebello.



Access and Traffic Flow

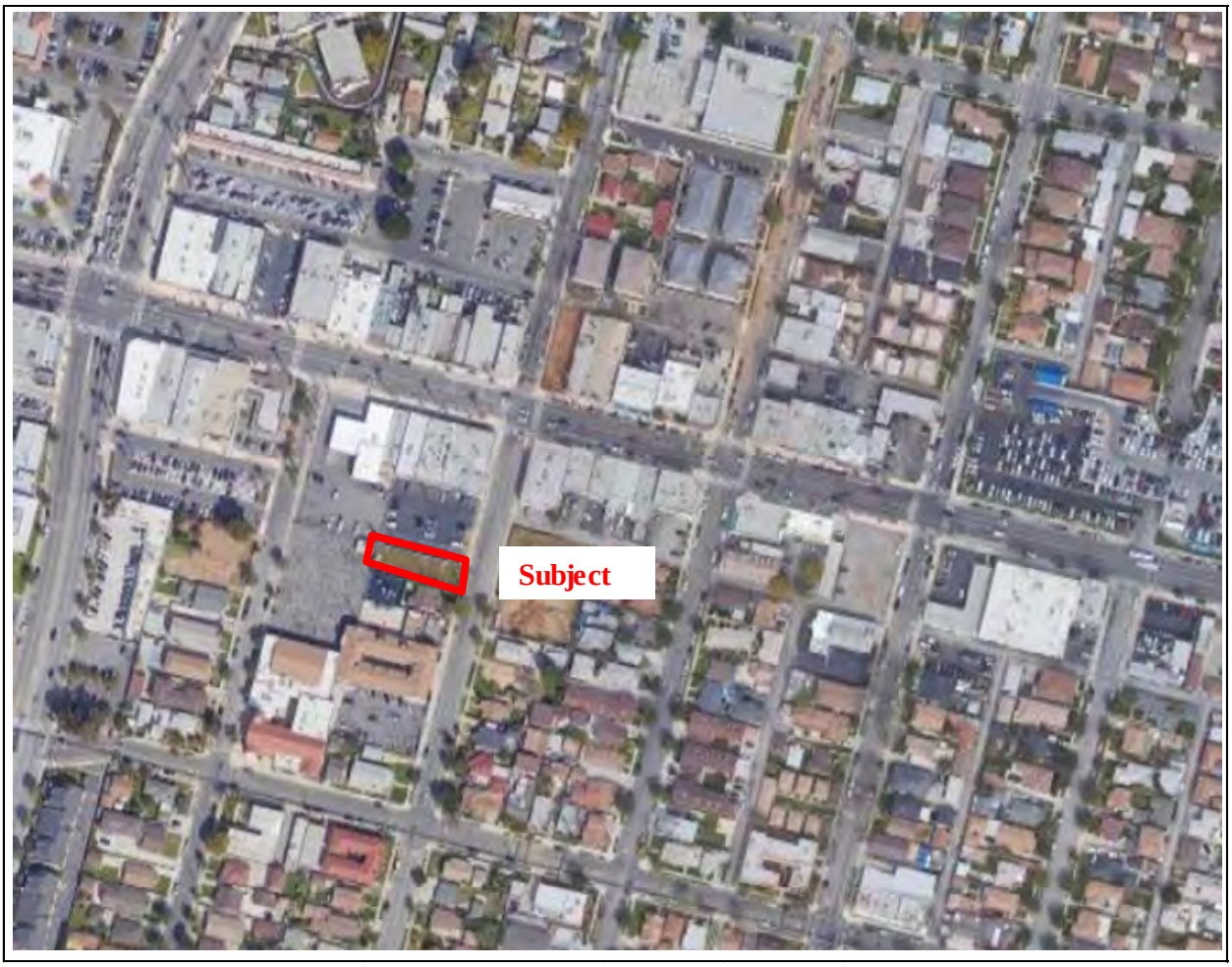
Access to the site is from the west side of Sixth Street. Seventeenth Street is a two-lane north/south neighborhood connector street that provides access to Whittier Boulevard to the north. Whittier Boulevard is a four-lane thoroughfare traversing east/west through the southern portion of Montebello providing access to Interstate 710 to the west and Interstate 605 to the east.

Visibility/Views

The site will have good visibility from the west side of Sixth Street and the north side of Commercial Street. The Subject is located in a mixed-use neighborhood. To the north consist of mixed-use commercial buildings in average condition. Views to the east, west, and south consist of mixed-use commercial buildings, single-family homes, and multifamily homes, all in average condition.

Location Map

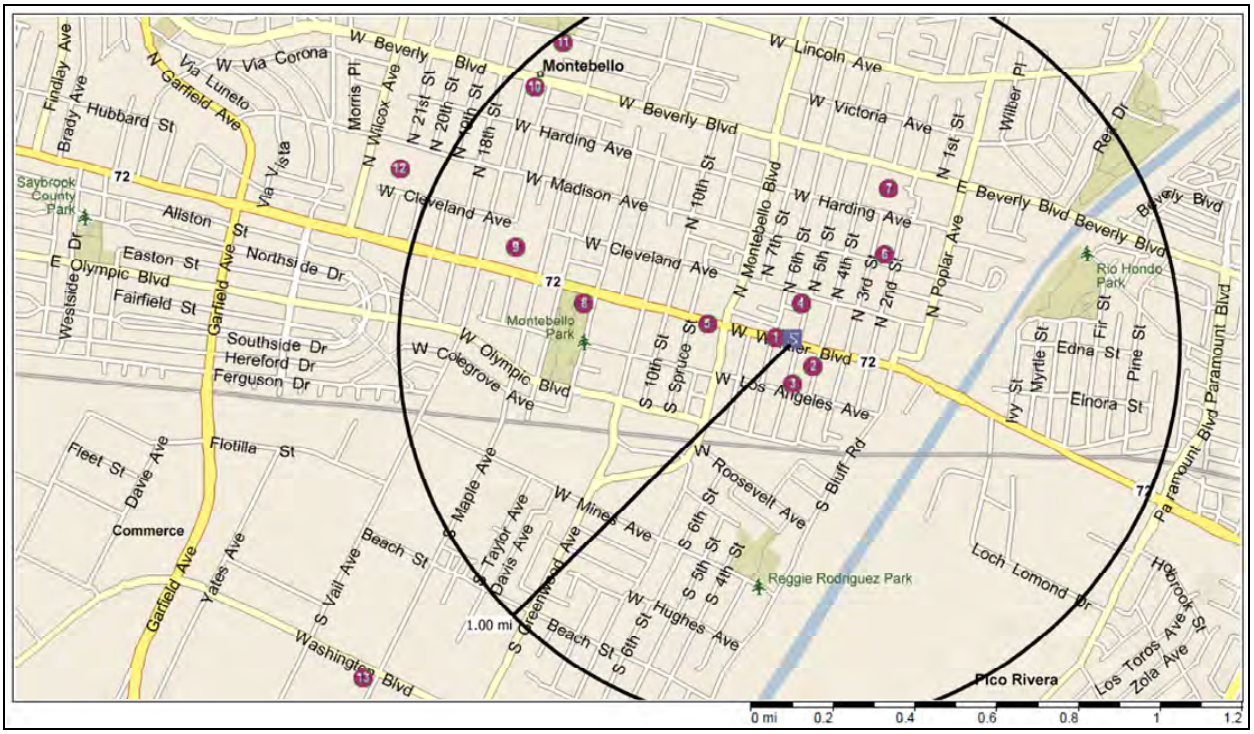
The map below illustrates the Subject and surrounding neighborhood.



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Locational Amenities & Map - Overview

The map and table below illustrate the location amenities in relation to the Subject's site.



Distance From Local Services			
Map #	**Name**	**Service**	**Distance**
1	Bus Stop	Transportation	0.03 miles
2	First Church of the Nazarene	Church	0.09 miles
3	Alvarado Market	Grocery Store	0.10 miles
4	United States Postal Service	Post Office	0.13 miles
5	Montebello Pharmacy	Pharmacy	0.20 miles
6	Fremont Elementary School	Education	0.36 miles
7	Beverly Hospital	Hospital	0.50 miles
8	Montebello City Park	Recreation	0.53 miles
9	Montebello Intermediate School	Education	0.74 miles
10	U.S. Bank	Bank	0.94 miles
11	Montebello Library	Library	0.98 miles
12	Montebello High School	Education	1.09 miles
13	ARCO	Gas Station	1.38 miles

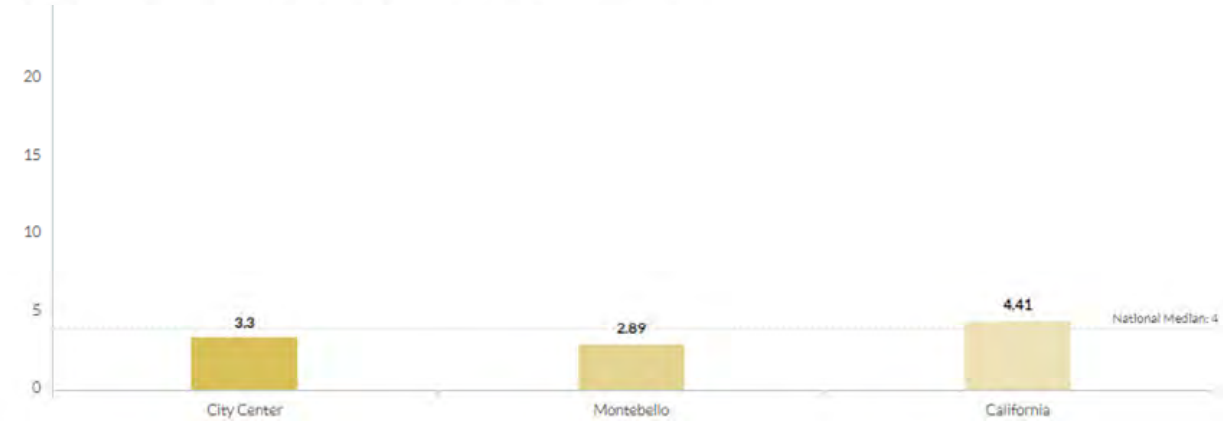
Crime Statistics

The following crime data is provided by Neighborhood Scout.

TOTAL CRIME INDEX
37
(100 is safest)
Safer than 37% of U.S. neighborhoods.

NEIGHBORHOOD ANNUAL CRIMES	VIOLENT	PROPERTY	TOTAL
Number of Crimes	22	166	188
Crime Rate (per 1,000 residents)	3.30	24.91	28.22

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



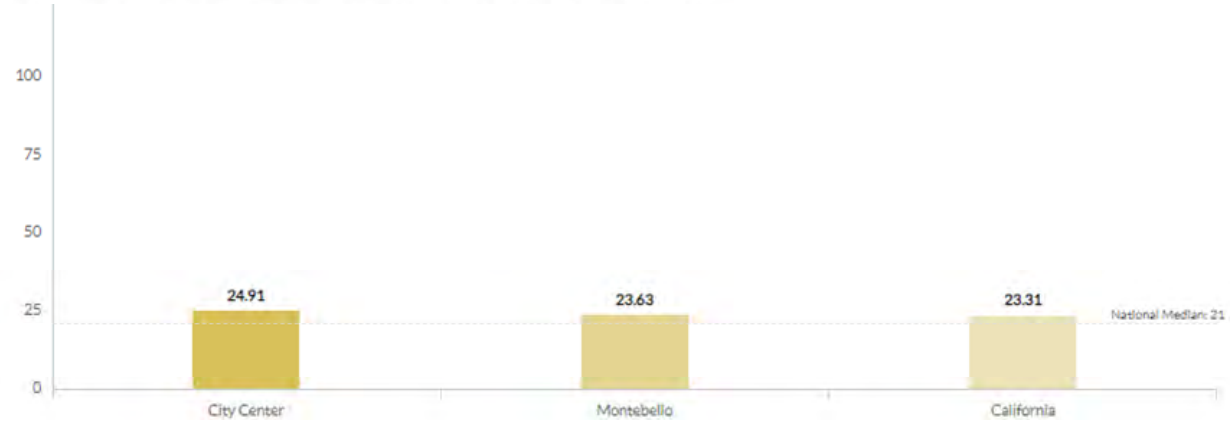
MONTEBELLO VIOLENT CRIMES — POPULATION: 61,954

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	0	11	90	78
Rate per 1,000	0.00	0.18	1.45	1.26

UNITED STATES VIOLENT CRIMES — POPULATION: 328,239,523

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	16,425	139,815	267,988	821,182
Rate per 1,000	0.05	0.43	0.82	2.50

PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



MONTEBELLO PROPERTY CRIMES

POPULATION: 61,954

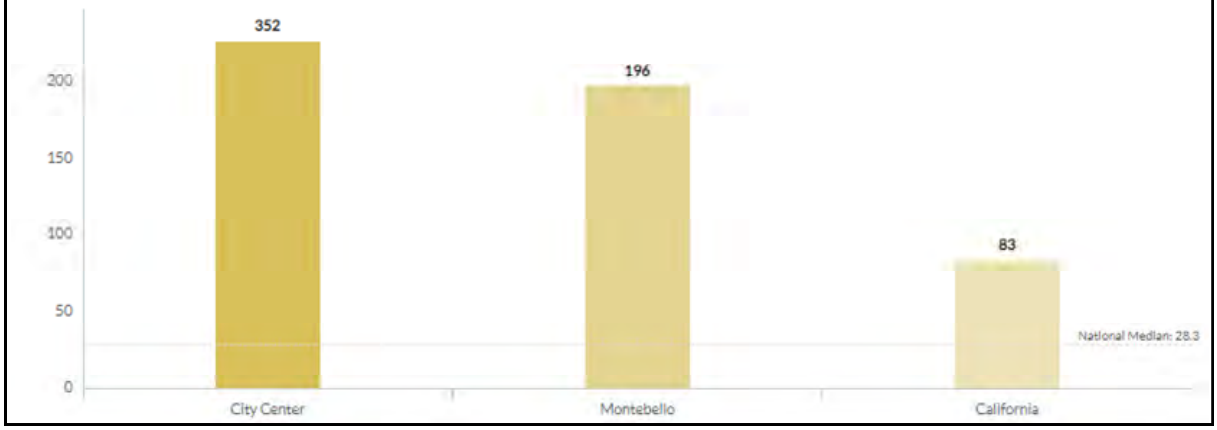
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	489	585	390
Rate per 1,000	7.89	9.44	6.29

UNITED STATES PROPERTY CRIMES

POPULATION: 328,239,523

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	1,117,696	5,086,096	721,885
Rate per 1,000	3.41	15.50	2.20

CRIMES PER SQUARE MILE



After inspection and observation of the Subject's neighborhood, we do not anticipate the overall crime statistics will affect the marketability for the Subject.

Summary

The site is located in the southern portion of the city of Montebello. All major shopping, transportation, and recreational amenities are located within a short distance of the Subject. Access to groceries, pharmacy and shopping is convenient, and within reasonable distance.

PROJECT DESCRIPTION

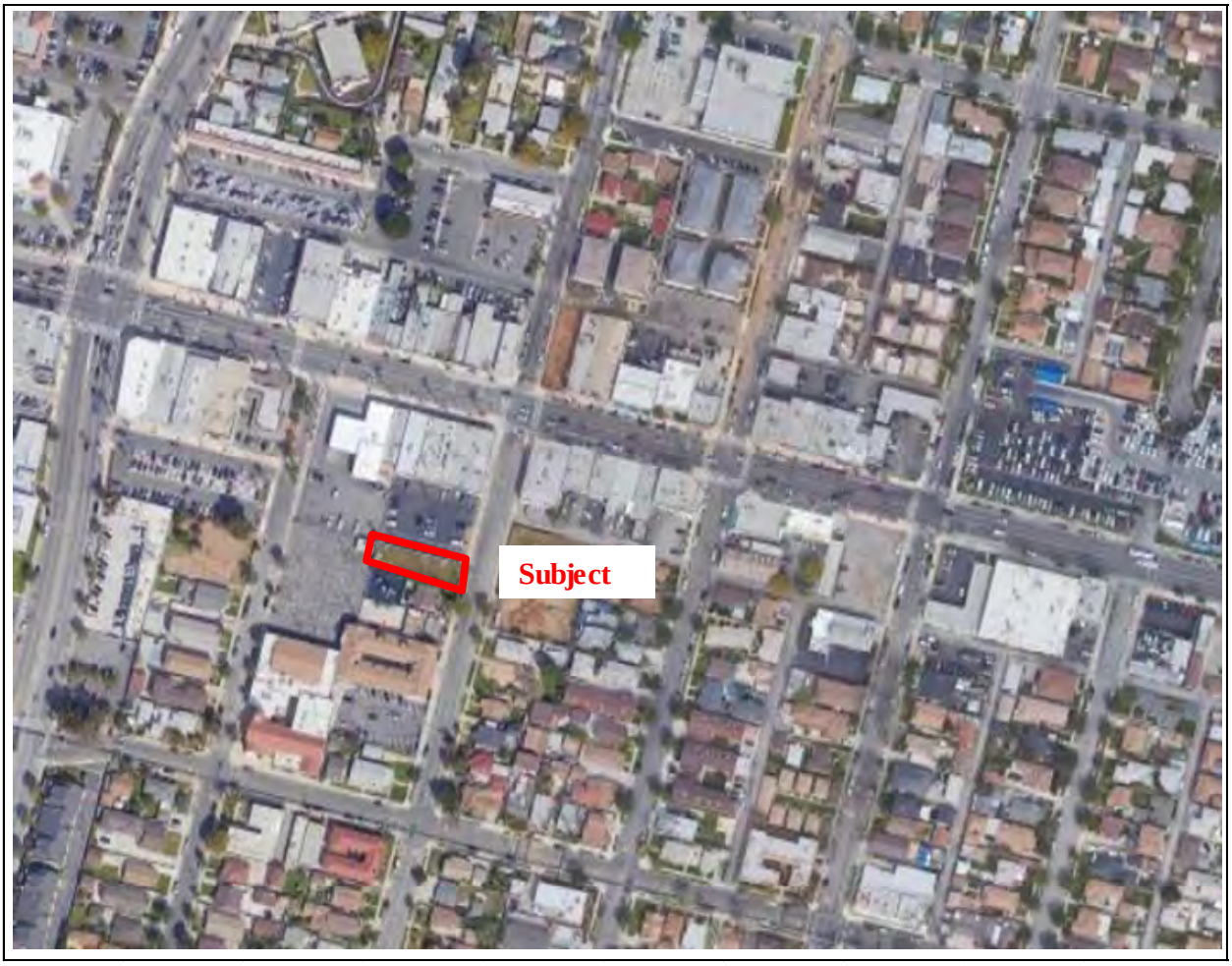
Our description of the Subject is based upon information provided by the developer and the property inspection. We assume the information supplied is accurate.

Site Description

Site Location:	The Subject is located at the 121 S 6th Street, Montebello, Los Angeles County, CA. The site is located in Census Tract 5321.01.
Existing Improvements:	The Subject currently is vacant.
Size/Shape:	The site contains 0.14 acres or 6,057 square feet, and is rectangular in shape.
Topography:	The site topography is generally level.
Vegetation:	The site has no notable vegetation.
Proximity to Adverse Conditions:	At this time, we are unaware of any detrimental influences that would impact on the value of the Subject.
Drainage:	Appears adequate, however no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys.
Environmental:	We did not observe any obvious environmental hazards during the site inspection. However, we are not experts within this field.
Zoning:	The Subject is zoned C-2, General Commercial. According to the City of Montebello Code of Ordinances, "The C-2 zone is established to provide for business centers in areas where a wide range of retail sales and service establishments are needed to accommodate the surrounding community. Uses permitted in the general commercial (C-2) zone shall generally be those with higher traffic and longer hours such as retail sales, medical and professional offices, general office, as well as service stations and automobile sales yards subject to conditional use permits."

Flood Plain:	According to the Flood Insights Map Number 06073C1663F, dated September 26, 2008, the Subject is located in Zone X. This zone is determined to be an area outside of the 100-year flood.
Photographs:	Subject photos are included in the Addenda.

Location Map: The map below illustrates the location of the Subject.



HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Physically Possible
The Subject site consists of approximately 0.14 acres or 6,057 square feet. The site is a rectangular shaped parcel with generally level topography. Accessibility and visibility are considered good. The site is considered adequate for a variety of physically possible uses.

Legally Permissible
The Subject is zoned C-2, General Commercial. According to the City of Montebello Code of Ordinances, "The C-2 zone is established to provide for business centers in areas where a wide range of retail sales and service establishments are needed to accommodate the surrounding community. Uses permitted in the general commercial (C-2) zone shall generally be those with higher traffic and longer hours such as retail sales, medical and professional offices, general office, as well as service stations and automobile sales yards subject to conditional use permits." A variety of commercial uses would be considered legally permissible and reasonable on the site.

Financially Feasible
The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land is those uses that are financially feasible.

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the site can be used for commercial uses. Given the Subject's surrounding land uses, the site's physical attributes, development patterns in the area, and demand, commercial use is considered the most likely use.

Maximally Productive
Based upon our analysis, commercial use is financially feasible; therefore, the maximally productive use of this site as if vacant would be to construct a commercial property.

Conclusion Highest and Best Use "As Vacant"
The highest and best use for the property "as vacant" would be to construct commercial uses.

APPRAISAL METHODOLOGY

The sales comparison approach of land sale comparables intended for commercial use to assess the value of the Subject site, as though vacant is the appropriate methodology for valuation of the Subject property. The cost and income approach are not applicable, and were not used in this appraisal report.

LAND VALUATION

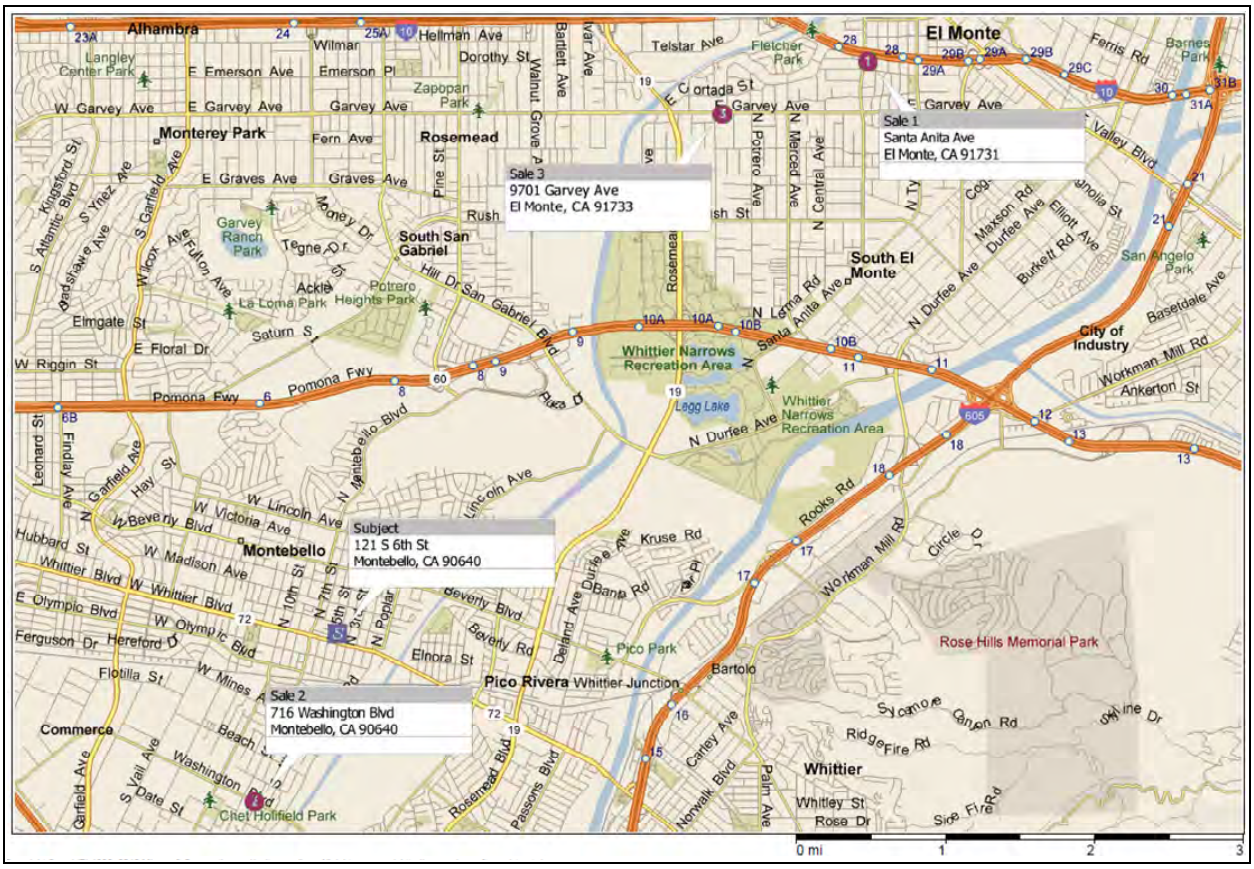
The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an opinion of land value for the Subject site, we researched and analyzed sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for commercial development within the Subject's area was made. Due to the lack of recent comparable commercial sales in Montebello, the search was expanded to include additional sales from El Monte, which is an area considered similar to the Subject's. Following is a land sales map, summary of sales, analysis of sales, and individual land data sheets.

Multifamily Land Sales						
Data No.	**Property Identification**	**Date of Sale**	**Sale Price**	**Property Size/Acres**	**Property Size/SF**	**Price per SF**
1	3248 Santa Anita Ave. El Monte, CA 91733 8580-018-027; -028, 029	Oct-21	$3,205,000	0.75	32,670	$98.10
2	716 Washington Boulevard Montebello, CA 90640 6352-028-012	Aug-21	$2,200,000	0.88	38,333	$57.39
3	9710 Garvey Avenue El Monte, CA 91733 8102-028-005	Feb-21	$1,650,000	0.58	25,265	$65.31

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Land Sales Map



Land Sale 1			
Property Identification			
Address/Location	3248 Santa Anita Ave. El Monte, CA 91733		
APN	8580-018-027; -028, 029		
Property Characteristics		**Sale Data**	
Zoning	EMC2D	**Sale Price**	$3,205,000
Property Use	Commercial	**Cash Equivalent**	$3,205,000
Size (Acres)	0.75	**Number of Units Planned**	--
Size (SF)	32,670	**Price per SF**	$98.10
Shape	Rectangular	**Sale Date**	Oct-21
Topography	Level	**Price per Unit**	-
Streets	Paved	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	Veterinary Investments Inc
Other Improvements	None	**Buyer**	Power 2626 Llc
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	N/A
Visibility	Average	**Comp ID**	11403
Comments			
Sale information was confirmed with CoStar.			

Land Sale 2			
Property Identification			
Address/Location	716 Washington Boulevard Montebello, CA 90640		
APN	6352-028-012		
Property Characteristics		**Sale Data**	
Zoning	CM	**Sale Price**	$2,200,000
Property Use	Commercial	**Cash Equivalent**	$2,200,000
Size (Acres)	0.88	**Number of Units Planned**	--
Size (SF)	38,333	**Price per SF**	$57.39
Shape	Rectangular	**Sale Date**	Aug-21
Topography	Level	**Price per Unit**	-
Streets	Paved	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	Draneb Properties 5 Llc
Other Improvements	Previously developed lot	**Buyer**	716 Washington LLC
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	180 days
Visibility	Average	**Comp ID**	11399
Comments			
Sale information was confirmed with CoStar.			

Land Sale 3			
Property Identification			
Address/Location	9710 Garvey Avenue El Monte, CA 91733		
APN	8102-028-005		
Property Characteristics		**Sale Data**	
Zoning	C3EM	**Sale Price**	$1,650,000
Property Use	Commercial	**Cash Equivalent**	$1,650,000
Size (Acres)	0.58	**Number of Units Planned**	--
Size (SF)	25,265	**Price per SF**	$65.31
Shape	Rectangular	**Sale Date**	Feb-21
Topography	Level	**Price per Unit**	-
Streets	Paved	**Cash Equivalent**	Yes
Off-site Improvements	To Site	**Seller**	Blume Barry L Trust
Other Improvements	Auto repair building	**Buyer**	Golden Mission LLC
Utilities	To Site	**Sale Conditions**	Market
Location	Average	**Property Rights**	Fee Simple
Access	Average	**Marketing Time (Mo.)**	N/A
Visibility	Average	**Comp ID**	11401
Comments			
Sale information was confirmed with CoStar, The buyer intends to build an office building and lease it out. There was a previously developed auto repair building on-site.			

The table below summarizes the adjustments.

Land Sale Analysis							
	Subject	**Sale 1**		**Sale 2**		**Sale 3**	
Address/Location	121 S 6th Steet Montebello, CA 90640	3248 Santa Anita Ave. El Monte, CA 91733		716 Washington Boulevard Montebello, CA 90640		9710 Garvey Avenue El Monte, CA 91733	
Sale Price		$3,205,000		$2,200,000		$1,650,000	
Price per Sq. Ft.		$98.10		$57.39		$65.31	
	Comparison	**Comparison**	**Adj.**			**Comparison**	**Adj.**
Property Rights		Fee Simple		Fee Simple		Fee Simple	
Adjusted Price Per Sq. Ft.			$98.10		$57.39		$65.31
Terms		Yes		Yes		Yes	
Adjusted Price Per Sq. Ft.			$98.10		$57.39		$65.31
Sale Conditions		Market		Market		Market	
Adjusted Price Per Sq. Ft.			$98.10		$57.39		$65.31
Sale Date		Oct-21		Aug-21		Feb-21	
Adjusted Price Per Sq. Ft.			$98.10		$57.39		$65.31
Expenditures After Purchase		No		No		No	
Adjusted Price Per Sq. Ft.			$98.10		$57.39		$65.31
Physical Characteristics	**Comparison**	**Comparison**	**Adj.**	**Comparison**	**Adj.**	**Comparison**	**Adj.**
Zoning	C-2, General Commercial	EMC2D		CM		C3EM	
Size (Acres)	0.14	0.75	5%	0.88	5%	0.58	5%
Size (SF)	6,057	32,670		38,333		25,265	
Topography	Level	Level		Level		Level	
Street	Paved	Paved		Paved		Paved	
Off-site Improvements	To Site	To Site		To Site		To Site	
On-site Improvements	None	None		Previously developed lot		Auto repair building	1.5%
Utilities	To Site	To Site		To Site		To Site	
Location	Average	Similar		Similar		Similar	
Total Physical Adjustment			5%		5%		7%
Adjusted Price Per Sq. Ft.			**$103.01**		**$60.26**		**$69.55**
				Minimum Sale	**$60.26**		
				Maximum Sale	**$103.01**		
				Average Sale	**$77.61**		

Explanation of Adjustments

Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. In this analysis, market conditions of Montebello County indicate that adjustments for time and market conditions are necessary.

The land sales occurred between February 2021 and October 2021. Nationally and regionally, land values peaked during the prior cycle near 2008, and stalled during the economic recession. During the time period between 2008 and 2012, there were softened market conditions, and declining market values. Appreciation in land values started being reported in late 2012 and continued to rise through year to date. Interviews with local broker's revealed prices increased on average between five and 10 percent per year during this time frame.

Based on this methodology, it was determined that all of the sales required no adjustment.

Zoning
All the sales were zoned to allow commercial uses at the time of the sale; therefore, no adjustments were necessary.

Size
Typically, an inverse relationship exists between site size and price per unit indication. The Subject site contains 0.14 acres. All of the sales are slightly larger than the Subject; therefore, all are adjusted upward five percent.

Onsite Improvements
The Subject is currently vacant. Sale 1 is also vacant and requires no adjustment. Sale 2 is improved with a surface parking lot and demolition is considered factored into the purchase price. Sale 3 is improved with a vacant 3,600 square foot auto repair building. Marshall & Swift cost demolition estimates for a Class C building average $6.87 per square foot, or in this sales case, 1.5 percent of the purchase price. An upward adjustment of 1.5 percent has been applied to Sale 3.

Location
All of the sales are located in areas considered similar to the Subject based of analysis of the Subject's zip code versus those of the sales. No adjustment for location is required.

Summary of Land Value
After adjustments, the Sales range in price from $60.26 per square foot to $103.01 per square foot, with an average of $77.61 per square foot. Greater weight is placed on Sale 2 in determination of a market price per square foot as it is located in Montebello closest to the Subject. Secondary weight is placed on the remaining sales. A value indication of $70.00 per square foot is considered reasonable and market oriented. The value computes as illustrated in the table below.

Indication of Value		
Square Footage	$/Sq. Ft	Indication
6,057	$70.00	$420,000

Marketing/Exposure Time

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the *PWC Real Estate Investor Survey.* This estimate assumes a strong advertising and marketing program during the marketing period.

The exposure/marketing time of the subject property is very difficult to judge in that the buy/sell decision involving investment properties is interrelated with the assumption that the property is priced reasonably and is adequately exposed to the proper market. Marketing Time differs from Exposure Time in that the estimate of Marketing Time is a projection into the future with the associated estimates as to future trends and factors that are likely to impact the market segment in which the subject is participating. In an attempt to forecast Marketing Time, consideration is given to the fact that the sales and opinions that have been elicited in the estimation of Exposure Time have been formulated during current economic conditions that are expected to be very similar in the foreseeable future.

Investment property brokers, investors, and sellers familiar with the market, report that the exposure time can range from 30 days to as long as twelve months. This assumes that financing is available and that there are no significant negative items affecting the property. Based upon information gathered during the course of this assignment it is our opinion that the appropriate estimate of the exposure time is equal to the marketing time for the subject and is estimated at six to twelve months.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.

2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.

3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.

4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. The report was made assuming responsible ownership and capable management of the property.

6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.

7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.

8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.

9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.

17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

20. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.

23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

    Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- We have not performed consulting assignments involving the Subject in the past three years;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Valuation Practice of the Appraisal Institute and USPAP;
- Charles Haase, a California Certified General Appraiser, performed a physical inspection of the property and the Subject's neighborhood December 7, 2021. Amanda Baker, MAI did not inspect the Subject site, but did review the report;
- We do not authorize the out of context quoting from or partial reprinting of this market analysis report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of Kinetic Valuation Group, Inc.;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Amanda Baker, MAI and Charles Haase have completed the requirements of the continuing education program of the Appraisal Institute.





Amanda Baker, MAI
Appraiser
amanda@kvgteam.com
(402) 305-1693
Certified General
CA - 3002360
Expiration: 7/14/2022

Charles Haase
Appraiser
charlie@kvgteam.com
(402) 750-1805
Certified General
CA - 3004234
Expiration: 12/21/2022

ADDENDUM B

Subject Photographs and Information

SUBJECT PHOTOGRAPHS



Subject



Subject



Subject



Subject



Subject



Subject

SUBJECT PHOTOGRAPHS



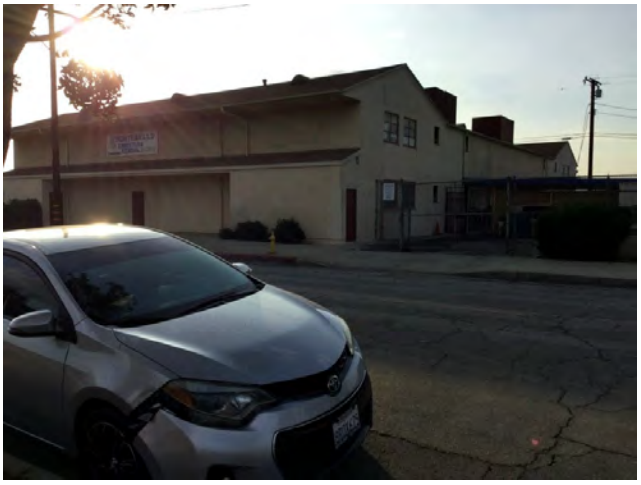
Nearby duplex



Nearby vacant land



Adjacent parking lot



Nearby school



Nearby single family home



Nearby commercial

SUBJECT PHOTOGRAPHS



Nearby commercial



Nearby commercial



South 6th Street traversing north



South 6th Street traversing south

ADDENDUM C

Legal Description

THE SOUTHERLY 44 FEET OF THE EASTERLY 137.5 FEET OF LOT 3 OF ADDITION NO. 1, TO THE TOWN OF NEWMARK, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ADDENDUM D

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
JAY A. WORTMANN, MAI

Qualifications of Partners & Key Personnel

STATEMENT OF PROFESSIONAL QUALIFICATIONS
JAY A. WORTMANN, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 519881

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3001293)
State of Hawaii Certified General Real Estate Appraiser (CGA 1146)
State of Iowa Certified General Real Estate Appraiser (CG03319)
State of Minnesota Certified General Real Estate Appraiser (40392083)
State of Missouri Certified General Real Estate Appraiser (2013040219)
State of Nebraska Certified General Real Estate Appraiser (CG2014002)
State of New Mexico Certified General Real Estate Appraiser (03455-G)
State of Oklahoma Certified General Real Estate Appraiser (13111CGA)
State of Texas Certified General Real Estate Appraiser (TX 1380393 G)
State of South Dakota Certified General Real Estate Appraiser (1527CG)
State of Florida Certified General Real Estate Appraiser (RZ4153)

EDUCATION

University of Nebraska, **Bachelor of Science** in Business Administration with an emphasis in Finance and Management, 2004

All educational requirements successfully completed for the Appraisal Institute MAI designation.

Consortium Institute of Management and Business Analysis (CIMBA) Undergraduate Program, Spring Semester 2004, Paderno del Grappa, Italy

EXPERIENCE

06/2018 to Present	Kinetic Valuation Group, President
10/2015 to 06/2018	Lea & Company, President
01/2007 to 10/2015	Lea & Company, Director Midwest Offices
11/2006 to 5/2008	Assumption-Guadalupe Catholic School - South Omaha CORE Development Director
06/2004 to 10/2006	Novogradac & Company LLP, Real Estate Analyst

PROFESSIONAL TRAINING

Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2008
- Basic Appraisal Principles 12/2008
- Income Approach Part I 07/2010
- Income Approach Part II 08/2010
- General Appraiser Sales Comparison Approach 04/2011
- Market Analysis & Highest & Best Use 05/2011
- Real Estate Finance Statistics and Valuation Modeling 08/2011
- Advanced Income Capitalization 09/2011
- General Appraiser Site Valuation & Cost Approach 10/2011
- General Appraiser Report Writing and Case Studies 12/2011

- National USPAP 15-Hour Course 01/2012
- Nebraska National Appraiser Examination 04/2012
- Advanced Concepts & Case Studies 11/2013
- MAI Comprehensive Exam Module II, III, & IV 04/2014
- MAI Comprehensive Exam Module I 11/2014
- MAI General Demonstration Report-Capstone Program – 11/2014

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Kentucky	Oklahoma
Arkansas	Michigan	Pennsylvania
California	Minnesota	South Carolina
Colorado	Mississippi	Tennessee
Connecticut	Missouri	Texas
Florida	Montana	Utah
Hawaii	Nebraska	Washington
Idaho	New Jersey	Wisconsin
Iowa	New Mexico	Wyoming
Kansas	North Dakota	

STATEMENT OF PROFESSIONAL QUALIFICATIONS
AMANDA M. BAKER, MAI

I. Professional Affiliation

Member of the Appraisal Institute with the MAI Designation, No. 511086

II. State Certifications

State of Arizona Certified General Real Estate Appraiser (32065)
State of California Certified General Real Estate Appraiser (3002360)
State of Colorado Certified General Real Estate Appraiser (CG.200000747)
State of Kansas Certified General Real Property Appraiser (G-2960)
State of Missouri Certified General Real Estate Appraiser (2014021680)
State of Nebraska Certified General Real Property Appraiser (CG2016006R)
State of Nevada Certified General Real Estate Appraiser (A.0207150-CG)
State of Washington Certified General Real Estate Appraiser (1102380)

III. Education

University of Nebraska-Omaha, **Bachelor of Science** in Business Administration
-Specialization in Real Estate and Land Use Economics
-Specialization in Marketing
-Secondary Specialization in Economics

IV. Professional Experience

-Vice President-Kinetic Valuation Group, June 2018-Present
-Manager-Lea & Company, November 2011-June 2018
-Senior Real Estate Analyst, Novogradac & Company LLP, April 2005–October 2011

V. Professional Training

-MAI General Demonstration Report-Capstone Program July 2016
-2016-2017 National USPAP Update March 2016
-MAI Comprehensive Exam August 2015
-Advanced Market Analysis and Highest & Best Use May 2015
-Advanced Income Capitalization October 2014
-Quantitative Analysis June 2014
-Advanced Concepts & Case Studies May 2014

VI. Real Estate Assignments

A representative sample of Due Diligence and Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.

- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
CHARLES K. HAASE

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3004234)
State of Ohio Certified General Real Estate Appraiser (2017003033)
State of Utah Certified General Real Estate Appraiser (10536692-CG00)
State of Oklahoma Certified General Real Estate Appraiser (13344CGA)

EDUCATION

University of Nebraska Omaha, **Bachelor of Arts** in International Studies

- Specialization in Global Strategic Studies.

EXPERIENCE

06/2018 to Present - Kinetic Valuation Group, Certified General Real Estate Appraiser

10/2011 to 06/2018 - Lea & Company, Certified General Real Estate Appraiser

06/2009 to 10/2011 - Nebraska Title Company – Escrow Closer/Title Agent/Searcher

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

• Basic Appraisal Procedures	05/2012
• Basic Appraisal Principles	10/2012
• Statistics, Modeling, and Finance	05/2013
• General Site Valuation and Cost Approach	07/2013
• General Sales Comparison Approach	08/2013
• General Appraiser Income Approach Part I	04/2014
• General Appraiser Market Analysis and Highest & Best Use	08/2014
• General Appraiser Report Writing and Case Studies	10/2014
• National USPAP 15-Hour Course	11/2014
• Business Practice and Ethics	08/2015
• General Appraiser Income Approach Part II	09/2015
• Advanced Income Capitalization	10/2015
• Advanced Concepts & Case Studies	07/2019
• Advanced Market Analysis and Highest & Best Use	11/2019

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Nebraska
Arkansas	New Mexico
California	New York
Colorado	North Dakota
Florida	Ohio
Hawaii	Oklahoma
Iowa	Oregon
Kansas	Pennsylvania
Michigan	Texas
Missouri	Utah
Minnesota	West Virginia
Montana	Washington
Nevada	Wisconsin
	Wyoming

ITEM # 5

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: Arnold M. Alvarez-Glasman, City Attorney

BY: Arnold Glasman, City Attorney

SUBJECT: **CONSIDERATION AND ADOPTION OF RESOLUTION NO. 23-17 ESTABLISHING RULES OF ORDER FOR THE CONDUCT OF ALL CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS, PROCEEDINGS AND BUSINESS**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Consider and adopt Resolution No. 23-17 establishing rules of order for the conduct of all City Council and Successor Agency meetings, proceedings, and business; and
2. Provide further direction for a date to conduct a Study Session to review the rules of procedure; and
3. Take other action as directed by the City Council.

FISCAL IMPACT:

None.

BACKGROUND/DISCUSSION:

At its meeting of October 27, 2022, the City Council adopted Ordinance No. 2443 amending and restating the rules of order for the conduct of all City Council and Successor Agency meeting, proceedings, business, and rescinding Resolution Nos. 89-70, 06-22, 11-89 and 19-124.

At the City Council meeting of January 11, 2023, at the request of Mayor Torres, the City Council introduced and conducted the first reading of Ordinance No. 2459 which would repeal the previously adopted Ordinance No. 2443. Ordinance No. 2459 was adopted at

the City Council meeting of January 25, 2023 and will take effect on February 24, 2023.

Once Ordinance No. 2459 takes effect, the previously rescinded Resolution Nos. 89-70, 06-22, 11-89 and 19-124 will become reinstated as a result, unless the City Council adopts the attached Resolution to supersede the previously rescinded ones.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

It is recommended that the City Council adopt Resolution No. 23-17 establishing Rules of Order for the conduct of all City Council and Successor Agency meetings, proceedings, and business to supersede those previously rescinded and provide further direction for a date to conduct a Study Session to review the rules of procedure. These Rules of Order would be temporary and in place until a City Council study session is conducted to address a full and complete review of the Rules of Order.

ATTACHMENT(S)

1. Attachment A - Resolution 23-17, Rules of Order

NEXT STEPS:

N/A

RESOLUTION NO. 23-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, ESTABLISHING RULES OF ORDER FOR THE CONDUCT OF ALL CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS, PROCEEDINGS AND BUSINESS

RECITALS

WHEREAS, section 54954(a) of the Government Code requires a legislative body of a local agency to provide by ordinance, resolution, bylaws, or other form the conduct of business by the legislative body; and

WHEREAS, the City Council of the City of Montebello ("City") has, by prior Resolutions, the last of which was Resolution No. 89-70, 06-22, and 11-89, adopted rules for the conduct of its City Council ("Council") and Successor Agency ("Agency") meetings.; and

WHEREAS, the City Council has, by prior Resolutions, the last of which was Resolution No. 19-124, canceled on an annual basis the City Council meeting in the First week of July and the second meeting of November and December to honor future summer vacations and holiday schedules; and

WHEREAS, on October 27, 2021, the City Council adopted Ordinance No. 2443 amending and restating the rules of order for the conduct of all City Council and Successor Agency meeting, proceedings, business, and rescinding Resolution Nos. 89-70, 06-22, 11-89 and 19-124; and

WHEREAS, on January 25, 2023, the City Council repealed Ordinance No. 2443 and as a result repealed Chapter 2.14 "City Council/Agency Meeting Rules of Order" of the Montebello Municipal Code, causing the previously rescinded Resolution Nos. 89-70, 06-22, 11-89 and 19-124 to become reinstated, except as provided herein; and

WHEREAS, from time-to time there is a need to update and restate such rules, whether as a result of subsequent policy decisions and to ensure the orderly conduct of city business; and

WHEREAS, the City has received a letter expressing certain legal concerns regarding the alleged curtailing of free speech rights protected by the First Amendment in Ordinance No. 2443 and threatened legal action; and

WHEREAS, the City Council desires to amend and restate the rules of order to facilitate effective and efficient meeting management, greater transparency, and meaningful public participation; and

WHEREAS, the City Council wishes to establish new rules of order for the conduct of City Council and Successor Agency Meetings by the adopted of this Resolution ("Rules of Conduct").

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are hereby incorporated as substantive findings in this Resolution.

SECTION 2. RULES OF ORDER. The temporary rules of order for the conduct of City Council and Successor Agency Meetings shall be established as the following:

CITY COUNCIL/AGENCY MEETING RULES OF ORDER

Section 1. Open to the Public.

The Council and Agency are subject to the Brown Act Open Meetings Law. (Government Code section 54950 et seq). All meetings of the Council and Agency are open to the public, except for closed sessions which are authorized to be held in accordance with the applicable provisions of the Brown Act.

Section 2. Time and Place of Council/Agency Meetings.

Regular Meetings. Regular meetings of the City Council and Agency shall be held at the City Hall Council Chambers at 1600 West Beverly Boulevard, Montebello, California 90640, except as otherwise provided from time-to-time and authorized by the Brown Act. The regular meetings of the City Council and Agency shall be held on the second and fourth Wednesdays of each month. Regular meeting agendas shall be posted on the City's website and at City Hall no later than 72 hours prior to the meeting.

Closed Session. The City Council Closed Session will start at 6:00 p.m. The Mayor/Chairperson may recess the City Council/Agency meeting to discuss closed session items. Closed Session shall not exceed 1 hour. If at the end of the one-hour Closed Session items remain for discussion, Council may recess closed session to consider regular business and reconvene closed session at the end of the regular

business portion of the meeting. If there is no Closed Session, the regular meeting will start at 6:00 p.m.

Special Meetings. Special meetings are "Special" because the presiding officer or majority of the legislative body can call them on a minimum of 24 hours' notice, as authorized by the Brown Act. Special meetings need not be held at City Hall, as long as the alternate location is within the City. Special meeting agendas shall be posted on the City's website and at the meeting location, if located away from City Hall in a place to which the public has unrestricted access and where the notice and agenda are not likely to be removed or obscured by other posted materials. The Council/Agency will make every effort to provide notice well in advance of 24 hours, especially when the special meeting is for the purpose of conducting a Study Session.

Study Sessions. Study Sessions are meetings during which the Council/Agency receives information about Council/Agency business in an informal setting. The informal study session setting is intended to encourage in-depth discussion and detailed questioning and brainstorming by Council/Agency on issues of significant interest, including but not limited to City/Agency policy matters, budget and financial matters zoning applications, major public works projects and other related topics. The Council/Agency may discuss the material freely without following formal rules of parliamentary procedure. Staff may be directed to bring matters back for future Council/Agency consideration as no action can be taken at a study session. The Decorum rules still apply to the behavior of the Council/Agency and public.

Holidays. Whenever the day for holding any of the meetings falls on a holiday, the meeting shall be held on the next business day unless otherwise ordered by the City Council/Agency at a prior meeting.

Agenda Materials. The City Clerk office shall post the agenda materials and supplemental agenda materials on the City's agenda website. The agenda packets are available for public inspection at the City's website. The agenda cover sheets may also be emailed upon written request.

Broadcasting of Meetings. All regular Council/Agency meetings shall be live streamed on the City's website and broadcasted on the City's Government Access Channel (Channel 3) and will be video-recorded, unless the City/Agency is unable to do so due to unforeseen technical circumstances or circumstances beyond the City's/Agency's control, in which case the meeting will be audio recorded.

Section 3. Cancelled Meetings.

The City Council/Agency regular meetings may, by resolution, be cancelled during the regularly scheduled second meetings of November and December, or any other meetings the council deems appropriate.

Section 4. General Requirements.

Attendance. Council/Agency Members, the City Clerk, City Attorney, and City Manager, along with any other city officers and department heads that have been requested to be present, shall take their regular stations in the Council chamber prior to the start of any meeting, except during recognized absences. The Council/Agency expects its members to attend regularly and notify the City Clerk, Senior Deputy City Clerk, Assistant City Manager, or City Manager of any planned absences at least two (2) hours prior to the start of any meeting. Notification shall be made via formal written and/or email notice, or confirmed verbally.

Quorum. The City of Montebello has a five-member body, three (3) members of the Council/Agency shall constitute a quorum and shall be sufficient to transact business. If less than the quorum Council/Agency members appear at a regular meeting, the Mayor/Chairperson, Mayor Pro Tem/Vice Chairperson in the absence of the Mayor/Chairperson, any Council/Agency member in the absence of the Mayor/Chairperson and Mayor Pro Tem/Vice Chairperson, or in the absence of all Council/Agency members, the City Clerk or Senior Deputy City Clerk, shall adjourn the meeting to a stated day and hour.

The Council/Agency shall not take any action on any item which does not appear on the posted agenda except as follows in accordance with Government Code Section 54942.2:

1. Emergency Situation. An emergency situation, as defined in Cal. Govt. Code § 54956.5 exists. Before proceeding to act upon an emergency item not appearing on the agenda, the Council/Agency shall by a majority vote determine that an emergency situation exists and that prompt action is required by the Council/Agency. The Council/Agency shall include in the minutes of its meeting the facts upon which it relied in finding the existence of an emergency situation.

2. Need to Take Action on Non-Agenda Items. The Council/Agency may act upon an item not appearing on the agenda if it finds, by a two-thirds vote of the members present at the meeting or if less than two-thirds of the members are present, by a unanimous vote of the members present, that there is a need to take immediate action on the non-agenda item and such need to act came to the Council/Agency attention after the posting of the agenda. If such a determination is to be made, a statement of facts upon which the determination is based shall be (presented and) included in the minutes supporting the action taken.

3. Held over items. Items not appearing on the posted agenda for a specific meeting may be acted upon at that meeting if:

a) The item appeared on a properly posted agenda for a previous meeting;

b) The previous meeting occurred not more than five calendar days prior to the date of the meeting at which the item is proposed to be considered; and

c) The item was continued from a previous meeting ot the meeting at which action is proposed to be taken.

Tentative Council Calendar. The Tentative Council Calendar shall list items pending to come before Council/Agency within the next 12 month period and will be included as part of each council meeting's agenda packet. City staff will post the Tentative Council Calendar on the city's website and make updates to the Tentative Council Calendar as necessary.

Consent Calendar Categories. The consent calendar section is where administrative and non-controversial items shall be presented. The Mayor/Chairperson and City Manager should be sensitive to high dollar value items and consider placing those items in the regular business section.

Ordinances, Resolutions, and Contracts. All ordinances, resolutions and contracts shall be prepared by the City Attorney. No ordinance shall be prepared for presentation to the Council/Agency unless ordered by a majority vote of the Council/Agency, or requested by the Mayor/Chairperson, or City Manager, or prepared by the City Attorney on his or her initiative. The following ordinances and resolutions may appear on a consent calendar:

1. Second Reading of Ordinances.
2. Resolutions that are ceremonial in nature.
3. Budget amendments that accept funding such as grants or gifts provided the council has previously approved the activity or program.
4. Resolutions approving funding applications, such as grants or loans, provided that the program or activity has been previously approved by Council.

Section 5. Teleconference Attendance of Council/Agency Members at Meetings.

The specific requirements relating to teleconferencing per the Brown Act and related amendments shall apply to Council/Agency members. At least a quorum of the Council/Agency must participate from a location within the City (Government Code Section 54953(b)(3)).

If these two threshold requirements are met, the Council/Agency member who will be appearing telephonically must ensure that:

- The meeting agenda identifies the teleconference location and is posted at that location in an area that is accessible and visible 24 hours a day for at least 72 hours prior to the meeting.
- The teleconference location is open and fully accessible to the public, and fully accessible under the Americans with Disabilities Act, throughout the entire meeting. These requirements apply to private residences, hotel rooms, and similar facilities, all of which must remain fully open and accessible throughout the meeting, without requiring identification or registration.
- The teleconference technology used is open and fully accessible to all members of the public to participate, including those with disabilities.
- Members of the public who attend the meeting at the teleconference location have the same opportunity to address the Council/Agency from the remote location that they would if they were present in Council Chambers.
- The teleconference location must not require an admission fee or any payment for attendance.
- All votes must be by roll call.
- If the meeting will include a closed session, the Council/Agency member must also ensure that there is a private location available for that portion of the meeting.

Approved Teleconference Guidelines for Council/Agency Members. Council/Agency member must give notice in advance of the publication of the agenda to the City Clerk's office. The notice must include:

- The address at which the teleconferenced meeting will occur;
- The address the Council/Agency packet should be mailed to;
- Who is to initiate the phone call to establish the teleconference connection; and
- The phone number of the teleconference location. If cellular telephones are used to participate in teleconferenced meetings, Council/Agency members need to ensure the speaker phone option is functioning.

The Council/Agency member is responsible for posting the Council/Agency agenda in the remote location, or having the agenda posted by somebody at the location and confirming that posting has occurred. The City Clerk will assist, if necessary, by emailing, faxing or mailing the agenda to whatever address or fax number the Council/Agency member requests; however, it is the Council/Agency member's responsibility to ensure that the agenda arrives and is posted. If the Council/Agency member will need the assistance of the City Clerk in delivery of the agenda, the fax number or address must be included in the advance written notice above.

The Council/Agency member must ensure that the location will be publicly accessible while the meeting is in progress.

The Council/Agency member must state at the beginning of the meeting that the posting requirement was met at the location and that the location is publicly accessible and must describe the location.

Notwithstanding the above, any temporary or permanent statutory regulations, authority or restrictions established by the provisions of the Brown Act, as amended, shall apply for teleconferencing or other remote participation and shall be incorporated in and apply to these Rules of Conduct.

Section 6. Order of Business.

Call to Order – 6:00 p.m.
Roll Call
Announcement of Closed Session Items
Public Comments on Closed Session Items
Closed Session
Closed Session Report
Invocation
Pledge of Allegiance
Corrections to the Agenda
Ceremonial Items/Presentations
Public Comments on Non-Agenda Items - Each speaker will have 3 minutes. All other comments which exceed the initial 30-minute period, unless otherwise provided by a majority of Council/Agency to extend time, will be continued to the end of the meeting. Note: Public Comments for Public Hearings, Regular Business and/or Consent Calendar shall be received at the time that matter of business is heard.
Staff Communications on Items of Community Interest
Public Hearing
Regular Business
Consent Calendar
Public Comments on Non-Agenda Items. (Continued from the initial Public Comment period if necessary.)
AB 1234 Travel Reports
Council/Agency Orals
Closed Session. (Continued from the initial Closed Session period if necessary.)
Adjournment

The Mayor shall have the discretion to change the order of business. Council/Agency members may change the order of business by majority vote of the Council/Agency.

Section 7. Procedure for Addressing the City Council/Agency.

When a speaker is called, the speaker shall promptly approach the audience microphone and is requested but not required to give his/her name, whom they represent and/or city of residence in an audible tone of voice for the records. Failure to approach the audience microphone when called may preclude an opportunity to speak during that subject public comment period. A member of the public shall only address the legislative body from the audience microphone, unless authorized by the Mayor/Chairperson to speak from another location.

During the Public Comment period any member of the public may address the Council/Agency on any non-agenda and agenda item at the time set forth in the order of business. Speakers shall be limited to three (3) minutes, with a total limit of thirty (30) minutes for Public Comments at the beginning of the meeting for non-agenda items. Mayor/Chairperson, in his/her discretion, and/or in consultation with the legislative body, may limit or extend time for public comment as he/she may find reasonable under the circumstances. Public Comments on non-agenda items will continue, if necessary, after all other business of the meeting is concluded. No person shall be permitted to interrupt members of the body, staff presentations, or members of the public who are at the microphone during a meeting.

Members of the public can speak on any item on the agenda including Consent Calendar items. Comments on Consent Calendar items will be heard at the time the item is up for discussion or at the beginning of the Consent Calendar being consider at the direction of the Mayor/Chair.

In order to expedite Council/Agency business and to avoid repetitious presentations, whenever an organization or group of persons wishes to address the Council or Agency on the same subject matter, it shall be proper for the presiding officer to inquire whether the organization or group has a spokesperson. If so, spokespersons may be allotted up to six (6) minutes to speak. A Council/Agency member wishing to ask questions of a member of the public should first be recognized by the Presiding Officer.

State law does not permit the Council/Agency to act on or discuss an item raised during Public Comment, but Council/Agency members may ask brief clarifying questions and may ask City staff to follow up any concerns that are raised. Alternatively, the Council/Agency may request the issue to be agendized for discussion at a future Council/Agenda meeting.

Any person may record a meeting unless the body finds that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

Section 8. Agency/Council Oral Reports and Action Items.

The purpose of Council/Agency Orals is to allow Council/Agency to question staff briefly on matters which the Council/Agency has taken action or given direction; to make general comments as a reference to staff on factual matters of community concern; and provide updates or make brief announcements in a manner consistent with Government Code Section 54952.2.

All Council/Agency requests for oral communications to be placed on an agenda shall be expressed in complete sentences and shall provide sufficient information to be in compliance with the Brown Act. All oral communications shall provide a brief, general description of each item of business to be transacted or discussed at the meeting and need not exceed 20 words. If a Council/Agency oral communication fails to comply with these requirements, the City Manager will not place the newly requested item on the agenda.

Any Council/Agency member may bring a matter of business before the Council during Council/Agency orals to add an item to a future agenda. Placing an item on a future agenda requires a majority roll call vote. At that time, the Mayor/Chairperson shall coordinate with the City Manager or City Attorney as to the requisite time needed for City Staff to fully research the matter(s) requested and a reasonable time in which to present the matter(s) for Council/Agency discussion and/or action. All individual Council/Agency agenda items requested shall be placed on the future agenda under New Business.

Commission/Committee appointment recommendations may be made during Council/Agency Orals. Pending background check clearance, all appointments will be made at a future meeting during presentations. Commission/Committee appointments do not need a vote of the City Council unless as otherwise required by resolution or ordinance of the Agency/Council.

Section 9. Standards of Decorum.

The Mayor/Chairperson shall be the presiding officer at Council/Agency meetings. The Chairperson shall be the presiding officer at Agency meetings. In the absence of the Mayor/Chairperson, the Mayor Pro Tem/Vice Chairperson shall be presiding officer. It shall be the duty of the Mayor/Chairperson to ensure that the rules of decorum and procedure contained herein are observed.

The presiding officer shall have the right to terminate any oral communication where such is not within the subject matter jurisdiction of the Council/Agency or is

redundant or repetitious. Debates between Council/Agency members and the public should be discouraged

Council/Agency Members: Council/Agency members shall conduct themselves in an orderly, professional, and businesslike manner to ensure that the business of the City shall be attended to efficiently and thoroughly and to ensure that the integrity of the deliberative process of the Council/Agency is maintained at all times. Council/Agency members shall maintain a polite, respectful, and courteous manner when addressing one another, the City Staff, and members of the public during Council/Agency meetings.

City staff shall not engage in dialogue with members of the public during City Council meetings and shall limit conversations between themselves as much as possible. City Staff shall direct all comments and presentations to the Council/Agency and/or Presiding Officer. When addressed by a Council/Agency member, Staff shall respond in a polite, professional, and courteous manner. All requests to speak by members of the City Staff shall be made to the Presiding Officer.

Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any speaker who becomes boisterous while addressing the Council/Agency or who otherwise disrupts the orderly conduct of the Council/Agency business shall be called to order by the Mayor/Chairperson. If the conduct continues, the Mayor/Chairperson may bar the speaker from speaking and/or attending the meeting. Any disruption of the meeting shall be addressed in a manner consistent with AB 1100.

Section 10. Enforcement of Decorum.

The Chief of Police, or his/her designee shall be sergeant-at-arms of the Council/Agency meetings. The sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum at Council/Agency meetings. The sergeant-of-arms shall enforce the rules of decorum and remove and/or arrest any person upon the direction of the Presiding Officer, or upon his or her own discretion, as applicable.

Section 11. Handbook of Procedural Rules.

The council shall adopt by resolution a handbook of procedural rules governing any aspect of the conduct of meetings and hearings for the council and its standing committees, including but not limited to agenda requirements, the order of business, rules of order, rules of evidence, closed session procedures and rules for public participation in meetings. The handbook of procedural rules shall be deemed guidelines and failure to comply with any procedural rule shall not be the basis for challenge to or invalidation of any action of the council, nor shall they be construed to create any independent remedy or right of action of any kind.

SECTION 2. EFFECTIVE DATE. 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. This Resolution shall remain in effect until the City Council conducts a study session and adopts a final Resolution setting the Rules of Order of the City Council/Agency meetings.

SECTION 3. This Resolution to the extent that any provision is inconsistent with previous Resolutions Nos. 89-70, 06-22, 11-89 and 19-124, which adopted rules of conduct for City Council and Successor Agency meetings shall regulate and control the conduct of City Council/Agency meetings.

APPROVED AND ADOPTED THIS 22nd DAY OF FEBRUARY 2023.

_____
David N. Torres, Mayor

ATTEST: **APPROVED AS TO FORM:**

_____ _____
Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-17 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:

ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Christopher Jimenez, City Clerk

ITEM # 6

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Alicia Fernandez, Senior Deputy City Clerk

SUBJECT: **REVIEW OF COUNCIL ASSIGNMENT TO THE CAPITAL PROJECTS COMMITTEE - ALAMEDA CORRIDOR EAST AUTHORITY AND STREETS AD HOC**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Review and take action to fill assignments to the Capital Projects Committee - Alameda Corridor East Authority and Streets Ad Hoc.

FISCAL IMPACT:

There is no fiscal impact associated with these assignments.

BACKGROUND/DISCUSSION:

Annually, following the City Council reorganization meeting, the City Council ("Council") reviews assigning members of the Council to represent the City on various Boards, Agencies, Ad Hoc and Task Force Committees. At the January 11, 2023 City Council Meeting, the Council reviewed the current assignments, attached herein as Attachment A and B, to either confirm or make any recommendations as desired.

After listening to the City Council meeting, it appears that although interest in participating in the Capital Projects Committee - Alameda Corridor East Authority (ACE) was made by Mayor Torres no final direction was received by the City Clerk staff to make changes to the 2023 representative and alternate seats. As a result, no changes were made and Councilmember Jimenez retained her seat as the representative, and Councilmember Melendez as the alternate. In addition, the Council discussed the possibility of scheduling a Study Session to further discuss the purpose of the Streets Ad Hoc but assignments

were neither confirmed or recommended.

At the request of Mayor Torres, it is recommended that the Council review the current assignments for the Capital Projects Committee - Alameda Corridor East Authority (ACE) and the Streets Ad Hoc to either confirm or make a new recommendation as desired. Once the Council has confirmed the assignments, staff will then notify the affected agency.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Staff recommends that the City Council review the current assignments for the Capital Projects Committee - Alameda Corridor East Authority (ACE) and Streets Ad Hoc to either confirm or make a new recommendation as desired.

ATTACHMENT(S)

1. Attachment A - Assignments to Regional Boards for 2023
2. Attachment B - City Ad Hoc and Task Force Assignments for 2023

NEXT STEPS:

N/A

City Council Regional Board Assignments

ORGANIZATION	COUNCIL REPRESENTATIVE	ALTERNATE REPRESENTATIVE	STIPEND	MEETING INFORMATION	LOCATION	CONTACT	EMAIL/PHONE
County of Los Angeles Sanitation Districts	***Torres****	Jimenez	$125.00	Meets 2nd and 4th Wednesday 1:30 p.m.; ***Delegate must be Mayor; anyone can be alternate.***	Sanitation Districts of Los Angeles County 1955 Workman Mill Road, Whittier, CA 90601	Kim Christensen	562-908-4288 ext. 1101; kchristensen@lacsd.org
Los Angeles County City Selection Committee	***Torres****	***Peralta****	$0	Meets 2-4 times a year as needed; ***Delegate must be Mayor, Alternate MPT, & CM with longest tenure thereafter.***	Various locations in Los Angeles County	Lee Millen	cityselection@bos.lacounty.gov
San Gabriel Valley Council of Governments (SGVCOG)	***Melendez***	***Vacant***	$75.00	Every 3rd Thursday of the month at 4pm, with a few exceptions of Special Meetings	**Upper San Gabriel Valley Municipal Water District** **1333 S. Mayflower Ave., Ste. 360 Monrovia, CA 91016 (in person starting March)**	Katie Ward / Stefanie Hernandez	kward@sgvcog.org ; shernandez@sgvcog.org; Office 626-457-1800
Capital Projects Committee - Alameda Corridor East Authority (ACE)	Jimenez	Melendez	$0	Meets every 4th Monday 12:00 p.m.	West Covina City Hall 1444 W. Garvey Avenue West Covina, CA	Charlotte Stadelmann/ Eric Shen	cstadelmann@sgvcog.org; (626) 962-9292; eshen@sgvcog.org
Gateway Cities Council of Governments	Jimenez	***Tamayo***	$125.00	Meet 1st Wednesday of the month 6:00 p.m.	Gateway Cities Office 16401 Paramount Blvd, Paramount, CA	Genny Cisneros	gcisneros@gatewaycog.org / (562) 663-6850
Independent Cities Association	Melendez	Jimenez	$0	Meets 2nd Thursday of the month 7:00 p.m.	Location varies each month	-	ica@icacities.org
Montebello Chamber of Commerce	***Tamayo***	***Peralta***	$0	**4th Wednesday of the month at 8 a.m.**	Montebello Chamber of Commerce 817 West Whittier Blvd. Montebello, CA 90640	Adriana Dugan	adriana@montebellochamber.org
League of California Cities	***Jimenez***	***Torres***	$0	Meets four times a year, 4th Thursday of the month; 6-8 p.m. Schedule found at www.lacities.org	Location Varies	Kristine Guerrero, League Staff; Jennifer Quan,	kguerrero@cacities.org; 626-716-0076; jquan@cacities.org (626) 786-5142
Los Angeles County Vector Control District (LACVCD)	Avik Cordeiro (Resident Reappointed 11/10/2021-11/2025 for a period of 4 yrs.)	-	$100.00	Meets 2nd Thursday of the month 7:00 p.m.	L.A. County Vector Control District Headquarters 12545 Florence Avenue Santa Fe Springs, CA 90670	Truc Dever	info@glacvcd.org
Southeast Area Animal Control (SEAACA)	***Peralta***	***Tamayo***	$225.00	Meet 3rd Thursday 2:00 p.m.	Seaaca Office 9777 Seaaca Street Downey, CA 90241	Cathy Kyle, Manager, HR/Finance	administration@seaaca.org / (562) 803-3301 Ext. 221
Southern California Association of Governments (SCAG)	Melendez	***Jimenez***	***$0 - unless Regional Councilmember (CM) or Policy CM***	General Assembly Business meeting meets once a year in May (May 4-5 in Palm Desert for 2023)	SCAG Main Office Wilshire Grand Center 900 Wilshire Boulevard, Suite 1700 Los Angeles, CA 90017	Maggie Aguilar/Cecilia Pulido	Maggie Aguilar, Clerk of the Board, (213) 630-1420, *aguilarm@scag.ca.gov* Cecilia Pulido, Deputy Clerk of the Board, (213) 630-1480, cpulido@scag.ca.gov

2023

Ad Hoc and Task Force Assignments

Name of Committee/Task Force	Members	Name #1	Name #2	Date of Appointment
Ashiya Sister City Association	1	Peralta (Delegate)		1/11/2023
Stepanakert Sister City Association	1	Melendez (Delegate)		Established 1/11/23
Innovating Commerce Serving Communities Ad-Hoc"	2	Torres	Peralta	1/11/2022 *(established 1/12/22)*
** Joint School District Ad Hoc*	*2*	*Tamayo*	*Jimenez*	***Pending Approval from MUSD***
Streets Ad Hoc	2	Vacant	Jimenez	1/12/2022 *(established 2/2017)*
Washington Goldline Coalition	2	Melendez (Delegate)		1/11/23 *(established 1/12/22; previously the Transportation Ad Hoc)*
Financial Reporting Ad Hoc	2	Tamayo	Torres	Established 1/11/23

ITEM # 7

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: James Enriquez, Director of Public Works

SUBJECT: **NORTH CONCOURSE AVENUE STREET IMPROVEMENT PROJECT (CP NO. 880) – NOTICE OF COMPLETION**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Accept the North Concourse Avenue Street Improvement Project (CP No. 880), as completed by All American Asphalt; and
2. Find that the requested "Changes in Work" for the project (Attachment A) have no significant effect on the environment and approve the changes in the aggregate amount of $214,621; the final contract amount with All American Asphalt is $435,854; and
3. Approve the Final Total Project Budget (Attachment B); and
4. Authorize the City Clerk to execute, verify and file the Notice of Completion (Attachment C) with the Los Angeles County Registrar-Recorder; and
5. Authorize the City Manager to release the retention payment due to All American Asphalt following the mandatory waiting period from the date the Notice of Completion is recorded; and
6. Take such additional, related, action that may be desirable.

FISCAL IMPACT:

The Final Total Project Budget (Attachment B) shows the total funding and sources that were approved by the City Council throughout the life of the project in the aggregate amount of $1,026,000. Also shown is the total aggregate expenditures for the project in the amount of $485,670.

The remaining project balance of $540,330 will be available for reprogramming for other capital improvement projects, with unspent appropriations remaining in the original funds

from which they were appropriated (i.e., Gas Tax, SB1/RMRA and Measure M). No additional appropriations or budget amendments are required in order to close the project.

BACKGROUND/DISCUSSION:

The Concourse Avenue Improvement Project limits are from Beverly Blvd. to Madison Ave. and includes the removal and reconstruction of existing concrete sidewalks, curb and gutters, cross gutters, concrete driveway approaches and concrete curb ramps. The project also includes cold milling of existing AC pavement and repaving the street with Asphalt Rubber Hot Mix.

The City Council at its meeting of October 27, 2021, awarded a contract to All American Asphalt in the amount of $224,473 to construct the project and authorized the Director of Public Works to review and approve change orders within a 15% contingency of the contract amount. The contract is a unit priced contract and payment is calculated based on the actual quantities measured in the field. The actual quantities measured in the field resulted in a reduction in the contract amount totaling $3,240. Additionally, extra work was added to the contract in the amount of $214,621, most of which ($143,967) was a result of adding the reconstruction of the intersection of Concourse Ave and Madison Ave. The original design of the project ended short of the intersection. During construction, issues were encountered with the transition from the new to existing pavement and the intersection was added to the project to remedy these issues. The summary of extra work is included in Attachment A. All American Asphalt's final contract amount, including change orders, is $435,854.

On November 24, 2021, a Letter of Engagement under Master Retainer Agreement (Agreement No. 3920) was executed with Onward Engineering for construction management and inspection services for this project in the amount of $49,450. The contractor was granted additional work days requiring Onward Engineering to provide additional services in the amount of $366. The final fee for Onward Engineering for this project is $49,816.

ENVIRONMENTAL:

N/A

ANALYSIS:

The Contractor completed construction of this project on May 11, 2022. The City Engineer has reviewed the daily inspection reports and determined that the project was completed satisfactorily and in accordance with the project plans and contract specifications. The contractor's final accounting was reviewed and approved by the City Engineer. The total Construction cost was as indicated below:

Contract Amount	$ 221,233

Change in work summary	$ 214,621
Total construction Cost	$435,854

Notice of Completion

Pursuant to Civil Code Section 3093, when a Capital Improvement Project is completed, a Notice of Completion must be prepared and filed with the County Recorder's Office. In compliance with this section of the Civil Code, the City Engineer has prepared the required Notice of Completion for the City Council to accept the project as completed; and to authorize the City Clerk to execute, verify and file the Notice of Completion for recordation with the County Recorder's Office. The final retention payment will be released to the contractor forty-five (45) days after recordation of the Notice of Completion with the Los Angeles County Registrar-Recorder.

SUMMARY:

Staff is recommending that the City Council accept the Project as completed, approve the final Project budget and expenditures, including change orders, authorize the City Clerk to execute, verify and file the Notice of Completion with the Los Angeles County Registrar-Recorder and authorize the City Manager to release the retention payment due to All American Asphalt following the mandatory waiting period from the date the Notice of Completion is recorded.

ATTACHMENT(S)

1. Attachment A - Changes in Work Summary
2. Attachment B - Total Project Budget
3. Attachment C - Notice of Completion, CP No. 880

NEXT STEPS:

N/A

CHANGES IN WORK SUMMARY
February 22, 2023

N. CONCOURSE AVENUE STREET IMPROVEMENT PROJECT
CP NO. 880

Project Description:

The N. Concourse Avenue Street Improvement project from Beverly Boulevard to Madison Avenue includes the removal and reconstruction of existing concrete sidewalks, curb and gutters, cross gutters, concrete driveway approaches, and concrete curb ramps. The project also includes cold milling of existing AC pavement and repaving the street with Asphalt Rubber Hot Mix.

Changes in Work:

(1)	Additional Concrete work (Sidewalk, Curb& Gutter, Driveway, Curb Ramp)	$ 51,499
(2)	Cold Mill Existing Asphalt Concrete Pavement (2” Depth)	$ 1,335
(3)	Unclassified Excavation	$ 39,872
(4)	Crushed Miscellaneous Base (CMB)	$ 18,292
(5)	ARHM Overlay (2” & 4” Thick)	$ 29,431
(6)	Adjust Existing Utility Manhole, Vault Frames, and Covers to Finish Grade	$ 2,400
(7)	Additional Survey Required	$ 2,572
(8)	Layout for Removals Base & Subgrade	$ 2,645
(9)	Regrading of removed sidewalk & ADA Ramps	$ 1,057
(10)	Reset forms for sidewalk	$ 158
(11)	Lowered 2 Water Services 2’ below Sub	$ 4,279
(12)	Dug Out Yard Drain, lowered and connected 4” to 3” Coupling	$ 2,771
(13)	Mobilization for additional work	$ 4,500
(14)	2 Additional Days for Restoration of new ramp area	$ 3,226
(15)	Remove & Replace Conflicting Crosswalk at Madison Ave & N. Concourse St.	$ 6,591
(16)	Repair Failed Pavement Area N. Concourse Ave & Via Corona	$ 12,609
(17)	421 & 332 Concourse Sign and remove and replace striping	$ 7,799
(18)	Pave 2” Pad – 8ft x 30 ft	$ 5,918
(19)	Additional Supervision for added work - 5 days	$ 13,202
(20)	Additional Cost for Testing	$ 4,465
	Total Changes in Work	**$ 214,621**

Description of Changes:

(1) Additional concrete work was requested by City staff due to resident complaints over previous years and locations that were not added to the project. As well as additional work at the intersection of Madison Avenue and N. Concourse Ave. City staff assessed the locations and added additional work that consisted of sawcut and removal of existing concrete sidewalk, curb & gutter, driveway approaches, curb ramps, and concrete or AC pavement, base, and subgrade.

(2) Additional 2” depth cold milling of existing asphalt concrete pavement at the intersection of Madison Ave and N Concourse Ave.

(3) Unclassified excavation due to the additional 2” depth cold mill existing asphalt concrete pavement. The work consisted of removing, hauling, and disposal of existing sub-base, base, and native material all within the project site.

(4) Additional Crushed Miscellaneous Base (CMB) placed under additional curb and gutter.

(5) Additional Asphalt Rubber Hot Mix (ARHM) Overlay at the intersection of Madison Ave and N Concourse Ave.

(6) Since new pavement was added, existing utility manholes for sewers and storm drains needed to be adjusted to the grade of the new pavement.

(7) Some of the design elevations per plans were not matching the existing elevations, therefore, additional survey was needed for the new design to match existing conditions for the intersection changes at N. Concourse Ave/Via Val Verde/Madison Ave.

(8) Additional layout for removals, base & subgrade for cross-gutters.

(9) Additional regrading for removal of existing sidewalk & ADA ramps for improvements at the Concourse Ave and Madison Ave intersection.

(10) Additional forms for new sidewalk.

(11) Two existing water services lines were located at a shallow depth. Therefore, they needed to be lower 2’ to avoid any conflict with the new pavement section.

(12) Additional irrigation work performed due to the intersection improvements and work requested by residents.

(13) Additional equipment move-in for additional work at the intersection of Madison Ave and N. Concourse Ave.

(14) Additional work for the reconstruction of the north ADA ramp on Madison Ave to a Type case D.

(15) Realignment of the crosswalk for the new ADA ramp on the north side of Madison Ave. by removing the conflicting 12” crosswalk layout and install 12” yellow continental crosswalk. Paid at contract unit price.

(16) The work consisted of removal and replacement of failed pavement at N. Concourse Ave and Via Corona.

(17) At 421 & 332 N Concourse an existing school crossing pavement marking was removed and replaced.

(18) Removed flow line dips by reconstructing intersection with 2” AC pavement.

(19) Additional 5 days inspection for the new work at the intersection of Madison Ave and N. Concourse Ave.

(20) Additional compaction testing for the new pavement at the intersection of Madison Ave and N. Concourse Ave.

Revised Contract Amount:

Original contract amount	$ 224,473
Adjustment for Final Quantities	$ -3,240
Actual contract work completed	221,233
Changes in work to be authorized	$ 214,621
Revised contract amount	**$ 435,854**
Percent total change to original contract amount	94.2 %

ATTACHMENT B

N. CONCOURSE AVE IMPROVEMENT PROJECT
C.P. NO. 880

FINAL TOTAL PROJECT BUDGET
February 22, 2023

Project Expenses	Final Cost
Original Construction Contract (All American Asphalt) – (Awarded 10/27/2021)	$ 224,473
Adjustment for Final Quantities Measured	$ - 3,240
Construction Change Orders **(Recommended)**	$ 214,621
Construction Management/Inspection (Onward Engineers) Administrative Authorization on 11/24/2021	$ 49,450
Additional Management/Inspection (Onward Engineers)	$ 366
Total Project Cost:	**$ 485,670**

Project Funding	Budget Amount
Gas Tax (Fund 200) - (Appropriated FY 19/20 CIP Budget)	$ 100,000
Measure M (Fund 222) - (Appropriated FY 19/20 CIP Budget)	$ 351,193
SB1 RMRA (Fund 201) - (Appropriated FY 19/20 CIP Budget)	$ 169,807
Gas Tax (Fund 200) - (Appropriated on Agenda 10/27/21)	$ 100,000
Measure M (Fund 222) - (Appropriated on Agenda 10/27/21)	$ 135,000
SB1 RMRA (Fund 201) - (Appropriated on Agenda 10/27/21)	$ 170,000
Total Project Budget:	**$ 1,026,000**

Note: The project was completed with a remaining balance of $540,330. These funds will be available for reprogramming for other projects.

ATTACHMENT C

RECORDING REQUESTED BY
CITY OF MONTEBELLO
AND WHEN RECORDED MAIL TO

NAME CITY OF MONTEBELLO
CITY CLERK
STREET ADDRESS 1600 W Beverly Blvd.
CITY Montebello,
STATE CA
ZIP 90640

SPACE ABOVE LINE FOR RECORDERS USE

NOTICE OF COMPLETION

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

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is City of Montebello
3. The full address of the owner is 1600 W Beverly Blvd., Montebello, CA 90640
4. The nature of the interest or estate of the owner is: in fee.

(if other than Fee, strike "In fee" and insert, for example, "purchaser under contract of purchase", or "lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES ADDRESSES

6. The full names and addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES ADDRESSES

7. A work of improvement on the property hereinafter described was completed on January 13, 2021. The general scope of work consisted of the removal and reconstruction of existing sidewalks, curb and gutters, drive approaches, curb ramps, cold milling and repaving the existing streets, adjustments of utility covers, installation of pavement markings and striping, curb painting, installation of traffic detection loops and installation of a Bio-swell retention basin.

8. The name of the contractor, if any, for such work of improvement was All American Asphalt
October 27, 2021

(If no contractor for work of improvement as a whole, insert "None") (Date of Contract)

9. The property on which said work of improvement was completed is in the City of Montebello County of Los Angeles, State of CA, and is described as follows**: N Concourse Ave from Beverly Blvd to Madison Ave**

Director of Public Works / City Engineer, City of Montebello

(Signature of Owner or corporate officer of Owner named in paragraph 2, or his agent)

VERIFICATION

I, the undersigned, say: I am the City Clerk of the City of Montebello, the declarant of the foregoing Notice of Completion:
I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.
Executed on_____ , 2022 at City of Montebello, Montebello, CA

_____(Personal signature of the individual who is swearing that the contents of the Notice of Completion are true)

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

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

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

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

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

In paragraphs 3, 5 and 6, the full address called for should include street number, city, county and state.

As to paragraphs 7 and 8, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows: (1) Strike the words "A work of improvement" from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., "The foundations for the improvements"); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 8 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor's name need be given if there is no general contractor, e.g., on so-called "owner-builder jobs."

In paragraph 9, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 10, show the street address, if any, assigned to the property by any competent public or governmental authority.

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

ITEM # 8

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: **ADOPT RESOLUTION NO. 23-14 APPROVING PURCHASE AND SALE AGREEMENT NO. 4077 FOR THE PROPOSED DISPOSITION OF REAL PROPERTY LOCATED AT 5055 PASSONS BOULEVARD, PICO RIVERA, CA 90660 (LOS ANGELES COUNTY ASSESSOR'S PARCEL NO. 6377-007-270) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE PURCHASE AND SALE AGREEMENT ON BEHALF OF THE CITY OF MONTEBELLO**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Adopt Resolution No. 23-14 approving the disposition of real property, approving the material terms of Purchase and Sale Agreement No. 4077 (attached here in substantial form) authorizing the sale of the Property to the City of Pico Rivera, and authorizing the City Attorney and the City Manager (and/or designee), to finalize negotiations and the agreement (with the exception of any material changes), leading up to the execution of all documents related to said agreement.

FISCAL IMPACT:

The City of Montebello is proposing to sell the property located at 5055 Passons Boulevard in the City of Pico Rivera, California identified as Los Angeles County Assessor's Parcel No. 6377-007-270 (the "Property") for the appraised market value of $1,270,000. All revenue from the proposed sale would be added to the City's General Fund.

BACKGROUND/DISCUSSION:

The City is the owner of the Property located within the City of Pico Rivera. The Property

is comprised of an approximately 19,611 square foot lot that was developed in 1963 with an approximately 1,186 square foot building used by the Montebello Bus Lines as a layover and bus stop. Bus routes 10 and 60 have utilized the Property as a terminal point or a stop on their routes. Additionally, Los Angeles Metro route 265 utilizes the location as a layover. These routes would be adjusted to find alternative layover locations to avoid any impacts to staffing and public ridership in the future.

On December 13, 2022, the Pico Rivera City Council approved Resolution No. 7241 (please see attached) approving the proposed Purchase and Sale Agreement (please see attached) authorizing the acquisition of the Property by the City of Pico Rivera (also known as the "Buyer") from the City of Montebello (also known as the "Seller"). The Purchase and Sale Agreement would allow the City to sell the Property to Pico Rivera for the appraised value of $1,270,000 (please see appraisal, Attachment "C"). Pursuant to Pico Rivera Resolution No. 7241, Pico Rivera would develop the Property into a public park to improve equitable access to outdoor recreation and open space opportunities for healthy living.

ENVIRONMENTAL:

In accordance with the California Environmental Quality Act ("CEQA"), the approval of the Purchase and Sale Agreement is exempt from CEQA pursuant to CEQA Guidelines Section 5312 – Class 12 Categorical Exemption (Surplus Government Property Sales) relating to the sale of surplus government property and CEQA Guidelines Section 15061(b)(3), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. 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. The approval of the Purchase and Sale Agreement does not authorize a specific project and constitutes a sale of real property in exchange for financial consideration between the City of Montebello and City of Pico Rivera to be used for a public purpose.

ANALYSIS:

The California Surplus Land Act (Government Code 54220 et seq.), or "the SLA", governs the sale, lease or other transfer of government-owned surplus lands and requires local agencies to prioritize opportunities for certain uses, including affordable housing development, for any land the entity may sell or lease. Effective January 1, 2020, Assembly Bill (AB) No. 1486 and AB No. 1255 amended the SLA to require local agencies to formally declare publicly owned property which is not necessary for the local agency's use as surplus land prior to disposition. The property may be declared either "surplus" or "exempt surplus" by the legislative body of the local agency, in a regular public meeting, as supported by written findings.

Under the SLA, Surplus land must follow a statutory noticing and negotiation period with certain designated entities, including eligible low-income housing sponsors defined by the California Department of Housing and Community Development (HCD). However,

exempt surplus land does not have to follow these procedural requirements of the SLA.

Exempt surplus land is defined to include surplus land that a local agency is transferring to another local, state or federal agency for the agency's use (Government Code Section 54221 (f)(1)(D). The City has no current plans to develop or make improvements on this property; the declaration as exempt surplus land and the adoption of the attached resolution will be the first step in allowing the disposition process to move forward in accordance with the SLA.

The Property has been declared exempt Surplus Land pursuant to Resolution No. 22-76. This Resolution was approved by the Montebello City Council on September 14, 2022 (please see Attachment "E").

SUMMARY:

N/A

ATTACHMENT(S)

1. Attachment A - PR Bus Depot_Resolution No. 23-14_5055 Passon Blvd.
2. Attachment B - Purchase and Sale Agreement No. 4077_5055 Passon Blvd.
3. Attachment C - Appraisal Report_16391-22--5055 Passons Blvd-Pico Rivera-FINAL-05-22-22
4. Attachment D - Pico Rivera Resolution No. 7241 DEC 13 2022
5. Attachment E - Resolution No. 22-76 - Passons Exempt Surplus Land

NEXT STEPS:

N/A

RESOLUTION NO. 23-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF MONTEBELLO, CALIFORNIA AND THE CITY OF PICO RIVERA, CALIFORNIA FOR THE REAL PROPERTY IDENTIFIED AS 5055 PASSONS BOULEVARD, PICO RIVERA, CALIFORNIA 90660 (APN: 6377-007-270)

RECITALS

WHEREAS, the City of Montebello (the "City") is the owner in fee simple of real property in the City of Pico Rivera ("Pico Rivera") identified as 5055 Passons Boulevard and having Assessor Parcel Number 6377-007-270 ("Property") legally described on Exhibit "A" and depicted on Exhibit "B", attached hereto and made a part of hereof; and

WHEREAS, the Property is a 19,611 square foot lot with a 1,186 square foot building designated for multifamily residential use; and

WHEREAS, Pico Rivera is currently using the Property as a bus terminal for the Los Angeles County Metropolitan Transportation Authority and Montebello Bus Lines operations; and

WHEREAS, Pico Rivera was awarded a grant in the amount of $1 million from the Los Angeles County Regional Park and Open Space District for the acquisition of the Property; and

WHEREAS, Pico Rivera as the “Buyer” desires to develop the Property into a public park that utilizes community-driven design concepts that improve equitable access to outdoor recreation opportunities for healthy living; and

WHEREAS, on September 14, 2022, the Montebello City Council adopted Resolution No. 22-76 declaring the Property as “Exempt Surplus Land” pursuant to the Surplus Land Act (“SLA”); and

WHEREAS, a Purchase and Sale Agreement for the Property (or "PSA"), attached hereto as Exhibit "C", has been prepared by the City and Pico Rivera, which establishes the intent for Pico Rivera to provide a $1,000 deposit upon opening of escrow (that shall be credited toward the payment of the Purchase Price) and purchase the Property from the City at the proposed price of $1,270,000 upon close of escrow per Article II of the PSA; and

WHEREAS, staff recommends adoption of a Resolution approving the material terms of the PSA for the contemplated sale, disposition of the Property, authorizing the City Manager to finalize negotiations with Pico Rivera, finalizing changes to the PSA (provided that no changes are made to the purchase price or material terms), and executing the PSA in a form approved by the City Attorney.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. ADOPTION OF RECITALS. The above recitals are true and correct and are a substantive part of this Resolution and are incorporated herein as part of the findings.

SECTION 2. ADOPTION. The City Council hereby approves the PSA, in substantially the same form as attached to the Staff Report accompanying this Resolution, between the City of Montebello (as the "Seller") and the City of Pico Rivera (as the "Buyer") disposing the Property in conformance with state law, including the SLA. The City Council further authorizes the City Manager to execute the PSA and all other ancillary documents, including but not limited to, escrow instructions, deeds, seller affidavits and such other customary documents consistent with and reasonably necessary to effectuate the intent of this Resolution and record or cause to be recorded such documentation, as approved by the City Attorney.

SECTION 3. ENVIRONMENTAL. The City Council further finds that the approval of the PSA is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15312 - Class 12 Categorical Exemption (Surplus Government Property Sales) relating to the sale of surplus government property and CEQA Guidelines Section 15061 (b)(3), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. 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. None of the exceptions contained under CEQA Guidelines Section 15300.2 apply. The approval of the PSA does not authorize a specific project and constitutes a sale of real property in exchange for financial consideration between the Cities of Montebello and Pico Rivera to be used for a public purpose.

SECTION 4. EFFECTIVE DATE. 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.

APPROVED AND ADOPTED THIS 22nd DAY OF February 2023.

_____
David N. Torres, Mayor

ATTEST:

APPROVED AS TO FORM:

_____ _____
Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-14 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____ _____
Christopher Jimenez, City Clerk

CITY OF MONTEBELLO PURCHASE AND SALE AGREEMENT NO. 4077

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 2023, until the Agreement has been finalized, by and between **THE CITY OF PICO RIVERA, CALIFORNIA**, a municipal corporation ("**Purchaser**"), and **THE CITY OF MONTEBELLO, CALIFORNIA**, a municipal corporation ("**Seller**").

In consideration of the mutual promises, covenants and agreements hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I
Sale of Property

1.1 **Sale of Property.** Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's respective right, title and interest in and to, the following:

1.1.1 Land. That certain real property lying and situated in the City of Pico Rivera, California, consisting of approximately 19,611 square feet and legally described on **Exhibit A** attached to this Agreement and depicted on **Exhibit B** attached to this Agreement (the "**Land**");

1.1.2 Real Property. All rights, privileges and easements appurtenant to Seller's interest in the Land, including, without limitation, all of Seller's right, title and interest, if any, in and to all mineral and water rights and all easements, licenses, covenants and other rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the "**Real Property**", and the Land and the Real Property are hereinafter collectively referred to as the "**Property**").

ARTICLE II
Purchase Price; Deposit

2.1 **Purchase Price.** The purchase price for the Property shall be ONE MILLION TWO HUNDRED SEVENTY THOUSAND ($1,270,000.00) DOLLARS (the "**Purchase Price**"). The Purchase Price, as adjusted by all prorations as provided for in this Agreement, shall be paid to Seller by Purchaser at Closing (as hereinafter defined) by wire transfer of immediately available federal funds.

2.2 **Deposit**. Within five (5) Business Days (as hereinafter defined) after the Effective Date (as hereinafter defined), Purchaser shall deposit the sum of One Thousand Dollars and no/100 ($1,000.00) as a good faith deposit ("Deposit") (**"Opening of Escrow"**) with Title Company (as hereinafter defined), as escrowee ("Escrowee"), at Escrowee's office located at [TITLE/ESCROW

COMPANY NAME AND ADDRESS]. For the purposes of this Agreement, "Effective Date" shall mean the date this Agreement has been fully executed and delivered to Seller and Purchaser. One Hundred Dollars ($100.00) of the Deposit shall be released by Title Company to Seller on the first Business Day following the deposit thereof by Purchaser, in payment of consideration by Purchaser to Seller for the right of Purchaser to purchase the Property in accordance with the terms of this Agreement (the "**Non-Refundable Payment**"). The Non-Refundable Payment shall be fully earned and retained by Seller immediately upon receipt and, notwithstanding any provisions of this Agreement to the contrary, the Non-Refundable Payment shall not be returned to Purchaser in any circumstance except if Closing fails to occur solely due to a material default by Seller under this Agreement. On the Closing Date, the amount of the Non-Refundable Payment, without interest, shall be applied to the Purchase Price. From and after the release of the Non-Refundable Payment to Seller, the Deposit shall mean and refer to the remaining Deposit amount then held by Title Company (and any payment or refund of the Deposit to be made pursuant to this Agreement shall not include such Non-Refundable Payment). Purchaser acknowledges that Seller would not have entered into this Agreement had Purchaser not made the bargained for Non-Refundable Payment to Seller on the terms set forth in this Section. The Deposit shall be paid to Seller and credited against the Purchase Price at Closing. If the Closing does not occur in accordance with the terms of this Agreement, the Deposit shall be held and delivered as provided in this Agreement.

ARTICLE III
Closing, Prorations and Closing Costs

3.1 **Closing.** The closing of the transaction(s) contemplated in this Agreement (the "**Closing**") shall occur on or before 5:00 p.m. Pacific Standard Time on the forty-fifth (45th) day following the Opening of Escrow or the first business day thereafter, if the 45th day falls on a weekend or holiday,, upon the satisfaction of Purchaser's and Seller's obligations set forth in this Agreement (the "**Closing Escrow**"), and shall be held at the offices of the Title Company, or at such other place agreed to by Seller and Purchaser. Upon creation of the Closing Escrow, the payment of funds and the delivery of all documents required pursuant to this Agreement shall be made through the Closing Escrow. The Closing shall take place in a manner so that, on the date the Closing occurs (the "**Closing Date**"), the Title Policy (as hereinafter defined) will be delivered to Purchaser, and Seller shall receive the Purchase Price.

3.2 **Prorations.** All matters involving prorations or adjustments to be made in connection with this Agreement and not specifically provided for in some other provision of this Agreement shall be adjusted in accordance with this Section 3.2. For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof, on and after the Closing Date. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and a three hundred sixty-five (365) day year. Except as otherwise provided in this Section 3.2, the amount of such prorations shall be determined and shall be final as of the Closing Date. All items of income and expense which accrue for the period prior to the Closing Date will be for the account of Seller and all items of income and expense which accrue for the period on and after the Closing Date will be for the account of Purchaser.

3.2.1 Taxes. On or before the Closing Date, Seller shall pay all taxes and assessments, including, without limitation, all special assessments, on the Property which

are due and payable prior to the Closing Date. Unpaid taxes and assessments on the Property shall be prorated on an accrual basis as of the Closing Date based upon the most recent ascertainable assessed valuation, tax multipliers and tax rate, but reproration thereof shall be made between Purchaser and Seller at such time as the actual amount of taxes for the applicable tax year shall become known, in order that actual real estate taxes for the periods before and after the Closing Date may be equitably prorated as of the Closing Date and paid between the parties when known. Seller shall be liable for any back tax bill which may be imposed by taxing authorities related to the period prior to the Closing Date, which obligation of Seller shall survive Closing.

3.3 **Allocation of Closing Costs and Expenses.** Seller and Purchaser shall each be responsible for one-half the costs to record any instruments necessary to convey title and the Closing Escrow fee. Purchaser shall bear the cost of the Title Policy charges, any recording fees with respect to the Deed (as hereinafter defined), all costs incurred in connection with obtaining Purchaser's financing for this transaction, if any, the cost of all title endorsements, if any. If applicable, the cost of transfer taxes shall be paid by Purchaser.

ARTICLE IV
Title

4.1 **Title.**

4.1.1 Promptly after the Effective Date, Purchaser shall apply for a title insurance commitment (the "**Commitment**") for an Owner's Policy of Title Insurance (the "**Title Policy**"), issued by the Title Company and covering the Real Property. After receipt of the Commitment, Purchaser shall provide or cause the Title Company to provide a copy of the Commitment to Seller. On or before the date (the "**Title Objection Date**") that is fifteen (15) days after the date Purchaser receives the Commitment (as hereinafter defined), Purchaser shall notify Seller in writing (the "**Title Objection Notice**") of any title exceptions identified in the Commitment that Purchaser disapproves (collectively, the "**Unpermitted Exceptions**") and any remaining exceptions shall be deemed permitted (collectively, the "**Permitted Exceptions**"). Notwithstanding the foregoing, Purchaser and Seller hereby agree that: (i) all non-delinquent property taxes and assessments or (ii) all matters created by or on behalf of Purchaser, including, without limitation, any documents or instruments to be recorded as part of any financing of the Property by Purchaser, shall constitute "**Permitted Exceptions**". If Purchaser fails to provide Seller with the Title Objection Notice on or before the Title Objection Date, all exceptions in the Commitment shall be deemed to be Permitted Exceptions, and Purchaser shall be deemed to have waived its right to object to any exceptions in the Commitment.

4.1.2 No less than ten (10) days after being given the Title Objection Notice, Seller shall notify Purchaser in writing of any Unpermitted Exceptions that Seller is unable or unwilling to cause to be removed or insured against prior to or at Closing. With respect to such exceptions, Purchaser shall then elect, by giving written notice to Seller within three (3) days after receipt of Seller's notice, to: (x) terminate this Agreement, or (y) waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Purchaser's failure to timely give such notice shall be deemed

an election to waive the disapproval of any such exception. If Purchaser elects to terminate this Agreement in accordance with clause (x) above, the Deposit shall be returned to Purchaser as Purchaser's sole and exclusive remedy as a result of such termination.

4.1.3 Monetary Liens. Notwithstanding anything to the contrary contained in Section 4.1.2 above, Seller shall be required to discharge all mortgages, deeds of trust, real estate taxes, assessments and other governmental levies, fees or charges imposed on the Land, all judgment liens, all mechanics' liens and similar liens for labor, materials or supplies, and other such monetary liens that may be removed solely through the payment of money prior to Closing (collectively, the "**Monetary Liens**"), and such matters shall be deemed Objectionable Exceptions, whether or not included in Purchaser's Title Objection Notice. If, at or prior to Closing, Seller fails to cure all Monetary Liens, in addition to all other remedies available to Purchaser under this Agreement, Purchaser shall have the right to proceed to Closing and deduct from the Purchase Price the amount necessary to cure such Monetary Liens.

4.2 [Reserved].

4.3 Purchaser Due Diligence. Purchaser will have a thirty (30) day "Due Diligence Period" commencing upon Opening of Escrow to conduct any investigation of the Property, which may be extended in writing by the Parties. During the Due Diligence Period Purchaser is invited, urged, and cautioned to conduct, at Purchaser's expense, such investigations, inspections, surveys, plans, and tests of the Property, including, without implied limitation, soils, groundwater, wells, percolation, geology, environmental, drainage, engineering and utilities investigations, inspections, surveys, plans, and tests (collectively, "**Investigations**"), as Purchaser determines, in Purchaser's sole discretion, are required to determine the suitability of the Property for Purchaser's intended use. Such Investigations shall be conducted at the sole cost and expense of Purchaser. Purchaser shall hold harmless, indemnify and defend Buyer against all costs, damages, liabilities or expenses, including mechanics lien claims arising out of Purchaser's activities on the Property.

4.3.1 Seller hereby grants to Purchaser, its employees, representatives, agents and independent contractors, a license to enter the Property for purposes of conducting such Investigations during normal business hours. Purchsaer shall provide City twenty-four (24) hours notice prior to entering the Property.

4.3.2 In the event that Purchaser exercises this right of entry, Purchaser shall comply with all applicable laws and obtain all permits which may be required with respect to its investigations and testing. Purchaser further agrees to indemnify, defend, and hold harmless City and its officers, employees, and agents from and against any and all claims, damages, liabilities, and losses arising from such activities of Purchaser or its employees or agents, and from and against all mechanics', materialmens', and other liens resulting from any such conduct. Purchaser shall restore the Property as nearly as possible to its condition existing immediately prior to any such entry by or on behalf of Purchaser. Prior to entry upon the Property, Purchaser shall obtain insurance or proof of self-insurance covering Purchaser's indemnity, hold harmless, and defense obligations to City pursuant to this paragraph. Prior to entry upon the Property for such Investigations, Purchaser shall furnish to Seller duplicates of appropriate certificates of commercial general liability

insurance in the amount of at least One Million Dollars ($1,000,000) combined single limit for bodily injury and property damage and Two Million Dollars ($2,000,000) general aggregate limit, naming Seller as an additional insured, insuring Purchaser's obligations and responsibilities under this paragraph (4). Purchaser shall maintain each such policy in effect until the Close of Escrow.

4.3.3 Purchaser shall notify Seller in writing of any objections as to the condition of the Property, by delivering such written objection to escrow within the Due Diligence Period. Seller shall then have ten (10) days to correct the objection to the reasonable satisfaction of Purchaser or give written notice to Purchaser through escrow that Seller elects to terminate this Agreement. If Seller elects to terminate this Agreement, Purchaser shall have ten (10) days to give written notice to Seller through escrow that Purchaser waives the objection(s).

ARTICLE V
Representations and Warranties of the Seller

5.1 **Seller's Representations.** Seller represents and warrants that, to Seller's knowledge, the following matters are true and correct as of the Effective Date with respect to the Property.

5.1.1 Authority. Seller is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California. This Agreement has been duly authorized, executed and delivered by Seller, is the legal, valid and binding obligation of Seller, and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject. All documents to be executed by Seller which are to be delivered at Closing, will, at the time of Closing: (i) be duly authorized, executed and delivered by Seller, (ii) be legal, valid and binding obligations of Seller, and (iii) not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject.

5.1.2 No Third Party Claims. Seller represents and warrants that there is no suit, legal action, administrative arbitration or other proceeding or governmental investigation process which has been served upon Seller or, which to Seller's best knowledge, is otherwise pending or threatened against Seller in which any party is making or has made a claim or defense that, if sustained, would materially and adversely affect the performance of Seller under this Agreement or materially and adversely interfere with the ability of Seller to consummate the transactions contemplated herein.

5.1.3 Violation of Laws. To Seller's knowledge, Seller has received no written notice of any violation of any statute or ordinance relating to the Property that has not been cured.

5.2 **Seller's Knowledge.** For purposes of this Agreement and any document delivered at Closing, whenever the phrases "to Seller's knowledge" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to refer to the current, actual knowledge only, and not any implied, imputed or constructive knowledge, without any independent investigation having

been made or any implied duty to investigate, of the Director of Planning and Community Development of the City of Montebello or other Seller designee. Notwithstanding anything to the contrary contained in this Agreement, the Director of Planning and Community Development of the City of Montebello or other Seller designee shall have no personal liability under this Agreement.

5.3 **Change in Representation/Waiver.**

5.3.1 Representations/Waiver. Notwithstanding anything to the contrary in this Agreement, Purchaser acknowledges that Purchaser shall not be entitled to rely on any representation made by Seller in this Article V, to the extent that, prior to or at Closing, Purchaser shall have or obtain actual knowledge of any information contradictory to such representation or warranty; provided, however, if Purchaser determines prior to Closing that there is a breach of any of the representations and warranties made by Seller in this Article V, then Purchaser may, at its option, by sending to Seller written notice of its election, either: (i) terminate this Agreement, in which event the Deposit shall be returned to Purchaser and, except for the Surviving Obligations, neither party shall have any further rights or obligations to the other under this Agreement, or (ii) waive such breach and/or conditions and proceed to Closing with no adjustment in the Purchase Price, and Seller shall have no further liability as to such matter thereafter.

5.3.2 Property Condition Waiver. Notwithstanding any other provision of this Agreement to the contrary, following the Closing Date, Purchaser waives its right to recover from Seller, its elected officials, agents, and employees (collectively, "Seller's Representatives"), and hereby waives, releases and forever discharges Seller and Seller's Representatives from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way arising out of or connected with the Property, including (i) the physical condition, nature or quality of the Property, including geologic conditions, (ii) the quality of the labor and materials included in any improvements or fixtures located on or within the Property (including latent defects), (iii) the presence of asbestos and lead-based paint, (iv) the failure of the Property, including any existing improvements thereon, to comply with any law or regulation applicable thereto, (v) the inaccuracy or incompleteness of plans, drawings, specifications, any documents provided by Seller, and (vi) the environmental condition of the Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to any breach by Seller of its express representations or warranties under this Agreement.

In connection with foregoing waiver and release, Purchaser expressly waives the benefits of Section 1542 of the California Civil Code, which provides 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."

_____
Purchaser's Initials

5.4 **Survival.** The express representations and warranties made in this Agreement by Seller shall not merge into any instrument or conveyance delivered at Closing; provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of such representations and warranties shall be commenced, if at all, on or before the date that is six (6) months after the Closing Date ("**Survival Period**") and, if not commenced on or before such date, thereafter such representations and warranties shall be void and of no force or effect. Notwithstanding any other term of this Agreement, any claim based upon a misrepresentation or a breach of a covenant or warranty under this Agreement that expressly survives the Closing shall be actionable or enforceable if and only if: (i) notice of such claim(s) is given to Seller prior to the expiration of the Survival Period; and (ii) the amount of damages or losses as a result of such claims suffered or sustained by the party making such claims exceeds $50,000.00; and provided further that the aggregate liability of Seller for any and all such breaches or misrepresentations shall be limited to $250,000.00.

ARTICLE VI
Seller's Interim Operating Covenants

6.1 **Operations.** Seller agrees to continue to operate, manage and maintain the Property through the Closing Date in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear.

6.2 **No Sales.** Seller agrees that it shall not convey any interest in the Property to any third party.

ARTICLE VII
Possession

7.1 **Possession.** Possession of the Property shall be delivered to Purchaser on the Closing Date free and clear of all possessory interests with the exception of the Permitted Exceptions.

ARTICLE VIII
Closing

8.1 **Purchaser's Closing Obligations.** Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to the Title Company at Closing the following, duly executed and acknowledged as applicable:

8.1.1 The Purchase Price, subject to adjustments and prorations as provided in this Agreement, by wire transfer or other immediately available federal funds.

8.1.2 A Preliminary Change of Ownership Report.

8.1.3 If required by the Title Company, evidence reasonably satisfactory to the Title Company that the person executing the closing documents on behalf of Purchaser has full right, power and authority to do so.

8.1.4 Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement.

8.1.5 If prior to the expiration of the Due Diligence Period, Purchaser shall have approved all Due Diligence matters or have waived any objections in writing.

8.2 **Seller's Closing Obligations.** Seller, at its sole cost and expense, shall deliver or cause to be delivered to the Title Company at Closing the following, duly executed and acknowledged as applicable:

8.2.1 A grant deed in the form attached to this Agreement as **Exhibit C** conveying to Purchaser the Real Property in fee simple, subject only to the Permitted Exceptions (the "**Deed**").

8.2.2 California Form 593-C (California Real Estate Withholding Exemption Certificate) in the form required by applicable law.

8.2.3 If required by the Title Company, evidence reasonably satisfactory to the Title Company that the persons executing the closing documents on behalf of Seller have full right, power and authority to do so.

8.2.4 Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement.

ARTICLE IX
Intentionally Deleted

ARTICLE X
Default

10.1 **Default by Seller.** If the Closing and the transactions contemplated in this Agreement do not occur as provided in this Agreement by reason of the default of Seller, and said default is not cured within five (5) Business Days after notice from Purchaser, Purchaser may elect, by written notice to Seller and as the sole and exclusive remedy of Purchaser, to: (i) terminate this Agreement and receive the Deposit from the Title Company, and in such event Seller shall not have any liability whatsoever to Purchaser under this Agreement except for the Surviving Obligations; or (ii) enforce specific performance of Seller's obligations under this Agreement.

10.2 **Default by Purchaser.** If Purchaser should breach any of its covenants contained in this Agreement (and Seller shall not be in default hereunder), Seller may terminate this Agreement without further liability on Seller's part and retain the Deposit as liquidated damages, and not as a penalty, it being understood that Seller's actual damages in the event of such a default are difficult to ascertain and that such Deposit represents the parties' best estimate of such damages. Seller shall not have any other remedy for any default by Purchaser. BY INITIALING

THIS SECTION 10.2, PURCHASER AND SELLER AGREE THAT IN EVENT OF DEFAULT BY PURCHASER: (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT WILL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF THE LIQUIDATED DAMAGES TO SELLER WILL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER; (D) SELLER MAY RETAIN THAT PAYMENT AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE.

Seller INITIALS: _____ Purchaser INITIALS: _____.

ARTICLE XI
Brokers

11.1 **Brokers.** Purchaser and Seller each represents and warrants to the other that it has not dealt with any person or entity entitled to a brokerage commission, finder's fee or other compensation with respect to the transaction contemplated in this Agreement. Purchaser hereby agrees to indemnify, defend, and hold Seller harmless from and against any claims, demands, suits, obligations, payments, damages, losses, penalties, liabilities, costs and expenses (including but not limited to attorneys' fees and costs) incurred by Seller by reason of any breach or inaccuracy of the Purchaser's representations and warranties contained in this Article XI. Seller hereby agrees to indemnify, defend, and hold Purchaser harmless from and against any claims, demands, suits, obligations, payments, damages, losses, penalties, liabilities, costs and expenses (including but not limited to attorneys' fees and costs) incurred by Purchaser by reason of any breach or inaccuracy of Seller's representations and warranties contained in this Article XI. Seller and Purchaser agree that it is their specific intent that no broker shall be a party to or a third party beneficiary of this Agreement or the Deposit, that no broker shall have any rights or cause of action under this Agreement, and further that the consent of a broker shall not be necessary to any agreement, amendment, or document with respect to the transaction contemplated in this Agreement. The provisions of this Article XI shall survive Closing or the termination of this Agreement.

ARTICLE XII
Conditions Precedent to Closing

12.1 In addition to any conditions provided in other provisions of this Agreement, Purchaser's obligation to purchase the Property is and shall be conditioned upon the following:

12.1.1 The due performance of Seller of each and every covenant, undertaking and agreement to be performed by Seller under this Agreement and the truth of each representation and warranty made in this Agreement by Seller.

12.2 Purchaser may, at any time or times, at its election, waive any of the conditions to its obligations under this Agreement, but any such waiver shall be effective only if contained in a writing signed by Purchaser. The failure of any of the conditions in Section 12.1 shall entitle

Purchaser, at its option, to cancel and terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any rights or obligations to the other under this Agreement.

ARTICLE XIII
Miscellaneous

13.1 **Right of Entry; Indemnification**. Between the Effective Date and the Closing Date, Buyer and Buyer's employees, agents, contractors, subcontractors and consultants (collectively, "**Buyer's Representatives**") shall have the right to enter upon the Property, at reasonable times during ordinary business hours, upon notice to Seller at least three (3) business days prior to entry, to perform such non-destructive inspections, investigations, tests and studies. Buyer, in performing its non-destructive inspections, investigations, tests and studies hereunder shall not unreasonably interfere with the operation of the Property, and agrees to coordinate its activities on the Property with Seller in advance to avoid any such interference. Following any such non-destructive tests or inspections, Buyer agrees to promptly return any portions of the Property damaged or altered by Buyer during such tests or inspections to substantially the same condition which existed prior to such test or inspection. In the event Buyer fails to promptly restore Property in accordance with the preceding sentence, Seller may, in its sole and absolute discretion, restore the Property and all costs and expenses shall be paid immediately by Buyer upon demand by Seller. Buyer shall indemnify, defend and hold Seller, including its elected officials, agents, employees harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Buyer or Buyer's Representatives or liens arising from Buyer's review of the Property.

13.2 All notices, consents, approvals and other communications which may be or are required to be given by either Seller or Purchaser under this Agreement shall be properly given only if made in writing and sent by (i) certified mail, (ii) electronic mail by pdf or (iii) a nationally recognized overnight delivery service (such as Federal Express, UPS Next Day Air), with all delivery charges paid by the sender and addressed to the Purchaser or Sellers, as applicable, as follows, or at such other address as each may request in writing. Such notices shall be deemed received, (x) sent by certified mail, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid, in the United States Mail, (y) if delivered by overnight delivery service, on the date of delivery and (z) if sent by facsimile transmission or electronic mail pdf, on the date of transmission. Notices to be sent on behalf of Purchaser or Sellers may be sent by their respective counsel. The refusal to accept delivery shall constitute acceptance and, in such event, the date of delivery shall be the date on which delivery was refused. Said addresses for notices are to be as follows:

If intended for Purchaser:

Steve Carmona, City Manager
City of Pico Rivera
6615 Passons Blvd
Pico Rivera, California 90660
Email: scarmona@pico-rivera.org

If intended for Seller: Rene Bobadilla, City Manager
City of Montebello
1600 W Beverly Blvd
Montebello, California 90640
Email: rbobadilla@cityofmontebello.org

13.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without regard to the conflict of laws principles thereof.

13.4 **Headings.** The captions and headings used in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

13.5 **Business Days.** If any date set forth in this Agreement for the performance of any obligations of Seller or Purchaser or for the delivery of any instrument, Document or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next Business Day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or Federal holiday for which financial institutions or post offices are generally closed in the State of California, and the term "Business Day" means any day other than a Saturday, Sunday or legal holiday.

13.6 **Counterpart/Electronic Copies.** This Agreement may be executed in two or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Agreement. Handwritten signatures to this Agreement transmitted by telecopy or electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the parties so signing. It is expressly agreed that each party to this Agreement shall be bound by its own telecopied or electronically transmitted handwritten signature and shall accept the telecopy or electronically transmitted handwritten signature of the other party to this Agreement. The parties hereto agree that the use of telecopied or electronic signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

13.7 **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Whenever reference is made in this Agreement to Seller or Purchaser, such reference shall include the successors and assigns of such party under this Agreement.

13.8 **Assignment.** The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no conveyance, assignment or transfer of any interest whatsoever of, in, or to the Project or of this Agreement shall be made by Seller during the term of this Agreement. Purchaser may assign all or any of its right, title and interest under this Agreement to any corporate, limited liability or partnership entity affiliated with, or related to Purchaser ("**Affiliate**"). No such assignee shall accrue any obligations or liabilities hereunder until

the effective date of such assignment. In addition to its right of assignment, Purchaser shall also have the right, exercisable prior to Closing, to designate any Affiliate, as the grantee or transferee of any or all of the conveyances, transfers and assignments to be made by Seller at Closing hereunder, independent of, or in addition to, any assignment of this Agreement. In the event of an assignment of this Agreement by Purchaser, its assignee shall be deemed to be the Purchaser hereunder for all purposes hereof, and shall have all rights of Purchaser hereunder (including, but not limited to, the right of further assignment), and the assignor shall be released from all liability hereunder. In the event that an Affiliate shall be designated as a transferee hereunder, that transferee shall have the benefit of all of the representations and rights which, by the terms of this Agreement, are incorporated in or relate to the conveyance in question.

13.9 **Interpretation.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement.

13.10 **Entire Agreement.** This Agreement and the Exhibits attached hereto contain the final and entire agreement between the parties hereto with respect to the sale and purchase of the Property and are intended to be an integration of all prior negotiations and understandings. Purchaser, Seller and their agents shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained in this Agreement. No modification, amendment, discharge, waiver or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment, discharge, waiver or change is sought. Writings signed by the attorney for such party shall not be effective for purposes of this Section. Failure by either party to explicitly retain any rights under this Agreement shall not be deemed a waiver of such rights.

13.11 **Severability.** If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

13.12 **Survival.** Except as otherwise specifically provided for in this Agreement (collectively, the "**Surviving Obligations**"), the provisions of this Agreement and the representations and warranties herein shall not survive Closing or the termination of this Agreement, and if Closing occurs, shall be merged therein.

13.13 **Exhibits. Exhibits A** through **C** attached to this Agreement are, by this reference, incorporated in and made a part of this Agreement.

13.14 **Time.** Time is of the essence in the performance of each of the parties' respective obligations contained in this Agreement.

13.15 **Limitation of Liability.** The obligations of Seller are binding only on Seller and Seller's assets and shall not be personally binding upon, nor shall any resort be had to, the private properties of any of the affiliates, investment managers, property managers, partners, trustees,

shareholders, beneficiaries, directors, or officers of Seller, or of any partners, officers, directors, shareholders or beneficiaries of any partners of Seller, or of any of Seller's employees or agents. All documents to be executed by Seller shall also be deemed to contain the foregoing exculpation. The provisions of this Section 13.15 shall survive Closing or the termination of this Agreement.

13.16 **Prevailing Party.** Should either party employ an attorney to enforce any of the provisions hereof, whether before or after Closing, and including any claims or actions involving amounts held in escrow, the non-prevailing party in any final judgment agrees to pay the other party's reasonable expenses, including reasonable attorneys' fees and costs in or out of litigation and, if in litigation, trial, appellate, bankruptcy or other proceedings, expended or incurred in connection therewith, as determined by a court of competent jurisdiction. The provisions of this Section 13.16 shall survive Closing or the termination of this Agreement.

13.17 **No Recording.** Neither this Agreement nor any memorandum or short form of this Agreement shall be recorded or filed in any public land or other public records of any jurisdiction, by either party and any attempt to do so may be treated by the other party as a breach of this Agreement.

13.18 **Waiver of Trial by Jury.** Each of Seller and Purchaser hereby waives trial by jury in any action, proceeding or counterclaim brought by such party against the other party on any matters whatsoever arising out of or in any way connected with this Agreement, including without limitation in connection with the enforcement of any remedy under any statute, emergency or otherwise.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the date or dates set forth below.

SELLER:

THE CITY OF MONTEBELLO, CALIFORNIA, a municipal corporation

By: _____
Rene Bobadilla, City Manager

PURCHASER:

THE CITY OF PICO RIVERA, CALIFORNIA, a municipal corporation

By: _____
Steve Carmona, City Manager

Exhibits

Exhibit A - Legal Description of Real Property
Exhibit B - Depiction of Real Property
Exhibit C - Form of Deed

EXHIBIT A

LEGAL DESCRIPTION

(See Attached)

EXHIBIT B

DEPICTION OF REAL PROPERTY

(See Attached)

EXHIBIT C

FORM OF GRANT DEED

[TO COME]

AGREEMENT OF PURCHASE AND SALE

BY AND BETWEEN

THE CITY OF PICO RIVERA, CALIFORNIA

("PURCHASER")

AND

THE CITY OF MONTEBELLO, CALIFORNIA

("SELLER")

_____, 2022

Property: 5055 Passons Boulevard in the City of Pico Rivera, California, containing approximately 19,611 square feet

CURTIS-ROSENTHAL, INC.
REAL ESTATE APPRAISAL & CONSULTING

APPRAISAL REPORT

5055 Passons Blvd., Pico Rivera, CA 90660

CR File No.16391-22



5055 Passons Blvd., Pico Rivera, CA 90660

CURTIS-ROSENTHAL, INC.
REAL ESTATE APPRAISAL & CONSULTING

May 22, 2022

Michael L. Garcia
Community & Economic Development Director
City of Pico Rivera
6615 Passons Blvd., Pico Rivera, CA 90660
p: 562-801-4398
f: 562-949-0280
Email: mgarcia@pico-rivera.org

RE: **APPRAISAL REPORT**
5055 Passons Blvd., Pico Rivera, CA 90660
CR File No.16391-22

Dear Mr. Garcia,

Per your request, we have appraised the above-referenced property. Our appraisal is intended to conform to:

- The Uniform Standards of Professional Appraisal Practice (USPAP)
- California Code of Civil Procedure §1263.320

Our analyses and conclusions are contained in this Appraisal Report which is intended to comply with the reporting requirements set forth in USPAP Standards Rule 2-2. In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

Client - The client for this assignment is/are the City of Pico Rivera and their designated representatives.

Intended Users - The intended users of this report are the Client and their assigns. There are no other authorized users of this report.

Intended Use - The intended use of this assignment is to assist the client in determination the Fair Market Value of the subject property for the possible purchase of the property.

Purpose of this Assignment - The purpose of this assignment is to develop an opinion of the **Fair Market Value** of the subject property, as defined in the Addenda, of the ownership interest(s) in the subject.

Effective Date of Value - The valuation table below includes the effective date of value for each valuation premise included in this assignment.

Relevant Characteristics of the Subject Property - The subject property land area consists of one parcel. The Los Angeles County assessor's parcel number is 6377-007-270. The City of Montebello owns the subject property. The Los Angeles County assessor records show the parcel size as being 19,611 square feet or 0.45 acre. The Fair Market Value is for the vacant land only.

The property is zoned R-M, Multiple-Family Residential Variable Density. The property is located at 5055 Passons Blvd., Pico Rivera, CA 90660. The property is located on the southwest corner of Passons Blvd. and Jackson Street. It is located in incorporated City of Pico Rivera, Los Angeles County, State of California. Major streets in the area include Rosemead Blvd., Workman Mill Road, Whitter Blvd., Beverly Blvd. and Norwalk Blvd.

Effective Date of Value –The effective date of value is April 4, 2022, the date of the most recent inspection of the subject.

Analytical Approach- Our analysis included an inspection of the subject property, research of general data relating to the subject locale, research of transactions in the subject market area, as well as research of other market-related influences affecting the subject property. In our analysis, we gave consideration to the applicability of each of the traditional approaches to value including the Cost, Sales Comparison, and Income approaches. The methodology and data used in our valuation of the subject property are detailed in the Valuation Section of this appraisal report.

Conditions of this Assignment - The analyses and conclusions in this assignment are subject to the Scope of Work described above, the General Assumptions and Limiting Conditions that are contained within this appraisal report, and the following:

- **Extraordinary Assumptions**, which USPAP defines as *assignment-specific assumptions as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions*.

1. The subject property land area consists of one parcel with the parcel size as being 0.45 acre or approximately 19,611 sf. If more accurate information becomes available, we reserve the right to revise the appraisal report. **The use of this Extraordinary Assumption may have affected the assignment results.**

2. There may be easements for roads, water pipelines, mains and ditches, easements, if any, in favor of the public or other parties, over the property. A Preliminary Title Report was provided from Fidelity National Title Company dated April 19, 2022. There are assumed to be no significant impacts, except as to the following: Items 1, 2 and 3, as stated in the preliminary title report in the addenda. The locations of these Items could not be determined. We assume that these items would not adversely affect the use of the property. If more accurate information becomes available, we reserve the right to revise the appraisal report. **The use of this Extraordinary Assumption may have affected the assignment results.**

- **Hypothetical Conditions,** which USPAP defines as *conditions directly related to a specific assignment, which are contrary to what is known by the appraiser to exist on the effective date of the assignment results but are used for the purpose of analysis*.

  1. The subject property is valued as its highest and best use with the current R-M zoning and additionally with a hypothetical deed restriction for use in perpetuity as a public park, with an agreement that bus drivers may use the restroom facilities at this future park. If more accurate information becomes available, we reserve the right to revise the appraisal report. **The use of this Hypothetical Condition may have affected the assignment results.**

- **Special Limiting Conditions**, which are assignment-specific conditions that limit the use of the report.
  1. None.

Significant Valuation Issues- The following are assignment-specific issues which we found to be significant in this valuation assignment.

1. *Market concerns regarding the COVID-19 coronavirus have resulted in substantial volatility in the capital markets, increasing uncertainty in the real property marketplace. It is difficult to predict what may happen in the capital markets going forward. As a result, it is difficult to predict what may happen to real property values over time. Our valuation of the subject property considered the best information that was available at the time of our analysis. Due to on-going volatility in the marketplace, users of this appraisal should consider the current market uncertainty when determining the level of confidence they choose to place on these analyses and conclusions. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.*

Value Conclusion

Based upon the investigations conducted, the analyses made, our experience as a real estate analysts and appraisers, the Assumptions and Limiting Conditions and the Certifications contained in this Appraisal Report, we estimate that the **Fair Market Value** of the subject property, as of the effective date of valuation, is as follows:

CONCLUSION- Fair Market Value as Highest and Best Use-Multiple Family Residential

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$1,270,000**

CONCLUSION-Fair Market Value as Park/Open Space

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$40,000**

Thank you for the opportunity to be of service to you. If you have any questions regarding the material presented in this report, or if you require any further assistance, please contact us.

Sincerely,

CURTIS-ROSENTHAL, INC.



Randall Blaesi, ASA, SR/WA, MRICS

CA #AG008581



David M. Rosenthal, MAI, FRICS

CA #AG001641

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EXECUTIVE SUMMARY

Identification of Property:	For the purposes of this appraisal, we utilize a location for the subject property of 5055 Passons Blvd., Pico Rivera, CA 90660.
Assessor Parcel No:	6377-007-270.
Property Rights Appraised:	Fee Simple interest.
Land Area:	The subject property land area consists of a 19,611 square foot or 0.45-acre parcel, as per the county assessor records.
Improvements:	The subject is valued as vacant land.
Zoning:	The property is zoned R-M, Multiple-Family Residential Variable Density.
Flood Zone:	Zone X, as shown on map 06037C1830F dated 09/26/2008. Zone X is the flood insurance rate zone that corresponds to the areas of 0.2-percent chance flood; areas of 1% annual chance flood; and areas protected by levees from 1% annual chance flood. Mandatory flood insurance purchase is not required.
Earthquake:	Properties in California are subject to some degree of earthquake risk. **We are not seismic engineers and we are not qualified to determine earthquake hazards. Our appraisal assumes that the subject is not adversely impacted by atypical earthquake risk.** *We recommend obtaining a geologic study to determine any potential earthquake hazard that might impact the subject site*
Utilities:	The property is assumed to have public utilities available, including water, sewer, electricity, natural gas, internet and telephone.
Highest & Best Use	Multiple-Family Residential.

PARCEL OWNERSHIP

Owner:	According to the Preliminary Title Report for the subject, the owner is the City of Montebello.
Owner Title of Interest:	Fee Simple title.

Date of Inspection: May 22, 2022.

Date of Value: May 22, 2022.

Value Conclusions:

CONCLUSION- Fair Market Value as Highest and Best Use-Multiple Family Residential

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$1,270,000**

CONCLUSION-Fair Market Value as Park/Open Space

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$40,000**

MARKET AREA ANALYSIS

The Los Angeles metropolitan area encompasses the five counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. It is comprised of the following four Metropolitan Statistical Areas (MSA's): Los Angeles, Orange County, Oxnard-Ventura, and Riverside-San Bernardino.

The region is well served by several international airports (including Los Angeles International and Ontario International), Amtrak (the national passenger rail service), and several east-west and north-south interstate highway systems. Intra-regional transportation service includes a network of freeways, a commuter rail system, bus systems, and a growing system of subway and light-rail trains.

Los Angeles County Overview



Los Angeles County is one of California's original 27 counties and was established February 18, 1850. Originally the county occupied a comparatively small area along the coast between Santa Barbara and San Diego; however, it soon expanded rapidly as far east as the Colorado River. During subsequent years, Los Angeles County slowly reduced in size, with the last major detachment occurring in 1889 with the creation of Orange County. It remains one of the nation's largest counties with approximately 4,084 square miles, area 800 square miles larger than the combined area of the states of Delaware and Rhode Island; and marginally smaller than the state of Connecticut. Los Angeles County has a relatively central location within the region. Although it lies on the coast, it stretches inland approximately 100 miles. It includes the islands of San Clemente and Santa Catalina and is bordered on the east by San Bernardino County, on the north by Kern County, on the west by Ventura County, and on the south by the Orange County and the Pacific Ocean. Its coastline is 81 miles long.

Los Angeles County is considered the capital of Greater Los Angeles. It contains 88 separate incorporated cities, more than twice as many as in any of the other Greater Los Angeles counties. It is the most populated county in the nation. According to Department of Finance estimates for January 2020, the county's population is more than 10.1 million. The most populated city within the county is the City of Los Angeles with more than 4.0 million residents, or 40 percent of the total county population.

Los Angeles County Economy

The Los Angeles economy is on solid footing during this economic expansion. Businesses had continued to expand in L.A. However, L.A.'s labor market has been historically tight.

The metro's economy is diverse, with a high concentration of workers employed in entertainment, tech, logistics, and tourism industries, as well as various manufacturing industries such as aerospace, food products, apparel, computer/electronics, and chemicals. The industry diversity reduces risk of lower global demand from any one of these goods or services.

L.A. position as the entertainment capital of the world and the increased demand for video streaming and social media has been a boon to the L.A. economy.

Tourism is important for the local economy. Over 500,000 people in the county are employed in the leisure and hospitality industry.

As a structural issue, the prohibitive cost of housing in L.A. is a major impediment to hiring and is often cited as a motivating factor for companies to relocate to other parts of the country. Some are relocating to more affordable areas of the country, like Arizona, Nevada, and Texas.

Bigger picture, the metro remains an entry point for international migration and an attractive destination for educated talent. More people making six-figure paychecks continue to move to L.A. than are leaving. Education levels, while below the national average, continue to improve year after year.

County Economy[1]

ECONOMIC FORECAST & INDUSTRY OUTLOOK

Institute for Applied Economics

Los Angeles County

- Los Angeles County will continue its shift from production industries like manufacturing and logistics to service based ones, with major growth in professional business services, health care and hospitality.
- Major investment in transit will continue to support strong economic growth, although failure to increase density along transit routes heavily limits the potential positive impacts.
- Failure to meaningfully address the housing and homeless crises will put a damper what is otherwise likely to be strong output and wage growth.

QUICK FACTS

Population: 10.2 MILLION

Median Household Income* $65,006

42.8% % Prime Age (25-54)

9.1 Median Home Price to Household Income Ratio*

Gross Domestic Product $807 BILLION

14.9% Poverty Rate*

4.6% Unemployment Rate

*2017 Estimate

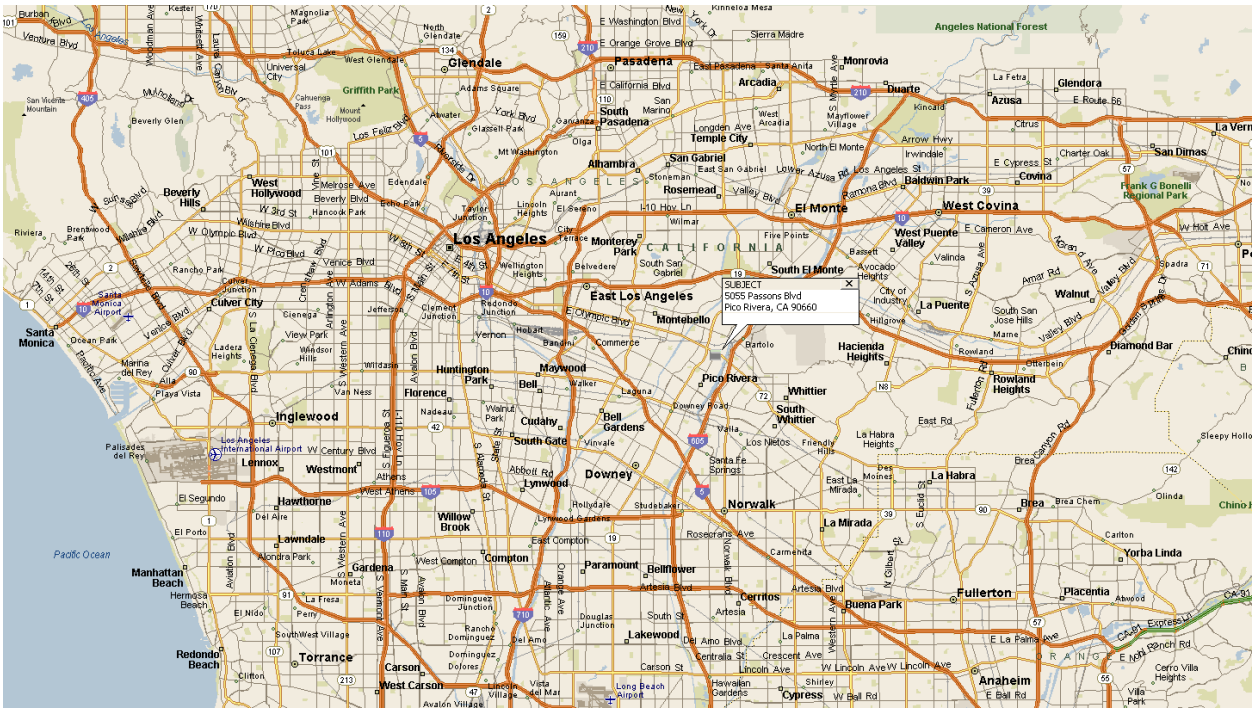
Sources: US Census ACS, CA DoF, IHS, FHFA, BLS

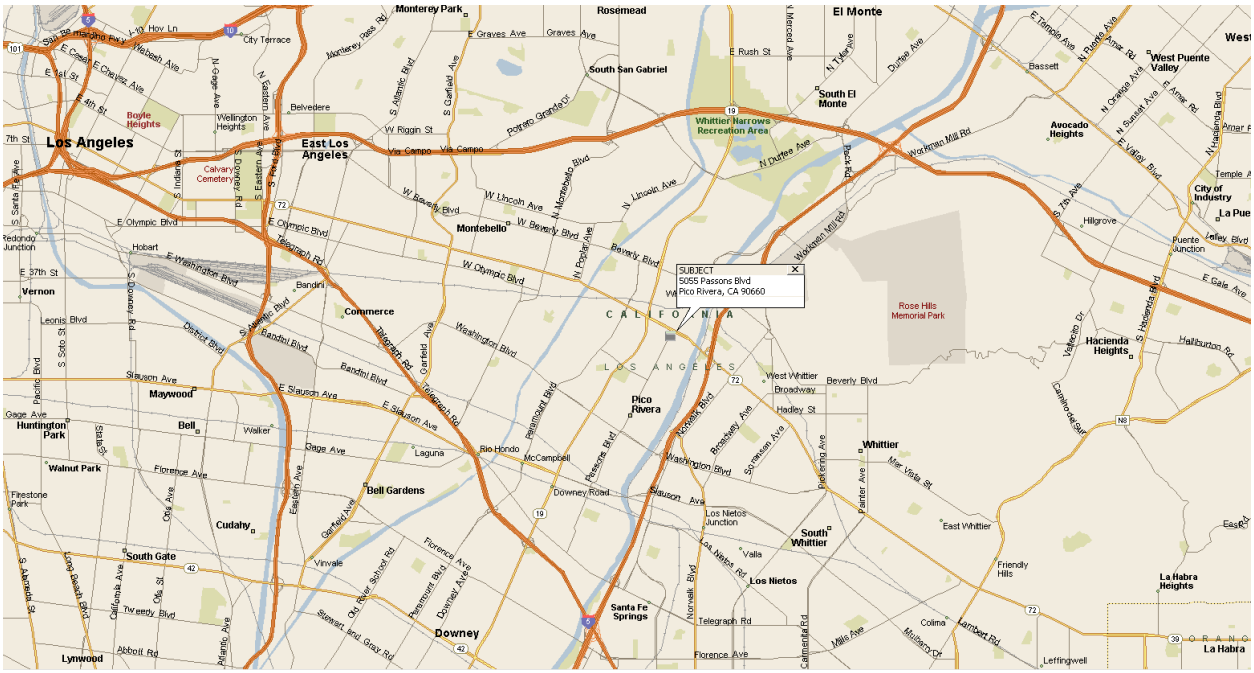
EXHIBIT 4

	2014	2015	2016	2017	2018	2019f	2020f
Real GDP Growth	4.1%	6.4%	2.1%	2.4%	2.8%	3.0%	2.7%
Real Personal Income Growth	5.3%	6.7%	1.7%	1.6%	1.4%	2.6%	2.1%
Total Employment Growth	75,700	92,400	109,600	53,100	59,000	61,000	60,700
Unemployment Rate	8.3%	6.6%	5.2%	4.7%	4.6%	4.4%	4.3%
Real Per Capita Income ($2012)	$40,695	$43,099	$43,675	$44,239	$44,737	$45,689	$46,480
EMPLOYMENT GROWTH BY SECTOR							
Construction, Natural Resources, and Mining	3,600	7,400	7,400	3,600	4,800	4,800	4,800
Manufacturing	-4,600	-3,400	-7,400	-9,900	0	-3,700	-2,900
Transportation, Trade and Utilities	16,800	17,500	12,800	10,400	-2,200	400	0
Information	1,700	8,600	21,900	-14,700	3,700	2,800	2,900
Financial Activities	-1,900	4,300	4,300	1,500	1,000	1,000	1,100
Professional & Business Services	6,800	2,100	9,600	10,600	15,000	12,000	12,800
Education & Health	18,400	20,400	26,700	27,300	18,400	24,100	22,900
Leisure & Hospitality	25,100	22,500	23,500	14,200	22,000	19,600	20,000
Other Services	4,800	600	2,300	900	-1,300	300	100
Government	4,800	12,400	8,300	9,200	-2,200	-400	-1,000
Housing Permits	17,659	23,263	20,591	21,574	22,354	23,122	24,315
Home Values	$480,057	$506,035	$544,584	$588,700	$614,829	$632,235	$647,332

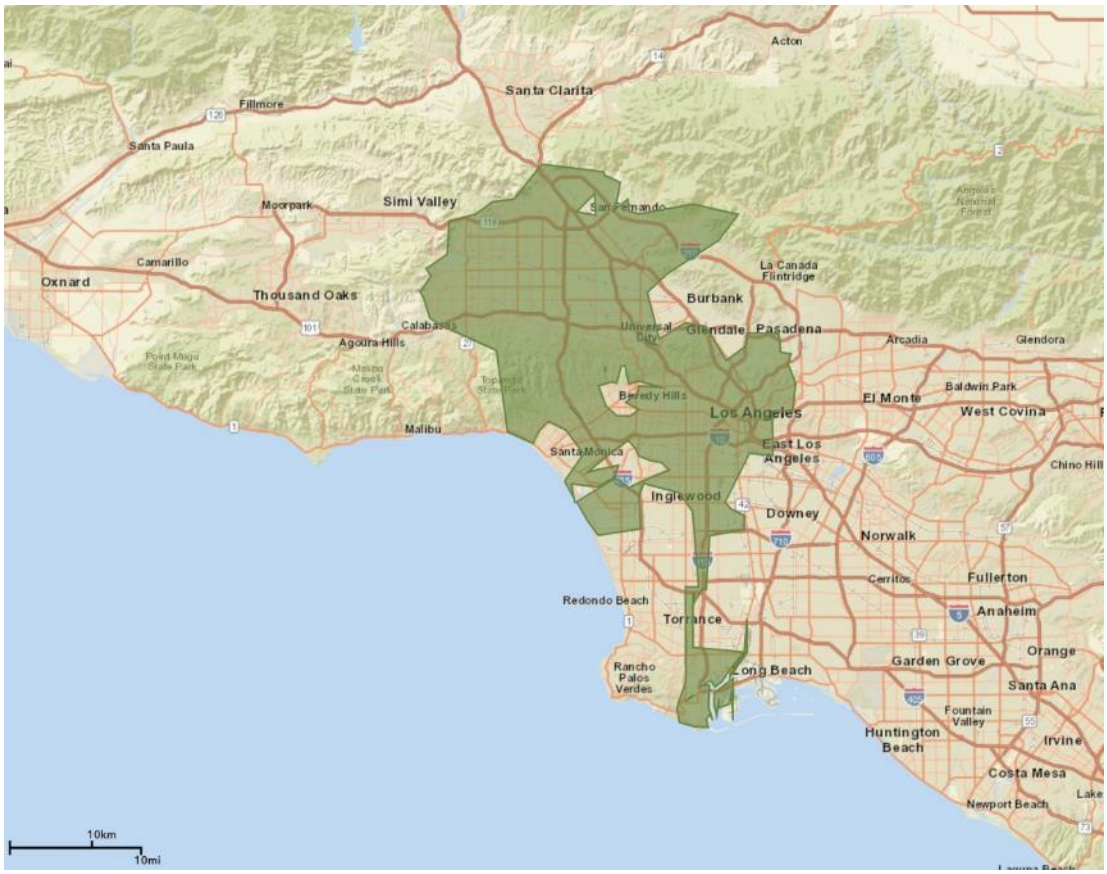
[1] LAEDC Economic Forecast and Industry Outlook

AREA MAP


SUBJECT
5055 Passons Blvd
Pico Rivera, CA 90660
Los Angeles
East Los Angeles
Pico Rivera
Whittier
Montebello
Downey
Norwalk
Pasadena
Glendale
Monrovia
Arcadia
Duarte
Azusa
Glendora
Covina
West Covina
El Monte
Baldwin Park
Rosemead
San Gabriel
Temple City
Alhambra
South Pasadena
Monterey Park
South El Monte
West Puente Valley
La Puente
Hacienda Heights
Rowland Heights
Diamond Bar
San Dimas
La Habra
Brea
Fullerton
Placentia
Yorba Linda
Buena Park
Cerritos
La Mirada
Whittier
South Whittier
Bellflower
Paramount
Lakewood
Long Beach Airport
Compton
Gardena
Torrance
Carson
West Carson
Redondo Beach
Manhattan Beach
Hermosa Beach
El Segundo
Inglewood
Hawthorne
Lawndale
Lennox
Westmont
Culver City
Santa Monica
Beverly Hills
West Hollywood
Griffith Park
Glendale
Pacific Ocean
Angeles National Forest
Frank G Bonelli Regional Park
Los Angeles International Airport
Santa Monica Airport
Anaheim
Cypress
Orange
Lynwood
Willow Brook
Florence
Huntington Park
Maywood
Bell
Bell Gardens
Cudahy
South Gate
Walnut
Diamond Bar
Chino
Olinda
Carbon Canyon Rd
Brea Chem
Placentia
Yorba Linda
Fullerton
Buena Park
Cerritos
La Mirada
Norwalk
La Habra
Whittier
Pico Rivera
Montebello
East Los Angeles
Los Angeles
Monterey Park
Rosemead
El Monte
South San Gabriel
South El Monte
West Puente Valley
Avocado Heights
City of Industry
Hacienda Heights
Whittier Narrows Recreation Area
Rose Hills Memorial Park
Pico Rivera
Whittier
Los Nietos
Santa Fe Springs
Downey
Bell
Bell Gardens
Cudahy
South Gate
Maywood
Huntington Park
Walnut Park
Commerce
Vernon
Boyle Heights
East Whittier
La Habra Heights
Friendly Hills
Los Nietos Junction
Telegraph Rd
Florence Ave
Lambert Rd
Leffingwell
Colima
Mills Ave
Mulberry Dr
Calmenita Rd
Norwalk Blvd
Pioneer Blvd
Painter Ave
Pickering Ave
Broadway
Hadley St
Beverly Blvd
Washington Blvd
Rosemead Blvd
Paramount Blvd
Bloomfield Ave
Garfield Ave
Eastern Ave
Atlantic Ave
Stewart and Gray Rd
Old River School Rd
Florence Ave
Downey Ave
Tweedy Blvd
Abbott Rd
Vinvale
Laguna
Rio Hondo
McCampbell
Gage Ave
Florence Ave
Walker
Strauss Ave
Bandini Blvd
Telegraph Rd
Garfield Ave
Washington Blvd
Commerce
Bandini
Wardlow Rd
Hobart
Olympic Blvd
Montebello
Beverly Blvd
Lincoln Ave
Whittier Blvd
Workman Mill Rd
Rose Hills
Valencia Dr
Hillgrove
Puente
Valley Blvd
Amar Rd
Nogales
Temple
Orange
Sunset Ave
Harbor Blvd
Gale Ave
Halliburton Rd
Santa Fe Springs
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Rose Hills
Valencia Dr
Hillgrove
Puente
Valley Blvd
Amar Rd
Nogales
Temple
Orange
Sunset Ave
Harbor Blvd
Gale Ave
Halliburton Rd

City of Los Angeles



The City of Los Angeles represents the cornerstone of the Southern California metropolitan area. It is the largest city in California in population and land area. It is the second largest city in the United States. The city encompasses approximately 470 square miles and operates under a council-mayor form of government. It was originally founded in 1781 and was incorporated in 1850.

The City of Los Angeles' population has increased steadily over the decades due largely to its favorable climate, Multiple-Family Residential base and job growth. The overall rate of population growth was greater prior to the 1990's, when a national recession coupled with a major downturn in the local aerospace industry had a significant impact of the region. Although not up to the growth rates seen prior to the recession, the rate of population growth is again on the rise.

Transportation systems servicing the city include shipping (Los Angeles & Long Beach Harbors), air transport (Los Angeles International Airport, Long Beach Airport, Burbank Airport, and other regional airports), an extensive interstate and intrastate highway system, and an established railway system. The burgeoning population of the greater Los Angeles area has in the past two decades given rise to an expanding light railway system, as well as additional freeways and traffic corridors to facilitate commuters.

The City of Los Angeles is unusual amongst American cities in that while it has a successful downtown commercial district, the city as a whole has a long history of annexing adjacent communities, which has resulted in an expansion reflective of a "Multiple Nuclei Model", whereby multiple cities/communities with their own central business districts and radiating growth patterns have merged over the years into what is now becoming a megalopolis, with multiple core business districts and residential areas that have their own unique dynamics. For example, in addition to the downtown Los Angeles central business district, there are other successful suburban districts including the Westside and San Fernando Valley, as well as culturally founded communities such as Chinatown, Little Tokyo and Koreatown.

The greater Los Angeles area has become the nation's number two business center, second only to New York. The area's economic expansion has created important challenges to the continuity of future growth, both in the greater Los Angeles area and the city itself. Among these challenges are affordable housing, transportation, air quality, water supply and the community infrastructure. Public policy, technology and competition will continue to reshape the manufacturing, commercial and Multiple-Family Residential marketplaces of the city.

City of Los Angeles Demographics

	Los Angeles c...
Population	
2000 Population	3,695,170
2010 Population	3,792,621
2018 Population	4,002,721
2023 Population	4,136,233
2000-2010 Annual Rate	0.26%
2010-2018 Annual Rate	0.66%
2018-2023 Annual Rate	0.66%
2018 Male Population	49.9%
2018 Female Population	50.1%
2018 Median Age	35.1

In the identified area, the current year population is 4,002,721. In 2010, the Census count in the area was 3,792,621. The rate of change since 2010 was 0.66% annually. The five-year projection for the population in the area is 4,136,233 representing a change of 0.66% annually from 2018 to 2023. Currently, the population is 49.9% male and 50.1% female.

Median Age

The median age in this area is 35.1, compared to U.S. median age of 38.3.

Households	
2000 Households	1,275,308
2010 Households	1,318,168
2018 Total Households	1,383,405
2023 Total Households	1,428,234
2000-2010 Annual Rate	0.33%
2010-2018 Annual Rate	0.59%
2018-2023 Annual Rate	0.64%
2018 Average Household Size	2.83

The household count in this area has changed from 1,318,168 in 2010 to 1,383,405 in the current year, a change of 0.59% annually. The five-year projection of households is 1,428,234, a change of 0.64% annually from the current year total. Average household size is currently 2.83, compared to 2.81 in the year 2010. The number of families in the current year is 845,719 in the specified area.

	Los Angeles c...
Median Household Income	
2018 Median Household Income	$56,166
2023 Median Household Income	$66,630
2018-2023 Annual Rate	3.48%
Average Household Income	
2018 Average Household Income	$90,302
2023 Average Household Income	$107,467
2018-2023 Annual Rate	3.54%
Per Capita Income	
2018 Per Capita Income	$31,784
2023 Per Capita Income	$37,663
2018-2023 Annual Rate	3.45%

Households by Income

Current median household income is $56,166 in the area, compared to $58,100 for all U.S. households. Median household income is projected to be $66,630 in five years, compared to $65,727 for all U.S. households

Current average household income is $90,302 in this area, compared to $83,694 for all U.S. households. Average household income is projected to be $107,467 in five years, compared to $96,109 for all U.S. households

Current per capita income is $31,784 in the area, compared to the U.S. per capita income of $31,950. The per capita income is projected to be $37,663 in five years, compared to $36,530 for all U.S. households

Housing	
2000 Total Housing Units	1,337,604
2000 Owner Occupied Housing Units	491,846
2000 Renter Occupied Housing Units	783,462
2000 Vacant Housing Units	62,296
2010 Total Housing Units	1,413,995
2010 Owner Occupied Housing Units	503,863
2010 Renter Occupied Housing Units	814,305
2010 Vacant Housing Units	95,827
2018 Total Housing Units	1,479,396
2018 Owner Occupied Housing Units	500,772
2018 Renter Occupied Housing Units	882,634
2018 Vacant Housing Units	95,991
2023 Total Housing Units	1,523,550
2023 Owner Occupied Housing Units	546,334
2023 Renter Occupied Housing Units	881,899
2023 Vacant Housing Units	95,316

Currently, 33.8% of the 1,479,396 housing units in the area are owner occupied; 59.7%, renter occupied; and 6.5% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.2% are vacant. In 2010, there were 1,413,995 housing units in the area - 35.6% owner occupied, 57.6% renter occupied, and 6.8% vacant. The annual rate of change in housing units since 2010 is 2.03%. Median home value in the area is $622,193, compared to a median home value of $218,492 for the U.S. In five years, median value is projected to change by 1.68% annually to $676,221.

Source: www.stdbonline.com

CITY OF PICO RIVERA



The subject property is in the City of Pico Rivera. Major streets in the area include Mission Mill Road, Workman Mill Road, Whitter Blvd., Beverly Blvd., Norwalk Blvd. and Rosemead Blvd. Pico Rivera is a city located in southeastern Los Angeles County in the state of California. The city is approximately 11 miles southeast of downtown Los Angeles, on the eastern edge of the Los Angeles basin and on the southern edge of San Gabriel Valley. The ports of Long Beach and Los Angeles, as well as Los Angeles International Airport are in proximity. Pico Rivera was incorporated January 29, 1958 and has an area of approximately 8.88 square miles and elevation of 164 feet. Pico Rivera has a Council-Manager type of government. The City of Pico Rivera is situated between the Rio Hondo River and the San Gabriel River. The area was once predominantly agricultural. The city has changed from the small farming community in the 1800's to one of over 64,260 residents. There is a mix of residential land uses, commercial uses and Multiple-Family Residential uses within the city.

Pico Rivera was founded in 1958, from a merger of the unincorporated communities of Pico and Rivera. The top ten employers in Pico Rivera are: El Rancho Unified School District, Wal-Mart Supercenter, Southern Calif. Gas, Make Mark, Cintas Facility Services Los Angeles, Target, Feit Electric Co., Inc, Bay Cities Containers, First Source, LLC, and Lowes.

Surrounding communities include the following:

- To the North: City of Montebello, Unincorporated area of Los Angeles County and City of Whittier
- To the South: Downey and Santa Fe Springs
- To the West: Montebello and City of Commerce
- To the East: Whittier, City of Industry, Unincorporated area of Los Angeles County.

Neighborhood Description

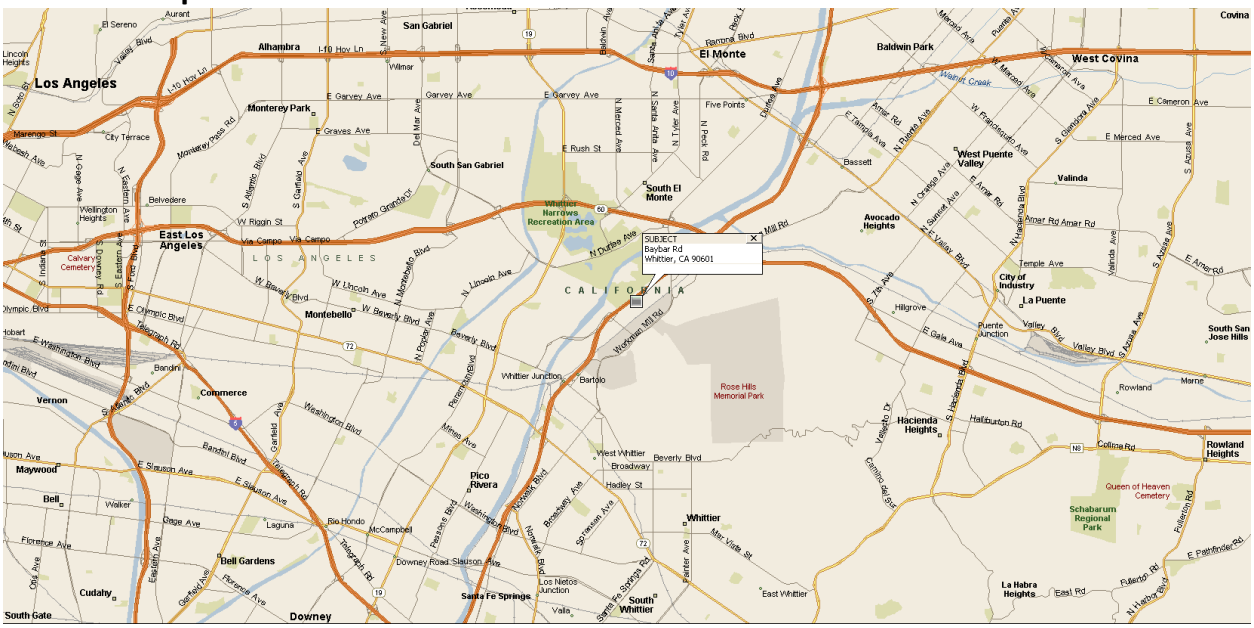
The subject is located in an area of primarily commercial and multi-family uses along the primary thoroughfares. The immediate area of the subject property is generally characterized as an commercial and residential area. There are low and medium density residential uses in the broader surrounding market area along the local streets.

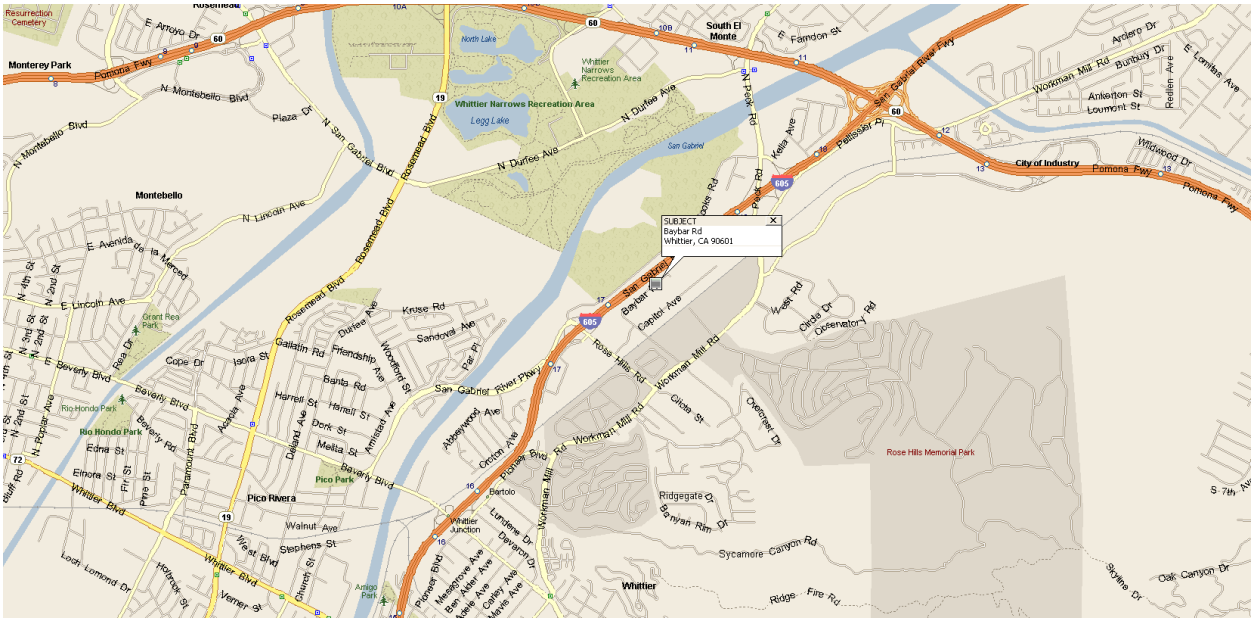
The immediate area is considered to be improving, with rental rates and sales prices generally rising gradually. There are few vacant land sites available for new development.

The subject is located at 5055 Passons Blvd., Pico Rivera, CA 90660.

The property is located on the southwest corner of Passons Blvd. and Jackson Street. It is located in incorporated City of Pico Rivera, Los Angeles County, State of California. Rosemead Blvd., Workman Mill Road, Whitter Blvd., Beverly Blvd. and Norwalk Blvd. are considered to be primary thoroughfares within the subject area. Freeway access to the subject property is considered good. Interstate 605 Freeway is located approximately 0.2 mile to the southwest of the subject via Whittier Blvd.

Location Maps





AERIAL PHOTOS



THE SUBJECT IS THE ROADWAY FOR BAYBAR ROAD, NORTH OF THE PARCEL IN YELLOW.



CoStar Market & Submarket Summary and Subject Demographics[2]

Overview

Los Angeles Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
9,655	25,422	3.5%	6.9%

The L.A. apartment market has witnessed notable improvements since the beginning of 2021 after experiencing the worst conditions in 2020 in over a decade. Vacancies have been trending down since peaking at the end of 2020 and are currently 3.5%. Demand has been particularly strong in recent quarters. Gains in the market have been broad-based, as almost every location in the metro has seen solid occupancy gains.

Los Angeles has lagged the nation with respect to rent growth since the onset of the pandemic. Rents recovered to pre-pandemic peaks in May 2021, whereas the nation achieved that milestone in January 2021. Asking rents are presently increasing at a robust pace but are still increasing at a more modest pace than most other major apartment markets nationally.

Los Angeles has seen elevated construction levels for years and still has a sizable pipeline, 27,000 units, that needs to be absorbed in the coming quarters. Current construction levels represent 2.7% over existing inventory. Development activity is concentrated in specific areas that are more receptive to additional density, like Downtown Los Angeles and Koreatown.

Recent transaction activity has been robust and demonstrates investors are active in L.A.'s apartment market and willing to stomach some of the highest pricing and lowest cap rates in the nation. Many of the major apartment properties that have recently sold involved public/private partnerships that acquired newer market-rate apartments to convert to communities restricted to middle-income renters.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	126,359	7.9%	$3,292	$3,265	865	774	23,232
3 Star	222,135	3.1%	$2,323	$2,313	272	342	3,497
1 & 2 Star	643,953	2.7%	$1,626	$1,619	83	0	88
Market	**992,447**	**3.5%**	**$2,149**	**$2,137**	**1,220**	**1,116**	**26,817**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.7%	4.4%	3.5%	6.0%	2020 Q3	3.1%	2000 Q3
Absorption Units	25,422	4,913	9,491	32,922	2021 Q4	(5,424)	2002 Q1
Delivered Units	9,655	5,928	9,963	12,253	2021 Q2	888	2011 Q4
Demolished Units	392	657	569	1,552	2010 Q3	49	2002 Q2
Asking Rent Growth (YOY)	6.9%	2.6%	4.0%	8.1%	2001 Q1	-6.8%	2009 Q4
Effective Rent Growth (YOY)	7.7%	2.6%	4.0%	8.6%	2022 Q1	-6.8%	2009 Q4
Sales Volume	$13.9B	$6.4B	N/A	$13.2B	2022 Q1	$1.7B	2010 Q1

[2] COSTAR MARKET ANALYSIS

Vacancy

Los Angeles Multi-Family

Recent apartment demand in L.A. has been exceptional, with net absorption of units running at its highest levels in decades. As a result, vacancy has come down to 3.5%, at its lowest levels in years and a dramatic improvement from the most recent peak of around 6% in late 2020. Current levels are now below historical averages: over the past 20 years, vacancy in the L.A. metro has averaged 4.4%.

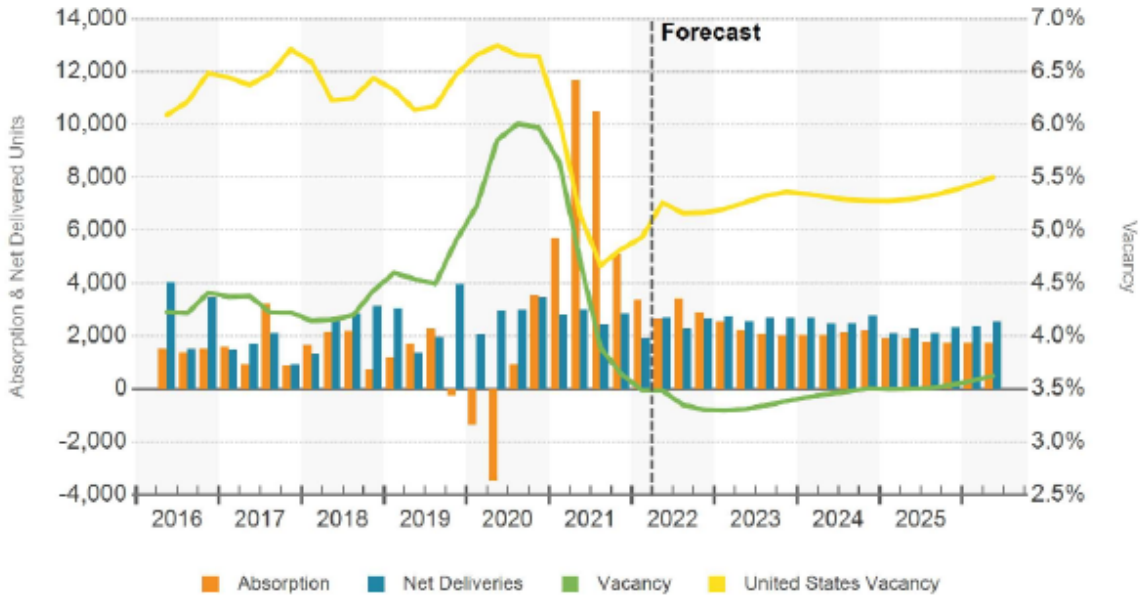
Suburban locations, including the Antelope Valley and many spots in the San Fernando and San Gabriel valleys, saw occupancies hold up better earlier on in the pandemic. These locations have benefited from relatively affordable units and less competition from new supply. Conditions in these submarkets remain strong, but even submarkets that fared worse in 2020, primarily more expensive areas of town with elevated construction pipelines, like Downtown Los Angeles and Santa Monica, saw considerable improvements in occupancies during 2021.

Current vacancies in higher-quality, 4 & 5 Star properties, 7.9%, are elevated relative to lower-quality properties. Vacancies in 3 Star and 1 & 2 Star properties are currently 3.1% and 2.7%, respectively. It is worth noting the spread in vacancies between higher- and lower-quality properties has compressed dramatically in recent quarters. In late 2020, the disparity was the highest seen in at least two decades.

L.A. has one of the highest percentages of renters of any U.S. metro, with roughly half of all households renting their homes. Elevated home prices force many residents to rent out of necessity. It takes an income well above the median household income for the metro to comfortably afford a median-priced home.

Looking ahead, market vacancy is anticipated to continue to decline for the near to mid-term, as tenant demand is forecast to be relatively strong. The supply pipeline, while a concern for specific submarkets of the metro, should have a limited aspect on market-wide occupancies.

ABSORPTION, NET DELIVERIES & VACANCY



Rent

Los Angeles Multi-Family

The L.A. apartment market has been a laggard with respect to rent movements since the onset of the pandemic. Although average asking rents have been on the rise since the beginning of 2021, the current pace of gains, 6.9% during the past 12 months, continues to be below the gains of 10.3% seen nationally. Average asking rents in L.A. presently stand at $2,150/month. Looking ahead, rent growth is expected to remain strong through at least the rest of the year given current market tightness combined with a favorable demand outlook.

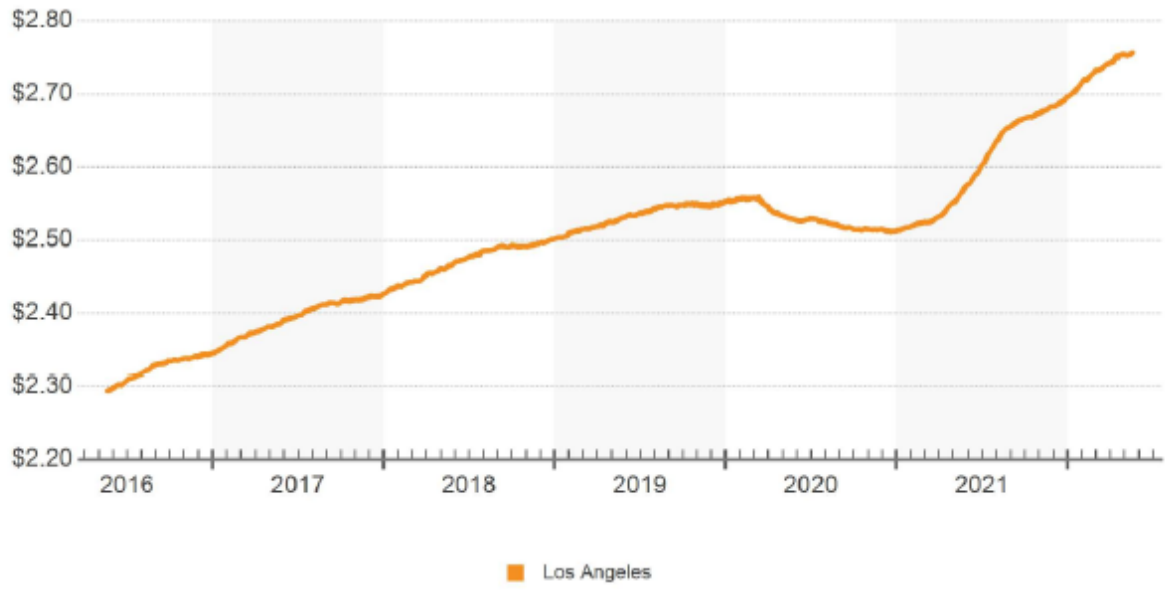
CoStar's daily rent series, which draws on the roughly 100,000 individual rental rates CoStar collects in Los Angeles daily, shows that after peaking just above $2.55/SF in February 2020, average asking rents had declined to around $2.50/SF by 20Q4, a loss of roughly 2%. Rents have been on the rise since the beginning of 2021 and surpassed pre-pandemic levels in May 2021. However, since September 2021, the pace of gains has moderated, suggesting landlords may be reaching limits on how much further they can push rental rates.

However, these figures represent the entire L.A. apartment market, and it's important to understand how rental rate performance has been stratified since the onset of the pandemic. Considering asset quality, losses earlier on in the pandemic were most pronounced in higher-end, 4 & 5 Star properties versus lower-quality communities. Factoring location, more affordable apartment locations, including the Antelope Valley and many pockets in the San Fernando Valley and San Gabriel Valley, have generally outperformed with respect to rent growth.

Rent regulations in the L.A. apartment market are important to consider. Assembly Bill 1482, which took effect at the start of 2020, limits yearly rent increases across all of California to 5% plus the cost of inflation for the next 10 years and strengthens renter protections against eviction. The L.A. County Board of Supervisors also voted unanimously to implement permanent rent control for buildings built before 1995 in unincorporated parts of the county in 2019.

In November 2020, Californians voted no on Proposition 21 by a 60%-40% margin. The bill sought to eliminate the statewide Costa-Hawkins Act, which places limits on rent control. A similar bill from the same group of backers was defeated in 2018 by a roughly 3-2 margin.

DAILY ASKING RENT PER SF



Construction

Los Angeles Multi-Family

The Los Angeles apartment market witnessed 9,300 net new units deliver during the past 12 months. Major notable recent deliveries include VOX, the second apartment community part of the Cumulus mixed-use development. The 910-unit project by national multifamily developer Carmel Partners is next to the Expo/La Cienega LA metro stop in West Adams and also includes 100,000 SF of retail space with a Whole Foods.

In North Hollywood, Trammell Crow completed Alexan NOHO West, the 642-unit apartment component to the large NOHO West mixed-use project adjacent to the 170 freeway. The complex also comprises significant retail and office components.

There are 27,000 market-rate units under construction in Los Angeles County, representing 2.7% of existing inventory. Relative to the market's history, the number of units underway is elevated and is near peak levels seen during the past two decades. Developers have continued to break ground on projects in recent quarters. 2021 saw the most new construction starts in a year since 2016.

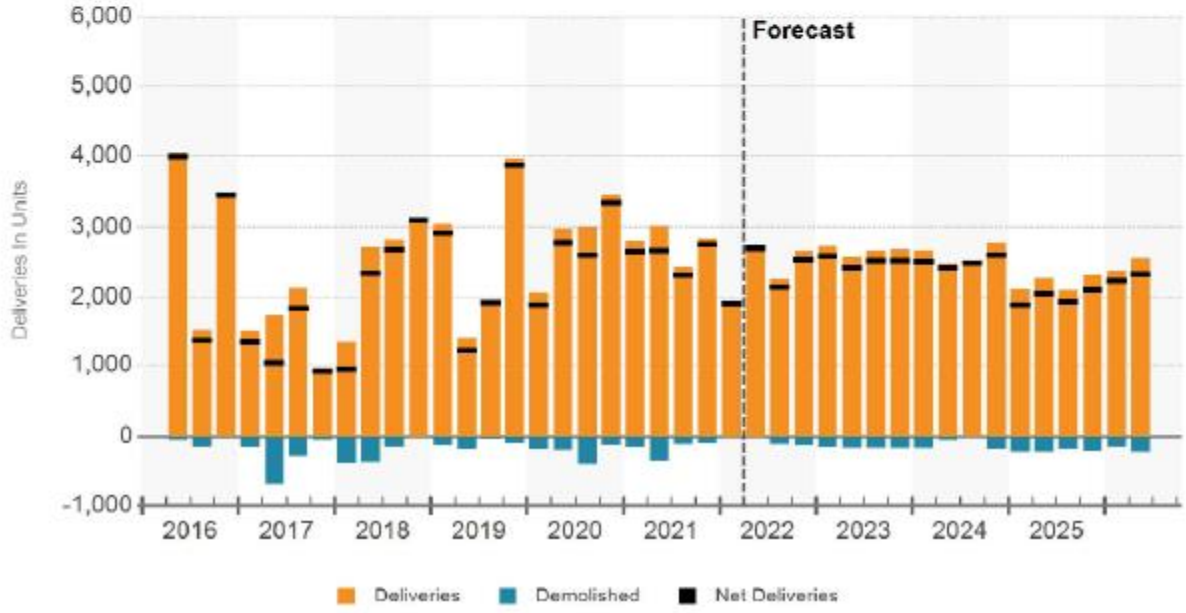
Looking at current construction levels, submarkets Downtown Los Angeles, Burbank, Koreatown, and Hollywood have the most apartment units currently under construction relative to the area's existing inventory. With the exception of Burbank, these submarkets have been construction hotspots for years, as these submarkets are among the few areas in the metro that are receptive to greater density.

Burbank, in contrast, usually sees minimal construction levels. Burbank's activity is driven by two projects, 777 N Front St. (572 units) and First Street Village (261 units). 777 N Front commenced construction in June 2021 and First Street Village in late 2020.

High construction costs, NIMBY sentiment, anti-density politics, and onerous permitting processes make it difficult to develop new communities in most areas of Greater Los Angeles. Despite Los Angeles seeing elevated apartment construction relative to the past two decades, the market has been chronically undersupplied for years when it comes to housing, especially affordable housing.

Given elevated construction costs, higher-end communities are often the only development opportunities that pencil out. For example, Los Angeles saw 9,300 new apartment units added during the past 12 months. 8,200 of units that were completed during that time were in high-end, 4 & 5 Star communities.

DELIVERIES & DEMOLITIONS



Sales

Los Angeles Multi-Family

Sales volumes of apartment properties in Greater Los Angeles on a dollar basis during the past 12 months, $13.9 billion, were strong, above historical averages, and demonstrate ample investor demand for the property type. This demand has translated in strong recent price appreciation.

Looking at notable recent sales, in February 2022, JV partners BLDG Partners and California Municipal Finance purchased the Enclave in Paramount from MWest Holdings for $128.5 million ($420,000/unit). The 306-unit, 1990s vintage asset was fully leased at the time of sale. MWest purchased the property in December 2019 for $99.3 million ($325,000/unit).

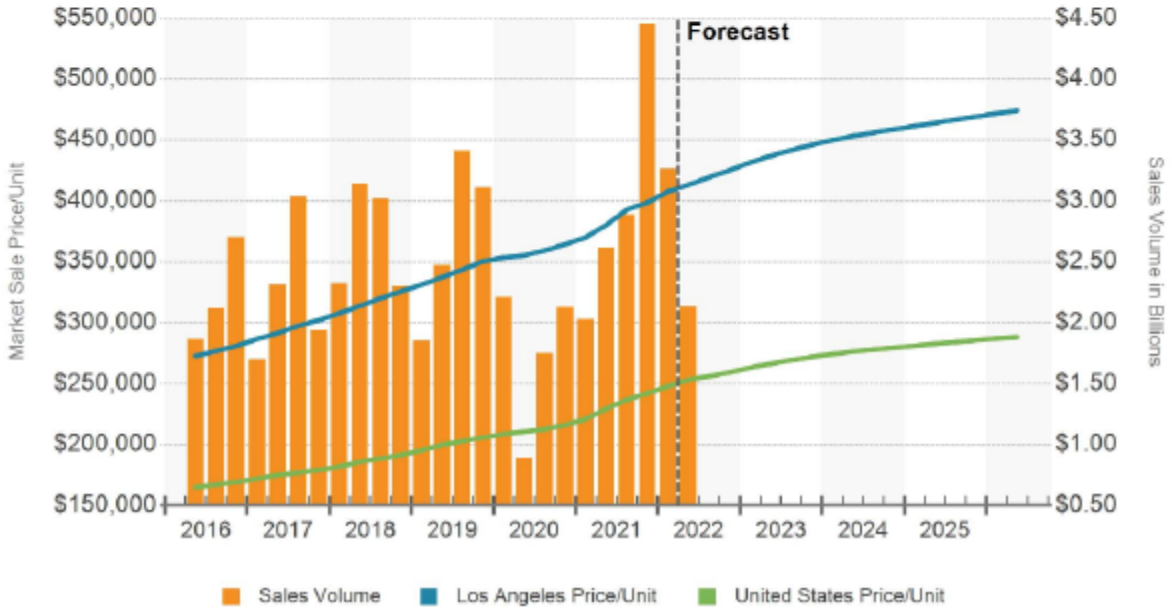
Several of the largest recent transactions in the L.A. market have involved public/private partnerships purchasing newer market-rate apartments to convert to communities restricted to middle-income renters, those making 60%-120% of median area income. A recent notable acquisition done in this structure was this past February, when the California Statewide Communities Development Authority (CSCDA) partnered with Faring to purchase The Crescent at West Hollywood from Apartment Income REIT for $100 million ($769,000/unit). The 130-unit community is at 1274 N Crescent Heights Blvd. The CSCDA owns and financed the acquisitions with tax-exempt financing. Faring will oversee operations at the property.

In January 2022, the CSCDA partnered with Waterford Property Company to purchase Westgate Apartments in Old Town Pasadena from Equity Residential for $280 million ($583,000/unit). The 480-unit community was 97% leased at the time of sale.

The CSCDA also partnered with Waterford earlier in 2021 to purchase three other large communities in Pasadena, Residences at Westgate (340 units), Residences at Westgate (173 units), and Theo (105 units). Other large acquisitions that have recently executed this structure have closed in Carson (Union South Bay), Glendale (Altana Apartments, Brio, and Next on Lex), Hawthorne (Millennium South Bay), Long Beach (Oceanaire), Monrovia (Moda at Monrovia Station), Pomona (Monterey Station, 777 Place), and Sun Valley (Villa Del Sol Apartments).

Average market pricing, $410,000/unit, is well above the national average of $250,000/unit. Average market cap rates, 4.0%, are well below the U.S. average of 5.1%. The market's position as the second-largest metro in the nation, with solid economic drivers, and a land-constrained coastal location are key factors driving the L.A.'s market's rich pricing. Given current market strength and the landlord-favorable outlook for occupancies and rents, asset pricing is expected to continue to rise robustly at least for the near to midterm.

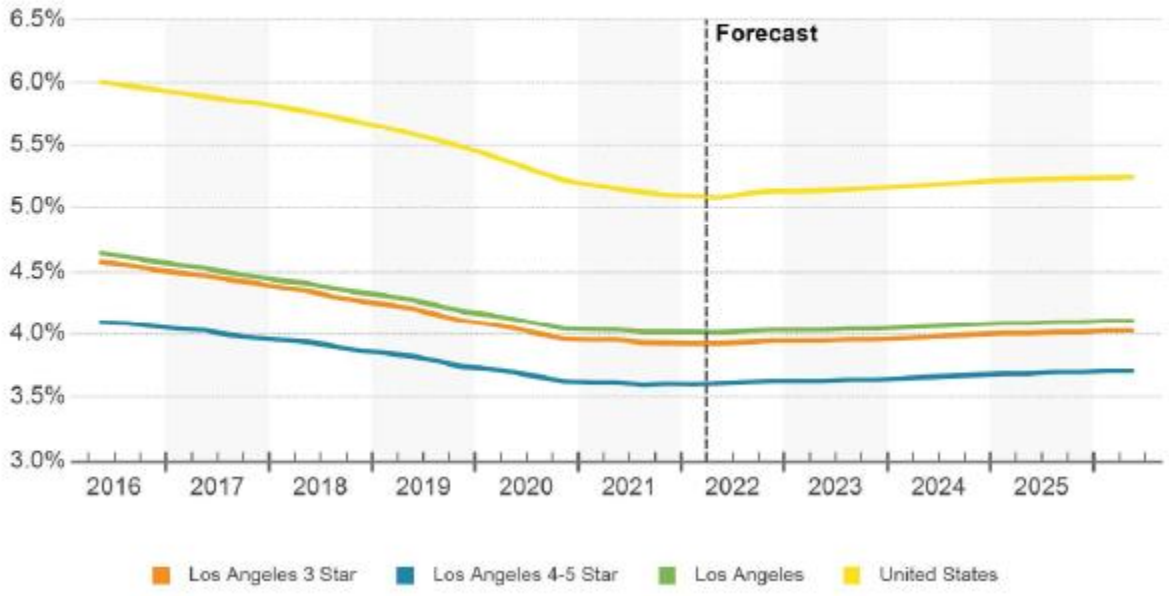
SALES VOLUME & MARKET SALE PRICE PER UNIT



Sales

Los Angeles Multi-Family

MARKET CAP RATE



Economy

Los Angeles Multi-Family

Recovery for the Los Angeles economy is mixed, with certain sectors performing extremely well while others have had a much more difficult time in comparison. The industrial sector has been strong as a supply chain backlog and limited new supply has led to very low availability despite increased rental rates. The multifamily, office and retail sectors have been slower to bounce back. The metro unemployment rate, after seeing a sustained improvement for months in the second half of last year, has plateaued around 10%. New coronavirus cases, as well as deaths, have temporarily spiked due to variants, although a statewide mask mandate could help keep businesses operating amid elevated case levels.

Los Angeles' position as the entertainment capital of the world and the increased demand for video streaming and social media had been a boon to the L.A. economy during the past several years. The pandemic accelerated demand for streaming services, and studio spaces have been in high demand throughout the market. The entertainment business directly or indirectly employs one out of five workers in L.A. County. Warner Bros. is currently under construction on its 800,000 SF Second Century expansion in Burbank. Studio space is at a premium in the Hollywood, Burbank, and Glendale neighborhoods, and warehouses in neighboring areas are taking advantage of that demand with creative industrial conversions.

Tourism is important for the local economy and the impact to this sector and its employees has been considerable. Before the pandemic, over 500,000 people in the county were employed in the leisure and hospitality industry. The city had more than 50 million visitors in 2019, but the pandemic severely impacted travel. Stores, restaurants, and lodging in tourist hotspots like Downtown L.A., Hollywood, Beverly Hills, and Santa Monica have been particularly impacted. However, the market is set for a major rebound as large events such as the 2022 Super Bowl and the 2028 Olympics spur the hospitality and retail sectors.

The industrial sector has sustained growth through the pandemic as warehousing demands increased by ecommerce operators. A backup at the ports has led to a record number of ships waiting to unload cargo. Continued bottlenecks, however, could soon become a headwind for L.A.'s industrial market if conditions don't improve. The need for warehousing space and limited land has led to developers targeting infill development sites that can be scraped for modern warehouse construction. The overall Southern California industrial market, which includes the five county area of Los Angeles, Ventura, San Bernardino, Riverside and Orange Counties, recently surpassed 2 billion SF of industrial inventory.

As more of a structural issue that needs to be addressed long term, the prohibitive cost of housing in L.A. is a major impediment to hiring and is often cited as a motivating factor for companies to relocate to other parts of the country.

Despite near-term issues related to the pandemic, the metro economy possesses many positive attributes. It has two major talent generators in USC and UCLA along with top-tier universities such as Cal Tech that support a growing tech economy. It is perennially among the top five metros in the country for venture capital investment. Education levels, while below the national average, improve every year. More people making six-figure paychecks continue to move to L.A. than are leaving.

Economy

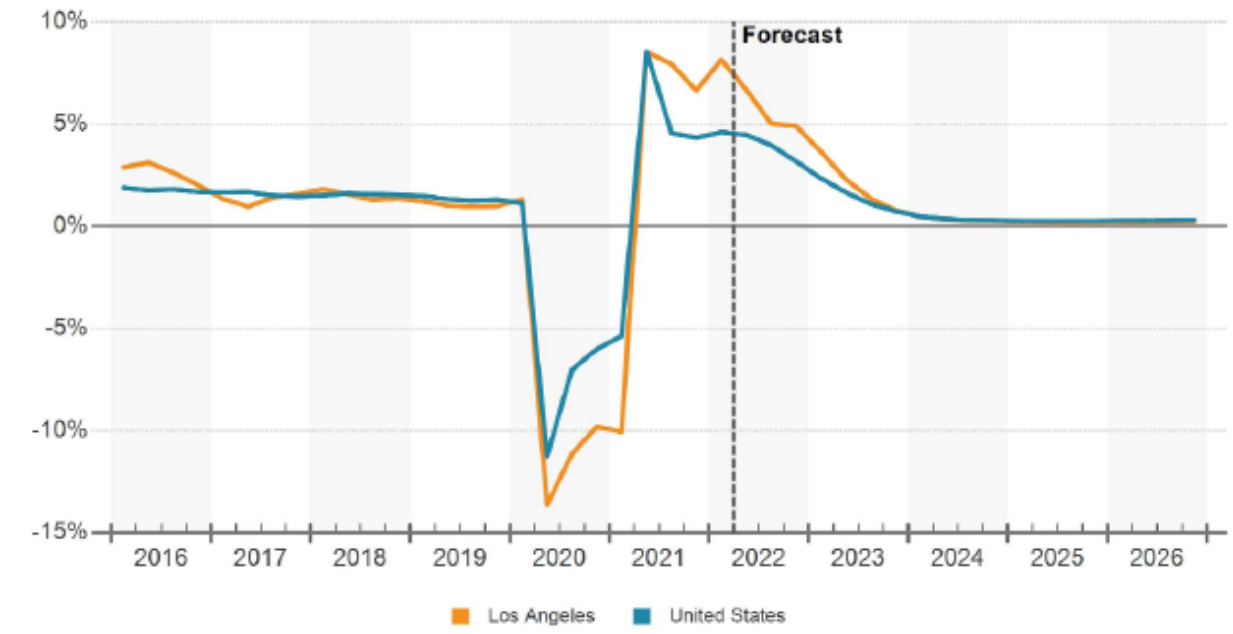
Los Angeles Multi-Family

LOS ANGELES EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	318	0.8	2.07%	3.41%	-1.63%	0.63%	-0.44%	0.30%
Trade, Transportation and Utilities	844	1.0	4.16%	3.60%	0.93%	1.18%	0.39%	0.26%
Retail Trade	415	0.9	4.05%	2.70%	0.33%	0.60%	0.18%	0.19%
Financial Activities	215	0.8	1.07%	1.99%	0.13%	1.39%	0.19%	0.32%
Government	567	0.9	2.73%	1.53%	0.27%	0.14%	0.58%	0.57%
Natural Resources, Mining and Construction	155	0.6	1.94%	4.02%	3.40%	2.46%	0.42%	0.52%
Education and Health Services	871	1.2	4.71%	2.58%	2.26%	1.56%	1.14%	0.81%
Professional and Business Services	657	1.0	6.84%	5.15%	1.71%	2.12%	0.29%	0.53%
Information	230	2.6	16.04%	5.57%	1.97%	0.94%	1.05%	0.49%
Leisure and Hospitality	509	1.1	28.19%	16.01%	2.20%	1.40%	2.57%	1.87%
Other Services	152	0.9	17.83%	5.62%	0.64%	0.47%	1.14%	0.86%
Total Employment	**4,518**	**1.0**	**7.33%**	**4.53%**	**1.20%**	**1.23%**	**0.79%**	**0.65%**

Source: Oxford Economics
LQ = Location Quotient

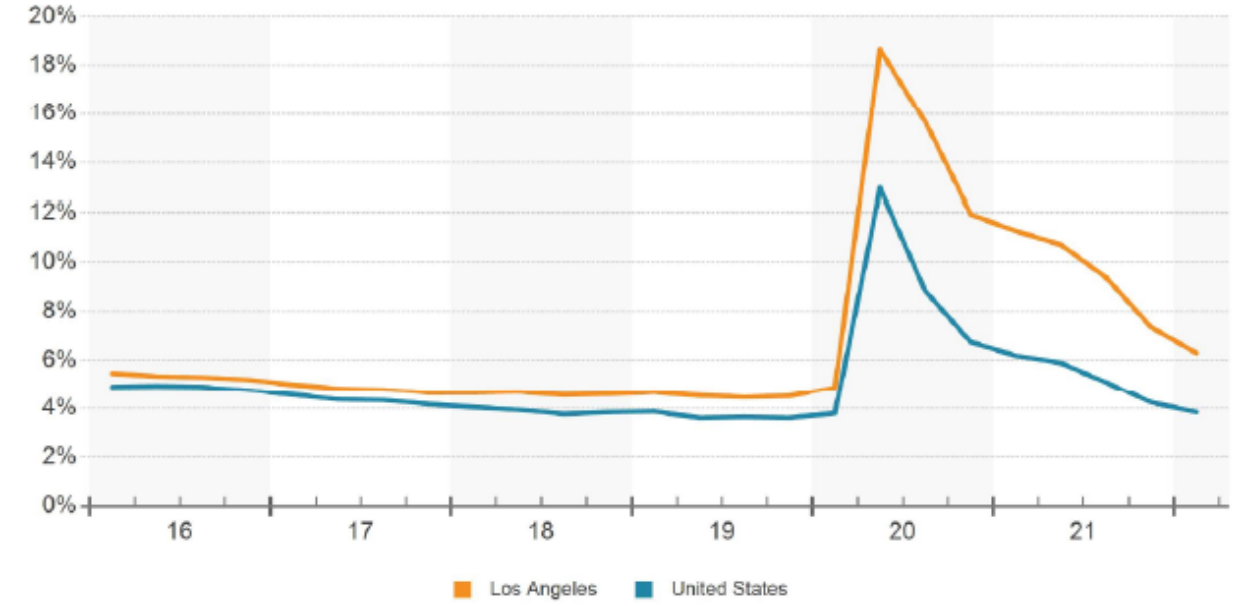
JOB GROWTH (YOY)



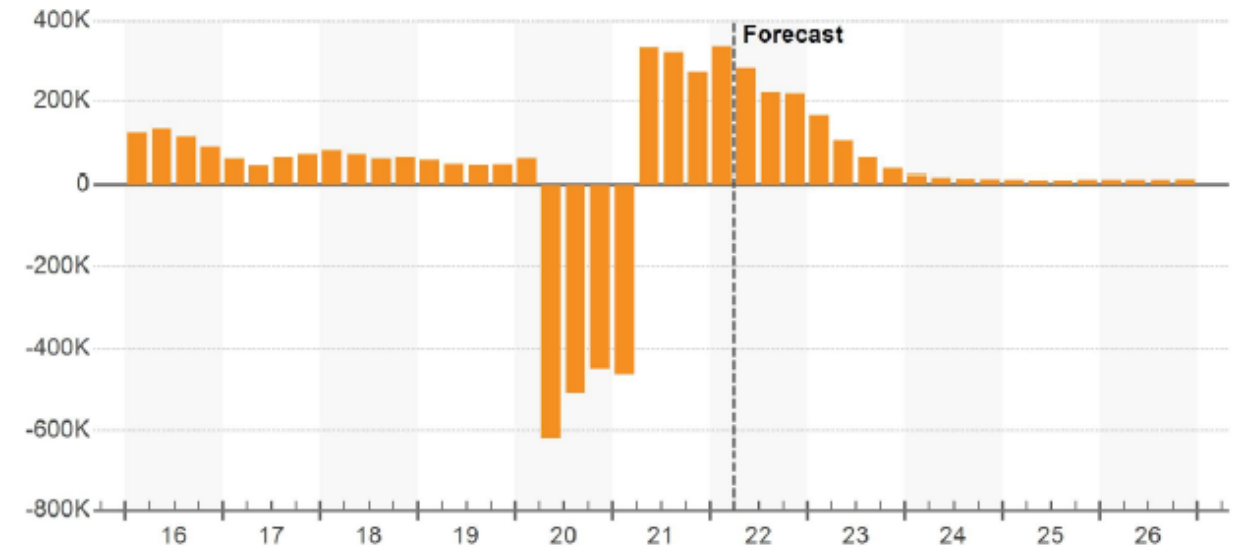
Economy

Los Angeles Multi-Family

UNEMPLOYMENT RATE (%)



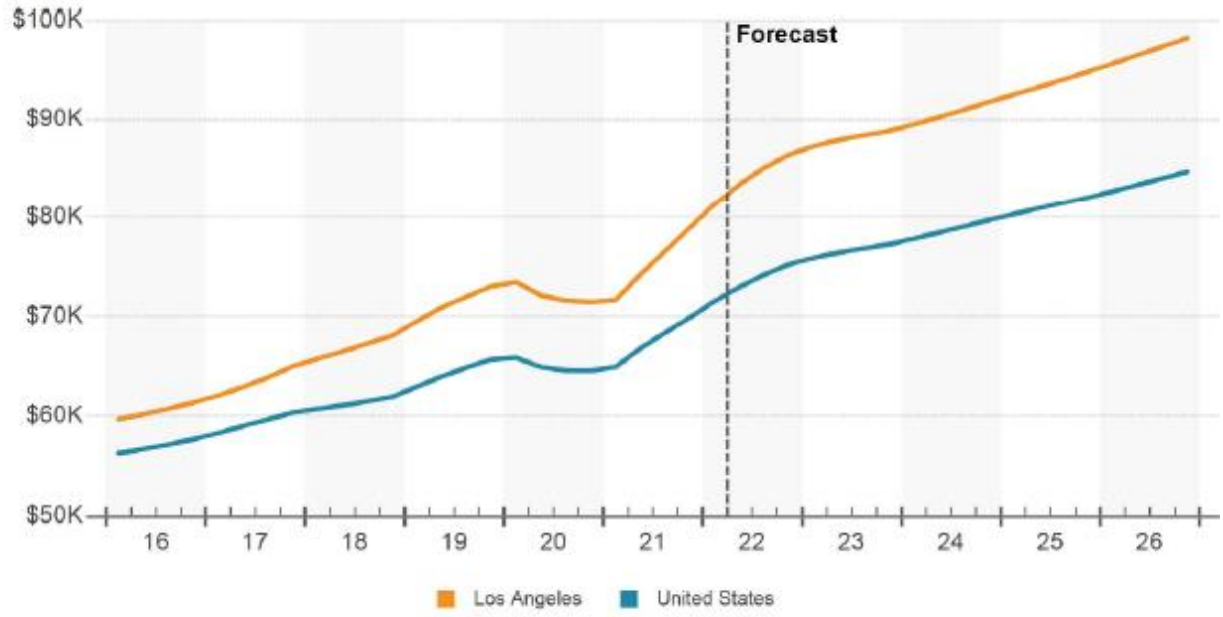
NET EMPLOYMENT CHANGE (YOY)



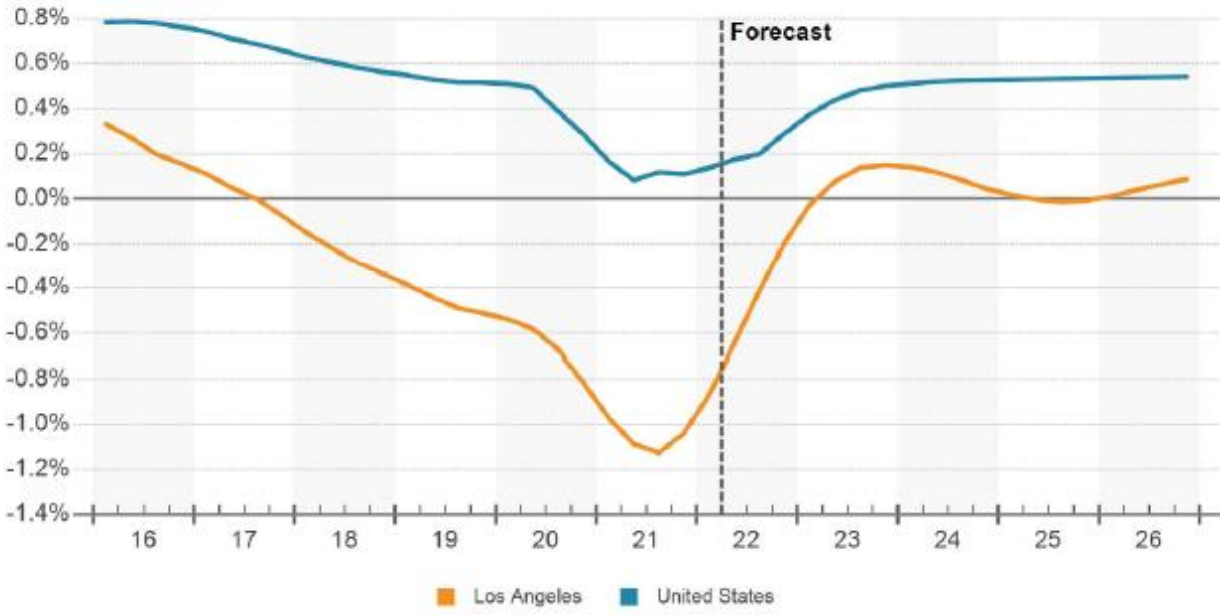
Economy

Los Angeles Multi-Family

MEDIAN HOUSEHOLD INCOME



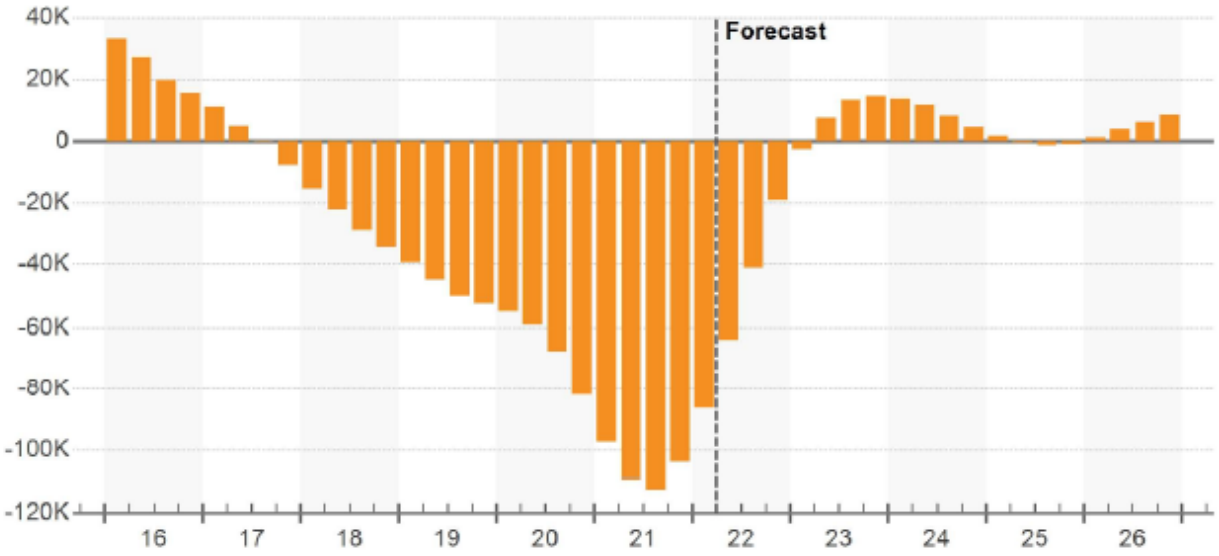
POPULATION GROWTH (YOY %)



Economy

Los Angeles Multi-Family

NET POPULATION CHANGE (YOY)

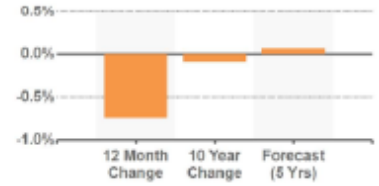


DEMOGRAPHIC TRENDS

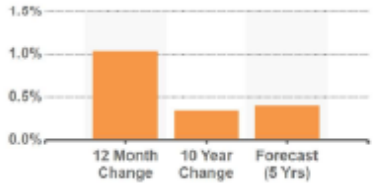
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	Metro	US	Metro	US	Metro	US	Metro	US
Population	9,843,911	332,212,531	-0.7%	0.2%	-0.1%	0.6%	0.1%	0.5%
Households	3,267,486	124,037,258	-0.8%	0.1%	0.1%	0.7%	0%	0.5%
Median Household Income	$82,561	$72,369	12.9%	9.7%	4.7%	3.6%	3.8%	3.5%
Labor Force	5,049,467	164,327,109	1.0%	2.3%	0.3%	0.6%	0.4%	0.5%
Unemployment	6.3%	3.8%	-4.7%	-2.2%	-0.5%	-0.4%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Overview

Southeast Los Angeles Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
492	733	1.9%	6.2%

The Southeast Los Angeles Submarket currently has one of the lowest vacancy rates among submarkets in the L.A. metro. Occupancies have held up much better in locations in L.A. County that provide affordability and have also experienced modest construction pipelines. With among the lowest rents in Greater Los Angeles, the submarket has benefited from tenant demand for its ample inventory of cheap apartments. Asking rate gains in the submarket in recent years have notably outpaced the metro average, although the current pace of growth has trailed the Greater L.A. apartment market's pace.

Construction levels are typically very modest in the submarket, and current development levels as a percent of existing inventory are well below metrowide averages. However, the submarket saw the largest market-rate completion in decades with the delivery of the 244-unit Jefferson SoLA in South Gate at the end of 2021.

Looking at capital markets, the submarket offers some of the cheapest communities on absolute and per-unit bases. Recent sales activity demonstrates continued interest in assets in the area.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	745	20.2%	$2,615	$2,521	14	0	150
3 Star	8,897	2.6%	$1,943	$1,934	1	0	115
1 & 2 Star	48,493	1.4%	$1,472	$1,467	4	0	0
Submarket	**58,135**	**1.9%**	**$1,586**	**$1,579**	**19**	**0**	**265**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	3.2%	1.6%	4.4%	2009 Q3	1.7%	2021 Q3
Absorption Units	733	30	164	867	2022 Q1	(570)	2002 Q1
Delivered Units	492	57	174	506	2022 Q1	0	2017 Q3
Demolished Units	6	47	32	365	2012 Q2	0	2021 Q3
Asking Rent Growth (YOY)	6.2%	2.6%	4.4%	6.7%	2001 Q1	-5.2%	2009 Q4
Effective Rent Growth (YOY)	6.2%	2.6%	4.4%	6.7%	2001 Q1	-5.2%	2009 Q4
Sales Volume	$497M	$275.7M	N/A	$534.3M	2019 Q1	$62.6M	2010 Q4

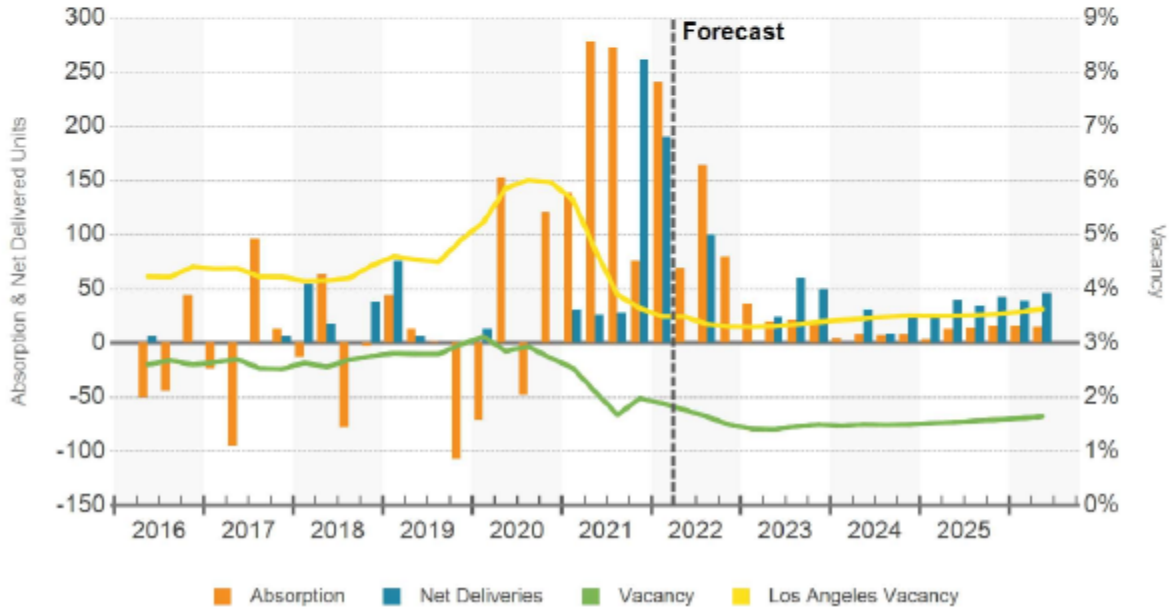
Vacancy

Southeast Los Angeles Multi-Family

The Southeast Los Angeles Submarket has taken the past two years in relative stride. Whereas the Greater L.A. apartment market saw vacancy spike to decades-high records in 2020, vacancy didn't budge in 2020 and also declined like the Greater L.A. apartment market in 2021. With vacancy in the submarket currently 1.9%, the area is among the tightest submarkets in L.A. County and also well below the two-decade submarket average for the submarket of 4.4%.

The submarket covers a wide swath of the metro, from Downtown L.A. to the Orange County border. The I-5 and I-710 freeways that run through the heart of the submarket provide easy access to central L.A. and Orange County job hubs. Demographic realities and restrictive zoning tend to limit developer interest in most parts of the submarket. Median incomes in most portions of the submarket are below the L.A. County average, and large portions of the area are zoned for single-family residential or industrial use. But there is still a large renter pool, as over half the households rent instead of owning their homes.

ABSORPTION, NET DELIVERIES & VACANCY



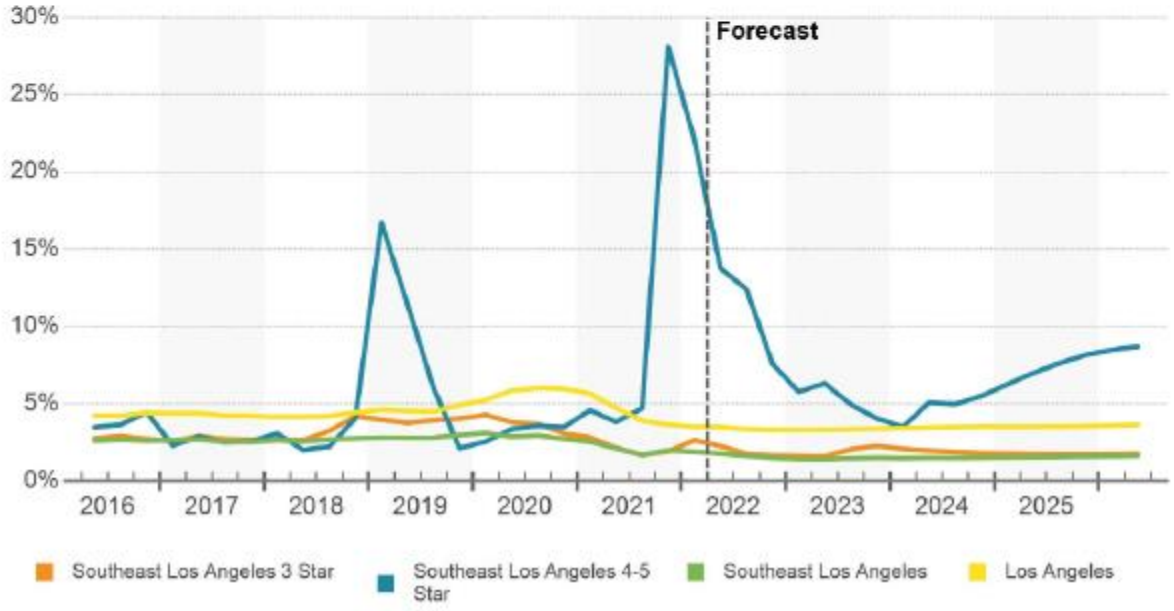
Vacancy

Southeast Los Angeles Multi-Family

OVERALL & STABILIZED VACANCY



VACANCY RATE



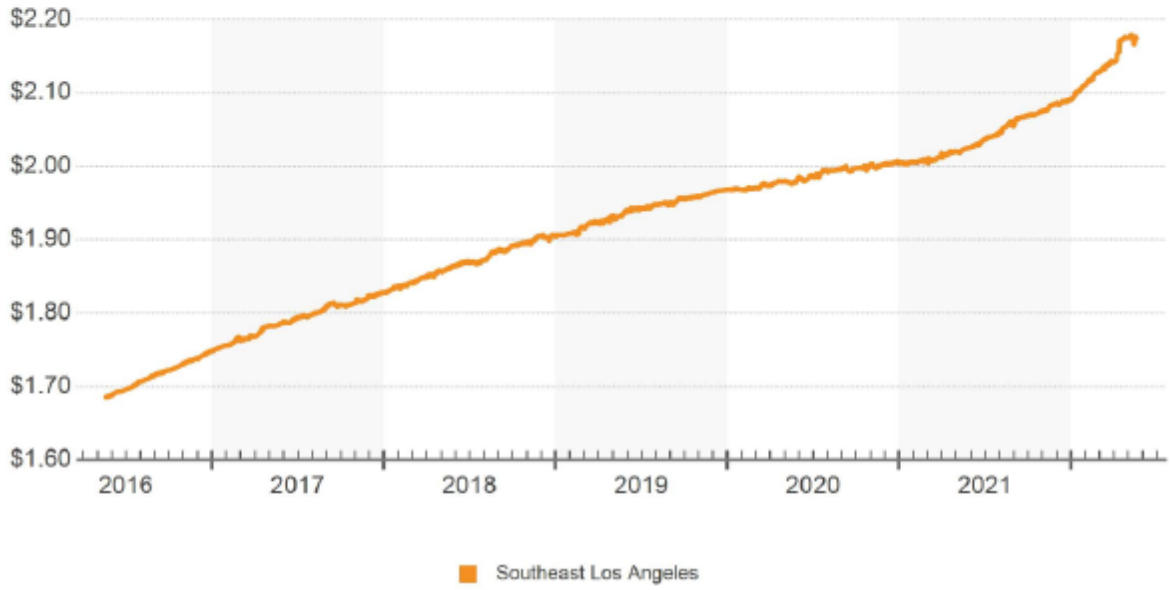
Rent

Southeast Los Angeles Multi-Family

Southeast Los Angeles average asking rents of $1,590/month are among the lowest seen in the Greater L.A. apartment market. Average asking rates have experienced gains of 6.2% during the past 12 months, trailing the gains of 6.9% experienced across the L.A. metro.

Although the current pace of gains in the submarket trails the metro, in contrast to the Greater Los Angeles apartment market, Southeast Los Angeles saw rents continue to rise during 2020. Additionally, growth had outpaced the market for years. While the submarket experienced average annual growth of 3.7% over the past five years, the metro trailed that pace, with average annual gains of 2.9%. This outperformance in the submarket has also occurred in other more affordable locations in the metro and/or areas that have seen more measured supply pipelines.

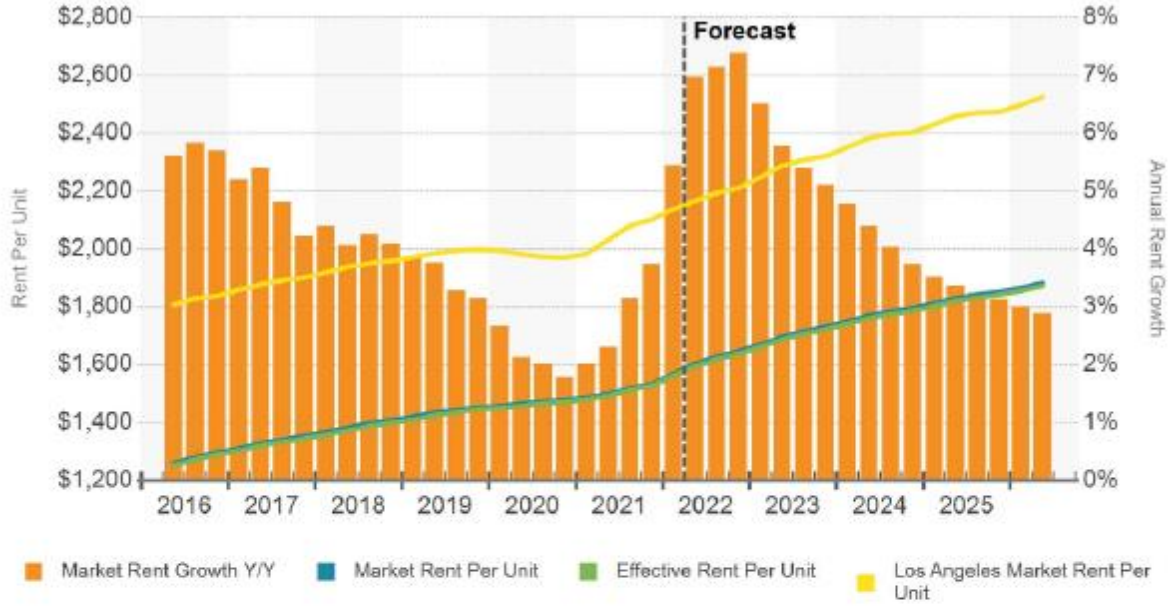
DAILY ASKING RENT PER SF



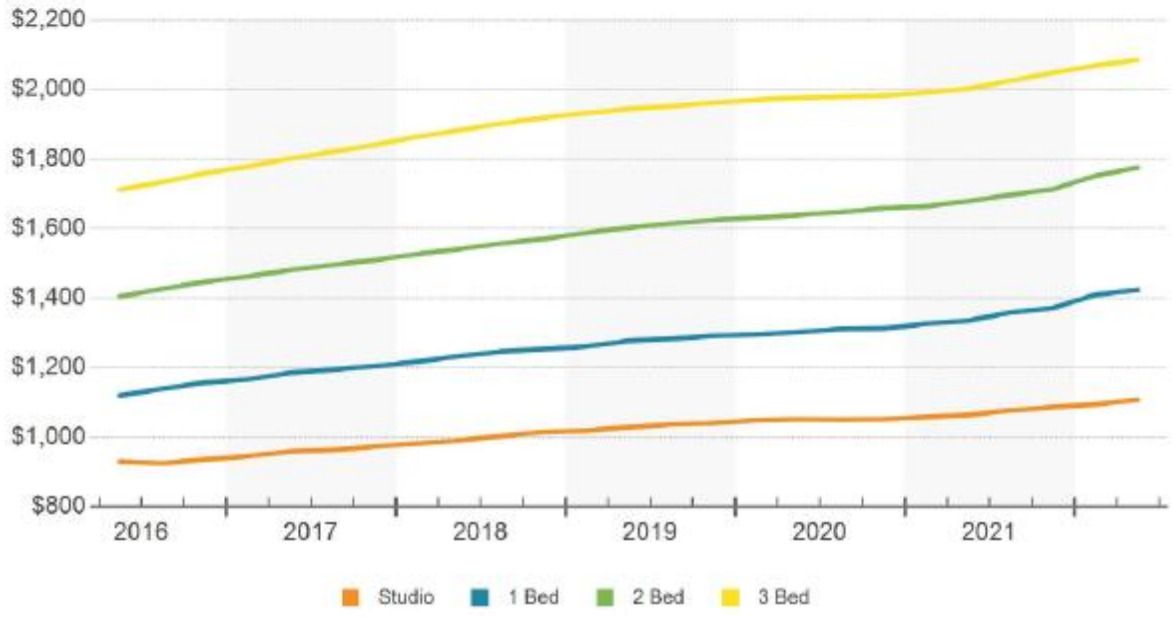
Rent

Southeast Los Angeles Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM



Construction

Southeast Los Angeles Multi-Family

The Southeast Los Angeles Submarket saw the largest new market-rate apartment community since the 1970s when Jefferson SoLA in South Gate delivered in November 2021. Texas-based developer JP developed the 244-unit community. As of April, the property had reached 39% occupancy. In 22Q1, Alivia Apartments, a 128-unit community in Whittier, delivered.

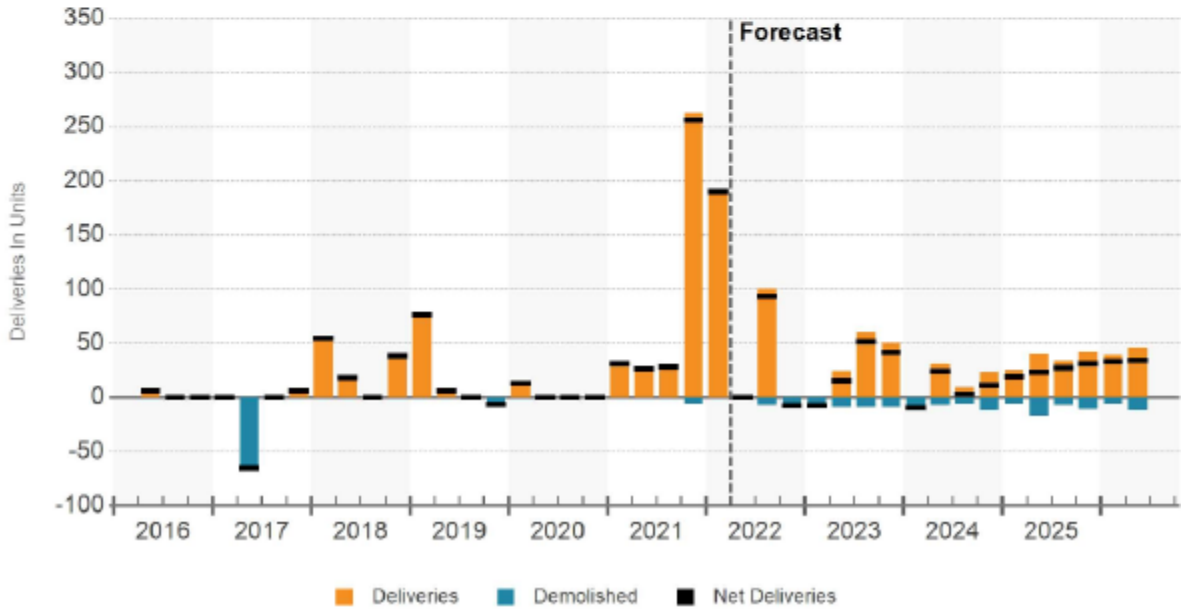
The submarket has seen 1,400 units added to the submarket in the past decade, but almost as many properties were demolished during that period, meaning total inventory has essentially held flat.

There are presently 260 units under construction, equating to only 0.5% of existing inventory in the submarket. This percentage is below the L.A. metro average of 2.7%. The largest project is 169-181 N Avenue 12 in Lincoln Heights. The 100-unit property will deliver in the coming months.

Southeast L.A. has over 57,000 market-rate units, more than 80% of which are in 1 & 2 Star properties. There's an abundance of small complexes of fewer than 20 units. Higher-end 4 & 5 Star properties are but a sliver of the inventory in the submarket.

Multiple new housing projects have completed in Southeast Los Angeles in recent years but were designated a low-income, affordable, or senior housing communities, meaning they are not included in CoStar's statistics for market-rate communities. One notable example is the Jordan Downs public housing project that is undergoing redevelopment and is expected to add more than 700 new affordable units to the submarket. The Metropolitan Transit Authority has proposed a number of mixed-use projects centered around the Gold Line metro stations, but these are also expected to be rent-controlled.

DELIVERIES & DEMOLITIONS



Sales

Southeast Los Angeles Multi-Family

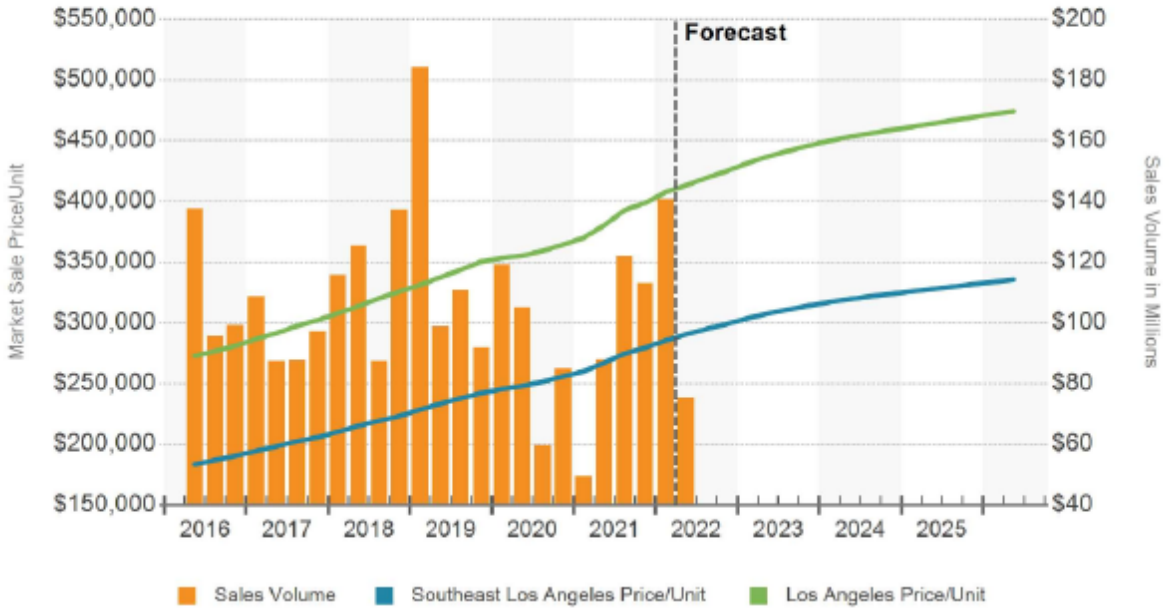
Apartment market pricing per unit in Southeast Los Angeles, $290,000/unit, is 30% below the L.A. metro average, driven by the area's lower rents, asset quality, and demographics. Average cap rates, 4.4%, are above the metro average. Investment activity in the submarket during the past 12 months on a dollar basis, $491 million, was strong. Pricing growth cooled in 2020; however, asset pricing on a per-unit basis has accelerated in recent quarters. The outlook anticipates robust price gains for at least the near to mid-term.

Small-scale, private investors dominate transaction volumes given the prevalence of lower-quality, smaller properties in the submarket. Most deal activity here involves private buyers trading smaller 1 & 2 Star assets. Of the roughly 190 deals closed in the submarket in the past 12 months, 170 of them involved 1 & 2 Star properties.

Looking at recent notable sales, in March 2022, Positive Investments purchased NorthView Terrance in Montebello from a private family trust for $30.9 million ($300,000/unit). The 103-unit, 2 Star community was purchased off market as a part of a 1031 exchange. In-place income at the property equated to a 3.26% cap rate.

In January 2022, Sirott Investment acquired two adjacent communities comprising 49 units, 11510 and 11522 Colima Road, from Rio Company for a combined $13.6 million ($278,000/unit). Pricing equated to a 3.7% in-place cap rate. The seller purchased the properties in September 2017 for $10.7 million ($218,000/unit) at a 4.1% in-place cap rate.

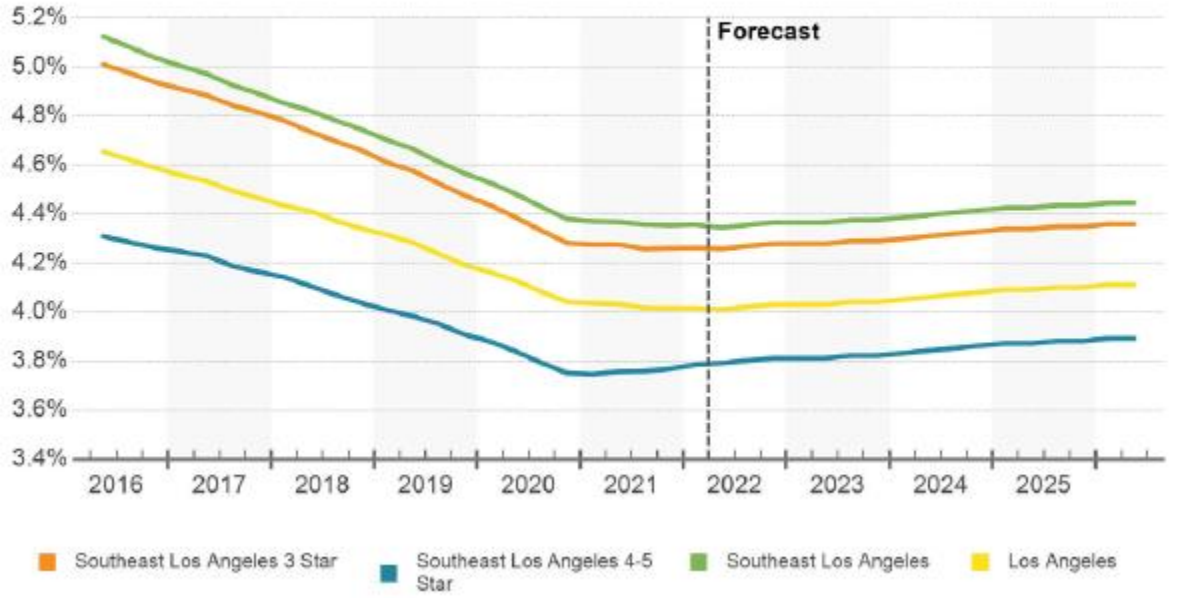
SALES VOLUME & MARKET SALE PRICE PER UNIT



Sales

Southeast Los Angeles Multi-Family

MARKET CAP RATE



CONCLUSION

The market for apartments is strog, with rising rents.

SITE DESCRIPTION

Site Area	The subject property land area consists of 19,611 square feet or 0.45 acres.
Site Shape	Rectangular.
Topography	The subject site is generally level in topography.
Improvements	The subject is valued as vacant land.
Vehicular Access	The subject is located at 5055 Passons Blvd., Pico Rivera, CA 90660. The property is located on the southwest corner of Passons Blvd. and Jackson Street. It is located in incorporated City of Pico Rivera, Los Angeles County, State of California. Rosemead Blvd., Workman Mill Road, Whitter Blvd., Beverly Blvd. and Norwalk Blvd. are considered to be primary thoroughfares within the subject area. Freeway access to the subject property is considered good. Interstate 605 Freeway is located approximately 0.2 mile to the southwest of the subject via Whittier Blvd.
Pedestrian Access	The property is accessed via Passons Blvd. and Jackson Street.
Legal Description	Please refer to the Preliminary Title Report. A copy is included in the addenda.
Assessor's Parcel Numbers	6377-007-270.

Zoning

The property is zoned R-M, Multiple-Family Residential Variable Density, according to the City zoning map. The zoning code allows for 1 unit per 2,000 sf. for parcels between 12,000 and 20,000 sf in size. The parcel size is 19,611 sf. This would yield a total of **9 dwelling units** for the subject property. However, additional requirements such as setbacks, open space, etc. could reduce the number of dwelling units allowed.

Chapter 18.18 R-M MULTIPLE-FAMILY RESIDENTIAL VARIABLE DENSITY ZONE

18.18.010 Establishment.

There is hereby established a zone which shall hereinafter be known as the "R-M multiple-family residential variable density zone," and which shall function and serve as set out in this chapter. (Prior code § 9205.06)

18.18.020 Intent and purpose.

The intent and purpose of the R-M zone is to principally designate and classify certain areas within the city for development of multiple-family residential housing and apartment complexes, and to provide for the integration of developments and uses of land more closely related to multiple-family residential characteristics best suited to carry out the needs of the community. (Prior code § 9205.06 (A))

18.18.030 Applicability—Criteria.

A. The R-M zone is a land use classification which, in part, assists in the implementation of the residential land use and housing elements of the general plan. It is a zone classification designed to be applied on selected areas of the community where the concentration of population can be varied and controlled, yet sufficiently flexible to accommodate the housing needs projected for the city.

B. Application of the R-M zone can provide for development to serve as a low-density residential transition between more intense residential uses of land and single-family residential neighborhoods, can provide compatible development along principal streets and highways, can serve as a medium-density residential transition between less-intense residential land uses and more-intense commercial activities, and can provide for development of high-density residential apartment complexes.

C. The R-M zone need not be restricted entirely to residential uses of land, and may include public, semipublic, institutional and other transitional land uses which would not necessarily be compatible with solely residential or limited commercial uses.

D. The application of the R-M zone for high-density residential apartment complexes serves also as a transitional development adjacent to large-scale commercial facilities where consumer purchasing power is a necessary ingredient to the overall scheme of land use planning.

E. When qualifying, application of the R-M zone must clearly be defined in accordance with the criteria herein, be protected from the encroachment of land

uses that do not perform a function of this zone classification, and be protected from the tendency to yield to oversaturation and concentration of population.

F. Uses of land and development which do not qualify and which are not specifically permitted in the R-M zone are hereby expressly prohibited. (Prior code § 9205.06 (B))

18.18.040 Permitted uses.

Regulations governing permitted uses of land in the R-M zone are specifically set forth in Chapter 18.40 of this title. (Prior code § 9205.06 (C))

18.18.050 Property development conditions.

Regulations governing the development of property for uses of land in the R-M zone are specifically set forth in Chapter 18.42 of this title. (Prior code § 9205.06 (D))

18.18.060 Off-street parking.

Regulations governing off-street parking requirements for uses and development of property in the R-M zone are specifically set forth in Chapter 18.44 of this title. (Prior code § 9205.06 (E))

18.18.070 Signs and advertising.

Regulations governing permitted signs and advertising for uses and development of property in the R-M zone are specifically set forth in Chapter 18.46 of this title. (Prior code § 9205.06 (F))

Zoning Compliance	Not Applicable. The subject is valued as vacant land.
Utilities	The property is assumed to have public utilities available, including water, sewer, electricity, natural gas, internet and telephone.
Flood Zone	Zone X, as shown on map 06037C1830F dated 09/26/2008. Zone X is the flood insurance rate zone that corresponds to the areas of 0.2-percent chance flood; areas of 1% annual chance flood; and areas protected by levees from 1% annual chance flood. Mandatory flood insurance purchase is not required.
Earthquake Zone	Properties in California are subject to some degree of earthquake risk. **We are not seismic engineers and we are not qualified to determine earthquake hazards. Our appraisal assumes that the subject is not adversely impacted by atypical earthquake risk.** *We recommend obtaining a geologic study to determine any potential earthquake hazard that may impact the subject site.*
Soil Conditions	**We were not provided with a soils report. *We recommend consulting with a qualified geologist or soil engineer to determine the extent and cost to cure of any underlying soil conditions that exist on the subject site.***

Environmental Conditions

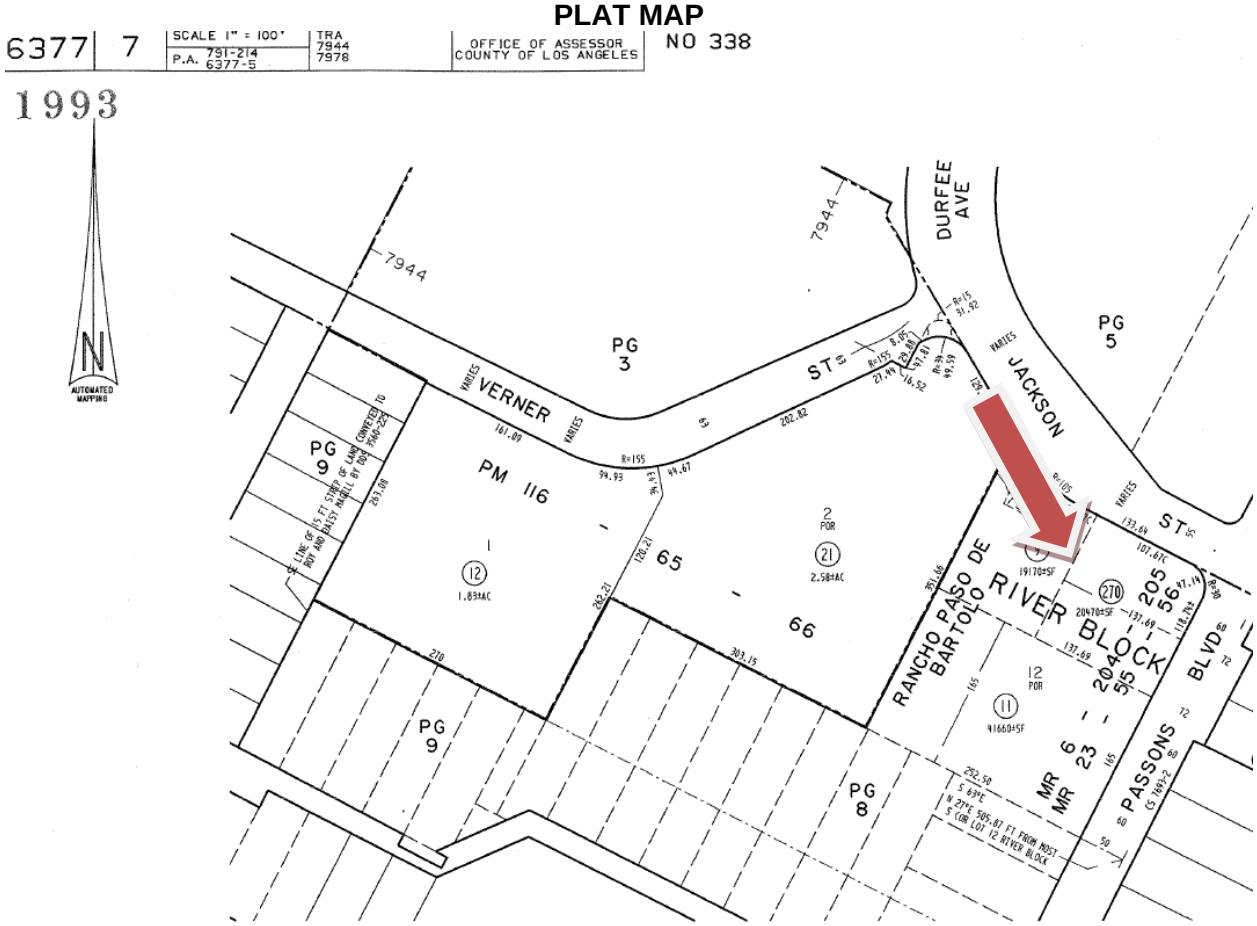
An environmental report was not provided to us. ***We recommend consulting with a qualified environmental expert, geologist or soil engineer to determine the extent and cost to cure of any underlying soil conditions that exist on the subject site.***

Easements and Encumbrances

There may be easements for roads, water pipelines, mains and ditches, easements, if any, in favor of the public or other parties, over the property. A Preliminary Title Report was provided from Fidelity National Title Company dated April 19, 2022. There are assumed to be no significant impacts, except as to the following: Items 1, 2 and 3, as stated in the preliminary title report in the addenda. The locations of these Items could not be determined. We assume that these items would not adversely affect the use of the property. If more accurate information becomes available, we reserve the right to revise the appraisal report.

We are not aware of any other easements or encumbrances impacting the subject other than those imposed by utilities, local government and quasi-government agencies for utilities, rights-of-way, etc.

PLAT MAP


6377 7
SCALE 1" = 100'
P.A. 791-214
6377-5
TRA
7944
7978
OFFICE OF ASSESSOR
COUNTY OF LOS ANGELES
NO 338
1993
N
AUTOMATED MAPPING
7944
DURFEE AVE
VERNER
JACKSON
PG 3
PG 5
PG 9
PG 8
PM 116
65
66
RANCHO PASO DE BARTOLO
RIVER BLOCK
PASSONS BLVD
MR 6 23

Photographs of the Subject



Subject – View N-from S end of subject



Subject – View S from S end of subject



Subject – View N along central portion



Subject – View N along central portion



Subject – View N along central portion



Subject – View N along central portion

Ownership and Property History

The subject is owned by the City of Montebello.

We are not aware of any arms-length sales, listings, escrows or pending sales of the subject property during the past three years.

Assessed Value and Taxes

The subject is owned by the City of Montebello and there are no real property assessments or taxes.

Under California Proposition 13, the real estate tax rate is limited to 1% of assessed value plus limited amounts for direct assessments. The property is reassessed upon sale, significant remodeling, or new construction. A purchaser must pay taxes based on the assessed value *(typically equal to the purchase price)* of the property at the time of sale. For purposes of our analysis, we assume a tax liability based upon our opinion of value. We assume that all real estate taxes are paid current.

Property Detail Report

5055 Passons Blvd, Pico Rivera, CA 90660

APN: 6377-007-270

Los Angeles County Data as of: 05/13/2022

Owner Information

Owner Name:	Montebello City		
Vesting:			
Mailing Address:	1600 W Beverly Blvd, Montebello, CA 90640-3932	Occupancy:	Absentee Owner

Location Information

Legal Description:	*Tr=Ro Paso De Bartolo Finally Confirm- Ed To Pio Pico Et Al*Lot Com N 63 W 50 Ft And N 27 E 670.87 Ft From Most S Cor Of Lot 12 River Block Th N 63 W 137.69 Ft Th N 27 E To Sw Line Of 12 River Block			County:	Los Angeles, CA
APN:	6377-007-270	Alternate APN:		Census Tract / Block:	500800 / 4002
Munic / Twnshp:	Hall Of Admin/Section 11	Twnshp-Rng-Sec:		Legal Lot / Block:	12 / TH
Subdivision:		Tract #:		Legal Book / Page:	
Neighborhood:	The Southeast	School District:	El Rancho Unified		
Elementary School:	South Ranchito Dua...	Middle School:	North Park Academy...	High School:	El Rancho High
Latitude:	33.99746	Longitude:	-118.079		

Last Transfer / Conveyance - Current Owner

Transfer / Rec Date:		Price:	Transfer Doc #:
Buyer Name:		Seller Name:	Deed Type:

Last Market Sale

Sale / Rec Date:		Sale Price / Type:	Deed Type:
Multi / Split Sale:		Price / Sq. Ft.:	New Construction:
1st Mtg Amt / Type:		1st Mtg Rate / Type:	1st Mtg Doc #: N/A
2nd Mtg Amt / Type:		2nd Mtg Rate / Type:	Sale Doc #: N/A
Seller Name:			
Lender:			Title Company:

Prior Sale Information

Sale / Rec Date:		Sale Price / Type:	Prior Deed Type:
1st Mtg Amt / Type:		1st Mtg Rate / Type:	Prior Sale Doc #: N/A
Prior Lender:			

Property Characteristics

Gross Living Area:	1,186 Sq. Ft.	Total Rooms:	0	Year Built / Eff:	1963 / 1963
Living Area:	1,186 Sq. Ft.	Bedrooms:		Stories:	
Total Adj. Area:		Baths (F / H):		Parking Type:	
Above Grade:	1,186 Sq. Ft.	Pool:		Garage #:	
Basement Area:		Fireplace:		Garage Area:	
Style:		Cooling:		Porch Type:	
Foundation:		Heating:		Patio Type:	
Quality:	Good	Exterior Wall:		Roof Type:	
Condition:		Construction Type:		Roof Material:	

Site Information

Land Use:	Transport Facility	Lot Area:	19,611 Sq. Ft.	Zoning:	PRCG*
State Use:		Lot Width / Depth:		# of Buildings:	1
County Use:	8866 - Rapid Transit, Bus, Etc.	Usable Lot:	19611	Res / Comm Units:	
Site Influence:		Acres:	0.450	Water / Sewer Type:	
Flood Zone Code:	X	Flood Map #:	06037C1830F	Flood Map Date:	09/26/2008
Community Name:	City Of Pico Rivera	Flood Panel #:	1830F	Inside SFHA:	False

HIGHEST AND BEST USE

Highest and Best Use is defined as the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. In the analysis of highest and best use as though vacant and the highest and best use as improved, we have considered four criteria: legally permissible, physically possible, economically feasible and maximally productive.

Since improved properties sometimes do not contain the improvements that would generate the greatest return to the land, the highest and best use of the land as if it were vacant, as well as the highest and best use of the property as it is currently improved, normally are considered. In extreme cases, this analysis will call into question whether the existing improvements should be preserved.

There are four criteria used in the highest and best use analysis process. These are:

1. Legally Permissible Use. What uses are permitted legally under existing general plan, zoning, building codes, historic district controls, environmental regulations, deed (private) restrictions, and long-term lease provisions on the site in question?

2. Physically Possible Use. What uses of the site are physically possible, given its size, shape, area, terrain, soils composition, accessibility, assembly potential, and risk potential from natural disaster?

3. Financially Feasible Use. Which possible and permissible uses will produce a positive net return to the owner of the property?

4. Maximally Productive Use. Among the feasible uses, which will produce the highest residual land value consistent with the rate of return warranted by the market for that use?

When appraising a property, whether improved or vacant, the appraiser determines the highest and best use of the land only. Then, if the property is improved, the appraiser determines its highest and best use as improved.

HIGHEST AND BEST USE AS VACANT

Legally Permissible Uses. The property is zoned R-M, Multiple-Family Residential Variable Density, according to the City zoning map. The zoning code allows for 1 unit per 2,000 sf. for parcels between 12,000 and 20,000 sf in size. The parcel size is 19,611 sf. This would yield a total of **9 dwelling units** for the subject property. However, additional requirements such as setbacks, open space, etc. could reduce the number of dwelling units allowed.

A variety of Multiple-Family Residential uses would be legally permissible on the subject site.

Physically Possible Uses. The size, topography, and location of the subject are important factors in determining the use of the property. The size of the parcel can have a significant effect on the type of development that is possible and on the economies of scale.

The physical characteristics of the parcel such as size, shape, frontage, topography, accessibility, are adequate for Multiple-Family Residential use. It is assumed that public water, public sewer, electricity, internet and telephone are available to the subject site.

The subject property land area consists of 19,611 square feet or 0.45 acres. It is an rectangular in shape

Consideration was given to the individual features of the land including, location, size, shape, availability of public utilities and access to roadways. Consideration was also given to the neighboring land uses and the current land use demands in the area.

It is considered feasible to develop the subject for Multiple-Family Residential use.

Based upon the analysis, the physically possible use for the subject property is for Multiple-Family Residential uses.

Financially Feasible / Maximally Productive Uses. A proposed property improvement must be able to deliver an income return that generates the market value sufficient to pay for the developmental costs, the risks involved, and profit appropriate for the type of development.

Given the location of the subject site, there is substantial demand for Multiple-Family Residential uses.

Based upon the analysis, the Financially Feasible/ Maximally Productive Uses for the subject property are for Multiple-Family Residential uses.

Conclusion:
Our analysis indicates that the highest and best use of the subject site is for Multiple-Family Residential use. Based upon the analysis, the physically possible use for the subject property is for Multiple-Family Residential uses. Multiple-Family Residential use is financially feasible and represents the Highest and Best Use of the site.

HIGHEST AND BEST USE AS IMPROVED - The property is assumed to be vacant. The subject is valued as vacant land.

VALUATION TECHNIQUES OVERVIEW

VALUATION PREMISE

The three accepted approaches to value are the Sales Comparison Approach, the Income Approach (capitalization analysis) and the Cost Approach (reproduction or replacement cost analysis).

Cost Approach
This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. It is particularly applicable when the subject property involves relatively new improvements that represent the Highest and Best Use of the land, or when relatively unique or specialized improvements are located on the site for which there exist no comparable properties in the market. The Cost Approach is not utilized in this analysis. Vacant land is not typically valued utilizing the Cost Approach.

Sales Comparison Approach
This is an appraisal procedure in which the valuation is predicated upon prices paid in actual market transactions and current listings. The former suggests the lower limit of value in a static or advancing market and suggests the higher limit of value in a declining market. The latter suggests the high limit in any market. It is a process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sales price of the property being appraised. The reliability of this technique is dependent upon:

1. Availability of comparable sales data
2. Verification of the sales data, and
3. The degree of comparability or extent of adjustment necessary

The Sales Comparison Approach utilizing comparable land sales will be used to estimate the value of the subject land. When adequate data is available, this approach is generally considered the best indication of market value for the land value "as is."

Income Capitalization Approach
This approach is widely applied in appraising income-producing properties. Anticipated present and future income, as well as any future reversions, is discounted to the present value through capitalization. This approach relies upon market data to establish current economic rents and expense levels to arrive at an expected net income. The Income Approach was not utilized in this analysis.

Valuation Methodology Used in This Assignment

Our valuation of the subject property includes the following analyses:

- **Sales Comparison Approach**

These analyses will be conducted prior to consideration of changes in market conditions due to the impacts of COVID-19, which will be separately addressed as part of the Reconciliation.

The subject property is valued as its highest and best use with the current R-M zoning and additionally with a hypothetical deed restriction for use in perpetuity as a public park, with an agreement that bus drivers may use the restroom facilities at this future park. It is subject to the Assumptions and Limiting Conditions contained herein.

COST APPROACH

The **Cost Approach** is based on the economic principle of substitution. A cornerstone of this valuation approach is the premise that an informed buyer would not pay more for a property than the cost of acquiring a comparable vacant site and constructing an improvement program of similar utility.

The fundamental steps of the Cost Approach are outlined below:

1. Estimate the value of the site assumed vacant and available for development to its Highest and Best use.

2. Estimate the total reproduction or replacement costs associated with the improvement program. These costs include direct or hard costs such as building materials and labor, as well as indirect or soft costs such as financing charges, real estate taxes during construction, professional fees, carrying charges, etc. Reproduction costs are used when it is necessary to estimate the costs to exactly replicate a building in every detail. Typically, a replacement cost estimate is more appropriate and useful. The replacement cost estimate is based on the expense associated with developing a similar building of equal utility and function.

3. Estimate an appropriate level of entrepreneurial profit. This cost reflects the required return to the developer for assuming the time, coordination, and risk associated with project development. This cost is distinct from contractor's profit and overhead which is incorporated as a direct cost.

4. Add together the total construction costs (i.e.-direct costs, indirect costs, and entrepreneurial profit) associated with development.

5. Subtract any observed levels of depreciation impacting the subject property. Depreciation may stem from physical deterioration, functional obsolescence, or economic obsolescence. The total construction cost adjusted for accrued depreciation yields the Replacement or Reproduction Cost less Depreciation.

6. Add the total depreciated improvement value to the estimated land value to derive the value indicated by the Cost Approach.

The Cost Approach is not applicable to the valuation of the subject property for the following reason:

- The Sales Comparison approach is the conventional approaches relied upon by participants in the subject's marketplace.

The Cost Approach is not utilized in this analysis.

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH-LAND VALUATION

Highest and Best Use-Multiple Family Residential

The Sales Comparison Approach is a method of valuation that compares prices paid for similar properties in an open and free marketplace. A survey of the market in the subject area was made in an effort to locate comparable sales of similar properties, which would aid in forming an opinion of the value for the subject property.

Of the sales data discovered and investigated, the data presented are considered the most pertinent and most defensible since they represent transactions that have recently taken place among purchasers who could have considered the subject if it were available in the marketplace.

Our research parameters are summarized below.

SALE COMPARABLES PRIMARY SEARCH PARAMETERS	
Location	Land sales in the market area of the subject. A wide search area was considered given the large size of the subject property and the scarcity of sales of comparably sized sites
Sale Date	January 2020 to present
Property Type	0.25 acre to 5 acres of land
Method of Analysis	
Price Per Square Foot	Our research in the marketplace indicated that most investors would analyze sales comparables on this basis.

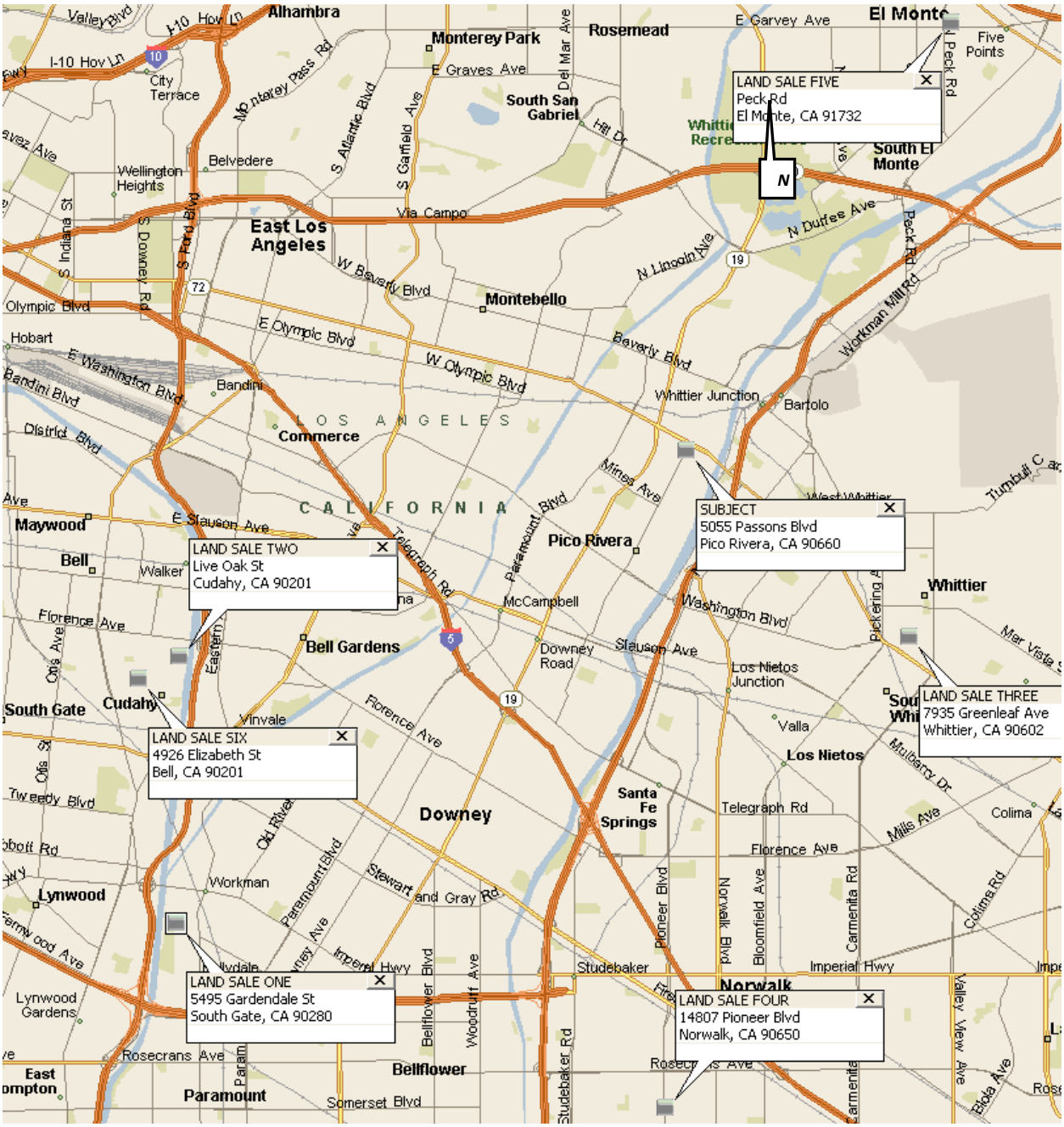
A survey of the market in the subject area was made in an effort to locate comparable sales of similar properties within the subject marketplace, which would aid in forming an opinion of the value for the subject property. Our research revealed several properties to compare to the subject.

The analysis that follows relies on a detailed discussion of specific strengths and weaknesses observed among the data items, with individual adjustments applied in the form of an adjustment matrix. Subsequent to the presentation of data, further comments relating to our analysis and valuation are provided.

The initial stages of the appraisal process include the investigation, organization, and analysis of relevant market data and other information that relates to the value of the subject property. By searching public records and interviewing buyers, sellers, real estate agents, developers, and others, we have found data pertaining to sales of properties reasonably comparable to the subject property.

The analysis in the Sales Comparison Approach compares the subject property to other properties that have sold in the market area. The following sales were considered meaningful in providing an indication of value for the subject property. A map of the comparable sales and summary of the comparable sales are presented as well.

COMPARABLE SALES MAP



SUMMARY OF EFFECTIVELY VACANT LAND SALES

ITEM	STREET ADDRESS CITY STATE ZIP ASSESSOR'S PARCEL NUMBER COMMENTS	SALE DATE DOCUMENT NO. SELLER BUYER	ZONE SQUARE FEET ACRES DWELLING UNITS	CASH EQV. PRICE PRICE PER SF PRICE PER UNIT UNITS PER ACRE
1	5495 Gardendale Street Southgate, CA 90280 6234-008-054 Sold with plans for 12 apt. units	March 11, 2022 1163688 HGDB Holdings, LLC/Hugo Garcia	R3 22,651 0.52 12	$ 1,000,000 $ 44.15 $ 83,333 23.08
2	5300-5306 Live Oak Street Cudahy, CA 90201 6226-017-024 & 025 12 dwelling units allowed	February 26, 2022 223662 Bogdanoff Trust/ Alex Bagdanoff Arevalo Trust/Jose Arevalo	R3 40,075 0.92 12	$ 3,200,000 $ 79.85 $ 266,667 13.04
3	7935-7941 Greenleaf Avenue Whittier, CA 90602 8141-027-015 & 036 18 dwelling units proposed	February 24, 2021 309619 SNW Development, Inc./Chao Di Su KK Properties group, LLC/Slufong Wu	C2 28,009 0.64 18	$ 2,080,000 $ 74.26 $ 115,556 27.99
4	14807-14815 Pioneer Blvd. Norwalk, CA 90650 8074-024-002, 003 & 007 50 dwelling units allowed	December 2, 2020 1564974 Cox Trust/Elaine Cox Pioneer Apt., LP/Abboud	R4 72,022 1.65 50	$ 4,200,000 $ 58.32 $ 84,000 30.24
5	N/L Garvey Rd. East of Peck Rd. El Monte, CA 91732 8566-011-032 Sold w/ plans for 12 condos+ 2,561 sf retail	November 30, 2020 1538376 Byrd-Liu Trust/Richard Byrd QND, LLC/Quynh Dang	MMU 16,901 0.39 12	$ 1,050,000 $ 62.13 $ 87,500 30.93
6	4926 Elizabeth Street Cudahy, CA 90201 6224-003-024 Proposed for 8 dwelling units	July 16, 2020 778145 Melanie & Tiffany Moran Bertha Reynaga	HDR 20,534 0.47 8	$ 840,000 $ 40.91 $ 105,000 16.97

Aerial Maps of Comparable Sales



Sale Number One



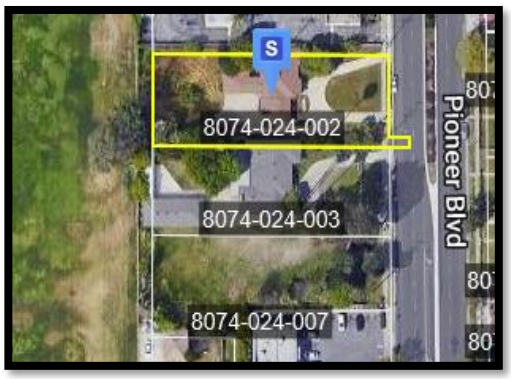
Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five



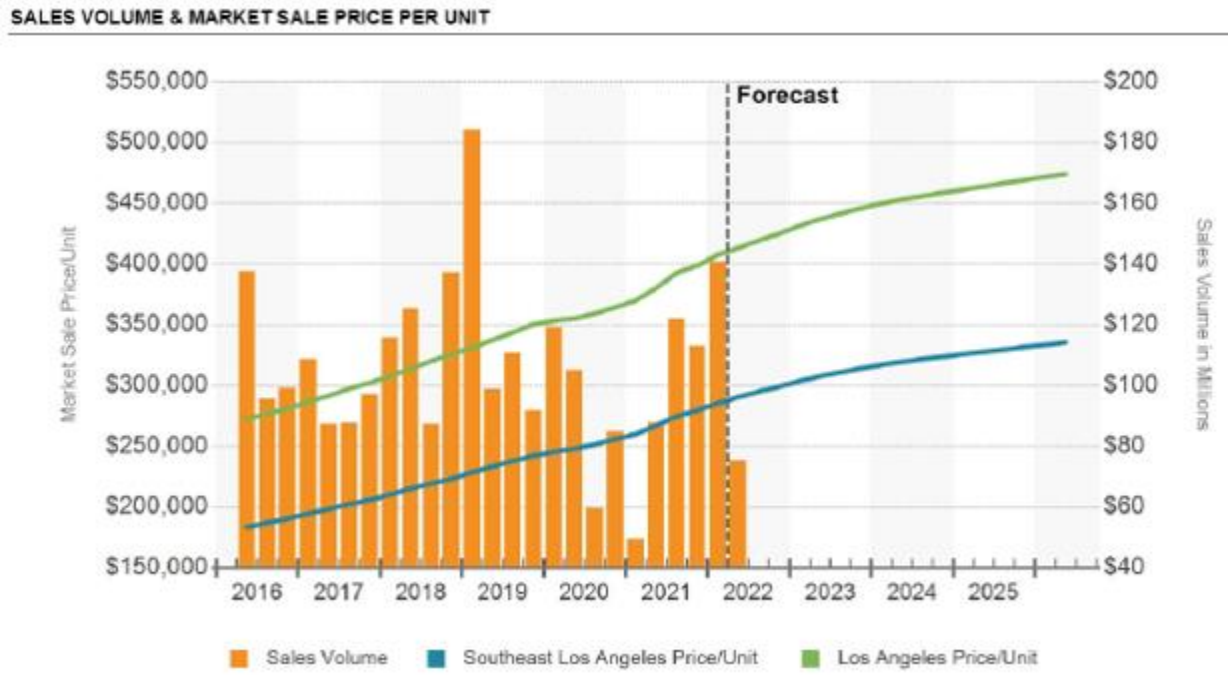
Sale Number Six

DISCUSSION OF SALE COMPARABLES-LAND VALUATION

This analysis identifies the similarities and differences between subject and comparable properties. The primary elements of comparison include property rights, financing terms, conditions of sale (motivation), market conditions (sale date), and physical characteristics (e.g. zoning, utilities, site improvements, location, access, etc.). The common quantitative adjustment process involves paired sales analysis that compares two or more market sales to derive an indication of the adjustment for a single characteristic and applies it to the applicable data. Recognizing the weaknesses inherent in a quantitative analysis, a qualitative technique can be used. The adjustments applied are not necessarily representative of paired-data analysis and are not intended to be viewed in a precise or absolute context. Rather, they are intended to offer general insight with regard to the order of magnitude afforded each of the adjustment categories, as determined by the appraiser by virtue of our investigations into the subject marketplace.

Market Conditions (Time)

CoStar market trends from the graph below and research with other sources suggest that values have increased recently. The overall rate of increase is estimated at 3% per year. Therefore, a time adjustment is required for the comparable sales occurring over 6 months ago.



On the subsequent pages are a discussion and an opinion of value for the subject property.

Generally, **quantitative** adjustments consist of making either percentage **or** dollar adjustments to account for the differences between the subject **and** the comparable sales. **Qualitative** adjustments require the appraiser to rank the comparable sales in terms of inferiority/superiority to the subject. In this appraisal, we utilize qualitative analysis.

GENERAL LOCATION

The comparable sales are rated similar in location, compared to the subject. No adjustment is required.

SPECIFIC LOCATION

The comparable sales are adjusted as required, based upon location on a superior or inferior location, as compared to the subject.

SIZE

The comparable sales vary in size. The various sizes are adjusted as required to reflect market influence, compared to the subject.

SHAPE/UTILITY

The comparable sales have adequate frontage and depth for development and are all similar to the subject.

ZONE/ENTITLEMENTS/DENSITY

The subject is zoned R-M, Multiple-Family Residential. The comparable sales have similar land use and/or development density as compared to the subject or are adjusted accordingly.

ACCESS

All of the comparable sales are located on public roads with good access. The subject property is accessed via a public street.

Discussion of Data Items

Comparable 1 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated similar to the subject (economies of scale). The zoning/entitlements/density is rated similar to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Victor Arizmendi of Red Carpet Pueblo Realty. All factors considered; the subject unit value is estimated above this indicated value at $44.15 per square foot of land.

Comparable 2 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated inferior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Juan Cardenas of RE/MAX Commercial & Investment Realty. All factors considered; the subject unit value is estimated below this indicated value at $90.23 per square foot of land.

Comparable 3 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The sale was confirmed by Kelly, assistant to broker Henry Liu of CBD Investments. All factors considered; the subject unit value is estimated below this indicated value at $76.50 per square foot of land.

Comparable 4 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Eric Reuvni of Los Angeles Commercial Real Estate Group, who was under a non-disclosure agreement, but stated that the information in CoStar was correct. All factors considered; the subject unit value is estimated above this indicated value at $62.47 per square foot of land.

Comparable 5 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated superior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Robert Ho of Long Dragon Realty. All factors considered; the subject unit value is estimated above this indicated value at $62.07 per square foot of land.

Comparable 6 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated similar to the subject (economies of scale). The zoning/entitlements/density is rated inferior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The sale was confirmed by Brji Grinau of Zacuto Group. All factors considered; the subject unit value is estimated above this indicated value at $45.52 per square foot of land.

ADJUSTMENT OF COMPARABLE LAND DATA

	SUBJECT	One	Two	Three	Four	Five	Six
Sale Price	N/A	$1,000,000	$3,200,000	$2,080,000	$4,200,000	$1,050,000	$840,000
Land Size Acres	0.45	0.52	0.92	0.64	1.65	0.39	0.47
Land Size Square Feet	19,611	22,651	40,075	28,009	72,022	16,901	20,534
$ per SF	N/A	$44.15	$79.85	$74.26	$58.32	$62.13	$40.91
Rights Conveyed	Fee Simple	0%	0%	0%	0%	0%	0%
Adjusted $ psf	N/A	$44.15	$79.85	$74.26	$58.32	$62.13	$40.91
Financing Terms	Conventional	0%	0%	0%	0%	0%	0%
Condition of Sale	Conventional	0%	0%	0%	0%	0%	0%
Adjusted $ psf	N/A	$44.15	$79.85	$74.26	$58.32	$62.13	$40.91
Date	May-22	0.0%	0.0%	2.0%	3.0%	3.0%	4.0%
Adjusted $ psf	N/A	$44.15	$79.85	$75.75	$60.06	$63.99	$42.54
General Location	Pico Rivera						
Specific Location	Pico Rivera 5055 Passons Blvd.						
Site Size	19,611		5%	2%	6%	-1%	
Topography	Generally Level						
Shape/Utility	Rectangular/Good						
Zone/Entilements/ Density	R-M, M-F Res. 20 DU/Acre No Entitlements		8%	-1%	-2%	-2%	7%
Extraordinary Development Cost	No						
Access	Good						
Visibility/Street Frontage	SWC Passons Blvd. & Jackson Street						
Subtotal of Adjustments		0%	13%	1%	4%	-3%	7%
FINAL INDICATORS		**$44.15**	**$90.23**	**$76.50**	**$62.47**	**$62.07**	**$45.52**

LAND VALUE CONCLUSION

Comparable Sales that had older improvements were sold for land value.

The subject does not currently have development entitlements. All of the comparables are given equal weight in the analysis. The sale comparables indicate an adjusted range for the subject from $44.15 to $90.23 per square foot, as shown on the following table.

The median for the sales is $62.27 per square foot and the average is $63.49 per square foot. The comparable sales are all within a reasonable range. Below, in the Array, are the comparables considered to be most indicative for the value of the subject.

LAND VALUE ARRAY		
Sale Number	**Overall Comparison**	**Adjusted $/SF**
2	**Superior**	**$90.23**
3	**Superior**	**$76.50**
	SUBJECT	
4	**Inferior**	**$62.47**
5	**Inferior**	**$62.07**
6	**Inferior**	**$45.52**
1	**Inferior**	**$44.15**

The subject parcel is value is considered to be toward the middle of the range of Comparable Sales approximately $65.00 per square foot. The appraisers reconciled the preceding value range. A unit value of $65.00 per square foot is appropriate for the subject property.

LAND VALUE CONCLUSION BY THE SALES COMPARISON APPROACH

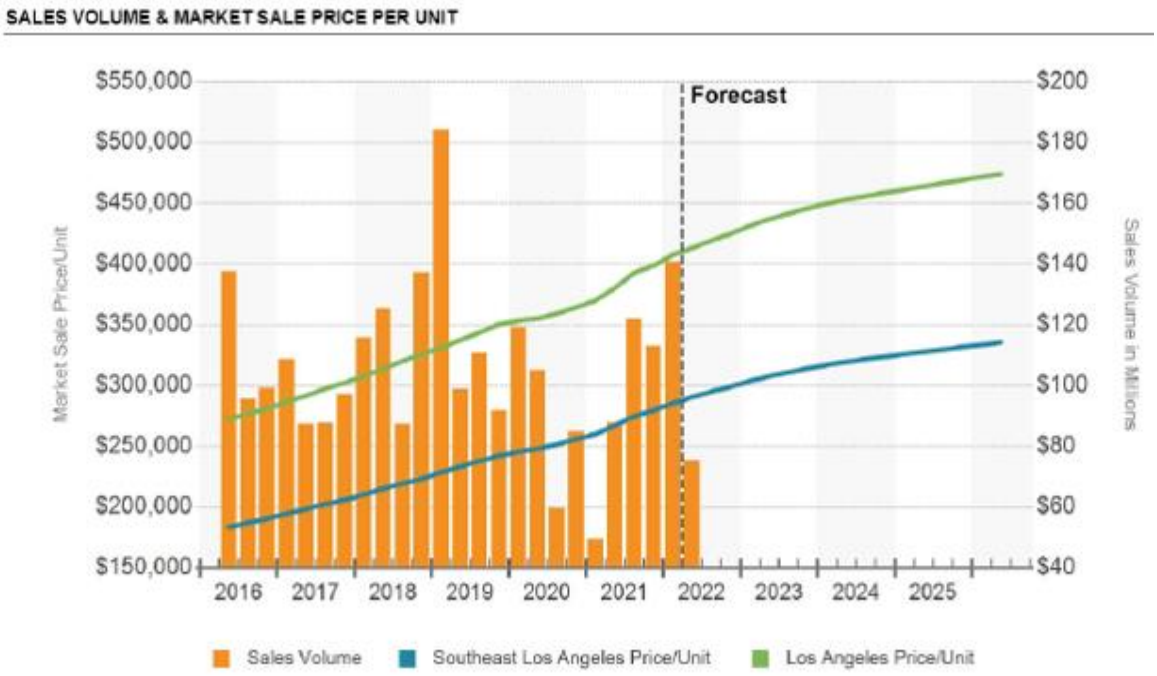
Highest and Best Use-Multiple Family Residential

Based on the analysis above, we conclude to a unit value of **$65.00** per square foot for the subject site. Using this unit value, it is our opinion that the Fair Market Value of the subject property according to the Sales Comparison Approach, prior to consideration of changes in market conditions due to the impacts of COVID-19, which will be separately addressed below, is as follows:

Property Type	Site Size (sf)	x	Unit Value	=	Market Value	Rounded
Land	19,611	x	$ 65.00	=	$ 1,274,715	**$ 1,270,000**

COVID-19 Market Impacts

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, research regarding price/value discounting for the subject is prudent. Comparables investigated show an upward trend.



Based on the comparable sales trends, published information on the virus impacts available to us and our discussions with market participants, it is considered that there is no risk discount for the subject that is warranted at this time.

CONCLUSION to Impact of COVID-19 on Subject Property Valuation

There does not appear to be an adverse economic impact on the subject, based on research of market studies such as the ones cited above. We conclude that **No COVID adjustment** for market conditions in the Fair Market Value reported is warranted.

VALUE RECAPITULATION

Highest and Best Use-Multiple Family Residential

Our valuation analyses presented in this appraisal report concluded to the following opinions:

Valuation Approach	Value Conclusion
Cost Approach	**Not Applicable**
Sales Comparison Approach	**$1,270,000**
Income Capitalization Approach	**Not Applicable**

The **Cost Approach** is considered to be a strong indicator of value in recently constructed buildings, particularly when current construction costs are available and there is recent comparable land sale data that would lead to an accurate estimate of the underlying site value. This approach is weakened, however, as a building grows older because of the difficulty in accurately measuring physical depreciation. The Cost Approach can serve as a check for the other two approaches in order to assure the reasonableness of the Sales Comparison and Income Capitalization Approaches.

The **Cost Approach** is not applicable to this assignment for the following reason:

- The subject property is vacant land. The Sales Comparison Approach is the valuation method utilized by market participants.

The **Sales Comparison Approach** can be a strong indicator of value when there is an adequate number of comparable property sales that are similar to the subject in physical, functional, economic and location characteristics. This approach is weakened when the quantity or nature of available market data is insufficient for purposes of direct comparison.

We gave primary consideration to the Sales Comparison Approach because generally vacant open land similar to the subject property are purchased by owner-users or developers using this approach.

The **Income Capitalization Approach** considers the future expectations of investors for properties such as the subject. It considers current market rental activity and rate-of-return requirements through the selection of a market-derived overall capitalization rate. This approach is most relevant when there are sufficient rental comparables from which to draw market rent conclusions and adequate market data from which to determine market cap rate requirements.

The Income Approach is not considered because the subject is not purchased for its income potential.

CONCLUSION- Fair Market Value as Highest and Best Use-Multiple Family Residential

Our research indicates that the Sales Comparison Approach should be given the greatest consideration in our final determination of value.

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$1,270,000**

Our analyses and conclusions are based on the Scope of Work described above and the General Assumptions and Limiting Conditions.

SALES COMPARISON APPROACH-LAND VALUATION

Fair Market Value as Park/Open Space

The client has requested a Fair Market Value as Park/Open Space. The land is valued with a deed restriction limiting the use as park or open space, with the agreement that bus drivers may use the restroom facilities in the future park in perpetuity. The land sales utilized for Fair Market Value as Park/Open Space valuation are either strictly open space land or land with limited development potential, due to location, shape, topography, access, utility or other factors.

The Sales Comparison Approach is a method of valuation that compares prices paid for similar properties in an open and free marketplace. A survey of the market in the subject area was made in an effort to locate comparable sales of similar properties, which would aid in forming an opinion of the value for the subject property.

Of the sales data discovered and investigated, the data presented are considered the most pertinent and most defensible since they represent transactions that have recently taken place among purchasers who could have considered the subject if it were available in the marketplace.

Our research parameters are summarized below.

SALE COMPARABLES PRIMARY SEARCH PARAMETERS	
Location	Land sales in the market area of the subject. A wide search area was considered given the large size of the subject property and the scarcity of sales of comparably sized sites
Sale Date	January 2021 to present
Property Type	0.10 acre to 5 acres of land
Method of Analysis	
Price Per Square Foot	Our research in the marketplace indicated that most investors would analyze sales comparables on this basis.

A survey of the market in the subject area was made in an effort to locate comparable sales of similar properties within the subject marketplace, which would aid in forming an opinion of the value for the subject property. Our research revealed several properties to compare to the subject.

The analysis that follows relies on a detailed discussion of specific strengths and weaknesses observed among the data items, with individual adjustments applied in the form of an adjustment matrix.

Subsequent to the presentation of data, further comments relating to our analysis and valuation are provided.

The initial stages of the appraisal process include the investigation, organization, and analysis of relevant market data and other information that relates to the value of the subject property. By searching public records and interviewing buyers, sellers, real estate agents, developers, and others, we have found data pertaining to sales of properties reasonably comparable to the subject property.

The analysis in the Sales Comparison Approach compares the subject property to other properties that have sold in the market area. The following sales were considered meaningful in providing an indication of value for the subject property. A map of the comparable sales and summary of the comparable sales are presented as well.

COMPARABLE SALES MAP



SUMMARY OF EFFECTIVELY VACANT LAND SALES

ITEM	STREET ADDRESS	SALE DATE	ZONE	CASH EQV. PRICE
	CITY STATE ZIP	DOCUMENT NO.	SQUARE FEET	PRICE PER SF
	ASSESSOR'S PARCEL NUMBER	SELLER	ACRES	PRICE PER UNIT
	COMMENTS	BUYER	DWELLING UNITS	UNITS PER ACRE
1	SEC 10th St W. & Ave. N-8	May 5, 2022	M4	$ 80,000
	Palmdale, CA 93551	Not Available	49,658	$ 1.61
	3005-002-086	Oscar Torres Canas	1.14	$ -
	Los Angeles County	Not Available	0	0.00
2	NEC China Lake Blvd./French Ave.	March 18, 2022	CG	$ 60,000
	Ridgecrest, CA 93555	42977	32,021	$ 1.87
	396-060-14-00-5	Indian Wells Valley Water District	0.74	$ -
	Kern County	R & L Capital, Inc.	0	0.00
3	S/L Two-Mile Rd. E. of Adobe Rd.	March 14, 2022	C2	$ 12,000
	Twentynine Palms, CA 92277	Not Available	5,998	$ 2.00
	0623-121-15	Wade Vincent Kirk	0.14	$ -
	San Bernardino County	Not Available	0	0.00
4	NEC Central Rd/Ottawa Rd.	January 14, 2022	R3	$ 165,000
	Apple Valley, CA 92308	19598	93,218	$ 1.77
	0439-051-01	Hausman Trust	2.14	$ -
	San Bernardino County	Talwar	0	0.00
5	N/L Lorene Dr.at St. Andrews Dr.	August 20, 2021	C2	$ 95,000
	Victorville, CA 92395	376636	50,965	$ 1.86
	0396-183-03	McPhetridge Trust	1.17	$ -
	San Bernardino County	HDL Capital QOZB, LLC	0	0.00
6	SEC Hesperia Rd./Ottawa Rd.	April 27, 2021	C2	$ 265,000
	Victorville, CA 92395	194655	186,001	$ 1.42
	3090-421-03	Tanner	4.27	$ -
	San Bernardino County	Qotami	0	0.00

Aerial Maps of Comparable Sales



Sale Number One



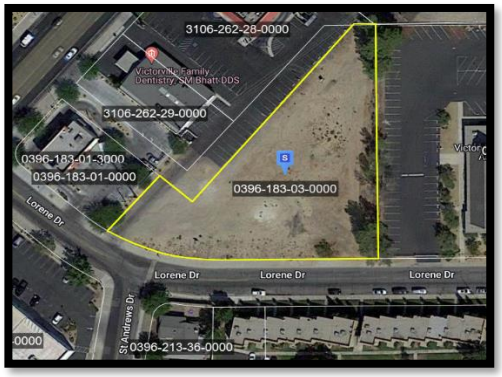
Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five



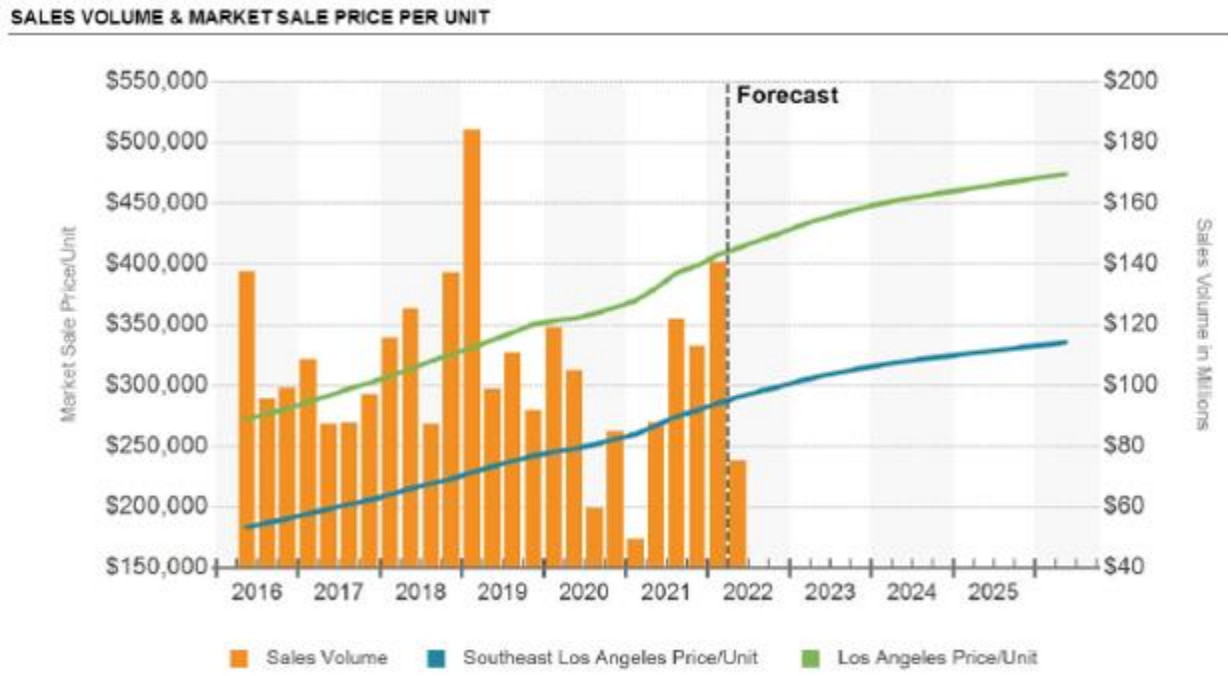
Sale Number Six

DISCUSSION OF SALE COMPARABLES-LAND VALUATION

This analysis identifies the similarities and differences between subject and comparable properties. The primary elements of comparison include property rights, financing terms, conditions of sale (motivation), market conditions (sale date), and physical characteristics (e.g. zoning, utilities, site improvements, location, access, etc.). The common quantitative adjustment process involves paired sales analysis that compares two or more market sales to derive an indication of the adjustment for a single characteristic and applies it to the applicable data. Recognizing the weaknesses inherent in a quantitative analysis, a qualitative technique can be used. The adjustments applied are not necessarily representative of paired-data analysis and are not intended to be viewed in a precise or absolute context. Rather, they are intended to offer general insight with regard to the order of magnitude afforded each of the adjustment categories, as determined by the appraiser by virtue of our investigations into the subject marketplace.

Market Conditions (Time)

CoStar market trends from the graph below and research with other sources suggest that values have increased recently. The overall rate of increase is estimated at 3% per year. Therefore, a time adjustment is required for the comparable sales occurring over 6 months ago.



On the subsequent pages are a discussion and an opinion of value for the subject property.

Generally, **quantitative** adjustments consist of making either percentage **or** dollar adjustments to account for the differences between the subject **and** the comparable sales. **Qualitative** adjustments require the appraiser to rank the comparable sales in terms of inferiority/superiority to the subject. In this appraisal, we utilize qualitative analysis.

GENERAL LOCATION

The comparable sales are rated similar in location, compared to the subject. No adjustment is required.

SPECIFIC LOCATION

The comparable sales are adjusted as required, based upon location on a superior or inferior location, as compared to the subject.

SIZE

The comparable sales vary in size. The various sizes are adjusted as required to reflect market influence, compared to the subject.

SHAPE/UTILITY

The comparable sales have adequate frontage and depth for development and are all similar to the subject.

ZONE/ENTITLEMENTS/DENSITY

The subject is zoned R-M, Multiple-Family Residential. The comparable sales have similar land use and/or development density as compared to the subject or are adjusted accordingly. **The client has requested a Fair Market Value as Park/Open Space. The land is valued with a deed restriction limiting the use as park or open space, with the agreement that bus drivers may use the restroom facilities in the future park in perpetuity. The land sales utilized for Fair Market Value as Park/Open Space valuation are either strictly open space land or land with limited development potential, due to location, shape, topography, access, utility or other factors.**

ACCESS

All of the comparable sales are located on public roads with good access. The subject property is accessed via a public street.

Discussion of Data Items

Comparable 1 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Harvey Holloway of Coldwell Banker Commercial Valley Realty. All factors considered; the subject unit value is estimated above this indicated value at $1.61 per square foot of land.

Comparable 2 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Hank Eberhart of Coldwell Banker Best Realty. All factors considered; the subject unit value is estimated below this indicated value at $1.86 per square foot of land.

Comparable 3 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated superior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Scot Curry of Curry Realtors. All factors considered; the subject unit value is estimated below this indicated value at $1.80 per square foot of land.

Comparable 4 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated similar to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Leeroy Hausman, who represented himself as the seller. All factors considered; the subject unit value is estimated above this indicated value at $1.82 per square foot of land.

Comparable 5 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Joseph Brady of The Bradco Companies. All factors considered; the subject unit value is estimated above this indicated value at $1.88 per square foot of land.

Comparable 6 The general location is similar. The specific location is similar to the subject. The shape/utility of the site is similar to the subject. The topography is similar to the subject. The comparable has legal access and is rated similar to the subject. The lot size is rated inferior to the subject (economies of scale). The zoning/entitlements/density is rated superior to the subject. The visibility and infrastructure improvements (paved road access) are similar to the subject. The broker was Joseph Brady of The Bradco Companies. All factors considered; the subject unit value is estimated above this indicated value at $1.48 per square foot of land.

ADJUSTMENT OF COMPARABLE LAND DATA

	SUBJECT	One	Two	Three	Four	Five	Six
Sale Price	N/A	$80,000	$60,000	$12,000	$165,000	$95,000	$265,000
Land Size Acres	0.45	1.14	0.74	0.14	2.14	1.17	4.27
Land Size Square Feet	19,611	49,658	32,021	5,998	93,218	50,965	186,001
$ per SF	N/A	$1.61	$1.87	$2.00	$1.77	$1.86	$1.42
Rights Conveyed	Fee Simple	0%	0%	0%	0%	0%	0%
Adjusted $ psf	N/A	$1.61	$1.87	$2.00	$1.77	$1.86	$1.42
Financing Terms	Conventional	0%	0%	0%	0%	0%	0%
Condition of Sale	Conventional	0%	0%	0%	0%	0%	0%
Adjusted $ psf	N/A	$1.61	$1.87	$2.00	$1.77	$1.86	$1.42
Date	May-22	0.0%	0.0%	0.0%	0.0%	1.0%	2.0%
Adjusted $ psf	N/A	$1.61	$1.87	$2.00	$1.77	$1.88	$1.45
General Location	Pico Rivera						
Specific Location	Pico Rivera 5055 Passons Blvd.						
Site Size	19,611	2%	1%	-8%	3%	2%	4%
Topography	Generally Level						
Shape/Utility	Rectangular/Good						
Zone/Entilements/ Density	Assume Open Space or Park Only No Entitlements	-2%	-2%	-2%		-2%	-2%
Extraordinary Development Cost	No						
Access	Good						
Visibility/Street Frontage	SWC Passons Blvd. & Jackson Street						
Subtotal of Adjustments		0%	-1%	-10%	3%	0%	2%
FINAL INDICATORS		**$1.61**	**$1.86**	**$1.80**	**$1.82**	**$1.88**	**$1.48**

LAND VALUE CONCLUSION

The client has requested a Fair Market Value as Park/Open Space. The land is valued with a deed restriction limiting the use as park or open space, with the agreement that bus drivers may use the restroom facilities in the future park in perpetuity. The land sales utilized for Fair Market Value as Park/Open Space valuation are either strictly open space land or land with limited development potential, due to location, shape, topography, access, utility or other factors.

The subject does not currently have development entitlements. All of the comparables are given equal weight in the analysis. The sale comparables indicate an adjusted range for the subject from $1.48 to $1.88 per square foot, as shown on the following table.

The median for the sales is $1.81 per square foot and the average is $1.74 per square foot. The comparable sales are all within a reasonable range. Below, in the Array, are the comparables considered to be most indicative for the value of the subject.

LAND VALUE ARRAY		
Sale Number	**Overall Comparison**	**Adjusted $/SF**
5	**Superior**	**$1.88**
2	**Superior**	**$1.86**
4	**Superior**	**$1.82**
	SUBJECT	
3	**Similar**	**$1.80**
1	**Inferior**	**$1.61**
6	**Inferior**	**$1.48**

The subject parcel is value is considered to be toward the middle of the range of Comparable Sales approximately $1.80 per square foot. The appraisers reconciled the preceding value range. A unit value of $1.80 per square foot is appropriate for the subject property.

LAND VALUE CONCLUSION BY THE SALES COMPARISON APPROACH

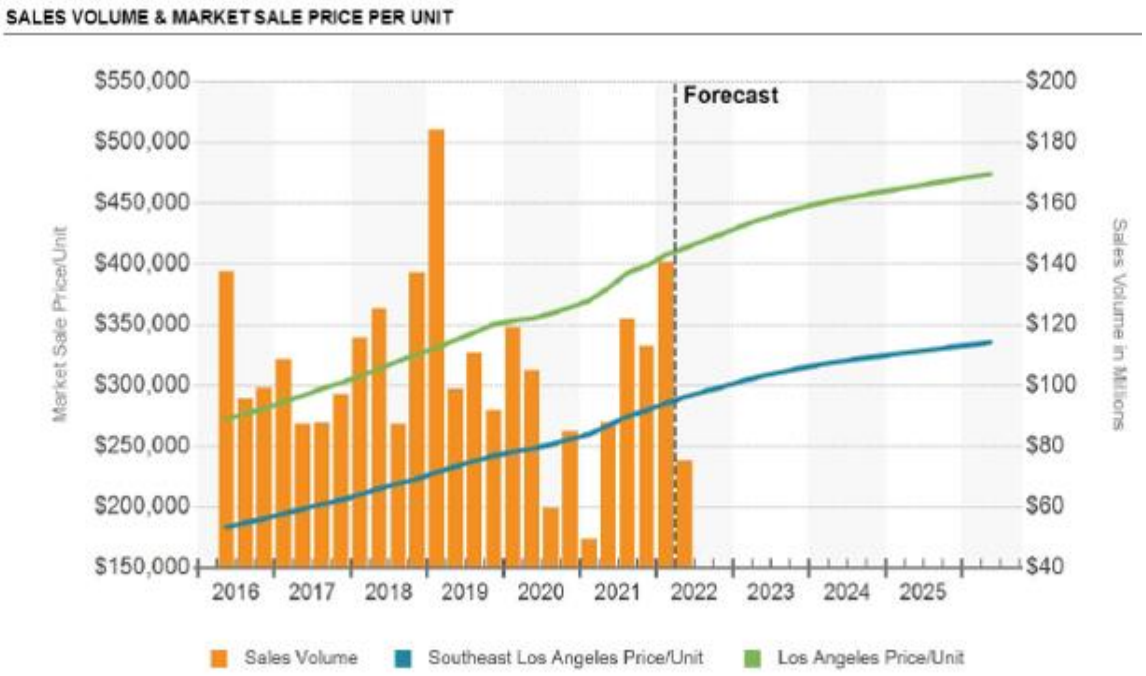
Fair Market Value as Park/Open Space

Based on the analysis above, we conclude to a unit value of **$1.80** per square foot for the subject site. Using this unit value, it is our opinion that the Fair Market Value of the subject property according to the Sales Comparison Approach, prior to consideration of changes in market conditions due to the impacts of COVID-19, which will be separately addressed below, is as follows:

Property Type	Site Size (sf)	x	Unit Value	=	Market Value	Rounded
Land	19,611	x	$ 1.80	=	$ 35,300	**$ 40,000**

COVID-19 Market Impacts

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, research regarding price/value discounting for the subject is prudent. Comparables investigated show an upward trend.



Based on the comparable sales trends, published information on the virus impacts available to us and our discussions with market participants, it is considered that there is no risk discount for the subject that is warranted at this time.

CONCLUSION to Impact of COVID-19 on Subject Property Valuation

There does not appear to be an adverse economic impact on the subject, based on research of market studies such as the ones cited above. We conclude that **No COVID adjustment** for market conditions in the Fair Market Value reported is warranted.

VALUE RECAPITULATION

Fair Market Value as Park/Open Space

Our valuation analyses presented in this appraisal report concluded to the following opinions:

Valuation Approach	Value Conclusion
Cost Approach	**Not Applicable**
Sales Comparison Approach	**$40,000**
Income Capitalization Approach	**Not Applicable**

The **Cost Approach** is considered to be a strong indicator of value in recently constructed buildings, particularly when current construction costs are available and there is recent comparable land sale data that would lead to an accurate estimate of the underlying site value. This approach is weakened, however, as a building grows older because of the difficulty in accurately measuring physical depreciation. The Cost Approach can serve as a check for the other two approaches in order to assure the reasonableness of the Sales Comparison and Income Capitalization Approaches.

The **Cost Approach** is not applicable to this assignment for the following reason:

- The subject property is vacant land. The Sales Comparison Approach is the valuation method utilized by market participants.

The **Sales Comparison Approach** can be a strong indicator of value when there is an adequate number of comparable property sales that are similar to the subject in physical, functional, economic and location characteristics. This approach is weakened when the quantity or nature of available market data is insufficient for purposes of direct comparison.

We gave primary consideration to the Sales Comparison Approach because generally vacant open land similar to the subject property are purchased by owner-users or developers using this approach.

The **Income Capitalization Approach** considers the future expectations of investors for properties such as the subject. It considers current market rental activity and rate-of-return requirements through the selection of a market-derived overall capitalization rate. This approach is most relevant when there are sufficient rental comparables from which to draw market rent conclusions and adequate market data from which to determine market cap rate requirements.

The Income Approach is not considered because the subject is not purchased for its income potential.

CONCLUSION-Fair Market Value as Park/Open Space

Our research indicates that the Sales Comparison Approach should be given the greatest consideration in our final determination of value.

As a result of our investigation and analysis, it is our opinion that the **Fair Market Value** of proposed fee simple acquisition and temporary construction easement acquisitions of the subject property, as of the effective date of valuation, is:

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Fair Market Value	**Fee Simple**	**5/22/2022**	**$40,000**

MARKETING/EXPOSURE TIME ESTIMATION

Exposure Time[3]

> *"The estimated length of time the property interest being appraised would have to have been offered on the market prior to the hypothetical consummation of a sale at "As Is" Market Value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal."[4]*

We obtained information from our research as well as comparable sales data about the most probable exposure time required to sell the subject property.

Based on the analysis above, we concluded that the property would have required approximately 6 to 12 months to have properly marketed and attracted a buyer. Assuming that any sale of the subject property would be based on terms of sale prevalent in the subject market, as well as a realistic list price that was sensitive to existing market conditions, we conclude that a reasonable exposure time assumption for the subject property is 6 to 12 months.

[3] The analysis of Exposure Time and Marketing Time assumes, and is based on, standard escrow periods for the type of property being appraised.
[4] The Dictionary of Real Estate Appraisal, Third Edition, pages 126, 127.

CERTIFICATION

We certify that to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

As of the date of this report, David M. Rosenthal has completed the requirements of continuing education for Designated Members of the Appraisal Institute.

As of the date of this report, Randall Blaesi has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute. As of the date of this report, Randall Blaesi has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

Randall Blaesi has made an inspection of the property that is the subject of this report. David M. Rosenthal has not made an inspection of the property that is the subject of this report.

Randall Blaesi has performed the selection of comparable properties, collection and verification of data and analysis. David M. Rosenthal has reviewed and concurs with the final selection of comparable properties and the final analysis and conclusion of value.

No other persons have provided significant professional assistance.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

This appraisal assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,

CURTIS-ROSENTHAL, INC.





Randall Blaesi, ASA, SR/WA, MRICS

CA #AG008581

David M. Rosenthal, MAI, FRICS

CA #AG001641

ADDENDA

Definitions

General Assumptions and Limiting Conditions

Qualifications of the Appraisers

Partial Client List

Preliminary Title Report

DEFINITIONS

Appraisal – "the act or process of developing an opinion of value." (USPAP, 2020-2021 ed.)

"As Is" Market Value – "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date."

Extraordinary Assumption – "An assignment specific assumption as of the effective date, directly related to a specific assignment, as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." (USPAP, 2020-2021 ed.)

Permanent Easement

Although the fee owner may retain the right to use the land encumbered by the permanent easement, this use may not interfere in any manner with the easement owner's use of the property for the purposes specified in the written easement. Thus, a fee owner's interest in the easement area is subservient to the interest of the easement owner. (source: Real Estate Valuation in Litigation, Appraisal Institute)

Condemnation

The Dictionary of Real Estate Appraisal, 5th Edition, defines condemnation as follows:

> The act or process of enforcing the right of eminent domain.

Eminent Domain

The Dictionary of Real Estate Appraisal, 5th Edition, defines eminent domain as follows:

> The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as "the takings clause," guarantees payment of just compensation upon appropriation of private property.

Just Compensation

The Dictionary of Real Estate Appraisal, 5th Edition, defines just compensation as follows:

> In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position pecuniary as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value.

Partial Taking

The Dictionary of Real Estate Appraisal, 5th Edition, defines partial taking as follows:

> The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation.

Larger Parcel

The Dictionary of Real Estate Appraisal, 5th Edition, defines a larger parcel as follows:

> In condemnation, that tract or tracts of land which are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.

Remainder

The Dictionary of Real Estate Appraisal, 5th Edition, defines a remainder as follows:

> In eminent domain condemnation, the property remaining in possession of the owner after a partial taking.

Fee Simple Estate – "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Ground Lease – "A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term."

Hypothetical Condition – "A condition, directly related to a specific assignment, contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." (USPAP, 2020-2021 ed.)

Fee Simple Estate – "The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."

Leasehold Estate – "The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."

Market Rent - "The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."

Fair Market Value Definition-California Code of Civil Procedure §1263.320.

(a)The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b)The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

California Code of Civil Procedure §1263.330

The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:

(a)The project for which the property is taken.

(b)The eminent domain proceeding in which the property is taken.

(c)Any preliminary actions of the plaintiff relating to the taking of the property.
Article 5. Compensation for Injury to Remainder

1263.410-Mandatory Compensation; Amount

(a) Where the property acquired is part of a larger parcel, in addition to the compensation awarded pursuant to Article 4 (commencing with Section 1263.310) for the part taken, compensation shall be awarded for the injury, if any, to the remainder.

(b) Compensation for injury to the remainder is the amount of the damage to the remainder reduced by the amount of the benefit to the remainder. If the amount of the benefit to the remainder equals or exceeds the amount of the damage to the remainder, no compensation shall be awarded under this article. If the amount of the benefit to the remainder exceeds the amount of damage to the remainder, such excess shall be deducted from the compensation provided in Section 1263.510, if any, but shall not be deducted from the compensation required to be awarded for the property taken or from the other compensation required by this chapter.

1263.420. Damage to the remainder is the damage, if any, caused to the remainder by either or both of the following:

(a) The severance of the remainder from the part taken.

(b) The construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether the damage is caused by a portion of the project located on the part taken.

1263.430. Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether the benefit is caused by a portion of the project located on the part taken.

Market Value - "The following definition of **Market Value** is used by agencies that regulate federally insured financial institutions in the United States:

> The most probable price that a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.
>
> Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> - Buyer and seller are typically motivated;
> - Both parties are well informed or well advised, and acting in what they consider their best interests;
> - A reasonable time is allowed for exposure in the open market;
> - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."
>
> (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

Prospective Opinion of Value – "A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy."

Retrospective Value Opinion – "A value opinion effective as of a specified date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgements, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate."

Sandwich Leasehold Estate – "The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate."

Stabilized Occupancy – "The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is price at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing it appropriate share of market demand. An expression of the average or typical expected occupancy that would be expected for a property over a specified projection period or over its economic life."

Fee Simple Estate – "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Fee Simple Estate – "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease)."

Market Rent - "The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."

As Is Market Value – "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date."

Prospective Opinion of Value – "A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy."

Liquidation Value is defined in *The Dictionary of Real Estate Appraisal*, 3rd edition, as follows:

"The most probable price which a specified interest in real property is likely to bring under all of the following conditions:

a. Consummation of a sale will occur within a severely limited future marketing period specified by the client.

b. Actual marketing conditions are those currently obtaining for the property interest appraised.

c. The buyer is acting prudently and knowledgably.

d. The seller is under extreme compulsion to sell.

e. The buyer is typically motivated.

f. The buyer is acting in what he or she considers his or her best interests.

g. A limited marketing effort and time will be allowed for the completion of a sale.

h. Payment must be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.

i. The price represents the normal consideration for the property sold, unaffected by special or creative financing sales concessions granted by anyone associated with the sale."

This definition can be modified to provide for valuation with specific financing terms.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following **general assumptions**:

1) No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

3) Responsible ownership and competent property management are assumed.

4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

5) All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

6) It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

8) It is assumed that there is compliance with all applicable zoning and use regulations and restrictions, unless nonconformity has been stated, defined, and considered in the appraisal report.

9) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

2) Possession of this report, or a copy thereof, does not carry with it the right of publication.

3) The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless arrangements have been previously made.

4) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

5) Any value estimates provided in the report apply to the entire property, and any pro-ration or division of the total into fractional interests will invalidate the value estimate, unless such pro-ration or division of interests has been set forth in the report.

6) The appraisers assume that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, encumbering the property.

7) No survey was furnished so the appraisers relied on the assessor's plat map to ascertain the physical dimensions and acreage of the subject property. Should a survey prove these characteristics inaccurate, it may be necessary for this appraisal to be adjusted.

8) The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.

9) Complete building plans and specifications were not available for use in the preparation of this appraisal. The analysis, therefore, is subject to review of the final plans and specifications when available.

10) Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.

11) No termite inspection report was available. The appraisers personally inspected the subject property and found no significant evidence of termite damage or infestation. No guarantee that none exists, however, should be construed.

12) No consideration has been given in this appraisal as to the value of the property considered by the appraisers to be personal, located on the premises, or the cost of moving/relocating such personal property. Only the real estate has been considered.

13) In this appraisal assignment, the existence of potentially hazardous materials used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers not qualified to detect such substances. We urge the client to retain an expert in the field, if desired.

14) Unless otherwise stated, no responsibility is assumed for any damages sustained in connection with actual or potential deficiencies or hazards such as, but not limited to, inadequacies or defects in the structure, design, mechanical equipment or utility services associated with the improvements, air or water pollution, lead paint, noise, flooding, storms or wind, traffic and other neighborhood hazards, radon gas, asbestos, natural or artificial radiation, or hazardous materials or toxic substances of any description, whether on or off the property appraised. The appraisers are not qualified to detect hazardous waste or materials on, in or under the land or the improvements. Such a determination requires the investigation of a qualified expert in hazardous materials and assessment. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in this field, if desired.

15) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to-cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to cure any deficiencies would be needed for the Department of Justice to determine compliance.

16) The appraisers made no engineering survey of the subject property. Except as specifically stated, data relative to size and area has been taken from sources considered reliable, but no guarantee of accuracy is expressed or implied. Interested parties should retain a surveyor or other qualified professional for exact measurements of the subject property.

17) No recent historical operating statements for the subject property were provided for our review. Therefore, for the purposes of this analysis, the projected operating expenses for the subject property are based on the expense characteristics of properties similar to the subject property. We assume that the expenses estimated in our Pro Forma operating expense statement are representative of actual expenses that the subject will incur. If any future data reveals that our operating expense estimates differ greatly from the actual operating expenses for the subject, then we reserve the right to revise our analyses and conclusions.

Appraiser Qualifications

PROFESSIONAL DESIGNATIONS

American Society of Appraisers

ASA Member, Accredited Senior Appraiser – Real Property (ASA No. 2912)

The Royal Institution of Chartered Surveyors

Professional Member (MRICS No. 6559992)

Appraisal Institute

Practicing Affiliate, Appraisal Institute (Member No.111508)

Member of the Leadership Development & Advisory Council

International Right of Way Association

International Right of Way Association, SR/WA

(Professional Member No. 2720356)

State of California, Office of Real Estate Appraisers

Certified General Real Estate Appraiser (No. AG008581)

EDUCATION

Law School, 1974

First Year Law School, Mc George School of Law, University of the Pacific,

Sacramento, California

Courses: Contracts, Torts, Criminal Law and Agency

Bachelor of Arts Degree, 1971

Santa Clara University, Santa Clara, California

Major in Economics

EXPERIENCE

CURTIS - ROSENTHAL, Inc., 2014 to present – Senior Appraiser and Litigation Consultant. Curtis – Rosenthal, Inc., is a regional commercial real estate appraisal and consulting firm. Perform field appraisals and review appraisals for: Commercial Mortgage Lenders (Banks, Life Insurance Companies, CMBS, Pension Funds), Public Agencies (City Governments, Transit Agencies), Law Firms (Real Estate Litigation, Estate and Trust, Eminent Domain, Inverse Condemnation), Corporations (Valuation for Financial Reporting), and Accounting Firms. Properties appraised include: retail, office, Multiple-Family Residential, apartments, condominiums, mixed-use, special purpose, and vacant land. Areas of experience include southern and northern California, Arizona and Nevada.

Mr. Blaesi was formerly Commercial Division Manager for the Los Angeles Office of The Property Sciences Group, Inc. Prior to that position, he was a Vice President and Senior Appraiser associated with Grubb & Ellis Landauer, LLC. Prior to that, he was a Senior Consultant in the Los Angeles office of Valuation & Information Group. Mr. Blaesi previously was a Senior Appraiser with Integra Realty Resources, Los Angeles and was a Senior Appraiser in the Pasadena office of First American Commercial Real Estate Services.

He was an independent fee appraiser with offices in Sacramento and San Diego, California from 1991-2006. Appraisal and Valuation Consulting services regarding various types of real property including commercial, Multiple-Family Residential, residential, agricultural, recreational, special purpose, easements, eminent domain, partial and full acquisition, environmental mitigation land, construction defect, fire, flood and earthquake damaged properties. Expert witness testimony in civil litigation, bankruptcy and tax court proceedings. Appraisal review and management. Business Valuation. Arbitration and mediation. Prior to that, he was a Real Estate Appraiser and Valuation Consultant with Frank Blaesi, MAI, SREA, SR/WA from 1972-1991. Appraisal and Valuation Consulting services regarding various types of real property including commercial, Multiple-Family Residential, residential, agricultural, recreational, special purpose, easements, eminent domain, partial and full acquisition, environmental mitigation land, construction defect, fire and flood damaged properties. Expert witness testimony in civil litigation proceedings. Arbitration and mediation.

EXPERT WITNESS

Accepted as an expert witness in the following courts:

Federal Bankruptcy Court - California Northern and Southern Districts.

Superior Court - Los Angeles, San Diego, Sacramento, Stanislaus, San Joaquin, Placer and Nevada Counties, California

United States Tax Court, San Francisco, California.

Accepted as an expert witness in the following venues:

County Assessment Boards of Appeal – Los Angeles, Sacramento and San Diego Counties, California. Arbitration and mediation.

INSTRUCTOR

California State University, Sacramento, 1985, Introduction to Real Estate Appraisal - Guest Lecturer

PROFESSIONAL AFFILIATIONS

Society of Real Estate Appraisers, 1972-1991 (merged with the Appraisal Institute in 1991)

Appraisal Institute, 1991-present

American Society of Appraisers, 1982-present

International Right of Way Association, 1972-present

The Royal Institution of Chartered Surveyors, 2015-present

SPEAKING ENGAGEMENTS

Society of Real Estate Appraisers

Appraisal Institute

International Right of Way Association

American Society of Appraisers

Current Appraiser License

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Randall H. Blaesi

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 008581

Effective Date: June 25, 2021
Date Expires: June 24, 2023

Loretta Dillon, Deputy Bureau Chief, BREA

3058401

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PROFESSIONAL DESIGNATIONS

Appraisal Institute
MAI Member, Appraisal Institute (MAI #8024)
Member of the Regional Ethics & Counseling Panel, 1994-1997, 2000-2003

Royal Institution of Chartered Surveyors
Fellow of the Royal Institution of Chartered Surveyors, (FRICS #1291058)

State of California, Bureau of Real Estate Appraisers
Certified General Real Estate Appraiser (#AG001641)

EDUCATION

Master of Management Degree (MBA), 1980
J.L. Kellogg Graduate School of Management, Northwestern University,
Evanston, Illinois - Concentrations in Finance and Accounting

Bachelor of Science Degree, 1978
University of Florida, Gainesville, Florida
Major in Business Administration - concentration in Finance

EXPERIENCE

CURTIS - ROSENTHAL, Inc., 1983 to present – President & CEO
Founding principal of regional commercial real estate appraisal and consulting firm. Perform field appraisals and review appraisals for: Commercial Mortgage Lenders (Banks, Life Insurance Companies, CMBS, Pension Funds), Public Agencies (City Governments, Transit Agencies), Law Firms (Real Estate Litigation, Estate and Trust, Lease Negotiation), Corporations (Valuation for Financial Reporting), and Accounting Firms. Properties appraised include: retail, office, industrial, apartments, condominiums, mixed-use, special purpose, and vacant land. Areas of experience include southern and northern California, Arizona and Nevada.

Security Pacific National Bank, 1981-1982 - Corporate Loan Officer
Responsible for portfolio of loans consisting primarily of real estate companies. Projects financed included construction and renovation of income properties and development of new residential tracts.

EXPERT WITNESS

Accepted as an expert witness in the following courts:
Federal Bankruptcy Court - California Central District
Superior Court - Los Angeles County and Orange County
Municipal Court - Orange County

INSTRUCTOR

Loyola Marymount University, 1987 - 2016
College of Business Administration, Finance Department - Guest Instructor

Federal Reserve Bank of San Francisco, 2015
Risk Connection 2015, Risks with Construction Development Lending-Guest Trainer

University of California at Los Angeles, 1988
UCLA Extension, Financial Institutions Management Program - Guest Instructor

PROFESSIONAL AFFILIATIONS

Appraisal Institute, 1989-present
- Strategic Planning Committee, Chairman 2014
- IRS Valuation Summit, Los Angeles, Conference Co-Chair 2013; Washington D.C., Planning Committee 2(

California Bankers Association, Affiliate Member 2009-present
California Mortgage Bankers Association (CMBA), Affiliate Member, 2001-2014, 2017, 2018
- Planning Committee for Commercial Real Estate Finance Conference, 2003–2014

Entrepreneurs Organization (EO, formerly YEO/WEO), 1997 to 2007
International Council of Shopping Centers (ICSC), 2011, 2017
Los Angeles Economic Development Corporation, 2004
Los Angeles Estate Planning Council (LAEPC), 2009-present; Program Chair 2009-2010
Los Angeles Mortgage Association (LAMA), Co-Founder, Co-Chair 2000–present
Royal Institution of Chartered Surveyors, 2010-present
Society of Chief Appraisers (SCA), Planning Committee, 2009-present
Southern California Real Estate Alliance (SCREA), 1987-present; Co-Chair 1995-1996, 2003
Western Independent Bankers, Affiliate Member 2009-2011

SPEAKING ENGAGEMENTS

Appraisal Institute
- IRS Valuation Summit, Conference Co-Chair 2013; Moderator-Partial Interest Valuation Panel 2013, 2014
- Western Regional Conference, 1996-1999
- SF Bay Area Fall Conference, 1998

California Bankers Association, Chief Credit Officers Symposium, 2008-2010
California Bar Association, Real Property Law Section, 2011
California Mortgage Bankers Association, Commercial Real Estate Finance Conference, 2003-200
California CPA Education Foundation, 1998
CREFC Capital Markets Conference, 2014
Crittenden National Conference, 2009
ICSC/LAMA Capital Markets Conference, 2011-2012
IMN Troubled Assets Conference, 2010
Institute of Management Accountants, 1997
International Right of Way Association, IRWA/AI Joint Conference, 2002, 2008
Los Angeles Estate Planning Council, 2009
National Council of Real Estate Investment Fiduciaries (NCREIF), National Conference, 2005
Society of Chief Appraisers 2009-2015
Special Assets Management Association, 2010-2012
Western Independent Bankers, Troubled Asset Forum, 2009, 2011

PUBLICATIONS

California Mortgage Bankers Association Legal News
- *Valuation Clauses in Leases, Ground Leases and Purchase Options*, September 2011

California Mortgage Finance News
- *Silicon Beach, The New Frontier, September 2015*
- *Life Company Risk-Based Capital for Commercial Mortgages, September 2013*
- *Understanding the New Interagency Appraisal and Evaluation Guidelines*, May 2011

California Real Estate Journal
- *Telling the Story – A Solutions Approach to Appraisal*, September 2003

Real Estate News Television (RENTV.com)
- *Economic Update*, Regular Column 2002 to 2015

Real Estate Southern California
- *What Happened to CMBS?* September 2007
- *The ABC's of CDO's*, September 2006
- *The CMBS Market Comes of Age*, March 2006
- *Real Estate Cycles – A Long Term Perspective*, September 2005

Western Independent Bankers – Lending and Credit Digest
- *Evaluations in Compliance with the Interagency Appraisal and Evaluation Guidelines*, June 2012
- *Assessing Collateral Values,* October 2010
- *Commercial Bank Appraisal Administration*, July 2010



Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

David M. Rosenthal

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 001641

Effective Date: November 17, 2020
Date Expires: November 16, 2022

Loretta Dillon

Loretta Dillon, Deputy Bureau Chief, BREA

3055275

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Partial List of Clients Served

COMMERCIAL BANKS

American Continental Bank
Americas United Bank
Bank of America
Bank of Manhattan
Bank of Hemet
Bank of the Ozarks
Bank of Santa Clarita
Bank of the West
Bank One Arizona
BofI Federal Bank
Borel Private Bank & Trust Co.
Boston Private Bank & Trust Co.
Builders Bank
California Business Bank
Capital One Bank
Cathay Bank
Centennial Bank
Citigroup
Citizens Business Bank
City National Bank
City State Bank
Coast National Bank
Community Bank
CTBC Bank
Eastern International Bank
East West Bank
EverTrust Bank
Far East National Bank
Farmers and Merchants Bank
FDIC
First Commerce Bank
First Foundation Bank
First General Bank
First National Bank of Northern California
First National Bank of Southern California
First Republic Bank
Grandpoint Bank
Greater Bay Bancorp
Habib American Bank
Hanmi Bank
Heritage Oaks Bank
Independence Bank
JP Morgan Chase Bank
Key Bank
Korea Exchange Bank
La Jolla Bank
Luther Burbank Savings Bank
Macquarie Bank
Marshall & Isley Bank
Mellon First Business Bank
Mercantile National Bank
MidFirst Bank
Mission Bank
Mission Valley Bank
NARA Bank
National Bank of California
Northern Trust Bank
Pacific Alliance Bank
Pacific Capital Bancorp
Pacific City Bank
Pacific Commerce Bank
Pacific Mercantile Bank
Pacific Premier Bank
Pacific Western Bank
Philippine National Bank
Popular Community Bank
Preferred Bank
Premier Business Bank
Premier Commercial Bank
Provident Bank
Provident Savings Bank
Rabobank
Regents Bank
Royal Business Bank
Saehan Bank
Security Bank of California
Silvergate Bank
Sunwest Bank
The Private Bank of California
United Business Bank
Universal Bank
US Bancorp
US Metro Bank
Vibra Bank
Wells Fargo Bank
Wilshire Bank
Zions Bank

CREDIT UNIONS

Altura Credit Union
American First Credit Union
California Coast Credit Union
California Credit Union
Extensia Financial
Kinecta Federal Credit Union
LA Fireman's Credit Union
Mission Federal Credit Union
NuVision Credit Union
Orange County's Credit Union
Premier America Credit Union
Southland Credit Union

Partial List of Clients Served (cont'd)

INSURANCE COMPANIES

AEGON USA
Allianz Life Insurance Company
Allstate Investments, LLC
American Equity Investment Life Insurance Co.
American National Insurance Company
American United Life Insurance Company
Assurant Inc.
Chubb Group of Insurance Companies
Columbian Mutual Life Insurance Company
Genworth Financial
Golden State Mutual Life
Great West Life Insurance Company
Hartford Insurance Company
Home Life Insurance Company
IDS Life Insurance Company
ING Life Insurance Company
John Hancock Real Estate Finance
Kansas City Life Insurance Company
Lafayette Life Insurance Company
Lincoln National Life Insurance Company
MetLife Capital Financial Corporation
Nationwide Insurance Company
Principal Global Investors
Protective Life Insurance Company
Prudential Mortgage Capital
Riversource
Southern Farm Bureau Life Insurance
Stancorp Mortgage Investors, LLC
State Farm Insurance Company
Sun Life Insurance Company
SunAmerica Insurance Company
Symetra Financial
Thrivent Financial for Lutherans
Union Central Life Insurance Company
Union Labor Life Insurance Company
United Farm Family Life Insurance Company
United Olympic Life Insurance Company
United Security Insurance Company

MULTI-FAMILY LENDERS

ABN/AMRO Apartment Lending
Ameriprise Financial
Amerisphere Multi-Family Finance
Arbor National Mortgage
Beech Street Capital
Centerline Capital Group
CW Capital
Deutsche Bank Mortgage Capital
Mark One Capital, Inc.
PNC/ARCS Commercial Mortgage
Prudential Huntoon Paige
Walker & Dunlop

COMMERCIAL MORTGAGE BANKERS/ BROKERS

Alison Mortgage Company
Amherst Real Estate Capital
Balboa Financial
Barry S. Slatt Mortgage Company
Berkadia Commercial Mortgage
Bond Street Capital
Buchanan Street Partners
Burnham Capital Markets
Cohen Financial
George Elkins Mortgage Banking Company
George Smith Partners, Inc.
Grandbridge Real Estate Capital
Highland Realty Capital, Inc.
Holiday Fenoglio Fowler, LP
iCap Realty Advisors
Koss Financial Corporation
Love Funding Corporation
Marcus and Millichap Capital Corporation
Mason McDuffie Financial Corporation
Meridian Capital Group, Inc.
Newmark Realty Capital, Inc.
NorthMarq Capital, Inc.
Pacific Southwest Realty Services
Partners Realty Capital, LLC
Pathfinder Mortgage Corporation
Q10 National Mortgage Co.
Sunrise Mortgage & Investment Company
Terrix Financial Corporation
Walker and Dunlop

PENSION FUNDS / ADVISORS

Alcatel Lucent Asset Management Corp.
American Realty Advisors
CALPERS
California State Teachers Retirement System
Construction Laborers Pension Trust
Crosson Dannis, Inc.
Emerson International
Equitable Real Estate Investment Mgt., Inc.
Essex Property Trust
Guggenheim Trust Company, LLC
Heitman/JMB Institutional Realty Advisors
J.P. Morgan Investment Management
Olympic Realty Advisors
Principal Real Estate Investors
Standard Management Company

Partial List of Clients Served (cont'd)

CMBS SPECIAL SERVICERS

C-III Asset Management, LLC
Key Bank
LNR Partners, LLC
Midland Loan Services
Helios AMC, LLC
Berkadia Commercial Mortgage
TriMont Real Estate Advisors

CMBS LENDERS

Barclays Capital Real Estate, Inc.
Bridger Commercial Funding
CIBC World Markets Corp.
Credit Suisse
CW Capital
Deustchebanc Mortgage Capital
JP Morgan Mortgage Capital
Key Commercial Mortgage
Morgan Stanley
Natixis Real Estate Capital, Inc.
RBS Greenwich Capital
Redwood Trust
UBS Securities, LLC

CORPORATIONS

Alta Hospital System
ATT Wireless Services, Inc.
Best California Gas Co.
Bridgestone Retail Operations
Brotman Hospital
California Sports, Inc.
Chevron Oil Company
Getty Oil Company
IMAX Corporation
Los Angeles Orthopedic Hospital Foundation
Mercury Air Cargo, Inc.
Mobil Oil Corporation
Neiman-Marcus Group, Inc.
Pandemic Studios
Rite Aid Corporation
Safeway Corporation
Salvation Army
Santa Monica Home Owners Corporation
Thrifty Oil Company
Wal-Mart Stores, Inc.
Whirlpool Financial Corporation

PUBLIC AGENCIES

California Housing Finance Association
Carson Redevelopment Agency
City of Adelanto
City of Chino
City of Colusa
City of Gardena
City of Grand Terrace
City of Inglewood
City of Los Angeles
City of Montebello
City of Norco
City of Palos Verdes
City of Pasadena
City of Rialto
City of Riverside
City of San Louis Obispo, Housing Authority
City of San Mateo
City of Santa Monica
City of Vernon
City of Whittier
City of Yukaipa
Coachella Valley Mountains Conservancy
Compton Unified School District
Consulate General of Poland
County of San Mateo
Inglewood Redevelopment Agency
Inglewood Unified School District
Los Angeles Community College District
Los Angeles Housing Department
Los Angeles Unified School District
Los Angeles World Airports (LAWA)
Metropolitan Transit Authority (MTA)
Mountains Recreation & Conservation Authority
Newport Harbor Nautical Museum
Oakland Community Housing, Inc.
Philippine Consulate
Rosamond Community Services District
San Fernando Valley Economic Development Corp.
Santa Monica College
Santa Monica-Malibu Unified School District
Simi Valley Unified School District
The Port of Long Beach
The Port of Los Angeles
US General Services Administration
US Postal Service

Partial List of Clients Served (cont'd)

ATTORNEYS

Akin Gump Strauss Hauer & Feld, LLP
Allen Matkins Leck Gamble Mallory & Natsis
Arter & Hadden
Barnes & Thornburg LLP
Bird Marella
Booth, Mitchel & Strange, LLP
Brownstein, Hyatt, Farber, Schreck, LLP
Bryan Cave
Burhenn & Gest, LLP
Cadden & Fuller, LLP
Charlston, Revich, & Williams
Chrystie and Berle
Coudert Brothers, LLP
Cox, Castle, & Nicholson
DeCastrow, West, Chodorow, Glickfield & Nass
Engstrom, Lipscomb and Lack
Frandzel Robins Bloom & Csato, LC
Gianelli and Morris
Gibson, Dunn and Crutcher, LLP
Goodson and Wachtel
Greenberg, Glusker, Fields, Claman and Machtinger
Greenberg Traurig
Haight, Brown, & Bonesteel
Hoffman, Saban and Watenmaker
Holt Ney Zatcoff & Wasserman, LLP
Inman, Weisz, & Steinberg
Jeffer, Mangels, Butler, & Mitchell
K&L Gates, LLP
Kane, Ballmer & Berkman
Katten, Muchin, Zavis and Weitzman
King, Holmes, Paterno & Berliner, LLP
Levin & Seligman
Levinson & Lieberman
Loeb and Loeb
Luce, Forward, Hamilton & Scripps LLP
Manatt, Phelps & Phillips, LLP
Marlin and Saltzman
McDermott, Will & Emery
McGuire Woods
McNicholas & McNicholas, LLP
Mindlin and Tigerman
Mitchell, Silberberg, & Knupp, LLP
Morris, Polich and Purdy, LLP
Munger, Tolles, & Olson
Murchison & Cumming
Musick, Peeler & Garrett, LLP
Nixon Peabody, LLP
O'Melvany and Meyers
Orbach Huff Suarez & Henderson, LLP
Parker Milliken
Pillsbury, Madison, and Sutro
Pircher, Nichols, and Meeks
Resch Polster & Berger, LLP
Robinson, Diamant, & Brill
Rodi, Pollock, Pettker, Christian & Pramov
Rucker and Clarkson
Shapiro, Poesell, & Close
Shiotani & Inouye
Sidley and Austin
Smith and Hilbig
Thomashow, Brown and Paiallii, LLP
Tilem and Gole
Troy and Gould
Weinstock Manion
White & Case
Wolf, Rifkin, Shapiro & Shulman
Youngerman and McNutt, LLP

DEVELOPERS

Athena Group, LLC
California Landmark Development
Catellus Development Corporation
Champion Real Estate Services
CIM Group
Cloverfield Group
Combined Properties
Daiwa House Corporation
First City
Goldrich and Kest Industries
Haseko, Inc.
HB Drollinger Company
Held Properties, Inc.
Jamison Services, Inc.
Kennedy Wilson
Koar Development Group, LLC
O&S Holdings
Regency Centers
Roberts Companies
Soboroff Partners
Trammel Crowe

Fidelity National Title Company
4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900• Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Andrew Margo (MA-RIV)
Escrow Officer: Major Accounts OAC

Order No.: 987-**30085656**-MAM

TO:

Pico Rivera
6615 Passons Blvd
Pico Rivera, CA 90660

ATTN: **Jordan Perez**
YOUR REFERENCE:

PROPERTY ADDRESS: 5055 Passons Boulevard, Pico Rivera, CA

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, ***Fidelity National Title Company*** *hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature

Fidelity National Title Company
4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900• Fax: (951) 710-5955

PRELIMINARY REPORT

EFFECTIVE DATE: **April 19, 2022 at 7:30 a.m.**

ORDER NO.: 987-30085656-MAM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Standard Owners Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   CITY OF MONTEBELLO, CALIFORNIA, a municipal corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EASTERLY 147.69 FEET OF PARCEL 3, IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 69, PAGE 23, RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHERLY 165 FEET OF SAID LAND.

EXCEPTING AND RESERVING UNTO THE GRANTOR, ITS SUCCESSOR AND ASSIGNS, ALL MINERALS AND ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY RECORDED APRIL 30, 1976 AS INSTRUMENT NO. 7468, OF OFFICIAL RECORDS.

APN: 6377-007-270

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022 - 2023.

B. General and special city and/or county taxes, bonds, or assessments which may become due for the fiscal 2020 – 2021 on said land, if and when title to said land is no longer vested in a governmental or quasigovernmental agency. Tax parcel for said land is currently shown as APN: 6377-007-270.

C. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	The City of Pico Rivera, a municipal corporation
Purpose:	Public road, highway and incidental purposes
Recording Date:	July 5, 1962
Recording No:	Book D1674, Page 224, of Official Records
Affects:	The East 10 feet of said land.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	The City of Pico Rivera, a municipal corporation
Purpose:	Public road, highway and incidental purposes
Recording Date:	September 20, 1962
Recording No:	Book D1763, Page 65, of Official Records
Affects:	That portion of said land as described in the document attached hereto.

Reference is hereby made to said document for full particulars.

4. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

5. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

EXCEPTIONS
(Continued)

6. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

   The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

2. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

   Party(s): All Parties

   The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

   NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.

2. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial properties, known as 5055 Passons Boulevard, located within the City of Pico Rivera, California, 90660, to an Extended Coverage Loan Policy.

3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

6. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:

   A. 2006 ALTA Owner's Policy (06-17-06).

      6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

   B. 2006 ALTA Loan Policy (06-17-06).

      8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

      9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

   C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).

      10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

INFORMATIONAL NOTES
(Continued)

D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).

12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.

13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

E. CLTA Standard Coverage Policy 1990 (11-09-18).

7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.

8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.

7. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES

Andrew Margo (MA-RIV)/717

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened**. DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
http://www.fbi.gov

Internet Crime Complaint Center:
http://www.ic3.gov

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Fidelity National Title Company
4210 Riverwalk Parkway, Suite 100, Riverside, CA 92505
Phone: (951) 710-5900• Fax: (951) 710-5955

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company	Underwritten by FNF Underwriters
CTC – Chicago Title company	CTIC – Chicago Title Insurance Company
CLTC – Commonwealth Land Title Company	CLTIC - Commonwealth Land Title Insurance Company
FNTC – Fidelity National Title Company of California	FNTIC – Fidelity National Title Insurance Company
FNTCCA - Fidelity National Title Company of California	FNTIC - Fidelity National Title Insurance Company
TICOR – Ticor Title Company of California	CTIC – Chicago Title Insurance Company
LTC – Lawyer's Title Company	CLTIC – Commonwealth Land Title Insurance Company
SLTC – ServiceLink Title Company	CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC.
PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (***e.g.***, name, address, phone number, email address);
- demographic information (***e.g.***, date of birth, gender, marital status);
- identity information (***e.g.*** Social Security Number, driver's license, passport, or other government ID number);
- financial account information (***e.g.*** loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

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- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information
We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information
If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (https://fnf.com/pages/californiaprivacy.aspx) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.
For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children
The FNF Websites are not intended or designed to attract persons under the age of eighteen (18).We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users
FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans
Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

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Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's Opt Out Page or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

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ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
   Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.
   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

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c. that result in no loss to You; or
d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.
   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II,{ t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

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{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:
{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

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ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

OWNER'S DECLARATION

Escrow No.: 30085656-987-987-MAM
Property Address: 5055 Passons Boulevard
Pico Rivera, CA 90660

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)

   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 5055 Passons Boulevard, Pico Rivera, CA 90660, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").

   b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 5055 Passons Boulevard, Pico Rivera, CA 90660, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)

   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.

   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of $_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.

5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

   _____

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.

7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Signature: _____

RESOLUTION NO. 7241

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF PICO RIVERA, CALIFORNIA AND THE CITY OF MONTEBELLO, CALIFORNIA FOR THE REAL PROPERTY IDENTIFIED AS 5055 PASSONS BOULEVARD, PICO RIVERA, CALIFORNIA 90660 (APN: 6377-007-270)

WHEREAS, the City of Montebello ("Seller") is the owner in fee simple of real property in the City of Pico Rivera ("City") identified as 5055 Passons Boulevard and having Assessor Parcel Number 6377-007-270 ("Property") legally described on Exhibit "A" and depicted on Exhibit "B", attached hereto and made a part of hereof; and

WHEREAS, the Property is a 19,611 square foot lot with a 1,186 square foot building designated for multifamily residential use; and

WHEREAS, the Seller is currently using the Property as a bus terminal for the Los Angeles County Metropolitan Transportation Authority and Montebello Bus Lines operations; and

WHEREAS, the City was awarded a grant in the amount of $1 million from the Los Angeles County Regional Park and Open Space District for the acquisition of the Property; and

WHEREAS, the City desires to develop the Property into a public park that utilizes community-driven design concepts that improve equitable access to outdoor recreation opportunities for healthy living; and

WHEREAS, on April 4, 2022, the Pico Rivera Planning Commission approved a resolution determining that the acquisition of the Property is consistent with the City's adopted General Plan pursuant to Government Code Section 65402; and

WHEREAS, staff recommends the purchase of the Property as it would create additional public park space in the City; and

WHEREAS, a Purchase and Sale Agreement for the Property ("PSA"), attached hereto as Exhibit "C", has been prepared by the City and Seller, which establishes the intent for the City to provide a $1,000 deposit upon opening of escrow (that shall be credited toward the payment of the Purchase Price) and purchase the Property from the Seller at the proposed price of $1,270,000 upon close of escrow per Article II of the PSA.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pico Rivera as follows:

SECTION 1. The above recitals are true and correct and are a substantive part of

this Resolution and are incorporated herein as part of the findings.

SECTION 2. The City Council hereby approves the Purchase and Sale Agreement, in substantially the same form as attached to the Staff Report accompanying this Resolution, between the City of Pico Rivera and the City of Montebello. The City Council further authorizes the City Manager to execute the Purchase and Sale Agreement and all other ancillary documents, including but not limited to, escrow instructions, deeds, seller affidavits and such other customary documents consistent with and reasonably necessary to effectuate the intent of this Resolution and record or cause to be recorded such documentation, as approved by the City Attorney.

SECTION 3. The City Council further finds that the approval of the Purchase and Sale Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15312 - Class 12 Categorical Exemption relating to the sale of surplus government property and CEQA Guidelines Section 15061 (b)(3), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. 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. None of the exceptions contained under CEQA Guidelines Section 15300.2 apply. The approval of the Purchase and Sale Agreement does not authorize a specific project and constitutes a sale of real property in exchange for financial consideration between the Cities of Pico Rivera and Montebello to be used for a public purpose.

SECTION 4. The City Clerk shall attest to the passage of this resolution, and it shall thereupon be in full force and effect.

APPROVED AND PASSED this 13th day of December, 2022.

Dr. Monica Sanchez, Mayor

ATTEST:

Anna M. Jerome, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

AYES: Camacho, Elias, Lara, Lutz, Sanchez
NOES: None
ABSENT: None
ABSTAIN: None

EXHIBIT "A"

Legal Description of the Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EASTERLY 147.69 FEET OF PARCEL 3, IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 69, PAGE 23, RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHERLY 165 FEET OF SAID LAND.

EXCEPTING AND RESERVING UNTO THE GRANTOR, ITS SUCCESSOR AND ASSIGNS, ALL MINERALS AND ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY RECORDED APRIL 30, 1976 AS INSTRUMENT NO. 7468, OF OFFICIAL RECORDS.

APN: 6377-007-270

EXHIBIT "B"

Parcel Map

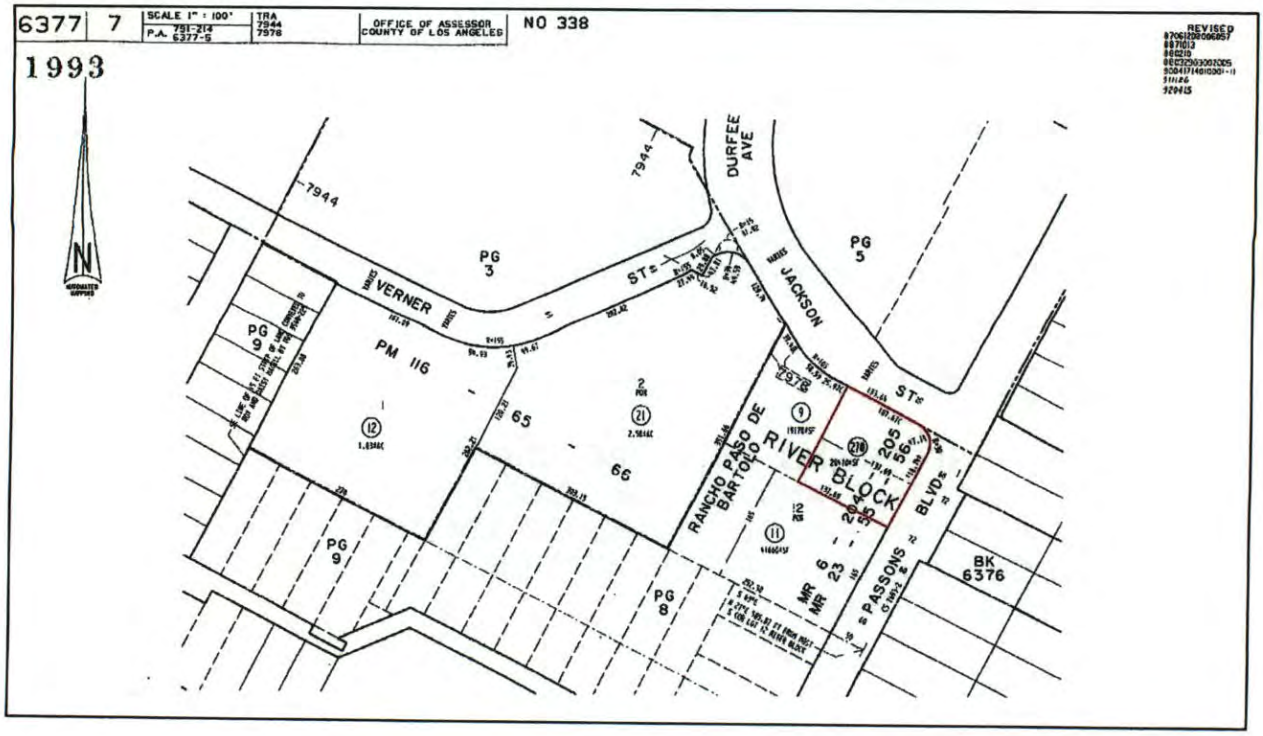


EXHIBIT "C"

Purchase and Sale Agreement between the City of Pico Rivera and City of Montebello

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 2022, until the Agreement has been finalized, by and between **THE CITY OF PICO RIVERA, CALIFORNIA**, a municipal corporation ("**Purchaser**"), and **THE CITY OF MONTEBELLO, CALIFORNIA**, a municipal corporation ("**Seller**").

In consideration of the mutual promises, covenants and agreements hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

ARTICLE I
Sale of Property

1.1 **Sale of Property.** Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's respective right, title and interest in and to, the following:

1.1.1 Land. That certain real property lying and situated in the City of Pico Rivera, California, consisting of approximately 19,611 square feet and legally described on **Exhibit A** attached to this Agreement and depicted on **Exhibit B** attached to this Agreement (the "**Land**");

1.1.2 Real Property. All rights, privileges and easements appurtenant to Seller's interest in the Land, including, without limitation, all of Seller's right, title and interest, if any, in and to all mineral and water rights and all easements, licenses, covenants and other rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the "**Real Property**", and the Land and the Real Property are hereinafter collectively referred to as the "**Property**").

ARTICLE II
Purchase Price; Deposit

2.1 **Purchase Price.** The purchase price for the Property shall be ONE MILLION TWO HUNDRED SEVENTY THOUSAND ($1,270,000.00) DOLLARS (the "**Purchase Price**"). The Purchase Price, as adjusted by all prorations as provided for in this Agreement, shall be paid to Seller by Purchaser at Closing (as hereinafter defined) by wire transfer of immediately available federal funds.

2.2 **Deposit**. Within five (5) Business Days (as hereinafter defined) after the Effective Date (as hereinafter defined), Purchaser shall deposit the sum of One Thousand Dollars and no/100 ($1,000.00) as a good faith deposit ("Deposit") (**"Opening of Escrow"**) with Title Company (as hereinafter defined), as escrowee ("Escrowee"), at Escrowee's office located at [TITLE/ESCROW COMPANY NAME AND ADDRESS]. For the purposes of this Agreement, "Effective Date" shall mean the date this Agreement has been fully executed and delivered to Seller and Purchaser. One Hundred Dollars ($100.00) of the Deposit shall be released by Title Company to Seller on the

first Business Day following the deposit thereof by Purchaser, in payment of consideration by Purchaser to Seller for the right of Purchaser to purchase the Property in accordance with the terms of this Agreement (the "**Non-Refundable Payment**"). The Non-Refundable Payment shall be fully earned and retained by Seller immediately upon receipt and, notwithstanding any provisions of this Agreement to the contrary, the Non-Refundable Payment shall not be returned to Purchaser in any circumstance except if Closing fails to occur solely due to a material default by Seller under this Agreement. On the Closing Date, the amount of the Non-Refundable Payment, without interest, shall be applied to the Purchase Price. From and after the release of the Non-Refundable Payment to Seller, the Deposit shall mean and refer to the remaining Deposit amount then held by Title Company (and any payment or refund of the Deposit to be made pursuant to this Agreement shall not include such Non-Refundable Payment). Purchaser acknowledges that Seller would not have entered into this Agreement had Purchaser not made the bargained for Non-Refundable Payment to Seller on the terms set forth in this Section. The Deposit shall be paid to Seller and credited against the Purchase Price at Closing. If the Closing does not occur in accordance with the terms of this Agreement, the Deposit shall be held and delivered as provided in this Agreement.

ARTICLE III
Closing, Prorations and Closing Costs

3.1 **Closing.** The closing of the transaction(s) contemplated in this Agreement (the "**Closing**") shall occur on or before 5:00 p.m. Pacific Standard Time on the forty-fifth (45th) day following the Opening of Escrow or the first business day thereafter, if the 45th day falls on a weekend or holiday,, upon the satisfaction of Purchaser's and Seller's obligations set forth in this Agreement (the "**Closing Escrow**"), and shall be held at the offices of the Title Company, or at such other place agreed to by Seller and Purchaser. Upon creation of the Closing Escrow, the payment of funds and the delivery of all documents required pursuant to this Agreement shall be made through the Closing Escrow. The Closing shall take place in a manner so that, on the date the Closing occurs (the "**Closing Date**"), the Title Policy (as hereinafter defined) will be delivered to Purchaser, and Seller shall receive the Purchase Price.

3.2 **Prorations.** All matters involving prorations or adjustments to be made in connection with this Agreement and not specifically provided for in some other provision of this Agreement shall be adjusted in accordance with this Section 3.2. For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof, on and after the Closing Date. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and a three hundred sixty-five (365) day year. Except as otherwise provided in this Section 3.2, the amount of such prorations shall be determined and shall be final as of the Closing Date. All items of income and expense which accrue for the period prior to the Closing Date will be for the account of Seller and all items of income and expense which accrue for the period on and after the Closing Date will be for the account of Purchaser.

3.2.1 Taxes. On or before the Closing Date, Seller shall pay all taxes and assessments, including, without limitation, all special assessments, on the Property which are due and payable prior to the Closing Date. Unpaid taxes and assessments on the Property shall be prorated on an accrual basis as of the Closing Date based upon the most recent ascertainable assessed valuation, tax multipliers and tax rate, but reproration thereof

shall be made between Purchaser and Seller at such time as the actual amount of taxes for the applicable tax year shall become known, in order that actual real estate taxes for the periods before and after the Closing Date may be equitably prorated as of the Closing Date and paid between the parties when known. Seller shall be liable for any back tax bill which may be imposed by taxing authorities related to the period prior to the Closing Date, which obligation of Seller shall survive Closing.

3.3 **Allocation of Closing Costs and Expenses.** Seller and Purchaser shall each be responsible for one-half the costs to record any instruments necessary to convey title and the Closing Escrow fee. Purchaser shall bear the cost of the Title Policy charges, any recording fees with respect to the Deed (as hereinafter defined), all costs incurred in connection with obtaining Purchaser's financing for this transaction, if any, the cost of all title endorsements, if any. If applicable, the cost of transfer taxes shall be paid by Purchaser.

ARTICLE IV
Title

4.1 **Title.**

4.1.1 Promptly after the Effective Date, Purchaser shall apply for a title insurance commitment (the "**Commitment**") for an Owner's Policy of Title Insurance (the "**Title Policy**"), issued by the Title Company and covering the Real Property. After receipt of the Commitment, Purchaser shall provide or cause the Title Company to provide a copy of the Commitment to Seller. On or before the date (the "**Title Objection Date**") that is fifteen (15) days after the date Purchaser receives the Commitment (as hereinafter defined), Purchaser shall notify Seller in writing (the "**Title Objection Notice**") of any title exceptions identified in the Commitment that Purchaser disapproves (collectively, the "**Unpermitted Exceptions**") and any remaining exceptions shall be deemed permitted (collectively, the "**Permitted Exceptions**"). Notwithstanding the foregoing, Purchaser and Seller hereby agree that: (i) all non-delinquent property taxes and assessments or (ii) all matters created by or on behalf of Purchaser, including, without limitation, any documents or instruments to be recorded as part of any financing of the Property by Purchaser, shall constitute "**Permitted Exceptions**". If Purchaser fails to provide Seller with the Title Objection Notice on or before the Title Objection Date, all exceptions in the Commitment shall be deemed to be Permitted Exceptions, and Purchaser shall be deemed to have waived its right to object to any exceptions in the Commitment.

4.1.2 No less than ten (10) days after being given the Title Objection Notice, Seller shall notify Purchaser in writing of any Unpermitted Exceptions that Seller is unable or unwilling to cause to be removed or insured against prior to or at Closing. With respect to such exceptions, Purchaser shall then elect, by giving written notice to Seller within three (3) days after receipt of Seller's notice, to: (x) terminate this Agreement, or (y) waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Purchaser's failure to timely give such notice shall be deemed an election to waive the disapproval of any such exception. If Purchaser elects to terminate this Agreement in accordance with clause (x) above, the Deposit shall be returned to Purchaser as Purchaser's sole and exclusive remedy as a result of such termination.

4.1.3 Monetary Liens. Notwithstanding anything to the contrary contained in Section 4.1.2 above, Seller shall be required to discharge all mortgages, deeds of trust, real estate taxes, assessments and other governmental levies, fees or charges imposed on the Land, all judgment liens, all mechanics' liens and similar liens for labor, materials or supplies, and other such monetary liens that may be removed solely through the payment of money prior to Closing (collectively, the "**Monetary Liens**"), and such matters shall be deemed Objectionable Exceptions, whether or not included in Purchaser's Title Objection Notice. If, at or prior to Closing, Seller fails to cure all Monetary Liens, in addition to all other remedies available to Purchaser under this Agreement, Purchaser shall have the right to proceed to Closing and deduct from the Purchase Price the amount necessary to cure such Monetary Liens.

4.2 [Reserved].

4.3 Purchaser Due Diligence. Purchaser will have a thirty (30) day "Due Diligence Period" commencing upon Opening of Escrow to conduct any investigation of the Property, which may be extended in writing by the Parties. During the Due Diligence Period Purchaser is invited, urged, and cautioned to conduct, at Purchaser's expense, such investigations, inspections, surveys, plans, and tests of the Property, including, without implied limitation, soils, groundwater, wells, percolation, geology, environmental, drainage, engineering and utilities investigations, inspections, surveys, plans, and tests (collectively, "**Investigations**"), as Purchaser determines, in Purchaser's sole discretion, are required to determine the suitability of the Property for Purchaser's intended use. Such Investigations shall be conducted at the sole cost and expense of Purchaser. Purchaser shall hold harmless, indemnify and defend Buyer against all costs, damages, liabilities or expenses, including mechanics lien claims arising out of Purchaser's activities on the Property.

4.3.1 Seller hereby grants to Purchaser, its employees, representatives, agents and independent contractors, a license to enter the Property for purposes of conducting such Investigations during normal business hours. Purchsaer shall provide City twenty-four (24) hours notice prior to entering the Property.

4.3.2 In the event that Purchaser exercises this right of entry, Purchaser shall comply with all applicable laws and obtain all permits which may be required with respect to its investigations and testing. Purchaser further agrees to indemnify, defend, and hold harmless City and its officers, employees, and agents from and against any and all claims, damages, liabilities, and losses arising from such activities of Purchaser or its employees or agents, and from and against all mechanics', materialmens', and other liens resulting from any such conduct. Purchaser shall restore the Property as nearly as possible to its condition existing immediately prior to any such entry by or on behalf of Purchaser. Prior to entry upon the Property, Purchaser shall obtain insurance or proof of self-insurance covering Purchaser's indemnity, hold harmless, and defense obligations to City pursuant to this paragraph. Prior to entry upon the Property for such Investigations, Purchaser shall furnish to Seller duplicates of appropriate certificates of commercial general liability insurance in the amount of at least One Million Dollars ($1,000,000) combined single limit for bodily injury and property damage and Two Million Dollars ($2,000,000) general aggregate limit, naming Seller as an additional insured, insuring Purchaser's obligations

and responsibilities under this paragraph (4). Purchaser shall maintain each such policy in effect until the Close of Escrow.

4.3.3 Purchaser shall notify Seller in writing of any objections as to the condition of the Property, by delivering such written objection to escrow within the Due Diligence Period. Seller shall then have ten (10) days to correct the objection to the reasonable satisfaction of Purchaser or give written notice to Purchaser through escrow that Seller elects to terminate this Agreement. If Seller elects to terminate this Agreement, Purchaser shall have ten (10) days to give written notice to Seller through escrow that Purchaser waives the objection(s).

ARTICLE V
Representations and Warranties of the Seller

5.1 **Seller's Representations.** Seller represents and warrants that, to Seller's knowledge, the following matters are true and correct as of the Effective Date with respect to the Property.

5.1.1 Authority. Seller is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California. This Agreement has been duly authorized, executed and delivered by Seller, is the legal, valid and binding obligation of Seller, and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject. All documents to be executed by Seller which are to be delivered at Closing, will, at the time of Closing: (i) be duly authorized, executed and delivered by Seller, (ii) be legal, valid and binding obligations of Seller, and (iii) not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject.

5.1.2 No Third Party Claims. Seller represents and warrants that there is no suit, legal action, administrative arbitration or other proceeding or governmental investigation process which has been served upon Seller or, which to Seller's best knowledge, is otherwise pending or threatened against Seller in which any party is making or has made a claim or defense that, if sustained, would materially and adversely affect the performance of Seller under this Agreement or materially and adversely interfere with the ability of Seller to consummate the transactions contemplated herein.

5.1.3 Violation of Laws. To Seller's knowledge, Seller has received no written notice of any violation of any statute or ordinance relating to the Property that has not been cured.

5.2 **Seller's Knowledge.** For purposes of this Agreement and any document delivered at Closing, whenever the phrases "to Seller's knowledge" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to refer to the current, actual knowledge only, and not any implied, imputed or constructive knowledge, without any independent investigation having been made or any implied duty to investigate, of the Director of Planning and Community Development of the City of Montebello or other Seller designee. Notwithstanding anything to the contrary contained in this Agreement, the Director of Planning and Community Development of

the City of Montebello or other Seller designee shall have no personal liability under this Agreement.

5.3 **Change in Representation/Waiver.**

5.3.1 Representations/Waiver. Notwithstanding anything to the contrary in this Agreement, Purchaser acknowledges that Purchaser shall not be entitled to rely on any representation made by Seller in this Article V, to the extent that, prior to or at Closing, Purchaser shall have or obtain actual knowledge of any information contradictory to such representation or warranty; provided, however, if Purchaser determines prior to Closing that there is a breach of any of the representations and warranties made by Seller in this Article V, then Purchaser may, at its option, by sending to Seller written notice of its election, either: (i) terminate this Agreement, in which event the Deposit shall be returned to Purchaser and, except for the Surviving Obligations, neither party shall have any further rights or obligations to the other under this Agreement, or (ii) waive such breach and/or conditions and proceed to Closing with no adjustment in the Purchase Price, and Seller shall have no further liability as to such matter thereafter.

5.3.2 Property Condition Waiver. Notwithstanding any other provision of this Agreement to the contrary, following the Closing Date, Purchaser waives its right to recover from Seller, its elected officials, agents, and employees (collectively, "Seller's Representatives"), and hereby waives, releases and forever discharges Seller and Seller's Representatives from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way arising out of or connected with the Property, including (i) the physical condition, nature or quality of the Property, including geologic conditions, (ii) the quality of the labor and materials included in any improvements or fixtures located on or within the Property (including latent defects), (iii) the presence of asbestos and lead-based paint, (iv) the failure of the Property, including any existing improvements thereon, to comply with any law or regulation applicable thereto, (v) the inaccuracy or incompleteness of plans, drawings, specifications, any documents provided by Seller, and (vi) the environmental condition of the Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to any breach by Seller of its express representations or warranties under this Agreement.

In connection with foregoing waiver and release, Purchaser expressly waives the benefits of Section 1542 of the California Civil Code, which provides 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."

Purchaser's Initials

5.4 **Survival.** The express representations and warranties made in this Agreement by Seller shall not merge into any instrument or conveyance delivered at Closing; provided, however, that any action, suit or proceeding with respect to the truth, accuracy or completeness of such representations and warranties shall be commenced, if at all, on or before the date that is six (6) months after the Closing Date ("**Survival Period**") and, if not commenced on or before such date, thereafter such representations and warranties shall be void and of no force or effect. Notwithstanding any other term of this Agreement, any claim based upon a misrepresentation or a breach of a covenant or warranty under this Agreement that expressly survives the Closing shall be actionable or enforceable if and only if: (i) notice of such claim(s) is given to Seller prior to the expiration of the Survival Period; and (ii) the amount of damages or losses as a result of such claims suffered or sustained by the party making such claims exceeds $50,000.00; and provided further that the aggregate liability of Seller for any and all such breaches or misrepresentations shall be limited to $250,000.00.

ARTICLE VI
Seller's Interim Operating Covenants

6.1 **Operations.** Seller agrees to continue to operate, manage and maintain the Property through the Closing Date in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear.

6.2 **No Sales.** Seller agrees that it shall not convey any interest in the Property to any third party.

ARTICLE VII
Possession

7.1 **Possession.** Possession of the Property shall be delivered to Purchaser on the Closing Date free and clear of all possessory interests with the exception of the Permitted Exceptions.

ARTICLE VIII
Closing

8.1 **Purchaser's Closing Obligations.** Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to the Title Company at Closing the following, duly executed and acknowledged as applicable:

8.1.1 The Purchase Price, subject to adjustments and prorations as provided in this Agreement, by wire transfer or other immediately available federal funds.

8.1.2 A Preliminary Change of Ownership Report.

8.1.3 If required by the Title Company, evidence reasonably satisfactory to the Title Company that the person executing the closing documents on behalf of Purchaser has full right, power and authority to do so.

8.1.4 Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement.

8.1.5 If prior to the expiration of the Due Diligence Period, Purchaser shall have approved all Due Diligence matters or have waived any objections in writing.

8.2 **Seller's Closing Obligations.** Seller, at its sole cost and expense, shall deliver or cause to be delivered to the Title Company at Closing the following, duly executed and acknowledged as applicable:

8.2.1 A grant deed in the form attached to this Agreement as **Exhibit C** conveying to Purchaser the Real Property in fee simple, subject only to the Permitted Exceptions (the "**Deed**").

8.2.2 California Form 593-C (California Real Estate Withholding Exemption Certificate) in the form required by applicable law.

8.2.3 If required by the Title Company, evidence reasonably satisfactory to the Title Company that the persons executing the closing documents on behalf of Seller have full right, power and authority to do so.

8.2.4 Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement.

ARTICLE IX
Intentionally Deleted

ARTICLE X
Default

10.1 **Default by Seller.** If the Closing and the transactions contemplated in this Agreement do not occur as provided in this Agreement by reason of the default of Seller, and said default is not cured within five (5) Business Days after notice from Purchaser, Purchaser may elect, by written notice to Seller and as the sole and exclusive remedy of Purchaser, to: (i) terminate this Agreement and receive the Deposit from the Title Company, and in such event Seller shall not have any liability whatsoever to Purchaser under this Agreement except for the Surviving Obligations; or (ii) enforce specific performance of Seller's obligations under this Agreement.

10.2 **Default by Purchaser.** If Purchaser should breach any of its covenants contained in this Agreement (and Seller shall not be in default hereunder), Seller may terminate this Agreement without further liability on Seller's part and retain the Deposit as liquidated damages, and not as a penalty, it being understood that Seller's actual damages in the event of such a default are difficult to ascertain and that such Deposit represents the parties' best estimate of such damages. Seller shall not have any other remedy for any default by Purchaser. BY INITIALING THIS SECTION 10.2, PURCHASER AND SELLER AGREE THAT IN EVENT OF DEFAULT BY PURCHASER: (A) IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES; (B) AN AMOUNT EQUAL TO THE DEPOSIT WILL CONSTITUTE LIQUIDATED DAMAGES PAYABLE TO SELLER; (C) THE PAYMENT OF

THE LIQUIDATED DAMAGES TO SELLER WILL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER; (D) SELLER MAY RETAIN THAT PAYMENT AS LIQUIDATED DAMAGES; AND (E) PAYMENT OF THOSE SUMS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE.

Seller INITIALS: _____ Purchaser INITIALS: _____.

ARTICLE XI
Brokers

11.1 **Brokers.** Purchaser and Seller each represents and warrants to the other that it has not dealt with any person or entity entitled to a brokerage commission, finder's fee or other compensation with respect to the transaction contemplated in this Agreement. Purchaser hereby agrees to indemnify, defend, and hold Seller harmless from and against any claims, demands, suits, obligations, payments, damages, losses, penalties, liabilities, costs and expenses (including but not limited to attorneys' fees and costs) incurred by Seller by reason of any breach or inaccuracy of the Purchaser's representations and warranties contained in this Article XI. Seller hereby agrees to indemnify, defend, and hold Purchaser harmless from and against any claims, demands, suits, obligations, payments, damages, losses, penalties, liabilities, costs and expenses (including but not limited to attorneys' fees and costs) incurred by Purchaser by reason of any breach or inaccuracy of Seller's representations and warranties contained in this Article XI. Seller and Purchaser agree that it is their specific intent that no broker shall be a party to or a third party beneficiary of this Agreement or the Deposit, that no broker shall have any rights or cause of action under this Agreement, and further that the consent of a broker shall not be necessary to any agreement, amendment, or document with respect to the transaction contemplated in this Agreement. The provisions of this Article XI shall survive Closing or the termination of this Agreement.

ARTICLE XII
Conditions Precedent to Closing

12.1 In addition to any conditions provided in other provisions of this Agreement, Purchaser's obligation to purchase the Property is and shall be conditioned upon the following:

12.1.1 The due performance of Seller of each and every covenant, undertaking and agreement to be performed by Seller under this Agreement and the truth of each representation and warranty made in this Agreement by Seller.

12.2 Purchaser may, at any time or times, at its election, waive any of the conditions to its obligations under this Agreement, but any such waiver shall be effective only if contained in a writing signed by Purchaser. The failure of any of the conditions in Section 12.1 shall entitle Purchaser, at its option, to cancel and terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser and, except as specifically provided in this Agreement, neither party shall have any rights or obligations to the other under this Agreement.

ARTICLE XIII
Miscellaneous

13.1 **Right of Entry; Indemnification**. Between the Effective Date and the Closing Date, Buyer and Buyer's employees, agents, contractors, subcontractors and consultants (collectively, "**Buyer's Representatives**") shall have the right to enter upon the Property, at reasonable times during ordinary business hours, upon notice to Seller at least three (3) business days prior to entry, to perform such non-destructive inspections, investigations, tests and studies. Buyer, in performing its non-destructive inspections, investigations, tests and studies hereunder shall not unreasonably interfere with the operation of the Property, and agrees to coordinate its activities on the Property with Seller in advance to avoid any such interference. Following any such non-destructive tests or inspections, Buyer agrees to promptly return any portions of the Property damaged or altered by Buyer during such tests or inspections to substantially the same condition which existed prior to such test or inspection. In the event Buyer fails to promptly restore Property in accordance with the preceding sentence, Seller may, in its sole and absolute discretion, restore the Property and all costs and expenses shall be paid immediately by Buyer upon demand by Seller. Buyer shall indemnify, defend and hold Seller, including its elected officials, agents, employees harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Buyer or Buyer's Representatives or liens arising from Buyer's review of the Property.

13.2 All notices, consents, approvals and other communications which may be or are required to be given by either Seller or Purchaser under this Agreement shall be properly given only if made in writing and sent by (i) certified mail, (ii) electronic mail by pdf or (iii) a nationally recognized overnight delivery service (such as Federal Express, UPS Next Day Air), with all delivery charges paid by the sender and addressed to the Purchaser or Sellers, as applicable, as follows, or at such other address as each may request in writing. Such notices shall be deemed received, (x) sent by certified mail, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid, in the United States Mail, (y) if delivered by overnight delivery service, on the date of delivery and (z) if sent by facsimile transmission or electronic mail pdf, on the date of transmission. Notices to be sent on behalf of Purchaser or Sellers may be sent by their respective counsel. The refusal to accept delivery shall constitute acceptance and, in such event, the date of delivery shall be the date on which delivery was refused. Said addresses for notices are to be as follows:

If intended for Purchaser:

Steve Carmona, City Manager
City of Pico Rivera
6615 Passons Blvd
Pico Rivera, California 90660
Email: scarmona@pico-rivera.org

If intended for Seller:

Rene Bobadilla, City Manager
City of Montebello
1600 W Beverly Blvd
Montebello, California 90640
Email: rbobadilla@cityofmontebello.org

13.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without regard to the conflict of laws principles thereof.

13.4 **Headings.** The captions and headings used in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

13.5 **Business Days.** If any date set forth in this Agreement for the performance of any obligations of Seller or Purchaser or for the delivery of any instrument, Document or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next Business Day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or Federal holiday for which financial institutions or post offices are generally closed in the State of California, and the term "Business Day" means any day other than a Saturday, Sunday or legal holiday.

13.6 **Counterpart/Electronic Copies.** This Agreement may be executed in two or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Agreement. Handwritten signatures to this Agreement transmitted by telecopy or electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the parties so signing. It is expressly agreed that each party to this Agreement shall be bound by its own telecopied or electronically transmitted handwritten signature and shall accept the telecopy or electronically transmitted handwritten signature of the other party to this Agreement. The parties hereto agree that the use of telecopied or electronic signatures for the execution of this Agreement shall be legal and binding and shall have the same full force and effect as if originally signed.

13.7 **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Whenever reference is made in this Agreement to Seller or Purchaser, such reference shall include the successors and assigns of such party under this Agreement.

13.8 **Assignment.** The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and assigns; provided, however, no conveyance, assignment or transfer of any interest whatsoever of, in, or to the Project or of this Agreement shall be made by Seller during the term of this Agreement. Purchaser may assign all or any of its right, title and interest under this Agreement to any corporate, limited liability or partnership entity affiliated with, or related to Purchaser ("**Affiliate**"). No such assignee shall accrue any obligations or liabilities hereunder until

the effective date of such assignment. In addition to its right of assignment, Purchaser shall also have the right, exercisable prior to Closing, to designate any Affiliate, as the grantee or transferee of any or all of the conveyances, transfers and assignments to be made by Seller at Closing hereunder, independent of, or in addition to, any assignment of this Agreement. In the event of an assignment of this Agreement by Purchaser, its assignee shall be deemed to be the Purchaser hereunder for all purposes hereof, and shall have all rights of Purchaser hereunder (including, but not limited to, the right of further assignment), and the assignor shall be released from all liability hereunder. In the event that an Affiliate shall be designated as a transferee hereunder, that transferee shall have the benefit of all of the representations and rights which, by the terms of this Agreement, are incorporated in or relate to the conveyance in question.

13.9 **Interpretation.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being recognized that both Seller and Purchaser have contributed substantially and materially to the preparation of this Agreement.

13.10 **Entire Agreement.** This Agreement and the Exhibits attached hereto contain the final and entire agreement between the parties hereto with respect to the sale and purchase of the Property and are intended to be an integration of all prior negotiations and understandings. Purchaser, Seller and their agents shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained in this Agreement. No modification, amendment, discharge, waiver or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment, discharge, waiver or change is sought. Writings signed by the attorney for such party shall not be effective for purposes of this Section. Failure by either party to explicitly retain any rights under this Agreement shall not be deemed a waiver of such rights.

13.11 **Severability.** If any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

13.12 **Survival.** Except as otherwise specifically provided for in this Agreement (collectively, the "**Surviving Obligations**"), the provisions of this Agreement and the representations and warranties herein shall not survive Closing or the termination of this Agreement, and if Closing occurs, shall be merged therein.

13.13 **Exhibits. Exhibits A** through **C** attached to this Agreement are, by this reference, incorporated in and made a part of this Agreement.

13.14 **Time.** Time is of the essence in the performance of each of the parties' respective obligations contained in this Agreement.

13.15 **Limitation of Liability.** The obligations of Seller are binding only on Seller and Seller's assets and shall not be personally binding upon, nor shall any resort be had to, the private properties of any of the affiliates, investment managers, property managers, partners, trustees,

shareholders, beneficiaries, directors, or officers of Seller, or of any partners, officers, directors, shareholders or beneficiaries of any partners of Seller, or of any of Seller's employees or agents. All documents to be executed by Seller shall also be deemed to contain the foregoing exculpation. The provisions of this Section 13.15 shall survive Closing or the termination of this Agreement.

13.16 **Prevailing Party.** Should either party employ an attorney to enforce any of the provisions hereof, whether before or after Closing, and including any claims or actions involving amounts held in escrow, the non-prevailing party in any final judgment agrees to pay the other party's reasonable expenses, including reasonable attorneys' fees and costs in or out of litigation and, if in litigation, trial, appellate, bankruptcy or other proceedings, expended or incurred in connection therewith, as determined by a court of competent jurisdiction. The provisions of this Section 13.16 shall survive Closing or the termination of this Agreement.

13.17 **No Recording.** Neither this Agreement nor any memorandum or short form of this Agreement shall be recorded or filed in any public land or other public records of any jurisdiction, by either party and any attempt to do so may be treated by the other party as a breach of this Agreement.

13.18 **Waiver of Trial by Jury.** Each of Seller and Purchaser hereby waives trial by jury in any action, proceeding or counterclaim brought by such party against the other party on any matters whatsoever arising out of or in any way connected with this Agreement, including without limitation in connection with the enforcement of any remedy under any statute, emergency or otherwise.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the date or dates set forth below.

SELLER:

THE CITY OF MONTEBELLO, CALIFORNIA, a municipal corporation

By: _____
Rene Bobadilla, City Manager

PURCHASER:

THE CITY OF PICO RIVERA, CALIFORNIA, a municipal corporation

By: _____
Steve Carmona, City Manager

Exhibits

Exhibit A - Legal Description of Real Property
Exhibit B - Depiction of Real Property
Exhibit C - Form of Deed

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EASTERLY 147.69 FEET OF PARCEL 3, IN THE CITY OF PICO RIVERA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 69, PAGE 23, RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHERLY 165 FEET OF SAID LAND.

EXCEPTING AND RESERVING UNTO THE GRANTOR, ITS SUCCESSOR AND ASSIGNS, ALL MINERALS AND ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY RECORDED APRIL 30, 1976 AS INSTRUMENT NO. 7468, OF OFFICIAL RECORDS.

APN: 6377-007-270

EXHIBIT B

DEPICTION OF REAL PROPERTY

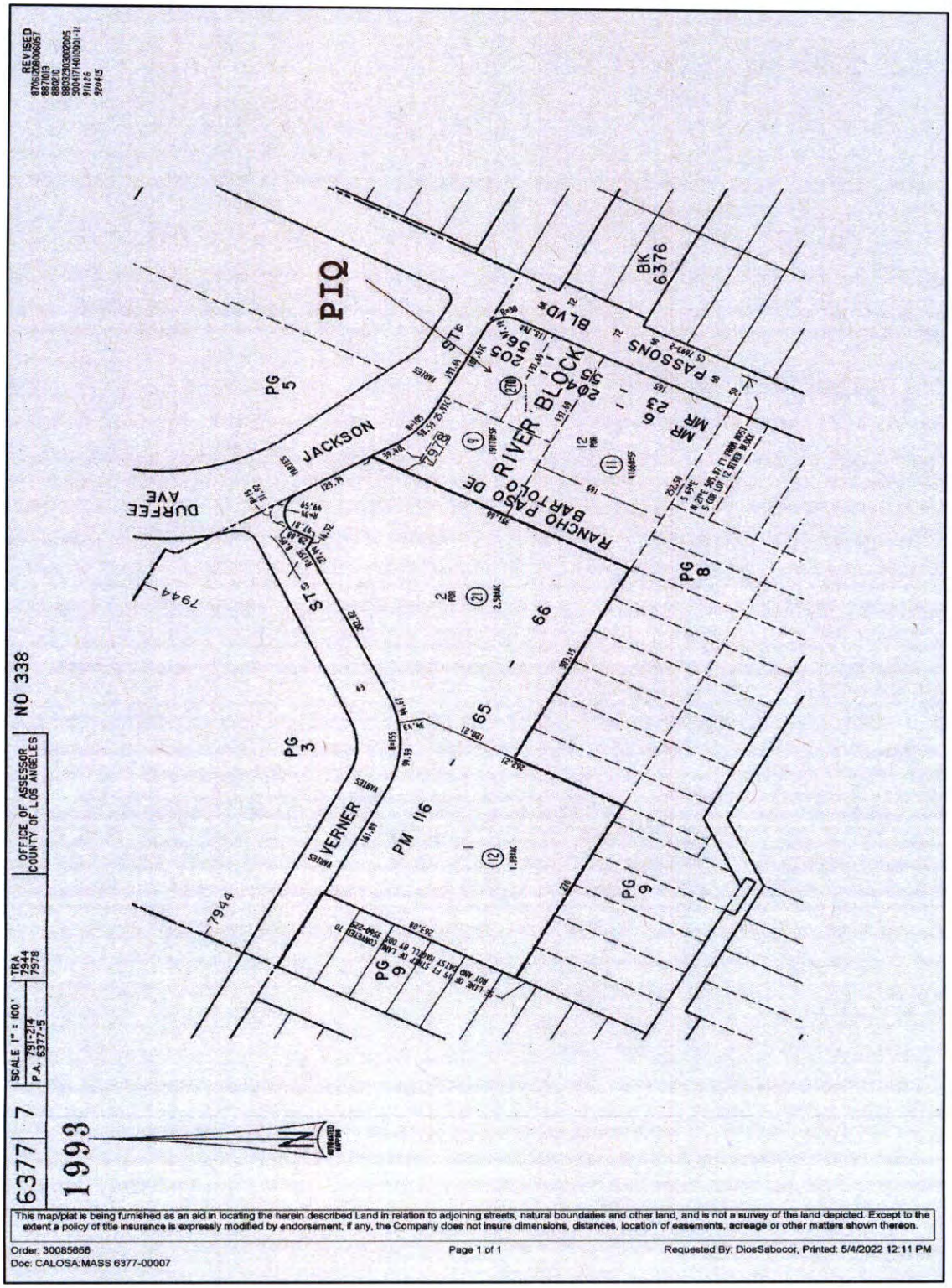


EXHIBIT C

FORM OF GRANT DEED

[TO COME]

RESOLUTION NO. 22-76

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, DECLARING A CITY-OWNED PROPERTY LOCATED AT 5055 PASSONS BOULEVARD (ASSESSOR'S PARCEL NO. 6377-007-270) AS "EXEMPT SURPLUS LAND" PURSUANT TO GOVERNMENT CODE SECTION 54221(F)(1)(D)

WHEREAS, the City of Montebello, California ("City") is the owner in fee simple of one parcel of real property located at 5055 Passons Boulevard, Pico Rivera, California (Assessor's Parcel Number ["APN"] 6377-007-270) (the "Property"); and

WHEREAS, the parcel is zoned R-M (Multi-Family Residential); and

WHEREAS, effective January 1, 2020, significant amendments to the Surplus Land Act ("SLA") Government Code Section 54220 et seq., went into effect providing the framework and state law requirements for disposal of surplus real property owned in fee by a public agency; and

WHEREAS, under the SLA, land owned by the City must be declared either "Surplus Land" or "Exempt Surplus Land;" and

WHEREAS, for land declared Surplus Land, the City must give notice to various public agencies and affordable housing developers of the land's availability before the City may dispose of the land;

WHEREAS, the SLA provides exemptions from the application of the SLA and its procedural requirements surplus land that is declared "Exempt Surplus Land," which includes local agency land that is transferred to another local, state, or federal agency for the transferee agency's use; and

WHEREAS, the City desires to sell the Property to another local agency, the City of Pico Rivera, which intends to use the Property for a public purpose; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the City Council of the City of Montebello hereby finds, declares, and resolves as follows:

SECTION 1. The foregoing recitals are true and correct and are hereby incorporated as substantive findings of this Resolution.

SECTION 2. Based on the above Recitals, the staff report accompanying this Resolution, and such other written and testimonial evidence, the City Council of the City of Montebello hereby finds and declares the Property Exempt Surplus Land pursuant to California Government Code Section 54221(f)(1)(D). The Property is land owned by a local agency that upon approval by the City, is to be transferred to another local agency – the City of Pico Rivera to be used for a public purpose.

SECTION 3. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). The City Council finds that this Resolution is exempt under CEQA Guidelines Section 15312 – Class 12 (Surplus Government Property Sales) and pursuant to CEQA Guidelines Section

15060(c)(3) because the Resolution does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

SECTION 4. The City Manager or his or her designee is authorized to submit the report of declared surplus land and exempt surplus land, in conformance with state law, and the City Clerk shall file a Notice of Exemption pursuant to CEQA Guidelines Section 15062.

SECTION 5. The City Manager or his or her designee is hereby authorized to take such actions that are reasonably necessary to comply with the SLA and effectuate the intent of this Resolution.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

SECTION 7. The Mayor and City Clerk are authorized to subscribe this Resolution where indicated below to evidence its approval by the City Council.

PASSED AND ADOPTED this 14th day of September, 2022 by the City Council.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-76 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 14th day of September 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES: Jimenez, Melendez, Peralta, Cobos-Cawthorne
NOES: Torres
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: 9/14/2022

Christopher Jimenez, City Clerk

ITEM # 9

CITY OF MONTEBELLO
CITY COUNCIL AND SUCCESSOR AGENCY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Adrianna Kendricks, Director of Transportation

SUBJECT: **AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-8) FOR A COMPUTER-AIDED DISPATCH/AUTOMATIC VEHICLE LOCATION SYSTEM**

DATE: February 22, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve issuing a Computer-Aided Dispatch/Automatic Vehicle Location System Request for Proposal, No. 23-8 (RFP No. 23-8); and
2. Take such additional, related action that may be desirable.

FISCAL IMPACT:

There is no fiscal impact to issue RFP No. 23-8 for a Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System (see Attachment A). Once a vendor is selected for award, the City Council will be asked to consider approving a Professional Services Agreement and amend the City of Montebello Department of Transportation's (Transportation) Fiscal Year 2022-23 adopted budget. Funding for this project will be allocated primarily from Transportation's FY 2022-23 adopted operating budget: Transit Operating Budget – Outside Contracts.

BACKGROUND/DISCUSSION:

The City of Montebello operates Montebello Bus Lines (MBL) to provide public transportation services to the City and neighboring communities. The City is soliciting competitive proposals from fully qualified and experienced vendors to replace MBL's existing CAD/AVL System, provide additional functionality, and migrate existing data from the previous CAD/AVL System.

In 2011, the City entered into an agreement with Avail Technologies, Inc. (AVAIL), to provide MBL with a CAD/AVL System. Since that time, new and emerging technologies within the transportation industry have resulted in additional CAD/AVL options with more capabilities. These capabilities include the ability to explore demographic data within a municipal operator's service area, make changes to routes through a seamless user interface, and route modeling capabilities.

In October 2019, the City Council approved a software maintenance agreement (Agreement No. 3697) with AVAIL for ongoing Maintenance and Support of MBL's CAD/AVL System. Agreement No. 3897 was for an initial one-year term, with the option for renewal of up to four (4), one-year terms. Unfortunately, the agreement with AVAIL provides limited access to certain features within the platform, and limited importing features with MBL's reporting software. These challenges prompted the request to issue RFP No. 23-8, which includes desired hardware infrastructure improvements for MBL's fleet of revenue buses.

The City seeks a vendor that will design, develop, and deploy a turnkey CAD/AVL solution for MBL. RFP No. 23-8 was developed setting clear expectations and a detailed scope of work to ensure that the selected vendor will install a CAD/AVL System most advantageous to the City. As a vital public transportation system within the Greater Los Angeles Metropolitan Area, MBL must continue to integrate new and innovative technologies to meet the demand of a larger municipal operator, all while providing patrons and staff a more user-friendly experience.

Once approved, the notice inviting proposals will be published using Planetbids.com, Masstransitmag.com, Transittalent.com, and the Wave Newspaper, beginning February 23, 2023. All bids will be submitted through the Planetbids.com platform. The due date for all proposals will be April 20, 2023. It is anticipated that a vendor will be selected in May with the award of a professional services agreement presented to the City Council for consideration shortly thereafter.

ENVIRONMENTAL:

N/A

ANALYSIS:

Staff requests approval to issue RFP No. 23-8, to identify a vendor that will replace MBL's existing CAD/AVL System, provide additional functionality, and migrate existing data from previous CAD/AVL System for the agency's transportation system. The vendor will provide a CAD/AVL System to perform the services outlined in RFP No. 23-8, for a three-year (3-year) term with the option for renewal of up to two (2) additional, one-year (1-year) terms.

A selection process will be used to evaluate proposals based on various qualitative components, and award an agreement based on a combination of price and qualitative

considerations. Qualitative considerations include a management plan, quality of proposed personnel, qualifications and experience, and technical approach.

Qualitative and Price Considerations		
1	Project Management Plan	15 points
2	Proposed Team	10 points
3	Qualifications and Experience	10 points
4	Technical Approach	40 points
5	Best Price Proposal	25 points
Total		**100 points**

The award selection will be based on a combination of qualitative and price factors to determine the proposal deemed most advantageous to the City.

SUMMARY:

Staff recommends that the City Council approve issuing RFP No. 23-8, attached hereto in substantial form, to replace MBL's existing CAD/AVL System; and direct staff to take such additional related, action that may be desirable.

ATTACHMENT(S)

1. Attachment A - Request for Proposal (RFP) No. 23-8

NEXT STEPS:

N/A

City of Montebello

REQUEST FOR PROPOSAL (RFP) No. 23-8

Montebello BUS LINES

Computer-Aided Dispatch/Automatic Vehicle Location System

February 23, 2023

ONLINE PROPOSAL SUBMITTAL ONLY THROUGH PLANET BIDS

NOTE: Updates, changes, or addendums to the RFP are posted at:
https://pbsystem.planetbids.com/portal/33072/portal-home

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Letter of Transmittal

EXHIBITS

Exhibit A - Indemnification and Hold Harmless Agreement and
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Exhibit B – References
Exhibit C – Insurance
Exhibit D – Cost Proposal Sheet
Exhibit E – Statement of Disadvantaged Business Enterprise Participation
Exhibit F – Bidder's List of Subcontractors (DBE and Non- DBE)
Exhibit G – Certification Regarding Debarment, Suspension, and Other Responsibility
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Exhibit H – Performance Guarantee Certification
Exhibit I – Performance Bond
Exhibit J – Irrevocable Standby Letter Of Credit Certificate
Exhibit K – Bank Draft

Introduction/ Background

The City of Montebello ("City"), Montebello Bus Lines ("MBL"), is soliciting competitive proposals from fully qualified and experienced Contractors, to replace MBL's existing Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system, provide additional functionality, and migrate existing data from previous CAD/AVL system. As the third-largest municipal bus system in Los Angeles County, MBL proudly serves 4.5 million passengers annually throughout the communities of Alhambra, Bell Gardens, San Gabriel, Boyle Heights, Commerce, Downtown Los Angeles, East Los Angeles, La Mirada, Montebello, Monterey Park, Pico Rivera, Rosemead, South Gate, and Whittier.

MBL's transit system consists of 35-40ft buses; twenty-six hybrid, three electric, thirty-seven Compress Natural Gas (CNG) buses, one (1) 25ft cutaway shuttle, nearly 1,000 bus stops, and two (2) transit hubs. The agency provides service to eight fixed routes, the longest of which is 27.2 miles. On any given week, the buses are on the road for an average of 810 hours, providing connections to neighboring transit agencies such as METRO, Norwalk Transit, Foothill Transit, and Metrolink.

The awarded contractor ("Contractor") for the deployment of the CAD/AVL system will prepare design reviews; perform Factory Acceptance Tests, Core First Article, radio coverage, and System Acceptance tests; install all components of the CAD/AVL; prepare manuals and other required documentation; provide training; and provide warranty and technical support after the contract is awarded as is set forth in this scope of work.

The City hereby notifies all Contractors that the City will affirmatively assure that Disadvantaged Business Enterprises ("DBE") are afforded full opportunity to participate in the performance of contracts and sub-contracts financed in part or in whole with funding provided under this RFP and will not be discriminated against on the grounds of race, color, gender, age, or national origin in consideration for an award. Proposals must be submitted in accordance with the conditions outlined in the Request for Proposal ("RFP") attached hereto.

The City reserves the right to reject any or all proposals, to waive information or irregularities to the extent permitted by law in any proposal received, and to be the sole judge of the merits of the respective proposals received.

DATE: February 23rd, 2023

ATTENTION: PROSPECTIVE PROPOSERS

SUBJECT: REQUEST FOR PROPOSAL (RFP) NO. 23-8

TITLE: CITY OF MONTEBELLO and MONTEBELLO BUS LINES

Computer-Aided Dispatch/Automatic Vehicle Location System

The City of Montebello ("City"), Montebello Bus Lines ("MBL"), invite proposals from fully qualified and experienced Contractors, to replace MBL's existing Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system, provide additional functionality, and migrate existing data from previous CAD/AVL system.

The term of the proposed agreement shall be for three (3) years with two (2) one-year term options commencing upon the date of the contract execution between the City and the successful Contractor.

A Pre-Proposal Meeting will be held on **Tuesday, March 14th, 2023**. The meeting will convene at **10:00 AM** Pacific Standard Time in the Transportation Building located at 400 South Taylor Avenue, Montebello. A facility walk-thru will follow the meeting. Proposers must abide by all Federal, State, local, and City coronavirus (COVID-19) protective measures (e.g., face coverings) at all times while onsite.

All potential proposers ("Proposers") are highly recommended to attend this important meeting. All correspondence, communications, and contact concerning any aspect of this solicitation or offers shall be only with the following person [or his designated representative if applicable] (hereinafter, the "City's Point of Contact").

Name: Rohan Anderson
Title: Senior Management Analyst
Address: 400 S. Taylor Ave.
Montebello, CA 90640
Telephone: (323) 558-1625 ext.104
E-mail: randerson@cityofmontebello.com

Only substantive inquiries will receive a response. All substantive questions submitted in writing, as outlined below, will be responded to according to the guidelines contained herein. Responses will be in writing and will be provided to all prospective Proposers and placed on the City's website. Responses to questions or comments regarding this RFP provided by any other department, employee, or City department other than the City's Point of Contact set forth above shall not be considered valid, and the City will not be bound by any such comments or responses. Inquiries received via telephone or orally in person will not receive a response.

Proposals must be received by **Thursday, April 20, 2023, at 3:00** PM Pacific Standard Time and submitted in accordance with the instructions contained in this RFP. No exceptions will be granted regardless of reason or circumstances.

All proposals must contain an original signature by an authorized officer of the company.

The successful Proposer will be required to comply with all applicable Equal Opportunity Laws and Regulations. The City hereby notifies all prospective Proposers that the City will require each Proposer affirmatively demonstrate that Disadvantaged Business Enterprises are afforded full opportunity to participate in the performance of contracts and sub-contracts financed in part or in whole under this RFP, and will not be discriminated against on the grounds of race, color, gender, age, or national origin in consideration for an award.

The City reserves the right to reject any or all proposals, to accept all or any part of any proposal, to waive any informality or minor irregularities in any proposal received to the extent permitted by law and where such action best serves the interest of the City, and to be the sole judge of the merits of the respective proposal received.

The City and MBL is committed to ensuring that no person is excluded from participation in, or denied the benefits of its programs and/or services on the basis of race, color, or national origin in accordance with FTA Circular 4704.1 and Title VI of the Civil Rights Act of 1964, as amended ("Title VI"). In addition to Title VI, NTS also prohibits discrimination based on sex, age, or disability.

Any person who believes he or she has been subjected to discrimination under Title VI can file a complaint with MBL. For more information on MBL's Civil Rights Program, and the procedures to file a complaint, contact:

Name: Adrianna Kendricks
Title: Director of Transportation
Address: 400 S. Taylor Ave.
Montebello, CA 90640
Telephone: (323) 558-1625
Fax Number: (323) 887-4643
E-mail: RideMBL.com

You may also contact the Federal Coordination and Compliance Office, Civil Rights Division at the Title VI Hotline: 888-TITLE-06 (888-848-5306) or send a letter to:

U.S. Department of Justice
Civil Rights Division
Federal Coordination and Compliance Section, NWB
950 Pennsylvania Avenue, N.W. Washington, D.C. 20530
More information on Title VI is available from the Justice Department online at www.justice.gov

TIMETABLE & SCHEDULE OF EVENTS

Scheduled Tasks	Scheduled Date	
Issuance of RFP	Thursday	February 23rd, 2023
Pre-Proposal Meeting	Tuesday	March 14th, 2023
Deadline to Submit Questions	Thursday	March 23rd, 2023, at 3:00 PM PST
Responses to Questions Provided	Tuesday	April 4th, 2023
Deadline to Submit Proposals	Thursday	April 20th, 2023, at 3:00 PM PST
Presentations & Intent to Award	Week of May 8th, 2023	

PROPOSAL SUBMISSION CHECKLIST

This checklist must be completed and returned with the Proposal. Failure to return this checklist may be cause for considering the Proposal non-responsive.

	Description	Section/ Page	Proposer shall initial here
1	Proposal	Page # 5	
2	Letter of Transmittal	Page # 43	
3	Licensing, Permits, and Certificates	Page # 17	
4	Indemnification and Hold Harmless Agreement and Waiver of Subrogation and Contribution	Exhibit A	
5	References	Exhibit B	
6	Insurance	Exhibit C	
7	Cost Proposal Sheet	Exhibit D	
8	Statement Of Disadvantaged Business Enterprise Participation	Exhibit E	
9	Bidder's List of Subcontractors (DBE and Non-DBE)	Exhibit F	
10	Certification Regarding Debarment, Suspension….	Exhibit G	
11	Performance Guarantee Certification	Exhibit H	
12	Performance Bond	Exhibit I	
13	Irrevocable Standby Letter Of Credit Certificate	Exhibit J	
14	Bank Draft	Exhibit K	
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15	Requests for exceptions or deviations.	Page # 8	

Company Name:	
Name of Proposer initialing document (print):	
Email address of Company Contact:	
Signature:	
Title:	
Date:	

SECTION 1 - INSTRUCTIONS TO PROPOSERS

PROPOSAL FORMAT AND SUBMITTAL

Proposals can be submitted via the https://pbsystem.planetbids.com/portal/33072/portal-home Portal (accessed through the City of Montebello's official website at https://cityofmontebello.hosted2.civiclive.com/cms/One.aspx?portalId=58756&pageId=84839) up to the hour of **3:00 p.m. on Thursday, April 20, 2023.**

All proposals must contain an original signature by an authorized officer of the company. Proposals received after the above-listed date and time will not be considered.

Proposals shall not include a photocopy of the following:

- INSTRUCTIONS TO PROPOSERS,
- QUALIFICATIONS,
- SCOPE OF WORK.

Proposals shall be typed, single-spaced and submitted on 8 1/2"x11" paper. Proposals shall not include any unnecessarily elaborate or promotional material. Proposals may not be modified or corrected after being opened unless an addendum is issued requesting resubmissions. Proposals will not be valid until all information has been verified and Proposer's references have been checked. All proposals shall be accompanied by a completed and signed a letter of transmittal provided as a part of this RFP.

All requests for exceptions or deviations as a result of this RFP shall be clearly identifiable by a separate section of the Proposer's submitted proposal for review by the City. It shall be the City's right to accept or reject any portion of the submitted requests.

Proposals shall be submitted in accordance with the form prescribed herein. Failure to respond in this manner may render the proposal non-responsive. Unauthorized conditions, limitations, or provisions attached to a Proposal will render the proposal non-conforming and non-responsive and may cause its rejection. The completed proposal shall be without interlineations, alterations, or erasures. Proposers submitting basic conforming proposals may choose to submit alternate proposals as complete and separate offers if the alternate proposal offers technical or other improvements or modifications, which are to the overall benefit of the City. Any and all alternate proposals must be submitted in writing and included with the original proposal, conforming to the requirements as stated herein. No verbal modifications will be accepted.

Proposal documents shall be deemed to include by reference each and every one of the following:

1. Request for Proposal (RFP)
2. Addenda to RFP
3. Supplements to RFP
4. All other required forms

EXAMINATION OF PROPOSAL DOCUMENTS

By submitting a proposal, Proposer represents that: (1) Proposer has thoroughly examined and become familiar with the Scope of Work required under this RFP, (2) Proposer comprehends all conditions that may impact the proposal, (3) Proposer has reviewed all addenda, and (3) Proposer is capable of providing the equipment, goods, and services necessary to perform the Scope of Work and/or meet the specifications outlined in this RFP, in a manner that meets the City's objectives. Failure to examine the documents and inform itself shall be at the Proposers' own risk. A Proposer shall have no claim against the City based upon ignorance of or misunderstanding of the RFP documents. Once the award has been made, failure of a Proposer to have read all of the conditions, instructions and the agreement shall not be cause to alter any term of the agreement nor shall such failure provide valid grounds for a Proposer to withdraw its proposal or to seek additional compensation.

SECTION 2 – GENERAL TERMS AND CONDITIONS

ADDENDA

Any changes made by the City to the requirements in this RFP will be made by written addenda. Any written addenda issued to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The City will not be bound by any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. The City reserves the right to revise or withdraw this RFP at any time and for any reason.

CLARIFICATIONS

Should a Proposer require clarifications of this RFP, the Proposer shall notify the contact person identified in this RFP in writing. Should the City, in its sole discretion, determine that the point in question is not clearly and fully set forth; the City will issue a written addendum clarifying the matter. The said addendum shall be posted on the PlanetBids.com web page.

All questions, clarifications, or comments must be submitted to or no later than **3:00 pm, Thursday, March 23rd, 2023**. No questions will be answered individually by the City or Transportation Departments.

Requests for clarification, questions, and comments must be clearly posted on the PlanetBids Q & A section. The City is not responsible for failure to respond to a request that has not been submitted in accordance with this section.

Responses by the City to the clarifications, comments, and questions will be communicated via PlanetBids. Every attempt will be made to provide responses to all Proposers in accordance with the procurement schedule for this RFP. Inquiries received after the deadline will not be accepted and will be returned to the sender without a response.

Requests for clarifications and questions should be formatted in the following manner:

1. Section
2. Paragraph number
3. Page number
4. Text of the passage being questioned
5. Question

DISCREPANCIES AND MISUNDERSTANDINGS

Proposing Companies must satisfy themselves by personal examination of any work site, drawings, Scopes of Work and by any other means as they may believe necessary, as to the actual physical conditions, requirements, and difficulties under which the work must be performed. No Proposing Company shall at any time after submission of the proposal, make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies found in any plans, specifications, or other documents provided, shall be called to the attention of the Buyer and clarified prior to the submission of proposals.

WITHDRAWAL OF PROPOSALS

Proposers may withdraw their proposals in writing, provided that such requests are received by the City prior to the scheduled deadline for Proposal submission or within six months following the scheduled deadline for Proposal submission when no contract has been awarded.

REFERENCES

All reference information requested in this RFP and specified in the form included in this RFP must be submitted with the proposal. Refer to Exhibit B.

At the discretion of the Evaluation Committee, the City may elect to perform site visits at the Proposer's customer locations. These optional site visits will be in addition to any presentations and/or technical demonstrations. Some or all RFP Evaluation Committee members may travel, at City expense, to sites at which finalist Proposers are performing like services. The purpose of such visits shall be to provide the evaluation team with an increased understanding of the process and assess the Proposer's implementation and performance.

PROPOSAL SIGNATURES

If an individual makes the proposal it shall be signed and the full name and address of the Proposer shall be given.

If a partnership makes the proposal, it shall be signed with the partnership name, by a member of the partnership who shall sign by name and the name and address of each partner shall be given.

If a corporation prepares the proposal, the name of the corporation shall be provided and signed by two (2) duly authorized Officers and, if available, stamped with the corporate seal, and the names and titles of all officers of the corporation shall be given. If a corporation provides a certified letter stating that one (1) duly authorized officer signature is binding for the corporation, this will suffice to omit the second signature requirement in the proposal. Certified letter is to be included in the proposal accompanied with the Letter of Transmittal.

PRE-CONTRACTUAL EXPENSES

The City will be under no obligation for payment of pre-contractual expenses. Pre-contractual expenses are defined as expenses incurred by Proposer in:

· Preparing the proposal in response to this request.

- Submitting that proposal to the City.
- Negotiating with the City any matter related to this proposal, and/or
- Any other expenses incurred by the Proposer prior to the date of award.

CITY OF MONTEBELLO RIGHTS

In its discretion, the City reserves the right to:

1. Reject any and/or all proposals for no reason or any reason including but not limited to the following:
    a. The proposal is incomplete, non-responsive, obscure, irregular, or lacking necessary detail and specificity.
    b. The Proposer, in the sole judgment of the City, lacks the qualifications, experience, and/or responsibility necessary to provide the services.
    c. The Proposer failed or neglected to complete and submit any information within the time specified by the City, and as may be otherwise required herein.
2. Reject any proposal that, in the opinion of the City, is so unbalanced in comparison to other proposals received and/or to the City's internal estimates that it does not accurately reflect the cost to perform.
3. Accept all or any part of a proposal.
4. Cancel the entire RFP;
5. Issue subsequent RFPs;
6. Waive any errors or informalities in any proposal, to the extent permitted by law.

STATE CREDENTIALS AND TAXES

The Proposer shall be appropriately licensed in accordance with the laws of the State of California for the work to be performed. The cost for any required licenses and/or permits shall be the responsibility of the successful Proposer. The successful Proposer is liable for any and all taxes due as a result of the contract.

RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS

The Proposer's products, services, and facilities shall be in full compliance with all applicable Federal, State and local regulations, standards, and ordinances, regardless of whether or not they are referred to in the RFP.

CONFIDENTIALITY AND PUBLIC RECORD

Proposals submitted shall become the exclusive property of the City. Submissions shall become a matter of public record subject to disclosure, except for those elements that the City Attorney's Office determines to be exempt from disclosure under the California Public Records Act or any other applicable state and/or federal law.

JOINT OFFERS

Where two or more Proposers desire to submit in response to this RFP, they shall do so on a prime-sub Contractor basis rather than as a joint venture. The City intends to contract with a single firm and not with multiple firms doing business as a joint venture. Any proposal submitted on behalf of any form of joint venture or partnership between two (2) existing Proposers may be considered collusive and may be rejected as non-responsive.

COMPANY PERSONNEL

It shall be the burden of the successful Proposer to ensure all personnel possesses qualifications and/or experience. All personnel required in performing the services herein shall be secured at the expense of the successful Proposer. Personnel shall not be employees of or have any contractual relationship with the City. Successful Proposer's personnel shall conduct themselves in a professional manner to all City employees at all times. Rude or discourteous behavior by the successful Proposer will not be tolerated and the offense can be justification for termination of contract. All sub-Contractors of successful Proposer shall abide by all the requirements set forth in this section.

SINGLE PROPOSAL RESPONSE

If only one proposal is received in response to this RFP, a detailed cost/price proposal may be requested of the Proposer. A cost or cost and price analysis and evaluation and/or audit of the cost may be performed in order to determine if the price is fair and reasonable. If the City determines a cost analysis is required, Proposer must be prepared to provide, upon request, cost summaries of estimated costs (i.e. labor, equipment, supplies, overhead costs, etc.) and documentation supporting all cost elements.

PROTEST PROCEDURES

All protests must be filed in accordance with the following:

1. The protest must be in writing and identify the solicitation (RFP) number.
2. The protest must be submitted by some return receipt method or guarantee of delivery that insures that the protest was received in a timely manner. The City is not responsible for lost or delayed deliverables.
3. The party's standing to protest must be identified.
4. Identification of the specific provision, law, regulation, specification, procedure, or policy violated.
5. A statement of the relief requested.

Protests related to the content of the RFP shall be received no later than ten (10) days prior to the proposal due date; or within five (5) days after the proposal opening. If the Protest does not comply with the preceding requirements it may not be evaluated and may be returned to the Protestor.

All protests shall be submitted to the contact person identified in this solicitation. If the solicitation is funded with Federal Transit Administration (FTA) monies, a protest may be filed with the FTA. However, the FTA only accepts protests alleging that a grantee failed to have written protest procedures or did not comply with those procedures or protests that involve a conflict of interest or fraud.

INCORPORATION OF PROPOSAL INTO AGREEMENT

This RFP and the Proposer's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall be binding and incorporated by reference in the City's contract with the successful Proposer.

TIME OF COMPLETION

The contract time shall commence from the date on the Notice to Proceed (NTP) as authorized in writing by the City. The services shall be completed within the time period specified in the Request for Proposal. In case the services under the terms of these provisions and related professional contract shall be necessarily

delayed because of strike, injunctions, government controls, or by reasons of any cause or circumstances beyond the control of the successful contractor (the "Contractor"), the time of completion shall be extended by a number of days to be determined in each instance by mutual agreement between the Contractor and MBL.

PAYMENT

A separate invoice, referencing the respective purchase order number, shall be issued in duplicate for each invoice shown in the payment schedule and addressed to: **City of Montebello, Attn: Accounts Payable, 1600 West Beverly Boulevard, Montebello, California, 90640**.

Payment will be made within thirty (30) days after acceptance and approval of invoice.

Payment Schedule: Monthly
Provide (1) One invoice monthly.

CONTRACT DOCUMENTS: ORAL CHANGES / CONTRACT TERMINATION

Oral Changes: Oral changes and oral change orders are not permitted. All proposed changes must be submitted in writing to, and approved by, MBL prior to becoming a Contract modification.

Contract Termination: MBL may terminate any resulting Contract for convenience at any time by giving the Contractor five (5) days written notice thereof. Upon termination, MBL shall pay the Contractor his allowable cost incurred to date of termination, and those costs deemed reasonably necessary by MBL to effect such termination, determined in accordance with Part 1-8.705-1 of the Federal Procurement Regulations (41CFR 1-8) or other applicable portion(s) of said Regulations. In addition, MBL shall pay the Contractor a percentage of the project, which relates to Contract work accomplished to date of termination. The effective date of termination shall be the date of Notice of Termination.

In the event the Contractor breaches the terms or violates the conditions of the Contract, and does not within ten days, thereafter, cure such breach of violation, MBL may immediately terminate the Contract for default. The Contractor shall be liable for any and all costs incurred by MBL as a result of such default.

SCOPE OF CONTRACT

The Contractor shall provide all services necessary as per the Scope of Work described in this Request for Proposal.

PERFORMANCE OF WORK

It is the intent of these specifications to provide only services of the highest quality. The cost to be quoted and submitted shall include all items of service and any other costs necessary to fully complete the work pursuant to the provisions. It is the aim of these specifications that the Contractor provide complete services of the type prescribed. Any items omitted from such specifications which are clearly necessary for the completion of such services shall be considered a portion of such services, although not directly specified or called for in these specifications. No advantage shall be taken by the Contractor in the omission of any detail which goes to make the services complete, even though such detail is not mentioned in these specifications.

AWARD OF CONTRACT

The agreement resulting from this RFP (the "Agreement") will be awarded to the responsive and responsible Proposer whose proposal, conforming to the requirements of the RFP, is determined to be the most advantageous ("Best Value" as described in the Federal Transit Administration Circular 4220.1F) to the City, based on the Evaluation Criteria. No agreement shall exist until the City Council or the City Manager has awarded the Agreement and it has been mutually executed. The City reserves the right to:

(a) Accept all or any part of a proposal;
(b) Reject any or all proposals for any reason;
(c) Waive any informality or minor errors to the extent permitted by law;
(d) Award the Agreement as the interest of the City may require;
(e) Cancel the entire RFP; and/or
(f) Issue subsequent RFPs.

An Evaluation Committee comprised of MBL staff, in accordance with the Proposal Evaluation Criteria set forth in Evaluation Criteria section of this RFP, will evaluate all the proposals. During the evaluation period, the City may interview some or all the proposing firms. Proposers should be aware; however, that award may be made without interviews or further discussions.

The City may negotiate contract terms with the selected Proposer prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously and, thereafter, to award a contract to the Proposer offering the most favorable terms to the City. However, negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain the most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

No agreement shall exist until the City Council or City Manager has awarded the Agreement and it has been mutually executed. The City reserves the right to reject any and all proposals for any reason, to waive any informality or minor errors as determined by the City in any proposal and to award the Agreement as the best interests of the City may require. The award, if any, may be made by the City within ninety (90) calendar days after the opening of the proposals.

Point of Contact

This RFP is issued by the City, and the Senior Procurement Analyst will be the sole point of contact ("Point of Contact") during the RFP submission and procurement process. Communications initiated by respondents to this RFP with members of the City Council, or officers, personnel or employees of the City, other than as coordinated by the Point of Contact, may be grounds for disqualification. Any inquiries or requests during this submission or procurement process shall be submitted in writing to the following Point of Contact:

City of Montebello Transportation Department
Attention: Rohan Anderson,
Senior Management Analyst
400 South Taylor Ave.
Montebello, CA 90640
(323) 558-1625 ext. 104
Email: randerson@cityofmontebello.com

If the Point of Contact determines a response to any such inquiry is warranted, said response will be issued to all prospective Proposers via PlanetBids.com

EVALUATION OF PROPOSALS

MBL uses a selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include experience and qualifications, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine the offer deemed most advantageous to MBL.

An evaluation committee will be appointed to review all proposals. The committee will be comprised of MBL staff. Committee members will initially evaluate each proposal using the pass or fail criteria identified herein. Proposers who pass this first stage of testing will progress to the next step in the evaluation.

On the completion of the initial Pass/Fail review, the committee will evaluate proposals using the two-step process. Technical proposals will be reviewed and scored first without consideration for price. The committee will then open the cost and price proposals and evaluate and score them accordingly. During the technical evaluation, the committee, at its sole discretion may contact any or all the Proposers with specific questions or requests for clarification. After both the technical and cost/price proposals have been evaluated and scored, the committee will arrive at a “comprehensive proposal score” for each proposal. A list of top-ranked proposals within a competitive range will be developed based upon the total comprehensive scores provided by committee members. At this time, the committee may decide that the evaluation process is complete and submit a final recommendation to the Director of Transportation.

If the committee determined it to be necessary, it may then conduct interviews and negotiations with short-listed Proposers. As no other interview dates are available. Proposers who are unable to attend their interview as scheduled may be eliminated from further participation. The interview may consist of a short presentation by the Proposer after which MBL may ask questions and/or request clarification related to any element of a proposal and its qualifications. MBL may also enter negotiations with the Proposer.

At the conclusion of interviews and negotiations, the evaluation committee may choose to proceed using one of the following processes:

The committee may find it necessary to re-score the proposals in light of information gained during the interviews and negotiations process. The proposals will be scored in the same manner as the original proposals.

The committee may ask the Proposers to consider the dialog of negotiations and revise their proposals. A deadline will be set for submission of the revised proposals. If a Proposer is unable to meet the deadline or chooses not to revise its proposal, its existing proposal will be rescored along with revised proposals in the same manner as the original proposals.

Proposers remaining within the competitive range may be asked to submit a Best and Final Offer (BAFO). In the BAFO request, the Proposers may be asked to provide additional information, confirm or clarify issues and submit a final cost/price offer. A deadline for submission will be stipulated. The BAFO’s will be scored in the same manner as the original proposals.

After the BAFO's are evaluated and scored, the evaluation committee may recommend a proposal with the highest final ranking or a short list of top ranked proposals within the competitive range whose offers(s) are the most advantageous to MBL.

MBL will evaluate the offers based on the following criteria: Pass/Fail Criteria

- Proposer has demonstrated the ability to meet the insurance requirements described in the Agreement. Proof of ability, for example a sample certificate with another agency, or a statement that proposer can meet the insurance requirements in the RFP should be attached to proposal. (P/F)
- Proposer has demonstrated at least five (5) years of CAD/AVL system experience. (P/F)
- Proposer has demonstrated previous experience working for or with public agencies, transit entities, or corporations on security project. (P/F)

If the Proposer does not meet any of the criteria mentioned above, their proposal may not be considered for evaluation:

EVALUATION CRITERIA

Award will be made to the Offeror whose proposal offers the best value to the City. Proposals that meet the pass/ fail criteria now will be evaluated in accordance with the following criteria:

Qualitative Considerations

The Proposer's qualitative proposal will be evaluated on the basis of the following factors, each having the weighted value set forth below:

1	**Project Management Plan** The proposal shall contain a detailed explanation of the project and not a reiteration of the RFP itself. The information offered should be a compendium of the Proposer's knowledge of the standards outlined in the Scope of Work.	15 points
2	**Proposed Project Team** Qualifications and experience of management and staff and other personnel; comprehensiveness of plan and team's familiarity with the provision of Security Services.	10 points
3	**Qualifications and Experience** Demonstrate experience completing CAD/AVL system projects of the same or similar magnitude. Presentation of a catalog of CAD/AVL system experience and expertise most advantageous to the City.	10 points
4	**Technical Approach** Understanding of the RFP requirements and illustrating the ability to meet performance objectives, compliance with all technical and administrative requirements, financial viability, accounting, and reporting.	40 points
	TOTAL	**75 points**

Price Considerations

The Price proposals will be evaluated as follows:

5	**Price** The Proposer's Price proposal will be compared to the proposal with the Best Value to the City. The best value responsive price will receive the total weighted value for this criterion.	25 points
	TOTAL	**25 points**

All other Price proposals will be scored as follows:

Proposer Price Score = Best Price proposal x 25 (Total Points Available for Price Evaluation).

SECTION 3 - OTHER REQUIREMENTS

LICENSING AND PERMITS

The Contractor shall be licensed, bonded, and experienced in performing the services described in the Scope of Work and shall provide evidence of current licensing and permits as required by local, State, and Federal regulations in providing such services.

LIQUIDATION DAMAGES

MBL commits to working cooperatively with the Contractor to resolve Contractor's equipment and performance challenges as they may arise, however, certain proven contractual violations may result in the assessment of liquidated damages at MBL's discretion.

Whenever assessed, the Contractor will provide a credit letter in the amount specified to be applied to a subsequent invoice. Each such credit letter will include information concerning the date, time and nature of the violation(s), the amount assessed for each and the total amount credited. Failure to comply with any aspect of the Scope of Work may result in a credit to MBL of $250 per violation.

BOND REQUIREMENTS

Bid Guarantee

The Contractors shall furnish a bid guarantee in the form of a bid bond, or certified treasurer's or cashier's check issued by a responsible bank or trust company, made payable to the City. The amount of such guaranty shall be equal to 10% of the first year bid price.

In submitting this bid, it is understood and agreed by the Contractor that the City reserves the right to reject any and all bids, or part of any bid, and it is agreed that the Bid may not be withdrawn for a period of (90) days subsequent to the opening of bids, without the written consent of City.

It is also understood and agreed that if the undersigned bidder should withdraw any part or all of his bid within (90) days after the bid opening without the written consent of the City, or refuse or be unable to enter into an agreement as provided above, or refuse or be unable to furnish adequate and acceptable Performance and Payment Bonds, or refuse or be unable to furnish adequate and acceptable insurance, as provided above, it shall forfeit its bid guarantee to the extent City's damages occasioned by such withdrawal, or refusal, or inability to enter into an agreement, or provide adequate security thereof.

It is further understood and agreed that to the extent the defaulting Contractor's bid guarantee shall prove inadequate to fully recompense the City for the damages occasioned by default, then the undersigned Contractor agrees to indemnify the City and pay over to the City the difference between the bid guarantee and City's total damages so as to make City whole.

The undersigned understands that any material alteration of any of the above or any of the material contained herein, other than that requested will render the bid unresponsive (Exhibit H. Performance Bid Guarantee). A copy of the bid bond shall be submitted via the PlanetBids.com Portal.

Performance Guarantee

A Performance Guarantee in the amount of 100% of the Agreement first year value is required by the City to ensure faithful performance of the Agreement. Either a Performance Bond or an Irrevocable Standby Letter of Credit shall be provided by the Contractor and shall remain in full force for the term of the Agreement.

The successful Contractor shall certify that it will provide the requisite Performance Guarantee to the City within ten (10) business days from Agreement execution (Exhibit I. Performance Bond). The City requires all Performance Bonds to be provided by a fully qualified surety company acceptable to the City and listed as a company currently authorized under 31 C.F.R. part 22 as possessing a Certificate of Authority as described hereunder. The City may require additional performance bond protection when the contract price is increased. The increase in protection shall generally equal 100 percent of the increase in the contract price. The City may secure additional protection by directing the Contractor to increase the amount of the existing bond or to obtain an additional bond.

If the Contractor chooses to provide a Letter of Credit as its Performance Guarantee, the City shall furnish with its bid, certification that an Irrevocable Standby Letter of Credit will be furnished should the Bidder become the successful Contractor. The Contractor shall also provide a statement from the banking institution certifying that an Irrevocable Standby Letter of Credit for the action will be provided if the Contract is awarded to the Bidder. The Irrevocable Stand-By Letter of Credit will only be accepted by the City if:

1. A bank in good standing issues it. The City will not accept a Letter of Credit from an entity other than a bank.
2. It is in writing and signed by the issuing bank.
3. It conspicuously states that it is an irrevocable, non-transferable, "standby" Letter of Credit.
4. The City is identified as the Beneficiary.
5. It is in an amount equal to 100% of the Contract first year value. This amount must be in U.S. dollars.
6. The effective date of the Letter of Credit is the same as the effective date of the Contract.
7. The expiration date of the Letter of Credit coincides with the term of this Agreement.
8. It indicates that it is being issued in order to support the obligation of the Contractor to perform under the Contract. It must specifically reference the Contract between the City and the Contractor the work stipulated herein.

The issuing bank's obligation to pay will arise upon the presentation of the original Letter of Credit and a certificate and draft (similar to the attached forms contained in Exhibit J. Irrevocable Stand-By Letter of Credit Certificate and Exhibit K. Bank Draft) to the issuing bank's representative at a location and time to be determined by the parties. This documentation will indicate that the Contractor is in default under the Contract.

SECTION 4 – SCOPE OF WORK

The City, through MBL, is soliciting competitive proposals from fully qualified and experienced Contractors, to replace MBL's existing Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system, provide additional functionality, and migrate existing data from previous CAD/AVL system. The Contractor shall install the CAD/AVL system to perform the services, outlined in the Scope of Work, for a three-year term with the option for renewal of up to two (2) additional one-year (1-year) terms.

The complete and integrated CAD/AVL System must include the following core requirements, but not be limited to:

- Computer-Aided Dispatch (CAD)
- Automatic Vehicle Location (AVL) (Revenue and Non-revenue Vehicle)
- Automatic Voice Annunciation System (AVA)
- Head sign / Marquee Integrations
- Bus Stop/Shelter Signage Integrations
- Covert Emergency Alarms (CEA)
- Single Point Vehicle Log-in
- Business Intelligence and Reporting (OTP, Vehicle Miles/Hours, Performance of Operators and Vehicles, Incident Management, Farebox Recovery, etc.)
- NTD Certification and APC Benchmarking
- Voice over IP (VoIP) Based Voice Communications – Motorola UHF ICIS to be used as backup
- Yard Management System
- Real-time Data Communications, Detours, Alert Management, Passenger Information, GTFS, and GTFS-RT. Integrations with apps such as Google Transit, Apple Maps, Moovit, and TransitApp
- Uptime SLA to be agreed upon between City and Vendor.
- Hosting and support
- Recommended process for offloading data
- Traffic Signal Priority (TSP) Integration
- Automatic Vehicle Monitoring (AVM) (Optional)
- Time Keeping and Scheduling (Optional)
- Planning and Scheduling(Optional)
- Pre/Post Trip Inspections (Optional)

Desired Systems Integration and Existing Infrastructures: MBL desires to have these systems integrated or replaced with by the proposed contactor:

- IBM Maximo Enterprise Asset Management System
- Genetec Surveillance System – push button for video tagging
- Remix Platform
- TransTrack
- City Website
- Cubic Universal Fare System
- Eventide Nexlog: Log voice calls if replacement VoIP system does not have call logging capabilities
- Infotainment: Display route information on-board
- Destination signs
- Real-time signage at bus stops

- Optibus
- Cradlepoint: IBR1700
- Verizon Cellular Network
- Trackit Manager

Computer-Aided Dispatch and Automated Vehicle Location (CAD/AVL) System

The Computer-Aided Dispatch (CAD) component shall be the primary means of assigning, overseeing, and communicating with MBL vehicles; preparing and processing incident reports. CAD shall support multiple user groups (e.g., driver supervisors, operations managers, system administrator) with settable system rights and privileges. CAD functionality shall be available on MBL workstations via a web-based application or similar means.

The Automatic Vehicle Location (AVL) component shall store, and regularly update real-time vehicle location information of MBL vehicles. The AVL component of the total solution shall display the vehicle information in real-time on a geographic map at workstations for dispatch, customer service and other stakeholders along with other pertinent information regarding the route, vehicle and schedule data.

The CAD/AVL system shall also be able to integrate or import transit data (Routes, Stops, Trips, etc.) via direct integration, and/or imports from route/scheduling exports.

The CAD/AVL system shall also have the capability to input changes to the line, pattern and schedule data from a workstation, for full or ad-hoc changes and detours at the trip, run and line levels. The system shall also support interlining.

Proposer shall be sufficiently knowledgeable of the transit scheduling software to carry out the required integration for meeting these CAD/AVL system specifications. Such bidirectional data transfer and synchronization with the CAD/AVL System and other MBL systems shall occur either automatically or upon user initiation, dependent upon MBL CAD/AVL System administrator settings

Graphical User Interface

All the information that is provided to the CAD/AVL users shall be via intuitive and easy to use Graphical User Interfaces (GUI). The GUI shall not be static and shall be fully customizable for each class of user. For example, dispatchers shall be able to customize what they are able to view on the screens related to route and vehicle information, customer service agents shall be able to customize what they are able to view on the screens related to real-time vehicle/route performance information and triggers etc.

The system shall display if vehicle(s) are in operation but have not been logged in. The dispatchers shall have the capability to remotely login these vehicles with the operator and route credentials which shall populate all the other on-vehicle systems through single sign-on.

Geographic Display/Functionality

Geographic display/functionality shall include the following but not limited to:

- Allow centering geographic display on and automatically tracking a specified vehicle
- Allow centering on specified lines, stops, and time points.
- Allow selection of vehicle icon to display text/tabular display data about vehicle

- Automatically adjust minor vehicle location discrepancies to show vehicle icons on streets
- Automatically center the display on a vehicle with a covert alarm status while the covert alarm is active.
- Include an up to date map of all highways, streets, and roads by name
- On highest-level map, show MBL's full service area
- On lowest-level map, show all streets, roads, railroad tracks, water boundaries, jurisdictional boundaries, bus stops, transfer points, and significant landmarks within the displayed area

Operations Display/Functionality

Operations display/functionality shall include the following, but not limited to:

- Display the conditions, location, direction of travel and route/schedule adherence of vehicle
- Display selected lists of data, including vehicle schedules, Operator identification, assignments and schedules, pull-in/layover status, back in-service time/place, schedule and route adherence.
- Display assignments of operators to lines/runs and or vehicles.
- Display various types of canned and custom text messages
- Visible list of unacknowledged and acknowledge message and responses
- Allow the ability to create unlimited customized dispatch triggers and/or alerts
- Triggers and/or alerts shall have the capability to be created in real-time within the CAD component
- Operations status entries shall be generated automatically by the CAD/AVL system when an out-of-tolerance condition is detected. The CAD/AVL system shall generate notifications for a number of vehicle

Incident Reporting

The CAD/AVL system shall support automatic and manual collection and entry of vehicle information for incident reports. For each incident report, the CAD/AVL system shall automatically record vehicle status, run, line, schedule deviation, time, operator identification, location, alarm status, other pertinent vehicle information, system date and time, workstation identification, and dispatch user. Incident reports shall accept from a console and record manually entered text, coded, combo-boxed or check-boxed notes, and an indication that the incident is closed or the report cancelled.

The CAD Incident Report subsystem shall also include the following features, but not limited to:

- Automatically assign a unique identification to each created incident report
- Be searchable by any incident report data field
- Allow recording of free-form text comments (i.e. Memo field)
- Be exportable in a various format (e.g. Comma delimited, PDF, and MS Office applications)
- Maintain a log of incident report creations and modifications by user, date, and time

Time of Arrival and Departure Data

The CAD/AVL System shall determine dynamic estimated time of arrival to the next vehicle stop for each vehicle based on data from the AVL System. The time of arrival information shall be available for the Passenger Information Display System (PIDS), internet access including MBL's public website, Google, Computer-Aided Dispatch (CAD), and other systems.

The time of arrival/departure information shall be determined using an analytical algorithm that utilizes the current AVL information for the approaching/departing vehicle relative to a stop. The CAD/AVL System shall have functionality to calculate the arrival/departure times for a number of vehicles at each stop for all routes and directions serving that stop.

The CAD/AVL System shall provide GTFS-RT feed to support external customer information and planning applications.

Reporting

Comprehensive reporting shall be provided by the system to display critical reports and information to enable management to monitor performance and conditions.

The solution shall also provide for viewing and reporting of data by exception that is configurable by the users. The configurable parameters shall allow for various event triggers such as vehicles running early or late, vehicle off-route, service type, date, time, route, and vehicle. The system shall allow for flexible reporting (canned, custom and Ad hoc) and mining of data.

Reporting functionalities and capabilities shall include the following at a minimum, but not limited to:

- Revenue Vehicle Operations
- Dashboards that display critical information on a continuous basis
- Current status of service showing active CEA, number of vehicles currently on routes, percent of fleet on time, and percent of fleet late
- Dispatch user information such as vehicle and line assignments, action events such as vehicle calls and alarms, and dispatch user responses, all with time tags for analysis
- Stop information including line, run, direction, vehicle, operator, miles, etc.
- Summary data on trip number, line, run, day of week, time period, Operator ID, vehicle ID, schedule adherence, passenger boarding's, etc. Summaries shall be for daily, weeks, months, quarters, and years
- Time-point data including trip vehicle, line, run, and time of time-point passage
- Trip information including line, run, direction, vehicle, operator, miles, etc.
- Revenue and non-revenue miles and hours
- Schedule adherence
- Bus assignments including changes
- Run cancellations
- Out late buses
- Service delays, including type, reason, length of delay, service loss, mileage lost
- Operator Management
- Operator assignments and assignment fulfillment
- Incident Reports involving Operator error
- Accident Reports

Onboard Vehicle System Requirements

The Contractor shall furnish and install a CAD/AVL System for MBL vehicles, with all equipment, cabling software, components and licenses necessary.

Vehicle Logic Unit (VLU)

The Contractor shall provide a VLU that has, the following specifications at a minimum, but not limited to:

- The VLU shall be the central processing device and data storage device installed onboard for all vehicles and powered by the vehicle's electrical system
- The VLU shall be integrated with the onboard equipment on each vehicle that provides route/ destination announcements and onboard visual signs with both audible and textual messages, etc.
- The VLU shall provide the interface/transmission of data to and from all subsystems such as audio announcements, PIDS, onboard visual signs, etc.
- The GPS receiver shall be integrated into the VLU to provide time and location data for AVL functions
- Multiple port selections
- Data storage capacity shall be sufficient to store the complete current and pending route schedules, announcement files, and event messages
- System configuration settings related specifically to a vehicle shall be stored in a vehicle configuration module such that the VLU unit can be swapped out and vehicle information not lost.
- The VLU shall be provisioned for future expansion and interoperability

Mobile Data Terminal (MDT)

The Contractor shall provide a MDT that has, the following specifications at a minimum, but not limited to:

- The MDT shall automatically engage when the vehicle is started, and shut down a programmable amount of time after the vehicle is turned off.
- The MDT shall store the most recent location received from the GPS receiver, so that if the GPS receiver is not able to report the location, the last known good location will remain available.
- The MDT shall incorporate a color graphical screen capable of displaying fonts of variable size and can change colors between day and night or has automatic brightness controls.
- The MDT shall have capabilities to show the Operator turn by turn directions.
- The MDT shall have the capabilities to show the Operator if they are ahead of schedule or behind schedule in number of minutes and or color code.
- The MDT shall be equipped with appropriate functional buttons (physical and or touch screen) capable of controlling other onboard systems (e.g. NGFS, head signs, etc.).
- The MDT display shall be readable by the Operator from the seated position under the full range of ambient illumination conditions, through the incorporation of such measures as driver-operated brightness/contrast control, anti-glare coating and adjustable orientation mounting.
- The MDT shall be capable of providing unique audio tones to alert the Operator of incoming messages.

The MDT shall be capable of, but not limited to, displaying the following onboard information and interface to onboard systems during operation of the vehicle:

- Data Messaging
- Emergency Alarm
- Head Sign Control
- Logon

- Maintenance
- NGFS- Mobile Validator (Ability to show fare on MDT, accept and cancel transaction from MDT etc.)
- Route Guidance
- Schedule Adherence
- Stop Announcement
- Talk
- Transfer Notification
- Trip/Schedule Display Control
- The MDT shall support en route changes of the assigned Operators for cases such as mechanical breakdowns, Operator substitutions, etc.
- The MDT shall enable Operators to send user-friendly, easy to use predefined text data messages to dispatch with a minimum of interaction e.g. wheel chair loaded, bike loaded etc. These text messages shall be user configurable by system administrator and flexible in the way they are ordered on the MDT.
- Operators shall be able to review recently received messages at any time with a minimum of interaction. The MDT shall be capable of retaining at least the last (10) ten received messages for Operator review. The received messages shall be ordered chronologically with the most recently received message presented first.
- When the vehicle receives a data message, the Operator shall be notified by a mutable audio tone signal and the message shall be available for display on the MDT within one second after it is received.
- The MDT shall provide for automatic control of all destination signs in vehicles. The destination signs shall be automatically updated by the Operator at logon and at predefined points along each route (e.g., at the end of a trip). The points at which destination sign messages shall be automatically changed shall be configurable by MBL.

Covert Emergency Alarm

The Contractor shall provide a Covert Emergency Alarm (CEA) which will activate a silent alarm when an Operator presses a button in an inconspicuous location of the Operator‘s area. When engaged, the CEA shall include the following functionality, but not limited to:

- Issue an emergency alarm, including vehicle location, to the dispatch workstation
- Discreetly display the CEA activation to the Operator
- Send discrete visual signal to Operator when a dispatch workstation acknowledges receipt of CEA
- Emergency Alarms shall have the highest priority of all data messages.
- Cause exterior head signs to display an emergency message
- A CEA event indication shall not be noticeable to passengers.
- Update the vehicle location to the dispatch workstation no less than every (5) five seconds
- Allow supervisor to override and disable a CEA using the dispatch workstation

Automatic Voice Annunciators

The Contractor shall provide an Automatic Voice Annunciator (AVA) system in each MBL vehicle that shall automatically audibly and visually announce stops and stop requests; and change onboard visual signs. The AVA system shall determine where or when to make stop announcements and onboard visual signs changes using AVL system data and pre-defined location or time parameters. Once the Operator is logged

into the MDT, the AVA system shall be fully automatic requiring no driver interaction. The AVA system shall include interior and exterior speakers and all relevant equipment for audible announcements.

Destination Announcements

When a vehicle is approaching a stop, one or more announcements shall be made for approaching stop. Requirements, capabilities, and features of the announcement system shall include but not limited to:

- Allow MBL administrators to configure announcements
- Destination description by street, intersection, location, or landmark
- Disabling of exterior audio announcement by time of day, route and vehicle
- Distance or time of announcement(s) prior to the stop
- Multiple occurrences of announcement for a given stop, including upon arrival
- Type of announcement (visual, interior audio, and/or exterior audio) by bus or trolley location
- Allow Operator to disable AVA system in the event of malfunction
- Allow Operator to manually invoke the pre-defined announcements
- Automatically make other pre-defined announcements periodically or at pre-defined locations
- Display time periodically or at pre-defined locations
- If an unscheduled stop is made, continue to make correct next stop announcements
- If vehicle goes off-route, disable announcements until vehicle returns to the assigned route
- Include pre-defined announcements
- Make audio and visual “Stop Requested” announcements and clear when a door is opened
- Make line and destination location announcements prior to and upon arriving at bus stops
- Meet Americans with Disabilities Act (ADA) requirements for the bus stop announcements

Announcement Database

The AVA system shall include a database of audio and visual stop and other pre-defined announcements. The database shall include necessary administrative tools for MBL to easily modify announcement parameters for individual stops including but not limited to announcement content, location, frequency, and type.

On-board Passenger Display Signs

The Proposer shall provide and install inside each vehicle:

- At least one electronic variable display sign for visual bus stop and other pre-defined announcements
- Conceal cable connections to the sign enclosure
- House visual signs in a vandal-resistant enclosure with a scratch resistant faceplate lens
- Use text of sufficient size, brightness, contrast, and clarity to be readable by persons with normal vision from anywhere in the vehicle under typical day and night ambient lighting conditions

Yard Management System (YMS)

The Yard Management System shall maintain a MBL yard plan showing the current vehicle locations, IDs, availability status, and assignments by operator and run; and provide for vehicle status updates by the Maintenance Department. The yard plan and vehicle status shall be available to the Dispatch Center

console and to selected pre-existing Maintenance Department workstations. Other requirements, capabilities, or features of the Yard Management System shall include but not limited to:

- Display MBL yard plan in graphical format matching the actual layout of the yard.
- Automatically record movements of a vehicle in, out of, and within the yard.

Provide vehicle status such as:

- Holding vehicles for maintenance
- Vehicle being cleaned and disinfected
- Vehicle disinfected and ready for revenue service etc.

Access to Data and Interface

The vendor is expected to partner with MBL and other authorized vendor products to interface and share data via import/export of files or API, when applicable.

Similar to the GTFS data standard, MBL follows other national efforts to standardize key data sources and allow for easy integration between technology companies.

NTD Reporting

- Ridership reporting solution shall provide NTD reporting for ridership and passenger miles
- The Contractor shall assist MBL in obtaining NTD certification for ridership and passenger miles and describe the NTD process in proposal
-

Voice over IP (VoIP)

- The vehicle operator shall be able to select on the OCU a voice call through a request to talk (RTT) and a priority request to talk (PRTT), which will immediately send the request to the central system
- The OCU or VCU shall retry sending the message until acknowledged by the central system or until all retries have been exhausted. The vehicle operator will be notified that the request was successfully transmitted or not
- The proposed voice solution shall include either voice over IP (VoIP) as embedded feature of the OCU or VCU
- The vehicle operator shall not have use of the voice radio unless requested by a Dispatcher through a voice call or the OCU or VCU loses data communications to the central system and the radio is in fallback
- The vehicle operator shall have free use of the voice system when in fallback mode. The voice system shall be in fallback mode when the OCU or VCU is powered off, when the OCU or VCU is powered on but not fully operational, when the OCU or VCU has lost data communications to the central system, or when the OCU or VCU is commanded to enter fallback mode by Dispatch
- If voice audio from Dispatch is playing on the driver speaker and the vehicle operator picks up the handset, the Dispatch audio will be automatically routed to the handset
- The voice call will automatically end when the vehicle operator places the handset in the cradle, the configured call timeout period elapses or when no voice is detected for a configurable period
- It is paramount that the bus operator can always get in touch with dispatch and therefore the voice communications solution shall support fallback. When data communications between the

VCU and the central system are lost, for any reason, the VCU shall go to open microphone mode, which allows the bus operator to pick-up the handset and talk without sending any text messages
- The system shall support monitoring the audio onboard the bus. When in emergency mode, the VCU shall allow the covert microphone to be enabled by the dispatcher. When enabled, the covert microphone audio shall be routed through the radio or VoIP to the dispatcher that enabled the covert microphone

Dispatch-Initiated Public Announcements

- The VCU shall immediately playback any public audio announcements on the interior speakers using text to speech (TTS) that were sent by a Dispatcher
- The VCU shall immediately display any public text announcement sent on the interior LED sign by a Dispatcher

Traffic Signal Priority (TSP) Integration

- The proposed system must be expandable to integrate with future Traffic Signal Priority (TSP).
- Contractors shall provide the name and references of TSP systems in which integrations have been successfully completed

Planning and Scheduling (Optional)

- Be able to provide U.S. Census data on the service area, including but not limited to ethnic and socioeconomic data.
- Ability to pull demographic data using the radius from the route alignment (i.e. .25 miles from a fixed transit route)
- Generate maps with census data overlays, and the ability to export said maps as a .jpeg or .pdf file.
- Run a Title VI analysis within the set service area, including the ability to determine average minority percentage by line and system-wide
- Ability to generate map that can distinguish census block groups as above or below average system-wide minority
- Ability to run Title VI Service Equity Analysis for service or route modifications
- Provide modeling capabilities to simulate new routes or route modifications
- Present easy-to-read route statistics

Pre-trip Inspection (Optional)

Pre-trip inspection reporting prior to pull-out to eliminate manual processing of paper-based inspection. Shall be fully customizable to include:

Fully customizable inspection forms

- Allow operator keyed input to address specific issues and comments
- Force mandatory post-trip inspection and end of day for vehicle
- Capable of sending inspection reports to designated staff in real-time
- Configurable inspection duration validity (i.e. 24 hours, 48 hours, etc.)
- Alerts/notifies staff when vehicle leaves the garage without a valid status

Automatic Vehicle Monitoring (AVM) (Optional)

- The VCU shall include an automatic vehicle monitoring (AVM) system that monitors onboard equipment through the standard interfaces for performance data and faults
- During the design phase of the project, the Contractor shall describe the need for installing any hardware or software upgrades required for this interface
- The VCU shall indicate to the vehicle operator via the OCU any equipment that has faults
- The VCU shall immediately report any equipment faults identified by MBL to the central system
- The VCU shall timestamp and geocode all data collected by AVM
- The system shall be capable of verifying active communication between all monitored systems and the VCU, and be capable of using multiple communication protocols
- The VCU shall transmit all AVM collected data to the central system through the WLAN upon entry to the WLAN coverage at the depot and every fifteen minutes while in WLAN coverage.
- The VCU shall be capable of monitoring the performance data that is typically available on the bus networks - The Contractor will validate the availability of AVM fault and performance data

The Contractor will work with MBL to document the final list of performance and fault data to be collected during the design phase

Warranty

All equipment and workmanship (on board equipment, backend equipment, software, and other accompanying equipment) should have a minimum of 3 years warranty from the date of final acceptance of work.

- Proposals will provide an explanation of the coverage provided by the warranty, including the response method and plan for provision of parts and labor.
- The Contractor warrants the documentation provided completely and that it accurately reflects the operation and maintenance of the equipment and software, and provides all information necessary to maintain the system.

Maintenance

Proposals must include pricing for maintenance and provide an explanation of the coverage, including response times and plans for provision of parts and labor. Proposals must address maintenance provisions for software patches and version upgrades.

The Proposer is required to notify MBL at least one month in advance of installation when new software releases become available. The Proposer is required to notify MBL at least six months in advance when it is expected that the current release and related systems will no longer be supported.

The Proposer will ensure that all existing software configurations are protected after the system has been upgraded for the entire duration of the time when MBL uses the product. These changes must be reported to the MBL Director.

Technical Support And Training

The Proposer will provide a contact person and phone number to assist MBL with any technical questions.

The Proposer will submit a training plan that describes the procedures that will be employed to adequately accomplish training related to the implementation and full utilization of the system.

Training shall be provided to personnel designated by MBL. Training for all hardware and software must be provided on-site and will at minimum include:

- Name and phone number of the person responsible for training.
- How to install or setup a computer as a viewing station.
- How to operate the software
- How to record and retrieve data.

SECTION 5 – QUALIFICATIONS

DESIRED QUALIFICATION

- Provide a brief profile of the firm, including: the types of services offered, the year founded, form of the organization (corporation, partnership, sole proprietorship) number, size and location of offices, and the number of employees.
- Provide a general description of the firm's financial condition and identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede the Contractor's ability to complete the project.
- Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project. Describe an experience in similar projects, particularly in the transit and public sector environments. The Contractor must demonstrate to the satisfaction of MBL that it has sufficient resources, capabilities and experience to meet the business needs as stated in this document. The Contractor will state and identify its involvement with other clients for both past and present projects. The Contractor will state the client's name, and references for similar projects, particularly those conducted for public transit in particular and the public sector in general. Be specific with respect to past and current assignments elaborating on those projects of similar type, magnitude and complexity. The Contractor's involvement and responsibility should be defined for each project.
- Identify any subcontractors by company name, address, contact person, and telephone number and project function.
- Briefly describe other projects currently in process and how those projects affect the company's current capacity and capacity during this proposed project. Identify any capacity or availability issues for any major subcontractors proposed.

FIRM QUALIFICATIONS

To be considered responsive to the RFP, firms must demonstrate that they meet the following minimum qualifications by providing a thorough response and verifiable evidence of compliance. Non-compliance with these requirements may disqualify your proposal from further consideration.

A. Firm has not defaulted on a contract within the past five (5) years or declared bankruptcy or been placed in receivership or been denied credit within the past three (3) years.
B. Firm has not been assessed any penalties for non-compliance with any federal, state, local, city, or county labor laws and/or regulations within the past five (5) years.
C. Firm is currently not under investigation for any charge or claim for noncompliance with any federal, state, local, city, or county labor laws and/or regulations including, without limitation prevailing wage laws and apprenticeship laws.
D. The firm must have a minimum of five years of experience and demonstrated track record of quality work, knowledge, skills, and abilities in CAD/AVL systems for public transit agencies, preferably in an environment of similar size and scope to the MBL.
E. Licensed to do business in the State of California.
F. Experience with projects of similar size and scope.
G. Experience with agencies of similar size and scope as MBL.
H. Financial capacity.

SECTION 6 – FORM OF CONTRACT (SAMPLE)

PROFESSIONAL SERVICES AGREEMENT FOR

COMPUTER-AIDED DISPATCH/AUTOMATIC VEHICLE LOCATION SYSTEM

THIS AGREEMENT ("Agreement") is made and entered into on ……., 2023, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and …….. (Hereinafter referred to as "CONTRACTOR"). CITY and CONTRACTOR are sometimes referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, CITY desires to retain a qualified professional Contractor to replace MBL's existing Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system, provide additional functionality, and migrate existing data from previous CAD/AVL system ("Project"); and

WHEREAS, CONTRACTOR represents the degree of specialized expertise contemplated within California Government Code, Section 37103, and is qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

WHEREAS, CONTRACTOR responded to CITY's Request for Proposal dated February 9, 2023 (RFP No. [23-8]), as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Contractor Proposal").

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

A. CONTRACTOR shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONTRACTOR shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

B. CONTRACTOR shall be compensated a sum not-to-exceed $……(the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONTRACTOR shall provide an itemized billing statement to CITY each month for Professional Services performed. CONTRACTOR shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

C. CITY will be invoiced at the end of the first billing period following commencement of

work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONTRACTOR within thirty (30) days of the date of such invoice.

D. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

E. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONTRACTOR's discretion.

SECTION 2. TERM.

This Agreement shall commence on ……, 2023 , and shall be valid for three (3) years from the Effective Date, with two (2), one-year options, unless terminated sooner as provided in Section 7 herein.

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. CONTRACT DOCUMENTS.

For purpose of this Agreement, the contract documents for the aforesaid Project shall consist of (and are outlined in the following order of preference):

A. RFP No. 23-8;
B. Proposer's [DATE] Proposal for Computer-Aided Dispatch/Automatic Vehicle Location System and all referenced specifications, details, and appendices (**Exhibit "A" – "C"**);
C. All required bonds, insurance certificates, permits, notices, schedules, forms, certifications and affidavits; and
D. Any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

All of the provisions of said Contract Documents constitute a material part hereof and shall be hereby incorporated by reference as though fully set forth herein.

SECTION 4. PERFORMANCE.

A. CONTRACTOR shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.

B. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONTRACTOR hereunder, in meeting its obligations under this Agreement.

C. CONTRACTOR shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONTRACTOR shall have the right to retain, subject to CITY's written approval, additional individuals, Contractors, or sub-Contractors to assist in the completion of services as herein defined. Compensation for additional individuals, Contractors, or sub-Contractors shall be the sole and exclusive responsibility of the CONTRACTOR.

E. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years unless otherwise provided for in **Exhibit "A."** Upon CITY providing twenty-four (24) hours advanced prior notice, CONTRACTOR shall make all records, invoices, time cards, cost control sheets and other records maintained by CONTRACTOR in connection with this Agreement available during CONTRACTOR's regular working hours to CITY for review and audit by CITY.

F. All reports, documents, or other written material developed by CONTRACTOR in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such material shall not be the subject of a copyright application by CONTRACTOR. Any alteration or reuse by CITY of any such materials on any project other than the Project shall be at CITY's sole risk unless CITY compensates CONTRACTOR for such reuse.

SECTION 5. WORK PRODUCT.

A. CONTRACTOR hereby agrees that all work produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of CITY, and ownership of said work product shall be retained by CITY. CONTRACTOR may take and retain copies of such written products as desired.

B. All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

C. Documents are provided in CONTRACTOR's standard software formats. CITY recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CITY's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CITY agrees to defend indemnify and hold CONTRACTOR, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONTRACTOR be liable for any loss of use, profit or any other damage.

SECTION 6. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONTRACTOR under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Manager ("City Manager").

SECTION 7. CITY SUPERVISION.

The Transportation Director shall have the right of general supervision of all work performed by CONTRACTOR and shall be CITY's agent with respect to obtaining CONTRACTOR's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 8. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

A. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by CONTRACTOR which cannot be corrected within ten (10) days, said contract shall at the option of CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by CONTRACTOR, CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of CONTRACTOR. CONTRACTOR and his sureties shall be liable to CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONTRACTOR shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONTRACTOR at least five (5) business days before the termination is to be effective. Upon the termination of this Agreement as provided herein, CITY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONTRACTOR shall be reimbursed for any "non-refundable" costs that CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non- refundable" costs were incurred by CONTRACTOR prior to the date of termination; (2) that CONTRACTOR provides CITY with adequate proof that CONTRACTOR incurred the costs, and is unable to be seek a refund for such costs; and (3) such costs were within the scope of work or services to be performed under this Agreement. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONTRACTOR for its performance of services under this Agreement. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONTRACTOR during the Term of this Agreement.

SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.

SECTION 11. INDEPENDENT CONTRACTOR.

A. CONTRACTOR is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONTRACTOR except as expressly set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONTRACTOR for performance hereunder for CITY. CITY shall not be liable for compensation to CONTRACTOR, CONTRACTOR's employees or CONTRACTOR's sub-Contractors for injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONTRACTOR any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONTRACTOR. CITY shall have no responsibility to provide CONTRACTOR, its employees or sub-Contractors with workers' compensation insurance or any other insurance.

SECTION 12. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONTRACTOR or any employee, agent, or sub-Contractor of CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or sub-Contractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and sub-Contractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 13. LEGAL RESPONSIBILITIES.

CONTRACTOR shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello

Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONTRACTOR to comply with this section.

SECTION 14. INDEMNIFICATION.

CONTRACTOR agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONTRACTOR'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 15. INSURANCE COVERAGE.

During the Term of this Agreement, CONTRACTOR shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONTRACTOR's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

Commercial General Liability (CGL): Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

Business Automobile Liability Insurance: For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

Worker's Compensation insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONTRACTOR agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONTRACTOR for CITY and to require each of its sub-Contractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONTRACTOR further certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.

Professional Errors and Omissions (E&O) Liability insurance appropriate to the CONTRACTOR's

profession, with limit no less than **Two Million Dollars and Zero Cents** ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONTRACTOR shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONTRACTOR shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONTRACTOR maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its sub-Contractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least A: VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONTRACTOR'S expense, the premium thereon.

At all times during the Term of this Agreement, CONTRACTOR shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONTRACTOR shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONTRACTOR shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

Except for professional liability and workers' compensation policies, the policies herein are primary and non-contributing with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONTRACTOR, and CONTRACTOR's employees, agents or sub-Contractors, from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against CITY. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONTRACTOR's insurance 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.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONTRACTOR shall not be construed as a limitation of CONTRACTOR's liability or as fall performance of CONTRACTOR's duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONTRACTOR to comply with this section.

SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under the Agreement.

SECTION 17. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach,

default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 19. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 20. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 21. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

E. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

F.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual

signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 22. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY MANAGER
City of Montebello
1600 West Beverly Boulevard
Montebello, California 90640

CONTRACTOR
_____
_____
_____
_____

SECTION 23. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 24. CONFLICT OF INTEREST.

CONTRACTOR and its officers, employees, associates and sub-Contractors, if any, shall comply with all California conflict of interest statutes applicable to Contractor's Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONTRACTOR further covenants that it presently has no interest and shall not acquire any

interest, direct or indirect, which may be affected by the services to be performed by CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONTRACTOR. CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between CITY and CONTRACTOR. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

[SIGNATURES ON NEXT PAGE]

CITY OF MONTEBELLO

_____
René Bobadilla
City Manager

Dated: _____

CONTRACTOR

_____
Name and Title

Dated: _____

ATTEST:

_____
Christopher Jimenez
City Clerk

APPROVED AS TO FORM

_____
Arnold M. Alvarez-Glasman
City Attorney

SECTION 7 - FORMS AND CERTIFICATIONS

LETTER OF TRANSMITTAL

CITY OF MONTEBELLO

Transportation Department

SUBJECT: REQUEST FOR PROPOSAL NO. 23-8

COMPUTER-AIDED DISPATCH/AUTOMATIC VEHICLE LOCATION SYSTEM

In response to the subject Request for Proposal ("RFP") and in accordance with the accompanying Instructions to Proposers, the Proposer hereby commits to the City of Montebello to perform the work in accordance with the provisions in the Proposal Level Contract Documents and any addenda thereto and at the prices stated in the Revenue Price Sheet, which will be included and made a part of any subsequent agreement.

The Proposer agrees that the Proposal constitutes a firm offer that cannot be withdrawn for ninety (90) calendar days from the Proposal opening or until the Contract for the work is fully executed between the City and a third party, whichever is earlier.

If awarded a contract, the Proposer agrees to execute an agreement and deliver it to the City of Montebello within seven (7) calendar days after receiving a Letter of Award together with the necessary certificates of insurance and any applicable performance or payment bonds. The Contractor shall proceed with the work upon receipt of a Notice to Proceed.

The Proposer certifies that it has:

1. Examined and is fully familiar with all the provisions of the RFP Documents and any addenda thereto:
2. Satisfied itself as to the requirements of the Contract, the nature and location of the work, the general and local conditions to be encountered in performance of the work, and all other matters that can in any way affect the Work and/or the cost thereof.
3. Examined the experience, skill and certification requirements in Scope of Services and that the entities performing the work can fulfill the specified requirements; and
4. Carefully reviewed the accuracy of all statements and figures shown in the Proposal and attachment hereto.

Therefore, the undersigned hereby agrees that the City of Montebello will not be responsible for any errors or omissions in the Proposal.

The Proposer further certifies that:

1. The only persons, firms, corporations, joint ventures/partnerships, and/or other parties interested in the Proposal as principals are those listed as such in the Proposal Forms and that,
2. The Proposal has been prepared without collusion with any other person, firm, corporation, joint venture/partnership, and/or other party.

The undersigned acknowledges receipt, understanding and full consideration of the following addenda to the Proposal Documents:

Addenda No(s)

Dated _____ Dated _____

Dated _____ Dated _____

Dated _____ Dated _____

Failure to acknowledge receipt of all addenda may cause the Proposal to be considered non-responsive to the solicitation. Acknowledged receipt of each addendum must be clearly established and included with the Proposal /offer.

Proposer's Name

Business Address

_____

Contact Person

Email Address

Phone _____

Fax _____

Signature of Authorized Official

Signature of Authorized Official

Typed or Printed Name

Typed or Printed Name

_____

_____

Title

Title

_____

_____

Date

Date

_____

_____

(Joint ventures/partnerships are to provide a signed copy of their agreement with their Proposal.)

For proposals requiring licenses the following information is required:

Contractor's License No. _____

Expiration Date: _____

License Classification: _____

EXHIBIT A

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT AND WAIVER OF SUBROGATION AND CONTRIBUTION

Contract/Agreement/License/Permit No. or description: RFP No. 23-8, Computer-Aided Dispatch/Automatic Vehicle Location System

Indemnitor(s): _____

(List all names)

To the fullest extent permitted by law, Indemnitor hereby agrees, at its sole cost and expense, to protect, indemnify, and hold harmless the City of Montebello and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, and assigns (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith (collectively "Liabilities"), resulting from any wrongful or negligent act, failure to act, error, or omission of Indemnitor or any of its officers, agents, servants, employees, subcontractors, material men, suppliers or their officers, agents, servants or employees, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to the above-referenced: RFP No. 22-7, Unarmed Transit Security Guard Services (the "Waiver") or the performance or failure to perform any term, provision, covenant, or condition of the Waiver, including this indemnity provision. This indemnity provision is effective regardless of any prior, concurrent, or subsequent passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence. This indemnity provision shall survive the termination of the Waiver and is in addition to any other rights or remedies which Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against the Indemnitor shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision. Indemnitor shall pay Indemnitees for any attorney's fees and costs incurred in enforcing this indemnification provision. Notwithstanding the foregoing, nothing in this instrument shall be construed to encompass (a) Indemnitees' active negligence or willful misconduct to the limited extent that the underlying agreement is subject to Civil Code § 2782(a), or (b) the contracting public agency's active negligence to the limited extent that the underlying agreement is subject to Civil Code § 2782(b). This indemnity is effective without reference to the existence or applicability of any insurance coverages which may have been required under the Waiver or any additional insured endorsements which may extend to Indemnitees.

City agrees to promptly inform Indemnitor in writing of any claim that City believes to be subject to this Waiver.

Indemnitor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf of the Indemnitor regardless of any prior, concurrent, or subsequent non-active negligence by the Indemnitees.

In the event there is more than one person or entity named in the Waiver as an Indemnitor, then all obligations, liabilities, covenants and conditions under this instrument shall be joint and several.

"Indemnitor"

Name: _____ *(Print)*	Name: _____ *(Print)*
By: _____ *(Signature)*	By: _____ *(Signature)*
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT B

REFERENCES

List at Least Three (3) Professional References:

1

Project City/Agency/Other:	
Person of Contact:	
Phone Number:	
E-mail Address:	
Address:	
City, State, Zip Code:	
Description of Contract *(Please include contract value, award date, term of contract, and description of work)*:	**Contract Value:** $
	Award Date:
	Term of Contract:
	Description of Work:

2

Project City/Agency/Other:	
Person of Contact:	
Phone Number:	
E-mail Address:	
Address:	
City, State, Zip Code:	
Description of Contract *(Please include contract value, award date, term of contract, and description of work)*:	**Contract Value:** $
	Award Date:
	Term of Contract:
	Description of Work:

3

Project City/Agency/Other:	
Person of Contact:	
Phone Number:	
E-mail Address:	
Address:	
City, State, Zip Code:	
Description of Contract *(Please include contract value, award date, term of contract, and description of work)*:	**Contract Value:** $
	Award Date:
	Term of Contract:
	Description of Work:

EXHIBIT C

INSURANCE

The Proposal shall include a statement that the insurance requirements set forth in the contract documents can be obtained and will be carried without reservation or exclusion should Proposer be awarded a contract pursuant to this RFP.

The successful Proposer shall at all times during the term of the awarded Agreement, carry, maintain, and keep in force and effect, with an insurance company admitted to do business in California, rated "A" or better in the most recent A.M. Best's Insurance Rating Guide, and approved by the CITY, a policy or policies of:

A. Commercial General Liability Insurance using Insurance Services Office Commercial General Liability form CG 00 O1 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits shall be no less than $1,000,000 per occurrence for all covered losses and no less than $2,000,000 general aggregate.

B. Business Auto Coverage on ISO Business Auto Coverage form CA 00 O1 including symbol 1 (Any Auto) or the exact equivalent. Limits shall be no less than $1,000,000 per accident, combined single limit. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described in the preceding subsection. If Contractor or Contractor's employees will use personal autos in any way on this project, Contractor shall provide evidence of personal auto liability coverage for each such person.

C. Workers' Compensation insurance on a state approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident for all covered losses.

D. Professional Liability or Errors and Omissions Insurance as appropriate to the profession, written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Contractor and "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy limit shall be not less than $1,000,000 per claim and in the aggregate. The policy must "pay on behalf of' the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this Agreement. City, it's officers, employees, attorneys, and designated volunteers shall be named as additional insured on the policy, or policies, as to commercial general liability bodily injury and property damage coverage's and automobile coverage's with respect to liability arising out of successful Proposer's work under this Agreement.

E. All insurance policies shall provide that the insurance coverage shall not be non-renewed, canceled, reduced, or otherwise modified (except through the addition of additional insureds to the policy) by the insurance carrier without the insurance carrier giving City thirty (30) days' prior written notice thereof. Any such thirty (30) day notice shall be submitted to City via certified mail, return receipt requested, addressed to "Risk Manager," City of Montebello, 1600 West Beverly

Boulevard, Montebello, California, 90640. Contractor agrees that it will not cancel, reduce or otherwise modify said insurance coverage.

F. Contractor shall submit to City (i) insurance certificates indicating compliance with the minimum worker's compensation insurance requirements above, and (ii) insurance policy endorsements indicating compliance with all other minimum insurance requirements above, not less than one (1) day prior to beginning of performance under this Agreement. Endorsements shall be executed on City's appropriate standard forms entitled "Additional Insured Endorsement".

EXHIBIT D

RFP No. 23-8
COMPUTER-AIDED DISPATCH/AUTOMATIC VEHICLE LOCATION SYSTEM

COST PROPOSAL SHEET (Three Year Term)

In accordance with the Request for Proposal issued by the City of Montebello Transportation Department (hereinafter referred to as "Contractor/Proposer), the undersigned proposing company hereby agrees to furnish all necessary labor, materials and incidentals required for the above stated contract as set forth in the Scope of Work and any addenda thereto, and to perform all work in the manner and time prescribed therein.

ITEM #	EXPENSE CATEGORY	ESTIMATED QUANTITY	UNIT PRICE	GUARANTEED NOT-TO-EXCEED AMOUNT
1	Evaluate and assess MBL's CAD/AVL system	**1**		**$**
2	Design and develop new CAD/AVL system	**1**		**$**
3	Removal and disposal of existing on-board bus CAD/AVL equipment	**66**		**$**
4	New CAD/AVL equipment on-board CAD/AVL equipment (All Hardware, Wiring and Components)	**66**		**$**
5	On-board passenger display signs	**66**		**$**
6	Removal and disposal of existing wayside/infrastructure CAD/AVL equipment	**1**		**$**
7	New CAD/AVL equipment wayside/infrastructure CAD/AVL equipment (All Hardware, Wiring and Components)	**1**		**$**
8	On-Site Installation and Labor for the complete on-board CAD/AVL equipment and display sign	**66**		**$**
9	Cloud and wayside CAD/AVL hardware and software installation and setup	**1**		**$**
10	Shipping and Handling (If Applicable)	**1**		**$**
11	Training, maintenance, and technical support costs for a period of three (3) years	**3**		**$**
			Annual Total Cost	**$**
			GRAND TOTAL COST	**$**

*** Note: <u>Training, maintenance, and technical support</u>**

1. Must be included in your pricing.
2. Begins on date of installation completion and acceptance by the Director of Transportation.

List other costs/fees:	**Description**	**Cost/Fees**
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Contact Information:

Name & Job Title:	
Business Name:	
Address:	
City, State, Zip Code:	
Phone Number:	
E-mail Address:	
Authorized Signature:	**Date:**

EXHIBIT E

STATEMENT OF
DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

This proposal provides for the following Disadvantaged Business Enterprise participation:

Disadvantaged Business Enterprise

_____
Firm Name

_____
Address

_____
Phone Number

_____
Type of Business

Current DBE Certification? _____ Yes* _____ *No

*(If "Yes," attach copy of current Letter of Certification and copy of current Statement of Personal Net Worth.)

Total $ _____

% of Total Contract _____

Signature: _____ Date: _____

EXHIBIT F

Bidder's List of Subcontractors (DBE and Non-DBE)

Part I

The bidder shall list all subcontractors (both DBE and non-DBE) in accordance with Section 2-1.054 the Standard Specification and per Title 49, Section 26.11 of the Code of Federal Regulations. This listing is required in addition to listing DBE Subcontractors elsewhere in the proposal. Photocopy this form for additional firms.

Firm Name/ Address/ City, State, ZIP	**Phone/ Fax**	**Annual Gross Receipts**	**Description of Portion of Work to be Performed**	**Local Agency Use Only (Certified DBE?)**
Name	*Phone*	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		*If YES list DBE #:*
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	*Phone*	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		*If YES list DBE #:*
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	*Phone*	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		*If YES list DBE #:*
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)

Part II

The bidder shall list all subcontractors who provided a quote or bid but were not selected to participate as a subcontractor on this project. This is required for compliance with Title 49, Section 26 of the Code of Federal Regulations. Photocopy this form for additional firms.

Firm Name/ Address/ City, State, ZIP	**Phone/ Fax**	**Annual Gross Receipts**	**Description of Portion of Work to be Performed**	**Local Agency Use Only (Certified DBE?)**
Name	*Phone*	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		*If YES list DBE #:*
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)
Name	*Phone*	☐ < $1 million		☐YES
		☐ < $5 million		☐NO
Address		☐ < $10 million		*If YES list DBE #:*
	Fax	☐ < $15 million		
City State ZIP		☐ > $15 million		Age of Firm (Yrs.)

EXHIBIT G

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

The _____ certifies to the best of it's
(Firm Name/ Principle)

knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency:
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause of default.

If unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.

THE PRIMARY PARTICIPANT_____ CERTIFIES

(Firm Name/Principal)

OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET SEQ. ARE APPLICABLE THERETO.

_____
Signature and Title of Authorized Official

The undersigned chief legal counsel for the _____ hereby certifies that the _____ has authority under State and Local law to comply with the subject assurances that the certification above has been legally made.

_____
Signature of Attorney Date

Montebello Bus Lines

EXHIBIT H

PERFORMANCE GUARANTEE CERTIFICATION

The undersigned hereby certifies that the Contractor shall provide a Performance Guarantee in accordance with Specifications.

Designate below which form of Performance Guarantee shall be provided:

_____ Performance Bond

_____ Irrevocable Stand-By-Letter of Credit

Contractor's Name: _____

Authorized Signature: _____

Title: _____

Date: _____

EXHIBIT I

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that _____

_____

(Insert full name and address and legal title of Contractor) as Principal, hereinafter called Contractor, and,

_____

(Insert full name and address or legal title of Surety)

as Surety, hereinafter called Authority, in the amount of $_____ for the payment whereof Contractor and Surety bind themselves, their heirs, executers, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated _____, 20____, entered into a contract with the City for Contract No._____, which contract is by reference made a part hereof, and is hereinafter referred to as the "Contract".

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the City.

Whenever Contractor shall be, and is declared by the City to be in default under the Contract, the City having performed City's obligations thereunder, the Surety may promptly remedy the default, or shall promptly

1. Complete the Contract in accordance with it terms and conditions, or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the City elects, upon determination by the City and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and the Authority, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by the City to Contractor under the Contract and any amendments thereto, less the amount properly paid by the City to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the RECIPIENT or the heirs, executors, administrators or successors of the City.

Signed and sealed this _____ day of 20____.

WITNESS PRINCIPLE

_____ (SEAL)

_____ (TITLE)

WITNESS SURETY

_____ (SEAL)

_____ (TITLE)

Attach hereto proof of authority of officers or agents to sign bond.

EXHIBIT J

IRREVOCABLE STANDBY LETTER OF CREDIT CERTIFICATE

The undersigned states that he/she is of the _____ of the
(Title)

_____ (The "Beneficiary") and hereby
(Name of Beneficiary)

Certifies on behalf of the Beneficiary to _____ (the "Bank), with
(Name of Issuing Bank)

Reference to Irrevocable Standby Letter of Credit No. _____ Issued by the

Bank (the "Letter of Credit"), that:

1. The undersigned is duly authorized to execute and deliver this certificate on behalf of the Beneficiary.

2. The Beneficiary is making a drawing under the Letter of Credit.

3. An Event of Default has occurred under Contract No.

4. The amount of the draft presented with this certificate does not exceed the total maximum amount drawable today under the Letter of Credit as provided therein.

IN WITNESS WHEREOF, this certificate is executed this _____ day of_____, 20____.

NAME OF BENEFICIARY

By: _____

Its: _____

EXHIBIT K

Bank Draft

FOR VALUE RECEIVED

Pay on the presentment to _____ the sum of _____
(Name of Beneficiary) Dollars ($)

Charge to the Account of _____ Irrevocable Standby Letter of
(Name of Issuing Bank)

Credit No. _____ Dated: _____

To _____
(Name of Issuing Bank)

NAME OF BENEFICIARY

By _____

Its _____

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RESOLUTION NO. 23-15
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand No.1546, consisting of 9 pages, and including:

Warrant No.

General: Checks No. 598918 through 599062
ACH No. 3566 through 3655

Successor Agency: ACH No. 12 through 12

On file in the office of the City Clerk, the same having been audited and approved by the Assistant Director of Finance as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

_____

_____

_____

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

APPROVED AND ADOPTED this 22nd day of February 2023.

_____
David N. Torres, Mayor

ATTEST: **APPROVED AS TO FORM:**

_____ _____

Christopher Jimenez, City Clerk Arnold M. Alvarez-Glasman, City Attorney

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

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No.23-15 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 22nd day of February 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____ _____
Christopher Jimenez, City Clerk

- Exhibit A – Warrant Register

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
General Account					
3566	02/02/2023	$8,220.00	SALES TAX LIABILITY	2307	CALIF DEPT OF TAX AND FEE ADMINISTRATION
3567	02/02/2023	$443,197.11	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
3568	02/02/2023	$450,610.20	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
3569	02/02/2023	$1,176.46	SUPPLIES	3163	BANK OF AMERICA
3570	02/02/2023	$1,789.53	SUPPLIES	3163	BANK OF AMERICA
3571	02/02/2023	$608.48	SUPPLIES	3163	BANK OF AMERICA
3572	02/02/2023	$1,426.12	SUPPLIES	3163	BANK OF AMERICA
3573	02/02/2023	$126.50	SUPPLIES	3163	BANK OF AMERICA
3574	02/02/2023	$234.01	SUPPLIES	3163	BANK OF AMERICA
3575	02/02/2023	$33,136.13	VEHICLE PURCHASES	1700	72 HOUR LLC
3576	02/02/2023	$1,500.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC
3577	02/02/2023	$2,045.00	CONTRACT SERVICES	38010	ADVANCED AVANT-GARDE CORPORATION
3578	02/02/2023	$1,632.95	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3579	02/02/2023	$6,359.99	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
3580	02/02/2023	$360,937.60	CONTRACT SERVICES	40970	ARAKELIAN ENTERPRISES
3581	02/02/2023	$367.79	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
3582	02/02/2023	$309.82	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
3583	02/02/2023	$213.00	SUPPLIES	3091	DOUBLE DIAMOND INVESTMENT GROUP INC
3584	02/02/2023	$1,683.24	CONTRACT SERVICES	2057	EVERNORTH BEHAVIORAL HEALTH
3585	02/02/2023	$194.40	VEHICLE MAINTENANCE/EXPENSES	22560	H & H AUTO PARTS WHOLESALE
3586	02/02/2023	$3,962.50	CONTRACT SERVICES	46870	HDL COREN & CONE
3587	02/02/2023	$2,728.34	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
3588	02/02/2023	$5,831.09	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH INC
3589	02/02/2023	$450.00	CONTRACT SERVICES	16760	LIEBERT CASSIDY WHITMORE
3590	02/02/2023	$304.15	CONTRACT SERVICES	3276	MARK ROBERT LOPEZ
3591	02/02/2023	$1,302.74	VEHICLE MAINTENANCE/EXPENSES	479	MCMASTER-CARR SUPPLY COMPANY

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
3592	02/02/2023	$12,731.95	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
3593	02/02/2023	$21,000.00	CONTRACT SERVICES	3491	NAVIRETAIL INC
3594	02/02/2023	$171.57	CONTRACT SERVICES	952	RELIANT IMMEDIATE CARE MEDICAL GROUP INC
3595	02/02/2023	$2,924.22	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
3596	02/02/2023	$72,975.82	FUEL INVENTORY	1059	AMBER RESOURCES LLC
3597	02/02/2023	$1,993.53	SUPPLIES	3088	WAXIES ENTERPRISES LLC
3598	02/02/2023	$235.00	CONTRACT SERVICES	2865	WEBSTERS BEE REMOVAL SERVICES
3599	02/09/2023	$1,775.19	SUPPLIES	3163	BANK OF AMERICA
3600	02/09/2023	$2,535.98	SUPPLIES	3163	BANK OF AMERICA
3601	02/09/2023	$240.31	SUPPLIES	3163	BANK OF AMERICA
3602	02/09/2023	$44.04	SUPPLIES	3163	BANK OF AMERICA
3603	02/09/2023	$1,496.12	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3604	02/09/2023	$450.87	SUPPLIES	3163	BANK OF AMERICA
3605	02/09/2023	$113.81	SUPPLIES	3163	BANK OF AMERICA
3606	02/09/2023	$1,141.09	SUPPLIES	3163	BANK OF AMERICA
3607	02/09/2023	$466.56	SUPPLIES	3163	BANK OF AMERICA
3608	02/09/2023	$1,225.76	TRAINING	3163	BANK OF AMERICA
3609	02/09/2023	$2,124.69	TRAINING	3163	BANK OF AMERICA
3610	02/09/2023	$1,608.68	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3611	02/09/2023	$4,867.03	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3612	02/09/2023	$5,305.90	SUPPLIES	3163	BANK OF AMERICA
3613	02/09/2023	$3,794.32	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
3614	02/09/2023	$2,672.10	SUPPLIES	3163	BANK OF AMERICA
3615	02/09/2023	$766.43	SUPPLIES	3163	BANK OF AMERICA
3616	02/09/2023	$8,147.56	SUPPLIES	3163	BANK OF AMERICA
3617	02/09/2023	$1,067.00	TRAINING	3163	BANK OF AMERICA
3618	02/09/2023	$4,626.17	TRAINING	3163	BANK OF AMERICA
3619	02/09/2023	$2,929.74	ADVERTISING/PRINTING SERVICES	3163	BANK OF AMERICA

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
3620	02/09/2023	$434,981.73	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
3621	02/09/2023	$461,424.84	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
3622	02/09/2023	$480,661.62	PERS GROUP INSURANCE PAYABLE	17	CAL PERS
3623	02/09/2023	$1,500.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC
3624	02/09/2023	$150,739.59	CONTRACT SERVICES	3411	AIM CONSULTING SERVICES
3625	02/09/2023	$392.85	UNIFORM EXPENSE	20350	ALLSTAR FIRE EQUIPMENT INC
3626	02/09/2023	$64,793.12	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
3627	02/09/2023	$20.92	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3628	02/09/2023	$4,984.82	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
3629	02/09/2023	$400.00	CONTRACT SERVICES	2365	LETICIA TORRES
3630	02/09/2023	$15,090.10	CONTRACT SERVICES	3016	ANTARES GOLF LLC
3631	02/09/2023	$3,169.48	CONTRACT SERVICES	3588	ANTHONYS PORTABLE RESTROOMS INC
3632	02/09/2023	$520,937.60	CONTRACT SERVICES	40970	ARAKELIAN ENTERPRISES
3633	02/09/2023	$341.78	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR
3634	02/09/2023	$1,476.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
3635	02/09/2023	$500.00	MACHINERY & EQUIPMENTS	72	COGRAN SYSTEMS LLC
3636	02/09/2023	$996.74	SUPPLIES	21690	COLUMBIA BUSINESS FORMS INC
3637	02/09/2023	$2,143.04	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
3638	02/09/2023	$24,720.00	CONTRACT SERVICES	3025	COMPLETE LANDSCAPE CARE INC
3639	02/09/2023	$213.00	SUPPLIES	3091	DOUBLE DIAMOND INVESTMENT GROUP INC
3640	02/09/2023	$851.58	CONTRACT SERVICES	2057	EVERNORTH BEHAVIORAL HEALTH
3641	02/09/2023	$6,333.10	LEASE PAYMENT	74920	EXECUTIVE CAR LEASING COMPANY
3642	02/09/2023	$34.00	CONTRACT SERVICES	23660	DAIOHS USA
3643	02/09/2023	$49,100.00	CONTRACT SERVICES	1175	GRAPHIC ELECTRIC INC
3644	02/09/2023	$258,400.00	CONTRACT SERVICES	3905	LOS ANGELES ENGINEERING, INC.
3645	02/09/2023	$11,007.00	CONTRACT SERVICES	3301	MATER MONTEBELLO LTD PARTNERSHIP
3646	02/09/2023	$6,545.00	CONTRACT SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS INC
3647	02/09/2023	$9,199.75	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS INC

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
3648	02/09/2023	$28,387.11	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
3649	02/09/2023	$2,109.05	CONTRACT SERVICES	54240	PDQ ENTERPRISES INC
3650	02/09/2023	$348.00	CONTRACT SERVICES	3285	DIANA E RAMIREZ
3651	02/09/2023	$11,569.52	FUEL	1059	AMBER RESOURCES LLC
3652	02/09/2023	$844.91	SUPPLIES	2686	THE SHERWIN-WILLIAMS CO
3653	02/09/2023	$1,077.53	CONTRACT SERVICES	3176	PHILLIP SISNEROS
3654	02/09/2023	$39,264.98	CONTRACT SERVICES	3439	SPORTFIVE GOLF LLC
3655	02/09/2023	$262.93	CONTRACT SERVICES	57140	UNDERGROUND SERVICE ALERT OF SOUTHERN CA
	ACH TOTAL	**$4,084,600.76**			
598918	02/02/2023	$209.30	TRAVEL & MEETINGS	3849	GARY T ROBINSON
598919	02/02/2023	$4,004.36	UTILITY SERVICES	1732	AT&T CORP
598920	02/02/2023	$8,150.00	CONTRACT SERVICES	3956	ADVANCED PROBLEM SOLVING LLC
598921	02/02/2023	$100.00	FUEL	22520	HENRY AGUILAR JR
598922	02/02/2023	$276.25	SUPPLIES	1870	ALEX & E PARTY RENTALS
598923	02/02/2023	$168.98	UTILITY SERVICES	39550	AT&T
598924	02/02/2023	$4,100.00	CONTRACT SERVICES	3868	ATLANTIC STRATEGIES, LLC
598925	02/02/2023	$20,725.00	CONTRACT SERVICES	2854	AUTOMATED GATE SERVICES INC
598926	02/02/2023	$4,605.00	CONTRACT SERVICES	17870	THE BANK OF NEW YORK MELLON
598927	02/02/2023	$1,281.37	SUPPLIES	159	BOUND TREE MEDICAL LLC
598928	02/02/2023	$1,186.87	SUPPLIES	3822	BRIGGS & STRATTON LLC
598929	02/02/2023	$277.84	DUES & SUBSCRIPTIONS	41840	CALIFORNIA PARK AND RECREATION SOCIETY (CPRS)
598930	02/02/2023	$659.04	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
598931	02/02/2023	$765.70	CONTRACT SERVICES	40850	MARIA E CASAS
598932	02/02/2023	$8,513.64	CONTRACT SERVICES	52710	CLEAN ENERGY FUELS
598933	02/02/2023	$140.00	CONTRACT SERVICES	3204	COASTAL OCCUPATIONAL MEDICAL GROUP
598934	02/02/2023	$687.51	SUPPLIES	2455	HASA, INC.
598935	02/02/2023	$5,457.38	CONTRACT SERVICES	2941	CONVEYOR MANUFACTURING & SERVICE INC

City of Montebello
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From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
598936	02/02/2023	$4,143.66	VEHICLE MAINTENANCE/EXPENSES	1461	CREATIVE BUS SALES INC
598937	02/02/2023	$3,775.73	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC
598938	02/02/2023	$45,839.92	OTHER GROUP INSURANCE PAYABLE	4110	DELTA DENTAL OF CALIFORNIA
598939	02/02/2023	$70.79	SUPPLIES	29090	DFM ASSOCIATES
598940	02/02/2023	$1,007.68	CONTRACT SERVICES	3334	EAGLE PORTABLES SANITATION LLC
598941	02/02/2023	$16,800.00	CONTRACT SERVICES	2222	ELEVATOR SUPPORT SERVICES INC
598942	02/02/2023	$5,193.59	UNIFORM EXPENSE	1528	FAN4LIFEDECALS
598943	02/02/2023	$4,051.68	SUPPLIES	2523	THE BEISTLE COMPANY
598944	02/02/2023	$4,070.38	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
598945	02/02/2023	$770.36	UNIFORM EXPENSE	55650	GALLS LLC
598946	02/02/2023	$3,463.84	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
598947	02/02/2023	$246,002.48	CONTRACT SERVICES	13750	CITY OF GLENDALE
598948	02/02/2023	$127.31	CONTRACT SERVICES	1650	GOLDEN STATE ELEVATOR SERVICE INC
598949	02/02/2023	$6,918.00	TRAINING	32140	GOLDEN WEST COLLEGE
598950	02/02/2023	$633.76	EDUCATION REIMBURSEMENT	3542	GUADALUPE HERNANDEZ
598951	02/02/2023	$236.36	VEHICLE MAINTENANCE/EXPENSES	582	HYDRAULIC ELECTRIC INC
598952	02/02/2023	$3,904.00	CONTRACT SERVICES	3044	KAIZER RANGWALA
598953	02/02/2023	$94,427.87	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
598954	02/02/2023	$1,065.51	TRAVEL & MEETINGS	2316	SALVADOR MELENDEZ
598955	02/02/2023	$6,175.85	CONTRACT SERVICES	3942	NATIONAL GOLF FOUNDATION CONSULTING, INC.
598956	02/02/2023	$1,991.67	SUPPLIES	1474	NATIONAL TRENCH SAFETY
598957	02/02/2023	$735.00	SUPPLIES	3516	NATIONWIDE MEDICAL SURGICAL INC
598958	02/02/2023	$3,748.50	VEHICLE MAINTENANCE/EXPENSES	1625	NATIONWIDE TRANSIT SALES INC
598959	02/02/2023	$225.00	CONTRACT SERVICES	26370	NAVARROS TOWING SERVICE
598960	02/02/2023	$3,743.56	CONTRACT SERVICES	3887	NICK BARBIERI TRUCKING, LLC
598961	02/02/2023	$15,395.00	CONTRACT SERVICES	2673	NTH GENERATION COMPUTING INC
598962	02/02/2023	$1,001.30	CONTRACT SERVICES	41180	MANUEL NUNEZ
598963	02/02/2023	$594.95	SUPPLIES	15620	OFFICE DEPOT INC

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
598964	02/02/2023	$13,111.93	CONTRACT SERVICES	3279	PROCURE AMERICA INC
598965	02/02/2023	$215.00	VEHICLE MAINTENANCE/EXPENSES	3381	MARTIN RAMIREZ
598966	02/02/2023	$917.49	CONTRACT SERVICES	1645	RJN INVESTIGATIONS INC
598967	02/02/2023	$52,025.38	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO
598968	02/02/2023	$6,394.21	CONTRACT SERVICES	673	SILVER & WRIGHT LLP
598969	02/02/2023	$44,717.77	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
598970	02/02/2023	$118.74	VEHICLE MAINTENANCE/EXPENSES	168	SOUTHERN COACH MFG CO INC
598971	02/02/2023	$636.52	MACHINERY & EQUIPMENTS	3961	STEADYRACK USA
598972	02/02/2023	$855.08	CONTRACT SERVICES	3397	STERICYCLE INC
598973	02/02/2023	$7,966.02	UTILITY SERVICES	526	T-MOBILE USA INC
598974	02/02/2023	$100.00	DUES & SUBSCRIPTIONS	526	T-MOBILE USA INC
598975	02/02/2023	$198.00	CONTRACT SERVICES	9270	TANK SPECIALIST OF CALIFORNIA
598976	02/02/2023	$8,189.42	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
598977	02/02/2023	$1,210.00	TRAINING	611	USDOT DBA TRANSPORTATION SAFETY INSTITUTE
598978	02/02/2023	$36,475.00	CONTRACT SERVICES	1639	TRANSTECH ENGINEERS INC
598979	02/02/2023	$967.80	SUPPLIES	45120	ULINE INC
598980	02/02/2023	$1,222.78	SUPPLIES	131	UNITED SITE SERVICES INC
598981	02/02/2023	$7,645.60	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
598982	02/02/2023	$12,677.26	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
598983	02/02/2023	$6,800.00	CONTRACT SERVICES	3931	VERITONE, INC.
598984	02/02/2023	$508.18	UTILITY SERVICES	23610	VERIZON WIRELESS
598985	02/02/2023	$78.06	SUPPLIES	9470	W W GRAINGER INC
598986	02/02/2023	$494.87	SUPPLIES	67320	WINZER CORPORATION
598987	02/02/2023	$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
598988	02/08/2023	$1,288.60	MISCELLANEOUS EXPENSE	3973	DON OLGUIN
598989	02/09/2023	$935.00	PARKS AND RECREATION	3976	ANDROMEDA CHENG BRONESTEIN
598990	02/09/2023	$59.03	UTILITY SERVICES	1732	AT&T CORP
598991	02/09/2023	$3,596.37	SUPPLIES	1670	ADAMSON POLICE PRODUCTS

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
598992	02/09/2023	$140.84	SUPPLIES	48480	ALCO TARGET COMPANY
598993	02/09/2023	$6,534.00	CONTRACT SERVICES	3968	ALCOA TRAFFIC CONTROL
598994	02/09/2023	$235.28	TRAVEL & MEETINGS	2534	LETICIA ANTUNA
598995	02/09/2023	$108.90	CONTRACT SERVICES	3488	ASPIRE RX INC
598996	02/09/2023	$424.85	UTILITY SERVICES	39550	AT&T
598997	02/09/2023	$4.77	UTILITY SERVICES	39550	AT&T
598998	02/09/2023	$5,197.28	CONTRACT SERVICES	16710	ATKINSON ANDELSON LOYA RUUD & ROMO
598999	02/09/2023	$8,200.00	CONTRACT SERVICES	3868	ATLANTIC STRATEGIES, LLC
599000	02/09/2023	$324.58	VEHICLE MAINTENANCE/EXPENSES	74990	AUTOZONE INC
599001	02/09/2023	$13,600.00	CONTRACT SERVICES	3953	BANNER BANK
599002	02/09/2023	$200.00	CONTRACT SERVICES	2769	KATALINA BELTRAN
599003	02/09/2023	$2,290.89	SUPPLIES	61240	CARD INTEGRATORS CORPORATION
599004	02/09/2023	$297.63	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
599005	02/09/2023	$377.13	UNIFORM EXPENSE	3173	HERMES CARBAJAL
599006	02/09/2023	$1,741.15	CONTRACT SERVICES	425	JOSEPH M SEPULVEDA
599007	02/09/2023	$1,022.58	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
599008	02/09/2023	$5,855.80	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC
599009	02/09/2023	$700.00	CONTRACT SERVICES	2759	D F POLYGRAPH
599010	02/09/2023	$201.40	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
599011	02/09/2023	$1,555.00	CONTRACT SERVICES	2019	DEWEY SERVICES INC
599012	02/09/2023	$70.00	PARKS AND RECREATION	3376	ANA ESPINOZA
599013	02/09/2023	$225.00	CONTRACT SERVICES	3934	EVERYTABLE PBC
599014	02/09/2023	$810.79	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
599015	02/09/2023	$14,731.79	MACHINERY & EQUIPMENTS	3967	FRACTAL
599016	02/09/2023	$50,000.00	CONTRACT SERVICES	13750	CITY OF GLENDALE
599017	02/09/2023	$368.00	EDUCATION REIMBURSEMENT	3618	GABRIEL GONZALEZ
599018	02/09/2023	$700.00	GENERAL GOVERNMENT	3970	CHARLOTTE GUTIERREZ
599019	02/09/2023	$6,112.50	CONTRACT SERVICES	2728	H & V CUSTOM OFFICE CUBICLES CORP

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
599020	02/09/2023	$417.00	EDUCATION REIMBURSEMENT	3528	ESTEFANIA HERNANDEZ
599021	02/09/2023	$578.40	EDUCATION REIMBURSEMENT	568	JUAN M HERNANDEZ
599022	02/09/2023	$5,000.00	MISCELLANEOUS EXPENSE	1100	UNITED STATES TREASURY
599023	02/09/2023	$1,689.00	CONTRACT SERVICES	3235	ION SECURITY SYSTEMS
599024	02/09/2023	$11,899.50	CONTRACT SERVICES	3302	JACOB GREEN & ASSOCIATES INC
599025	02/09/2023	$680.00	CONTRACT SERVICES	2942	JAIROS PLUMBING INC
599026	02/09/2023	$197.80	CONTRACT SERVICES	3035	LA COUNTY SHERIFF'S DEPARTMENT
599027	02/09/2023	$2,785.00	BUILDING IMPROVEMENTS	3969	JLM ENVIRONMENTAL
599028	02/09/2023	$250.00	GENERAL GOVERNMENT	3971	VANESSA MARIN
599029	02/09/2023	$6,929.26	CONTRACT SERVICES	1073	MONJARAS & WISMEYER GROUP INC
599030	02/09/2023	$14,923.29	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO
599031	02/09/2023	$368.26	CONTRACT SERVICES	34750	MBN SERVICES INC
599032	02/09/2023	$5,385.00	CONTRACT SERVICES	3569	MYNP COM NURSING CORPORATION
599033	02/09/2023	$9,800.00	CONTRACT SERVICES	3942	NATIONAL GOLF FOUNDATION CONSULTING, INC.
599034	02/09/2023	$17.64	SUPPLIES	1474	NATIONAL TRENCH SAFETY
599035	02/09/2023	$112.30	SUPPLIES	15620	OFFICE DEPOT INC
599036	02/09/2023	$46.56	UTILITY SERVICES	100	PICO WATER DISTRICT
599037	02/09/2023	$400.00	TRAINING	979	PRADO FAMILY SHOOTING RANGE
599038	02/09/2023	$3,871.76	UNIFORM EXPENSE	161	PREMIERE CUSTOM SILKSCREENING
599039	02/09/2023	$4,813.64	CONTRACT SERVICES	3279	PROCURE AMERICA INC
599040	02/09/2023	$361.18	UNIFORM EXPENSE	56260	PRUDENTIAL OVERALL SUPPLY
599041	02/09/2023	$4,500.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOC., INC.
599042	02/09/2023	$150.00	VEHICLE MAINTENANCE/EXPENSES	3381	MARTIN RAMIREZ
599043	02/09/2023	$741.50	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
599044	02/09/2023	$60.00	PARKS AND RECREATION	3972	FRANCISCO RIVERA
599045	02/09/2023	$375,449.38	CONTRACT SERVICES	3191	RL CONTROLS LLC
599046	02/09/2023	$4,967.26	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
599047	02/09/2023	$109,310.38	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON

City of Montebello
Register of Demands No. 1546
From Payment Date 01/27/23 - To Payment Date 02/09/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VEND	VENDOR NAME
599048	02/09/2023	$136,240.98	FUEL INVENTORY	40520	SOUTHERN CALIFORNIA GAS CO
599049	02/09/2023	$858.39	FRINGE BENEFITS	1990	STANDARD INSURANCE COMPANY
599050	02/09/2023	$26,498.00	PERMITS AND FEES	13330	STATE WATER RESOURCES CONTROL BOARD ACCOUNTING OFFICE
599051	02/09/2023	$18,512.00	PERMITS AND FEES	13330	STATE WATER RESOURCES CONTROL BOARD ACCOUNTING OFFICE
599052	02/09/2023	$855.08	CONTRACT SERVICES	3397	STERICYCLE INC
599053	02/09/2023	$192.61	DUES & SUBSCRIPTIONS	41430	THOMSON REUTERS - WEST
599054	02/09/2023	$27,009.66	CONTRACT SERVICES	3187	TRISTAR RISK MANAGEMENT
599055	02/09/2023	$824.00	TRAINING	2699	KIM TUNRER
599056	02/09/2023	$3,514.47	CONTRACT SERVICES	20070	UC REGENTS
599057	02/09/2023	$8,192.40	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
599058	02/09/2023	$4,955.32	CONTRACT SERVICES	3941	UNLIMITED POWER SOLUTIONS
599059	02/09/2023	$6,612.15	UTILITY SERVICES	23610	VERIZON WIRELESS
599060	02/09/2023	$4,995.00	CONTRACT SERVICES	3858	WEATHERBY PARENT, LLC
599061	02/09/2023	$11,010.00	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC
599062	02/09/2023	$10,919.53	SUPPLIES	6390	ZOLL MEDICAL CORPORATION GPO
	Check Total	**$1,696,890.96**			
Successor Agency(SA)					
12	02/09/2023	$4,491.90	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
	SA Total	**$4,491.90**			
	Grand Total	**$5,785,983.62**			

CITY OF MONTEBELLO
SPECIAL CITY COUNCIL AND PUBLIC FINANCING AUTHORITY MEETING AGENDA

MINUTES

THURSDAY, NOVEMBER 10, 2022 AT 5:00 PM

CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

DRAFT

OPENING CEREMONIES

CALL TO ORDER
Mayor Cobos-Cawthorne called the meeting to order at 5:14 p.m.

ROLL CALL
Members present were Mayor Cobos-Cawthorne, Mayor Pro Tem Jimenez, and Councilmember Melendez. Councilmembers Torres and Peralta were absent. City Clerk Jimenez and City Treasurer Gutierrez were also present.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY (30 MINUTES)
At this time, the general public may ***only*** address the City Council/PFA during this Special Meeting on items which have been described in the notice of this Special meeting in accordance with Government Code Section 54954.3(a). Please be aware that the maximum time allotted for members of the public to speak on shall not exceed three (3) minutes per person. State Law prohibits the City Council/PAF from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor/Chairperson and Board Members.

The City Clerk's Office acknowledged two(2) written public comments submitted to the City's public comment email address. Said comments are on file at the City Clerk's office. No speaker cards were submitted by the public.

CLOSED SESSION 5:00 P.M.
The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

Mayor Cobos-Cawthorne recessed the meeting into Closed Session at 5:15 p.m. to consider the following Closed Session items:

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
   Government Code Section 54956.8
   Property: 901 Via San Clemente, Montebello CA
   Agency's Negotiator: René Bobadilla, City Manager
   Negotiating Party: Topgolf, Quiet Cannon Management, Inc., and Affiliated Entities
   Under Negotiation: Price and Terms

REGULAR SESSION – IMMEDIATELY FOLLOWING CLOSED SESSION

CLOSED SESSION REPORT

Mayor Cobos-Cawthorne reconvened the meeting at 5:40 p.m.

All three members were present to discuss the Closed Session item. City Attorney Arnold Alvarez-Glasman provided the following report to City Council: a presentation was provided on Item No. 1, no action was taken, and nothing to report.

CORRECTIONS TO THE AGENDA CITY MANAGER

None.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

City Manager Bobadilla announced the Veterans Day Ceremony at City Park scheduled for November 11, 2022.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember/Board Member wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

Councilmember Melendez motioned, seconded by Mayor Pro Tem Jimenez, that Item No's. 2-4, be approved; the motion passed unanimously. Councilmember Torres and Peralta were absent.

2. ADOPT RESOLUTION NO. 22-84 APPROVING PLANS AND SPECIFICATIONS FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO; APPROVING A CONTRACT WITH MCCARTHY BUILDING COMPANIES FOR CONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

RECOMMENDATION: It is recommended that the City Council and Public Financing Authority:

1. Approve final plans and specifications for the Montebello Driving Range Project – Topgolf Montebello ("Project") prepared by Aria Group Architects, Inc.; and
2. Approve the waiver of competitive bidding and find that McCarthy Building Companies is the only available and qualified contractor to provide the professional and construction services required to develop the Project; and
3. Approve and award a Guaranteed Maximum Price (GMP) Construction Contract to McCarthy Building Companies for construction and construction management services for the Project; and
4. Approve a Notice of Exemption under the California Environmental Quality Act (CEQA) for the subject project and authorize the City Clerk to file the Notice of Exemption with the Los Angeles County Registrar-Recorder; and
5. Authorize the City Manager to make necessary non-monetary changes to the Construction Contract within the Guaranteed Maximum Price (not-to-exceed the net proceeds of the bonds) before execution; and
6. Authorize the City Manager to execute the Construction Contract in a form approved by the City Attorney; and
7. Take any other additional actions necessary.

Approved unanimously.

3. AWARD OF CONSTRUCTION CONTRACT - MONTEBELLO MUNICIPAL GOLF COURSE RENOVATION PROJECT PHASE 2 (CP NO. 894-2)

RECOMMENDATION: It is recommended that the City Council and Public Financing Authority:

1. Award a construction contract for the Montebello Municipal Golf Course Renovation Project Phase 2 (CP No. 894-2) in the amount of $9,664,658 to American Landscape, Inc.; and
2. Authorize the Director of Public Works to review and approve change orders within a five percent (5%) contingency of the contract amount; and
3. Authorize the City Manager to execute the Contract Agreement on behalf of the City; and
4. Approve the updated Total Project Budget (Attachment A); and
5. Approve the Notice of Exemption (Attachment D) for the subject project and authorize the City Clerk to file the Notice of Exemption with Los Angeles Registrar-Recorder; and

DRAFT

6. Take such additional, related, action that may be desirable.

Approved unanimously.

4. REPORT OF EMERGENCY WATER SYSTEM REPAIRS

RECOMMENDATION: It is recommended that the City Council and Public Financing Authority:

1. Receive and file the City Manager's report of two emergency repairs to the City's Water System pursuant to Montebello Municipal Code Section 3.20.140 and Public Contracts Code Section 22035; and
2. Determine and find that the Water System repairs are required to prevent a catastrophic failure of a portion of the system affecting the domestic and fire suppression water supply to numerous commercial and residential customers; and
3. By a four-fifths vote of the City Council authorize the dispensing of a formal bidding procedure for the Water System repairs, in accordance with California Public Contract Code Section 22035 and Montebello Municipal Code Chapter 3.20.140; and
4. Authorize the City Manager to finalize a standard construction agreement with Mike Bubalo Construction Co. for the replacement of the fire suppression service for the Quiet Cannon and Hilton Garden Inn at an estimated total cost of $400,000; and
5. Authorize the City Manager to increase the Fiscal Year 2022-23 Purchase Order for San Gabriel Valley Water Company for Agreement No. 2883 in the amount of $125,000 for the replacement of a failing pressure reducing valve located at 2323 Via Campo; and
6. Amend the Fiscal Year 2022-23 budget by increasing appropriations by $525,000 in Account No. 605-99-6040.55 (Water Fund, Contract Services – Water System Maintenance) for the emergency repairs; and
7. Take such additional, related, action that may be desirable.

Approved unanimously.

ADJOURNMENTThe City of Montebello will adjourn to the next **Regular Meeting on November 16, 2022 at 5:00 p.m.** which can be live streamed at https://www.montebelloca.gov/government/live_streaming (Click on Live Stream).

Date and Posted: November 9, 2022

I, Alicia Fernandez, Sr. Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Wednesday, November 9, 2022 no later than 5:00 p.m.**



Alicia Fernandez, Sr. Deputy City Clerk

Councilmember Melendez motioned, seconded by Mayor Pro Tem Jimenez to adjourn the meeting at 5:46 p.m.

THE MINUTES OF NOVEMBER 10, 2022 ARE HEREBY APPROVED AND ADOPTED ON THIS 22ND DAY OF FEBRUARY 2023.

DRAFT

Special Meeting Comments

Guillen, Kimberly (Admin)

From: Scarlet Peralta <peralta.scarletohara@gmail.com>
Sent: Thursday, November 10, 2022 12:11 PM
To: comment, ccpublic; Arnold Alvarez-Glasman; Peralta, Scarlet
Subject: [External Email] Public Comment for Tonight's Special Meeting

I'm requesting that this public comment be read into the record during today's special meeting.

Mayor and Council Colleagues,

Due to the 24-hour notice of this special meeting, I will not be able to attend due to being out of town on a conflicting commitment. I kindly request that moving forward the Council be notified and receive prior notice to special meetings before being posted online, to allow us to rearrange our schedule or participate remotely. I request that my colleagues consider tabling the items on today's 164-page agenda to Nov 16's scheduled council meeting. The City Council and our residents deserve more than a 24-hour window to analyze and read over these items.

Thank you,

--
Scarlet Ohara Peralta, MPP
peralta.scarletohara@gmail.com
Tel: (323) 236-9326

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

Guillen, Kimberly (Admin)

From: Torres, David
Sent: Thursday, November 10, 2022 2:07 PM
To: comment, ccpublic
Cc: Jimenez, Christopher
Subject: 11/10/2022 Special Meeting

Please read this public comment into the record during today's special meeting.

Mayor and City Council:

Please excuse this evening's absence. There was no projected meeting date when I checked with the city manager on 11/2, and no update or council poll this week to confirm our availability. The agenda was posted nearly exactly 24 hours in advance which prevented me from giving proper Brown Act notice of participating by teleconference.

The mayor should be considerate of the obligations of council and staff. Communicating prospective meetings in advance of posting will make a more effective organization by ensuring business can be conducted, and a more inclusive organization by valuing the participation of the entire body.

Lastly, I ask the items for today's meeting be continued to the meeting of November 16.

Warm regards,
David N. Torres, Councilmember
City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640
Office: (323) 887-1200
Direct: (323) 945-8281
Email: dtorres@cityofmontebello.com
www.cityofmontebello.com<http://www.cityofmontebello.com>

CITY OF MONTEBELLO
ADJOURNED CITY COUNCIL AND PUBLIC FINANCING AUTHORITY JOINT REGULAR MEETING

MINUTES

WEDNESDAY, DECEMBER 21, 2022 AT 5:00 PM

CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

DRAFT

OPENING CEREMONIES

CALL TO ORDER

Mayor Torres called the Adjourned City Council and Public Financing Authority Joint Regular Meeting and the Special City Council Meeting to order concurrently at 6:06 p.m.

ROLL CALL

Members present were Mayor Torres, Mayor Pro Tem Peralta, Councilmember Melendez, and Councilmember Tamayo. Councilmember Jimenez arrived at 6:11 p.m. City Clerk Jimenez and Treasurer Matanga were also present.

PUBLIC COMMENTS FOR CLOSED SESSION ITEMS

At this time, the general public may address the City Council/PFA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

None.

REGULAR SESSION NO LATER THAN 6:00 P.M.

CLOSED SESSION REPORT

None.

INVOCATION

Chief of Police Paul Espinosa

PLEDGE OF ALLEGIANCE

Chief of Fire Fernando Pelaez

CORRECTIONS TO THE AGENDA CITY MANAGER

CEREMONIAL/PRESENTATIONS - NONE

PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)

At this time, the general public may address the City Council/PFA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged six(6) members of the public wishing to address the City Council. Speakers were provided three minutes to address the City Council and said speaker card(s) are on file at the City Clerk's office.

The City Clerk's Office acknowledged two(2) written public comments submitted to the City's public comment email address; said comments are on file at the City Clerk's office.

Mayor Pro Tem Peralta motioned, seconded by Councilmember Melendez to extend the Public Comment period to allow the City Clerk to read all written public comments; the motion was approved unanimously.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

PUBLIC HEARING

1. PUBLIC HEARING TO APPROVE AN ENERGY SERVICES CONTRACT WITH ALLIANCE BUILDING SOLUTIONS, INC.

NOTE: This Public Hearing will be continued to the City Council Meeting of January 25, 2023 or at a date thereafter as determined by the City Council.

RECOMMENDATION:

REGULAR BUSINESS - NONE

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

Mayor Pro Tem Peralta pulled Item No's. 3, and 16. Mayor Torres pulled Item No's. 2, 4, and 16. Mayor Pro Tem Peralta motioned, seconded by Councilmember Melendez, that Item No's. 5, and 7-15 be approved; the motion was approved unanimously.

2. WAIVE SECOND READING AND ADOPT ORDINANCE NO. 2457 AMENDING CHAPTER 2.14 OF THE MONTEBELLO MUNICIPAL CODE TO UPDATE THE RULES OF ORDER AND PROCEDURE FOR THE CONDUCT OF ALL CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS, PROCEEDINGS, AND BUSINESS

RECOMMENDATION: It is recommended that the City Council:

1. Waive Second Reading and adopt Ordinance No. 2457 Amending Chapter 2.14 of the Montebello Municipal Code Updating the Rules of Order and Procedure for the Conduct of all City Council and Successor Agency Meetings, Proceedings, and Business; and
2. Take such additional related action that may be desirable.

Mayor Torres motioned, seconded by Mayor Pro Tem Peralta that the City Council table the item for potential changes; the motion was approved by the following vote:

MOVED: *Mayor Torres*	***SECONDED:*** *Mayor Pro Tem Peralta*	***APPROVED:*** ***3-2-0-0***
AYES: *Peralta,* Tamayo, *Torres*		
NOES: *Jimenez, Melendez*		

DRAFT

ABSTAIN: *None*
ABSENT: *None*

3. APPROVE PROFESSIONAL SERVICES AGREEMENT, NO. 4062, WITH ADVOCATE, INC. DBA NAVA PARTNERS INSURANCE SOLUTIONS, FOR THE EMPLOYEE BENEFITS INSURANCE BROKER SERVICES REQUEST FOR PROPOSAL, NO. 23-3

RECOMMENDATION: It is recommended that the City Council:

1. Approve a Professional Services Agreement, No. 4062 with Advocate, Inc. dba Nava Partners Insurance Solutions to provide Employee Benefits Insurance Broker Services, for a three-year (3-year) term with the option for renewal of up to two (2) additional one-year (1-year) terms, for an initial total not-to-exceed amount of One Hundred and Fifty Thousand Dollars ($150,000) for the three-year term; and
2. Authorize the City Manager and/or his designee to take actions necessary to execute and finalize an agreement on behalf of the City of Montebello (City); and
3. Take such additional, related, action that may be desirable.

Mayor Pro Tem Peralta stated that she was concerned with the insurance broker that was selected. She further stated that the insurance broker seemed to have worked with commercial agencies and lacked experience with government agencies, unlike PERS. She asked for clarification on the fiscal impact and the impact on employees. She requested a presentation from PERS.

City Manager Bobadilla informed the Council that the item relates to dental and vision benefits not health benefits.

Director of Human Resources Nick Razo provided clarification on the broker's plan of action.

Mayor Torres asked clarifying questions.

Councilmember Jimenez motioned, seconded by Councilmember Melendez to approve the item; the motion was approved unanimously.

4. APPROVAL OF TASK ORDER NO. 2 AND NO. 3, UNDER MASTER RETAINER AGREEMENT NO. 3921, WITH TRANSTECH ENGINEER'S, INC. FOR BUILDING PLAN CHECK AND INSPECTION SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Award Task Order No. 2 via an Engagement Letter Under Master Retainer Agreement No. 3921 with Transtech Engineers, Inc. for General Building Plan Check and Inspection Services for a not-to-exceed fee of $185,380 per year for staff augmentation and $352,000 per year for Plan Check services for a term of Two (2) years; and
2. Award Task Order No. 3 via an Engagement Letter Under Master Retainer Agreement No. 3921 with Transtech Engineers, Inc. for Building Inspection Services for the Metro Heights and Other Large Projects for a not-to-exceed fee of $210,000 for One (1) year; and
3. Authorize the City Manager to execute the agreements, on behalf of the City; and
4. Take such additional, related, action that may be desirable.

Mayor Torres asked clarifying questions.

Director of Public Works James Enriquez provided clarification.

Councilmember Melendez motioned to approve the item, seconded by Mayor Pro Tem Peralta; the motion was approved unanimously.

5. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-6) FOR A MASTER DEVELOPER TO PREPARE AND IMPLEMENT A STRATEGIC MASTER PLAN FOR THE MONTEBELLO GOLF COURSE

DRAFT

COMPLEX

RECOMMENDATION: It is recommended that the City Council:

1. Approve Issuing a Request for Proposals ("RFP") for a qualified Master Developer to prepare and implement a strategic master plan for the Montebello Golf Course Complex and authorize solicitation of proposals; and
2. Take such additional, related action that may be desirable.

Approved unanimously.

6. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-5) FOR RECREATION GUIDE PRODUCTION

RECOMMENDATION: It is recommended that the City Council:

1. Authorize staff to issue a Request for Proposals No. 23-5 (RFP) for the production, digital hosting, and printing of a Montebello Recreation Guide; and
2. Take such additional, related, action that may be desirable.

Mayor Torres asked clarifying questions regarding the item.

Director of Parks and Recreation, David Sosnowski provided clarification.

Councilmember Jimenez motioned, seconded by Councilmember Melendez to approve the item; the motion was approved unanimously.

7. AMENDMENT TO FISCAL YEAR 2022-23 RECREATION AND COMMUNITY SERVICES DEPARTMENT GRANT BUDGET

RECOMMENDATION: It is recommended that the City Council:

1. Amend the Fiscal Year 2022-23 Recreation and Community Services Grant Budget by increasing appropriations by $27,916 in Account No. 265-70-740-6040.10 (Grants, Parks and Recreation, Prop 68 Per Capita Fund, Other Contract Services); by $107,166 in Account No. 265-7000-2013-025-6040.60 (Grants, City Parks, City Park Facilities, Building Maintenance/Repairs); and by $261,261 in Account No. 221-70-720-6040.60 (Measure A, Parks Maintenance, Building Maintenance/Repairs); and
2. Take such additional, related actions that may be desirable.

Approved unanimously.

8. APPROVE PROFESSIONAL SERVICES AGREEMENT NO. 4056 WITH ORANGE COAST PETROLEUM EQUIPMENT, INC. FOR THE MAINTENANCE HOSE REELS REPLACEMENT, REQUEST FOR PROPOSAL NO. 23-2

RECOMMENDATION: It is recommended that the City Council:

1. Approve a Professional Services Agreement, No. 4056 with Orange Coast Petroleum Equipment, Inc. (Orange Coast Petroleum), for a total not-to-exceed amount of $90,011, for Maintenance Hose Reels Replacement (response to Request for Proposal No. 23-2); and
2. Authorize the City Manager to take actions necessary to execute and finalize an agreement on behalf of the City of Montebello; and
3. Take such additional, related, action that may be desirable.

Approved unanimously.

DRAFT

9. APPROVE REVISIONS TO THE CITY OF MONTEBELLO ADMINISTRATIVE POLICY V-B-38.02 – FEDERAL DRUG AND ALCOHOL REGULATIONS (FTA), TO UPDATE ADMINISTRATIVE PERSONNEL, TITLES, AND FUNCTIONS

RECOMMENDATION: It is recommended that the City Council:

1. Approve revisions to the City of Montebello Administrative Policy V-B-38.02 – Federal Drug and Alcohol Regulations (FTA) (Administrative Policy V-B-38.02), to update administrative personnel, titles, and functions; and
2. Take such additional, related, action that may be desirable.

Approved unanimously.

10. APPROVAL OF PROFESSIONAL SERVICES AGREEMENT NOS. 4057 AND 4058 WITH OFFICE SOLUTIONS BUSINESS PRODUCTS & SERVICES LLC, AND MOHAWK COMMERCIAL, INC., TO PURCHASE AND INSTALL UPGRADED WORKSTATIONS AND FLOORING FOR THE TRANSPORTATION DEPARTMENT

RECOMMENDATION: It is recommended that the City Council:

1. Approve a Professional Services Agreement, No. 4057, with Office Solutions Business Products & Services, LLC (dba Bluespace Interiors), utilizing the Sourcewell Cooperative Purchasing Program (Sourcewell) Contract No. 121919-TKN, to purchase and install upgraded workstations for the Transportation Department for a total not-to-exceed amount of $128,824; and
2. Approve a Professional Services Agreement, No. 4058, with Mohawk Commercial, Inc. (Mohawk), utilizing the California Multiple Award Schedules (CMAS) Contract No. 4-20-00-0085C, to purchase and install flooring for Transportation, for a total not-to-exceed amount of $49,099; and
3. Authorize the City Manager and/or their designee to approve change orders for up to ten percent (10%) of the total compensation amount for each proposed agreement; and
4. Take such additional, related, action that may be desirable.

Approved unanimously.

11. ADOPT RESOLUTION NO. 22-92 APPROVING MONTEBELLO BUS LINES' 2022 TITLE VI PROGRAM INCLUDING THE LANGUAGE ASSISTANCE PLAN AND PUBLIC PARTICIPATION PLAN, THE DISPARATE IMPACT POLICY AND DISPROPORTIONATE BURDEN POLICY, AND THE TRANSIT SERVICE MONITORING RESULTS

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 22-92 approving Montebello Bus Lines' 2022 Title VI Program, including the Language Assistance Plan and the Public Participation Plan; and
2. Approve the Disparate Impact Policy and Disproportionate Burden Policy, as defined within the 2022 Title VI Program; and
3. Approve the Transit Service Monitoring Results, included within the 2022 Title VI Program; and
4. Take such additional, related, action that may be desirable.

Approved unanimously.

12. APPROVE RECEIPT OF AN AWARD FROM THE CALIFORNIA HOMELESS COORDINATING AND FINANCING COUNCIL (HCFC) ENCAMPMENT RESOLUTION GRANT PROGRAM FISCAL YEAR 2022-23 AND 2023-2024 AND APPROPRIATE GRANT FUNDING

RECOMMENDATION: It is recommended that the City Council:

1. Approve the appropriation of $1,168,774 awarded to the City by the California Interagency Council on Homelessness (Cal ICH) Encampment Resolution Funding Grant Program; and

DRAFT

2. Amend the Fiscal Year 2022-23 budget by increasing appropriations by $1,168,774 in Expense Account No. 267-85-859-6040.10 and $1,168,774 in Revenue Account No. 267-99-4198.40 (Cal-ICH) - Encampment Resolution Funding Grant Fund, Fire, Cal-ICH - Encampment Resolution Funding, Other Contract Services and Miscellaneous Grants - Cal-ICH Encampment Resolution Funding; and
3. Authorize the City Manager to execute a Memorandum of Agreement between the City of Montebello and State of California Business, Consumer Services and Housing Agency (BCSH) to receive $1,168,774 in funding for the Encampment Resolution Funding Program; and
4. Authorize the City Manager to enter into a sole-source contract with Beverly Hospital for the purpose of the demonstration project to provide emergency room case management homeless services in an amount not-to-exceed $150,000 for the grant term of two years; and
5. Take such additional, related action that may be desirable.

Approved unanimously.

13. APPROVE PROFESSIONAL SERVICES AGREEMENT NO. 4055 WITH URBAN FUTURES, INC. TO PROVIDE CONTINUING DISCLOSURE SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Approve Professional Services Agreement No. 4055 with Urban Futures, Inc. (Urban Futures, Inc.) in an amount not to exceed $99,600 ($33,200 annually) over an initial three (3) year term; and
2. Take any additional actions necessary to effectuate the procurement of services.

Approved unanimously.

14. UPDATE ON SALE OF CITY'S WATER SYSTEM TO SAN GABRIEL VALLEY WATER COMPANY

RECOMMENDATION: It is recommended that the City Council:

1. Receive and file this update on the sale of the City's water system to San Gabriel Valley Water Company (SGVWC).

Approved unanimously.

15. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 22-95 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED DECEMBER 21, 2022

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 22-95 approving the Warrant Register dated December 21, 2022.

Approved unanimously.

16. AMENDMENT OF AGREEMENT NO'S. 893, 3213, AND 3323 RELATED TO QUIET CANNON MANAGEMENT AND ASSOCIATED BUSINESS ENTITIES

RECOMMENDATION: It is recommended that the City Council:

1. Approve the amended Agreements related to the Quiet Cannon Management (QMC) and associated hotel business entities in substantially the form as presented; and
2. Take such additional, related, action that may be desirable.

Mayor Pro Tem Peralta motioned, seconded by Councilmember Tamayo to continue the item to a future date for Council to receive more information; the motion was passed unanimously.

AB 1234 TRAVEL REPORTS

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

None

DRAFT

COUNCIL ORALS
Council member announcements; requests for future agenda items; conference/meetings reports.

- **David N. Torres, Mayor**
- **Scarlet Peralta, Mayor Pro Tem**
- **Angie M. Jimenez, Councilmember**
- **Salvador Melendez, Councilmember**
- **Georgina Tamayo, Councilmember**

ADJOURNMENTThe City of Montebello will adjourn to the next **Regular Meeting on January 11, 2023 at 5:00 p.m.** which can be live streamed at https://www.montebelloca.gov (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Thursday, December 15, 2022 by 5:00 p.m.**

Alicia Fernandez, Senior Deputy City Clerk

Mayor Pro Tem Peralta motioned, seconded by Councilmember Melendez to adjourn the meeting at 7:24 p.m.; the motion was approved unanimously.

DRAFT

Special Mtg

CITY OF MONTEBELLO

Request No. 1

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Bobby Nassir **PHONE:** _____ (Optional)

ADDRESS: 1625 Bluff Rd (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☒ Neutral ☐ **TOPIC:** Study session on overlay zone

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO Request No. 2

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-21-22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Brian Decker **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: SC Fuels

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** Study Session on Overlay Zone

NOTES: _____

ACCOMMODATIONS: None

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg.

CITY OF MONTEBELLO Request No. 3

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-21-22 **Time Received:** 5:30 **Date Received:** 12-21-22

SPEAKER'S FULL NAME: ENRIQUE VANEGAS **PHONE:** (951) 903 3697 (Optional)

ADDRESS: 1717 BLUFF RD Montebello CA 90640 (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: Brown FIELD Medium

ACCOMMODATIONS: _____

Translation Needed: No ☑ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO Request No. 4

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** CO

Meeting Date: 12-21-22 **Time Received:** 17:50 **Date Received:** 12+21-22

SPEAKER'S FULL NAME: Edward Franco **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed☐ In Support☐ Neutral☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 5

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** 545 **Date Received:** 12/21/22

SPEAKER'S FULL NAME: Michael Mantelling **PHONE:** _____ (Optional)

ADDRESS: 1501 C Hapin Rd montebello (Optional)

ORGANIZATION REPRESENTED: Liberty Line Haul West

Opposed ☐ In Support ☒ Neutral ☐ **TOPIC:** Brownfield overlay

NOTES: Brownfield overlay

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 6

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** 5:41 **Date Received:** 12/21/22

SPEAKER'S FULL NAME: Robert Johnson **PHONE:** _____ (Optional)

ADDRESS: 501 Chapin Ld. Montebello, CA. (Optional)

ORGANIZATION REPRESENTED: Liberty Linehaul West

Opposed ☐ In Support ☒ Neutral ☐ **TOPIC:** Study Session for Brownfield Overlay district

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 7

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** 5:45 **Date Received:** 12/21/22

SPEAKER'S FULL NAME: Shirley Aragon **PHONE:** _____ (Optional)

ADDRESS: 1501 Chapin Rd. Montebello CA 90640 (Optional)

ORGANIZATION REPRESENTED: Liberty Linehaul West Inc.

Opposed ☐ In Support ☑ Neutral ☐ **TOPIC:** _____

NOTES: Brownfield Overlay

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 8

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Laura Barrazan **PHONE:** 323) 841-0208 (Optional)

ADDRESS: 2740 Via Paseo Montebello CA 90640 (Optional)

ORGANIZATION REPRESENTED: Liberty Line Haul West.

Opposed ☐ In Support ☒ Neutral ☐ **TOPIC:** _____

NOTES: Brownfield Overlay

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 9

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: DEC 21/2022. **Time Received:** 5pm. **Date Received:** _____

SPEAKER'S FULL NAME: GREG DUBOIS **PHONE:** _____ (Optional)

ADDRESS: 1501 CHAPIN ROAD MONTEBELLO, CA 90640. (Optional)

ORGANIZATION REPRESENTED: LIBERTY LINEHAUL WEST, INC.

Opposed ☐ In Support ☑ Neutral ☐ **TOPIC:** _____

NOTES: BROWNFIELD ORDINANCE.

ACCOMMODATIONS: _____

Translation Needed: No ☑ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO

Request No. 10

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-21-22 **Time Received:** _____ **Date Received:** 12-21-22

SPEAKER'S FULL NAME: Rosemary Torres **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: self

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: general comment

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO Request No. 11

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: GUILLERMO CILIA **PHONE:** 323-216-9731 (Optional)

ADDRESS: 4629 GRAPE ST. PICO RIVERA CA 90660 (Optional)

ORGANIZATION REPRESENTED: LIBERTY CINEHAUL WEST

Opposed ☐ In Support ☒ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☑ In Person ☐

Special Mtg

CITY OF MONTEBELLO Request No. 12

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-21-22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Norman Perez **PHONE:** _____ *(Optional)*

ADDRESS: 1601 S. Bluff Rd. *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: Brownfield Overlay

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Mtg

CITY OF MONTEBELLO Request No. 13

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 6:00 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Carlos Arturo Garcia **PHONE:** (323) 321-1785 (Optional)

ADDRESS: 1707 S. Bluff Rd. Montebello CA 90640 (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: Brown field meeting

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Special Meeting Public Comments

Guillen, Kimberly (Admin)

From: Kevin Wong <kevin@fastdeer.us>
Sent: Wednesday, December 21, 2022 9:24 AM
To: Comment, ccpublic
Subject: [External Email] Public Comment for Council Meeting 12-21-22

Dear Montebello City Council,

I am writing to express my support for a study session regarding the Brownsfield Overlay District. I am the Director of Operations for Fast Deer Bus Charter, a charter bus company located on 8105 Slauson Ave. We are family-owned small business has been in operations for 43 years, thirteen of which have been at our location in Montebello. Our workforce is comprised of over 50 employees. My father is the owner of the company and has worked tirelessly to make this company a success.

I support the proposal to create a study session because I believe it is in the City's best interest to support the small businesses that are impacted by the Brownsfield Overlay District. Many of these businesses have occupied these properties for decades, and we want to stay and continue operations. The letter we received early last month was unsettling – it asked us to cease operations within weeks, something that was not feasible or realistic. No company that I spoke with received any prior notices or warnings. My biggest ask is that at the conclusion of the study session, the City Council repeal the sunset date of the Brownsfield Overlay District. Please support our business in staying here in perpetuity.

Again, I look forward to working with the City Council to come to a mutual agreement that would help keep jobs in Montebello.

Sincerely,

Kevin Wong
DIRECTOR OF OPERATIONS
Office: (323) 201-8988
www.fastdeerbus.com

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

Rodarte, Alejandro

From: Jacie Boyd <Jacie.Boyd@knighttrans.com>
Sent: Wednesday, December 21, 2022 11:31 AM
To: Comment, ccpublic
Subject: [External Email] Study Session for 1603 Chapin Road

Dear Montebello City Council,

My name is Jacie Boyd and I work for Swift Transportation located at 1603 Chapin Road in the Brownsfield Overlay zone. We have been in the city for approximately 10 years and have many employees that also live in the city. I am writing to express our support for the council to direct staff to conduct a study session in order to ultimately **repeal the sunset date on the overlay zone**.

We could not make the meeting tonight, but would like to be involved in the study session.

Thank you,

Jacie Boyd | Real Estate Manager
Corporate Real Estate Services | Real Estate
Knight-Swift Transportation Holdings Inc.
2002 W. Wahalla, Phoenix, AZ 85027
O: 602.352.5060
Jacie.Boyd@knighttrans.com



PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

Rodarte, Alejandro

From: Vic Caliva <how2polish@gmail.com>
Sent: Wednesday, December 21, 2022 2:20 PM
To: Comment, ccpublic
Subject: [External Email] brownsfield overlay

Dear Montebello City council,

My name is Vic Calivas from Calivas Truck Polishing located at 16-- Bluff Road in the Brownsfield overlay zone. I have been running my family business here for 42 years and have 26 employees of which approximately 7 live in the city of Montebello. I am writing to express my support for the study session to achieve an outcome which will ultimately allow us transportation related family businesses in the area to continue operating. We greatly appreciate the council's in addressing this urgent matter.

Sincerely,

Vic Caliva
calivas inc.
adc truckwash
323-887-0656 off
213-305-1511 cell
Thank_you
Vic Caliva

323-887-0656 off
213-305-1511 cell

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

Submitted by Linda Nicola (spoke during public comment

Code of Ordinances

- Title 13 - PUBLIC SERVICES
- Title 15 - BUILDINGS AND CONSTRUCTION
- Title 16 - SUBDIVISIONS
- Title 17 - ZONING

Appendix A - INDEX OF PRIMARY USES

STATUTORY REFERENCES FOR CALIFORNIA CITIES

CROSS-REFERENCE TABLE

ORDINANCE LIST AND DISPOSITION TABLE

CODE COMPARATIVE TABLE AND DISPOSITION LIST modified

‹ Title 2 - ADMINISTRATION AND PERSONNEL

Chapter 2.08 - CITY COUNCIL ›

Chapter 2.04 - CITY MANAGER[1]

Footnotes:

--- (1) ---

Editor's note— *Ord. No. 2367, § 2, adopted May 13, 2015, changed the title of Ch. 2.04 from "City manager" to read as set out herein.*

2.04.000 - Form of government.

Pursuant to California Government Code Sections 34851(a) and 34852, the city council of the City of Montebello hereby establishes a council - city manager form of government.

(Ord. No. 2422, § 2, 5-13-2020)

2.04.010 - Office created—Basis for appointments.

The office of the city manager of the city is created and established. The holder of this office shall be appointed by the city council solely on the basis of his/her executive and administrative qualifications, ability and previous governmental experience, and shall hold office at the pleasure of the city council excepting as hereinafter provided in Section 2.04.060.

(Prior code § 2100)

(Ord. No. 2367, § 2, 5-13-2015; Ord. No. 2422, § 2, 5-13-2020)

2.04.020 - Residence.

The appointed city manager, if not a resident of the city at the time of appointment, shall become a resident of the city within ninety days after his appointment.

(Prior code § 2101)

(Ord. No. 2367, § 2, 5-13-2015)

2.04.030 - Eligibility of council members.

No member of the city council of the city shall be eligible for an appointment as city manager until one year has elapsed after he/she has ceased to be a member of the council.

(Prior code § 2102)

(Ord. No. 2367, § 2, 5-13-2015; Ord. No. 2422, § 2, 5-13-2020)

2.04.040 - Compensation.

The city manager shall receive such compensation as the city council shall from time to time determine and fix by resolution or contract.

(Prior code § 2104)

(Ord. No. 2367, § 2, 5-13-2015; Ord. No. 2422, § 2, 5-13-2020)

2.04.050 - Duties.

The city manager shall be the administrative head of city government under the direction and control of the city council. He/she shall be responsible for the efficient administration of all affairs, both administrative and managerial, of the city. In addition to his/her general powers as the administrative and management head, and not as a limitation thereon, it shall be his duty and authority for the following:

A. Supervise and oversee the preparation and submission to the city council of a detailed proposed annual city budget and to offer his/her recommendations as to such increases, decreases, cancellations, transfers or changes in any items included in the proposed budget before adoption of the final budget and its administration after its final adoption, and to keep the city council informed with respect thereto;

B. Prepare and submit to the city council at the end of each fiscal year a comprehensive report of the financial and administrative activities of the city for the preceding year;

C. Advise the city council of the financial condition and future needs of the city;

D.

Prepare such general rules and regulations as are necessary or proper for the general conduct of the administrative offices and departments of the city under his express jurisdiction and submit the same to the city council for its approval;

E. Serve as personnel officer of the city, however, in exercising this authority, neither the council nor any of its members shall direct or request the appointment of any person, promotion/demotion/discipline of or removal from employment any department head or employee in the administrative services of the city. In addressing personnel matters of the city, the city council and its members shall inquire or seek information solely through the city manager or his/her designee and neither the city council nor any of its members shall give orders to any subordinates of the city manager, either publicly or privately. Notwithstanding the foregoing, City Councilmembers may make inquiries directly to directors, department heads or employees for information and materials, but may not unilaterally order or instruct department heads or other employees.

F. Be responsible for public relations and the dissemination of information to the citizens of the city.

G. Attend all meetings of the city council and such other boards and commissions as may be designated by the city council and to report upon any matter concerning the affairs of the departments, services or activities under his/her supervision upon which, in his/her judgement, the city council should be informed, or upon which reports are request by a majority of the city council;

H. Be responsible to see that all franchises, permits and privileges granted by the city council are faithfully performed and all due conditions met and observed;

I. Exercise general supervision over all public buildings, public parks and public property under the control and jurisdiction of the city council and not specifically delegated to a particular board or other department head;

J. Devote his/her entire time to the duties of this office and to the interests of the city;

K. Perform such other duties and exercise such other powers as are necessarily incident to the powers contained in this section, or as may be assigned, delegated or required of him from time to time by the action of the city council:

L. Oversee the development and organization of public improvement projects and programs, and to aid and assist the city council and other city departments and offices of the city;

M. To appoint competent, qualified officers, department heads and employees to the administrative service (which term is inclusive of all persons governed by the City's Civil Service/Personnel System as established and defined in Chapter 2.60 "Civil Service System," excepting the City Council, City Clerk and City Attorney), and to dismiss, suspend

and/or discipline such officers and employees in accordance with the Chapter 2.60 and the Civil Service Commission process defined therein. To recommend to the city council such reorganization of officers, departments or divisions as may be in the best interests of efficient and economical conduct of the city's business, and affect such reorganization when authorized by ordinance, resolution or other approval of the city council; and to employ such temporary or part-time employees as may be required, in his/her opinion, subject to the Civil Service/Personnel System;

N. To control, order and manage all department heads, subordinate officers and employees of the city;

O. Prepare and recommend to the city council from time to time desirable revisions to the Compensation Plan and the Table of Organization of the city;

P. As agent for the city council, and within the authority established by the Municipal Code and in accordance with the municipal budget adopted by the city council, to exercise the power of approval or rejection of expenditures for all departments, divisions, services and offices of the city government; this shall include the authority to authorize minor deviations from the municipal budget, and transfer funds and appropriations from accounts to accounts, within the same department or office, where the exigencies of the situation or practical needs of the city's operations require such action, but in all such cases the city manager shall report the exercise of such authority established herein to the city council within thirty days or sooner, thereafter;

Q. To prescribe such rules, regulations and policies as he/she deems necessary or expedient for the conduct of administrative services and, within authorized limits of law, policies and/or regulations, to revoke, suspend or amend any rule, regulations or policy established by any department head or other person in the position of providing administrative services for the city;

R. The city manager shall have the power and authority to sign any contract or conveyance as authorized by California Government Code Section 40602.

(Prior code § 2105)

(Ord. No. 2367, § 2, 5-13-2015; Ord. No. 2422, § 2, 5-13-2020)

2.04.060 - Removal.

A. The city manager shall not be removed from office ninety days prior to or within a period of ninety days after any municipal election at which time a member of the city council is elected. At any other time the city manager may be removed only at a regular meeting of the city council and upon affirmation votes of at least three members of the city council. Even if there are less than five members seated, removal can only occur if there at least three affirmative votes. Any abstention will not be counted as an affirmative vote. At least thirty days prior to

AGREEMENT NO. 3627

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO

This SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO ("Second Amendment") is entered into on the 9th day of June, 2021, by and between the CITY OF MONTEBELLO, a Municipal Corporation, hereinafter referred to as "City" and RENE BOBADILLA, hereinafter referred to as "Bobadilla," amending certain terms of employment as provided in the EMPLOYMENT AGREEMENT BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO ("Agreement") effective July 29, 2019, as amended by the FIRST AMENDMENT ("First Amendment), effective June 24, 2020.

I. RECITALS

A. Effective July 29, 2019, City and Bobadilla entered into an Employment Agreement whereby Bobadilla was appointed to the position of City Manager and to exercise the powers and duties set forth in Chapter 2.04 of the Montebello Municipal Code. The Agreement was amended by the First Amendment, effective June 24, 2020.

B. Effective June 9, 2020, City and Bobadilla agree to the terms of this Second Amendment to the Agreement which modifies Bobadilla's salary and other essential terms of employment.

C. All terms and conditions of employment contained in the Agreement and First Amendment not specifically amended by this Second Amendment shall remain in full force and effect.

NOW, THEREFORE, City and Bobadilla agree as follows:

II. AMENDMENTS TO AGREEMENT

The following Sections to the Agreement are amended to read as follows:

(a) Section I of the Agreement is amended as follows:

I. Term of this Agreement

This Second Agreement provides for the continued relationship of the City and Bobadilla for a term consisting of a five (5) year period ("Term"), beginning June 9, 2021, and continuing to June 8, 2026, unless Bobadilla earlier resigns his position as set forth in Section IV or is terminated as set forth in Sections V and VI. Nothing contained in this Agreement shall limit the Parties from extending the Term for additional periods ("Extended Term"), subject to terms and conditions negotiated and approved in writing by and between the Parties. The Term and any Extended Term shall be collectively be referred to as the "Term" of this Agreement.

[All other language from Section I from Agreement remains unchanged.]

(b) Section III of the Agreement is amended as follows:

III. Salary and Deferred Compensation

Commencing June 10, 2021, City agrees to pay Bobadilla a base salary of $318,500 a year ("Base Salary"). Salary payments shall be made in payroll period installments at the same time as other employees of City are paid. This Base Salary shall be subject to a Two and one-half percent (2.5%) increase adjustment effective July 1, 2021 in the same manner that the City's directors will be receiving.

Commencing on the effective date of the Second Amendment, the City on behalf of Bobadilla will make, in equal proportionate amounts on each pay period, the annual contribution limit set by the IRS into a qualified Section 457 Plan maintained by the City. Amounts contributed under this section shall be to the benefit of Employee in accordance with the deferred compensation plan participation agreement. The current limit is $19,500 per year, such amount will be adjusted as the maximum allowed contribution is increased.

(c) Section VI of the Agreement is amended as follows:

VI. At-Will Employment and Severance

Bobadilla acknowledges and accepts that he may be terminated without cause at any time and he serves as an at-will employee. Notwithstanding the language contained in Montebello Municipal Code Section 2.04.060, City agrees that in order to terminate Bobadilla pursuant to this Section VI of this Agreement it will require an affirmative vote of 4 members of the City Council (abstentions will not be counted as an affirmative vote

for termination and if there less than 5 members then seated on the City Council, it will require an unanimous vote to terminate). In the event Bobadilla is terminated from his position by City Council before expiration of the Initial Term or if extended, the Extended Term, and he is willing and able to continue performing his duties as City Manager, then City agrees to pay Bobadilla as severance his Base Salary, including benefits, which Bobadilla is receiving as of the date of such termination, ("Severance Benefit") for a period as defined as follows:

A. If terminated as set forth in this Section VI, Bobadilla shall receive the sum equal to the Severance Benefit times eighteen (18) months.

[All other language from Section VI from Agreement remains unchanged.]

(d) Section X. A. of the Agreement is amended, as follows:

A. Unless otherwise specified herein, benefits provided to other Executive Management employees of the City shall also be provided to Bobadilla, including all medical, dental and vision insurance coverage. In addition, City shall pay for or provide Bobadilla all medical, dental and vision insurance coverage for his lifetime upon separation, termination (except for Termination for Cause as set forth in Section V of the Agreement), or retirement from the City. Said medical, dental and vision insurance coverage shall be equivalent to those benefits he was receiving at time of his separation, termination or retirement from the City. This benefit is specific to BOBADILLA and shall not be provided to his relatives, heirs or assigns.

[All other language from Section X from Agreement remains unchanged.]

IN WITNESS WHEREOF, the City of Montebello (CITY) has caused this Second Amendment to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, and Rene Bobadilla (BOBADILLA) has signed and executed this SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO, in triplicate, the day and year first written above.

RENE BOBADILLA

Rene Bobadilla

CITY OF MONTEBELLO

Kimberly Cobos-Cawthorne, Mayor

ATTEST

Christopher Jimenez, City Clerk

APPROVED AS TO FORM

Arnold M. Alvarez-Glasman, City Attorney

RECEIVED
CITY OF MONTEBELLO
JUL 30 2019
FINANCE DEPARTMENT

AGREEMENT NO. 3627

EMPLOYMENT AGREEMENT

BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO

THIS EMPLOYMENT AGREEMENT BETWEEN RENE BOBADILLA AND THE CITY OF MONTEBELLO ("Agreement") is made and entered into by and between Rene Bobadilla, an individual, hereinafter referred to as "Bobadilla" and the City Council of the City of Montebello, acting as the legally constituted governing body of the City of Montebello, hereinafter referred to as "City" and shall be effective, July 29, 2019. Hereinafter, "Party" shall refer individually and collectively to each and all of the foregoing named parties. The Parties enter this Agreement with reference to the following facts.

RECITALS

WHEREAS, the City Council of the City of Montebello (the "Council") and Bobadilla believe that an agreement negotiated between the City Council, on behalf of the City, and Bobadilla can be mutually beneficial to the City, Bobadilla, and the community they serve; and

WHEREAS, the Council and Bobadilla believe an agreement will enhance the excellence and continuity of the management of the City for the benefit of its residents; and

WHEREAS, the City now desires to employ the services of Bobadilla pursuant to the terms, conditions and provisions of this Agreement; and

WHEREAS, Bobadilla has agreed to accept employment with the City, subject to the terms, conditions and provisions of this Agreement; and

WHEREAS, in accordance with the City of Montebello Municipal Code, both parties now desire to set forth the terms, conditions, and provisions of the employment relationship between City and Bobadilla.

NOW, THEREFORE, the City and Bobadilla, for and in consideration of the terms, conditions and provisions hereinafter established have agreed, and do hereby agree as follows:

I. Term of this Agreement

This Agreement provides for the continued relationship of the City and Bobadilla for an initial term consisting of a five (5) year period ("Initial Term"), beginning July 29, 2019, and continuing to July 28, 2024, unless Bobadilla earlier resigns his position as set forth in Section IV or is terminated as set forth in Sections V and VI. Nothing contained in this Agreement shall limit the Parties from extending the Initial Term for additional periods ("Extended Term"), subject to terms and conditions negotiated and approved in writing by and between the Parties. The Initial Term and any Extended Term shall be collectively be referred to as the "Term" of this Agreement.

Unless otherwise specified, all the provisions, terms, and conditions of this Agreement shall apply to both the Initial Term and the Extended Term. Any additional extension to the Extended Term shall be subject to the terms and conditions as then negotiated and agreed upon in writing by and between the Parties. If the Extended Term is further extended, the Parties shall negotiate and agree in writing to any changes to the terms and conditions of this Agreement. All other terms and conditions of this Agreement shall automatically be extended unless express modification is made in writing; in no way, however, shall the terms and conditions be lessened or decreased below the terms of this Agreement. It is the intent of this section that the Parties shall not have to re-negotiate each of the terms of this Agreement each time the Agreement may be extended.

II. Duties

City hereby appoints and employs Bobadilla pursuant to the City of Montebello Municipal Code to perform the functions and duties of the City Manager specified in Municipal Code Section 2.04 and to perform such other legally permissible and proper duties and functions as City Council of City may, from time to time, assign, including, but not limited to, the following:

A. Carry out all responsibilities set forth in Section 2.04 of the Montebello Municipal Code.

B. Employ, direct, assign, reassign and evaluate all of the employees of the City.

C. Organize, reorganize and arrange the staff of the City.

D. Develop and establish internal regulations, rules, and procedures which Bobadilla deems necessary for the efficient and effective operation of the City.

III. Salary and Deferred Compensation

City agrees to pay Bobadilla a base salary of $240,000 a year. Salary payments shall be made in payroll period installments at the same time as other employees of City are paid.

In addition to all other benefits outlined in this Agreement, City shall also pay an additional $5,000 annually to a deferred compensation program selected by Bobadilla and acceptable to the City.

IV. Resignation

A. Notwithstanding Sections I above, in the event Bobadilla resigns his position before expiration of the Initial Term, Bobadilla shall give City sixty (60) days notice in advance, unless City waives the notice requirement.

B. In such event that Bobadilla resigns his position, the City shall have no duty to pay the severance benefits available to him as set forth in Section VI below.

V. Termination With Cause

A. Notwithstanding the above, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Bobadilla for good cause. For purposes of this Agreement the term "good cause" is defined as follows:

1. Any felony conviction under California law.

2. Any misdemeanor or felony conviction of a crime involving theft, embezzlement, moral turpitude, conflict of interest or violations of the Political Reform Act.

3. Willful or persistent material breach of duties.

4. Engaging in conduct tending to bring embarrassment or disrepute to the City.

5. Engaging in unlawful discrimination or harassment of employee(s) or any third party while on City premises or on City time.

6. Unauthorized absences.

B. If City Council determines that there is cause to warrant termination of this Agreement, it shall give Bobadilla written notices of the cause(s). The City Council shall not make its final decision until Bobadilla has the opportunity to meet with the City Council to give reasons why the Agreement should not be terminated. Bobadilla may be represented at his expense by a representative of his choice at said meeting. The City Council shall make the final decision regarding termination of the Agreement, and shall provide the decision to Bobadilla in writing. The City Council's written decision shall be final and shall not be subject to further administrative review.

C. In the event Bobadilla is terminated for good cause as provided herein, City shall have no obligation to pay the severance benefits designated in Section VI which are available to Bobadilla during the Initial Term or any Extended Term.

VI. At-Will Employment and Severance

Bobadilla acknowledges and accepts that he may be terminated without cause at any time and he serves as an at-will employee. In the event Bobadilla is terminated from his position by City Council before expiration of the Initial Term or if extended, the Extended Term, and he is willing and able to continue performing his duties as City Manager, then

City agrees to pay Bobadilla as severance his base salary, including benefits, which Bobadilla is receiving as of the date of such termination, ("Severance Benefit") for a period as defined as follows:

A. If terminated by a super-majority vote (4 or 5 members of the City Council), Bobadilla shall receive the sum equal to the Severance Benefit times six (6) months.

B. If terminated by a simple majority vote (3 members of the City Council), Bobadilla shall receive the sum equal to the Severance Benefit times nine (9) months.

This provision complies with the severance pay cap that has been established in Government Code Section 53260. "Base salary" shall mean the compensation reflected by a salary range that the City pays Bobadilla, but excludes any other forms of remuneration. "Benefits" shall mean the actual benefits received or the equivalent cost of such benefits that the City is then providing to Bobadilla. "Terminate" or "Termination" as referred to in this Section VI shall refer to the City's act of removing Bobadilla from his duties as City Manager. Unless requested by Bobadilla, Bobadilla's severance payment pursuant to this Section VI shall be made in one installment.

In addition, Bobadilla shall be entitled to receive payment for leave balances which have accrued but are unused, as provided in this Agreement, below.

In the event Bobadilla is terminated for good cause as provided in Section V above, City shall have no obligation to pay the severance benefits designated in this paragraph. The City shall also be under no obligation to pay the severance to Bobadilla in accordance with this Section VI if Bobadilla ends employment because of resignation, retirement, death, or disability.

VII. Performance Evaluation

Not less than annually during the Term of this Agreement, the City Council shall conduct a comprehensive performance evaluation of Bobadilla. Said review and evaluation shall be in accordance with specific criteria developed by the City Council. The City Council may define such goals and performance objectives that it determines as necessary for the proper operation of the City and in the attainment of the Council's policy objectives. At the time of the annual performance evaluation, the City Council shall review the salary and benefits provided to Bobadilla and may adjust his salary and benefits in accordance with his performance.

VIII. Hours of Work

Bobadilla will devote his attention to the business of the City. Bobadilla is expected to maintain normal working hours consistent with other managerial employees of the City, Bobadilla may engage in other acts for remuneration to the extent those activities do not interfere or conflict with the performance of his duties as a City Manager with the prior notification to the City Council.

IX. Administrative Leave and Annual Leave

A. Administrative Leave. Bobadilla shall be afforded Administrative Leave of 56 hours per year. On July 29, 2019, Bobadilla shall be credited with a bank of 23 hours credited to his Administrative Leave account. Thereafter, on January 1st of each year during the Term of this Agreement Bobadilla will be credited with his full annual allotment of 80 hours of Administrative Leave.

B. Annual Leave (which includes vacation, sick and holiday time). Bobadilla shall be afforded Annual Leave as provided for an Executive Manager with ten (10) years of service (currently 280 hours per year). On July 29, 2019, Bobadilla will be credited to his bank of time 140 hours of Annual Leave and commencing on January 29, 2020, Bobadilla shall begin accruing 10.77 hours of Annual Leave per pay period.

X. Benefits and CalPERS

A. Unless otherwise specified herein, benefits provided to other Executive Management employees of the City shall also be provided to Bobadilla, including all medical, dental and vision insurance coverage.

B. Bobadilla shall be paid a technology stipend of $150.00 per month for cell phone, computer and other technological uses.

C. Bobadilla shall be paid an automobile allowance of $650.00 per month for expenses incurred by Bobadilla for the use of his personal automobile.

D. The City shall not make payment of Employee's CalPERS share to Bobadilla's CalPERS account. All Employee's contributions to his CalPERS account (currently 8%) shall be the responsibility of Bobadilla.

XI. Notices

Notices given under this Agreement shall be in writing and shall be either: a) served personally; or b) sent by facsimile (provided a hard copy is mailed within one (1) business day); or c) delivered by first-class United States mail, certified, with postage prepaid and a return receipt requested; or d) sent by Federal Express, or some equivalent private mail delivery service. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail, postage prepaid. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this Section.

CITY: City of Montebello
Attn: City Clerk
1600 West Beverly Boulevard
Montebello, CA 90640

RENE BOBADILLA:

Mr. Rene Bobadilla
[Deliver to last address in personnel file]

XII. Indemnification

To the extent permitted by applicable law, the City agrees to defend, hold harmless, and indemnify Bobadilla from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against him in his official capacity as an employee.

XIII. Professional Development

Consistent with the City's tuition reimbursement policy, City hereby agrees to budget and to pay the travel and subsistence expenses of Bobadilla for educational courses, institutes, conferences and seminars that are reasonably necessary for Bobadilla's professional development and for the good of City, and for official travel, meetings, and occasions sufficient to continue the professional development of Bobadilla and to adequately pursue necessary official and other functions on behalf of City. Authorization to incur said expenses and to attend such functions, shall be approved by the City Council prior to Bobadilla's attendance at such function(s), except that City throughout the Term of this Agreement shall approve Bobadilla travel and attendance to the League of California Cities' Annual Conference and City Manager Department's annual meeting.

XIV. Community and Professional Organization Participation

Participation in the community and in professional organizations is a necessary part of a City Manager's duties and as such, City agrees to pay all necessary dues, fees and expenses for Bobadilla to belong to the ICMA and, upon prior approval by the City Council, such other local civic service clubs and professional organizations to be selected by Bobadilla.

XV. Taxes

Bobadilla shall be responsible for his federal, state, local or other taxes resulting from any compensation or benefits provided to him by the City under this Agreement. The City may withhold all federal, state, local or other taxes as may be required pursuant to law or governmental regulation or ruling from any compensation or benefits provided under this Agreement. The City shall not be liable (except in cases of City's errors or omissions) for any state or federal tax consequences to Bobadilla, to any designated beneficiary hereunder, and/or to the heirs, administrators, executors, successors, and assigns of Bobadilla. Bobadilla shall assume sole liability for any state or federal tax consequences of this Agreement or any related agreement and agrees to indemnify and hold the City harmless from such tax consequences.

XVI. Other Terms and Conditions of Employment

A. City Council shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to Bobadilla's performance, provided that such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement and such terms and conditions are agreed upon in writing by and between the Parties.

B. Except as otherwise stated in this Agreement, all provisions of the City of Montebello Municipal Code, regulations and rules of City, and or working conditions and other benefits provided to the Executive Management not referenced in this Agreement shall apply to Bobadilla.

C. Except as herein provided, all provisions of the City relating CPI salary adjustments, vacation, sick leave, holidays and other benefits and working conditions as they now exist or hereafter may be amended, shall also apply to Bobadilla as they would to other employees of City, in addition to said compensation and benefits enumerated specifically for the benefit of Bobadilla.

XVII. General Provisions

A. This Agreement is deemed executed in California, and shall be governed by the law of the State of California, and any questions arising hereunder shall be construed or determined according to such law. Venue for any action brought pursuant to this Agreement shall be in Los Angeles County, California.

B. This Agreement constitutes an integration of the entire understanding and agreement by, between, and among the parties hereto and supersedes and is in lieu of any and all other arrangements, statements or promises, written or oral, between Bobadilla and the City. Any representations, warranties, promises, understandings, or conditions, whether written or oral, not specifically incorporated herein, shall not be binding upon any of the parties hereto.

C. This Agreement shall not be construed against any one party, but shall be construed as if jointly prepared by the parties hereto. Any uncertainty or ambiguity shall not be interpreted against any one party.

D. All parties to this Agreement acknowledge that they are competent to sign this Agreement, and that they do so voluntarily.

E. This Agreement and each and every covenant, condition and term herein, shall be binding upon and inure to the benefit of parties hereto and to their successors, assigns and heirs at law.

F. In the event litigation is commenced to enforce or interpret this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorneys' fees and costs incurred.

G. No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.

H. If any article, or any portion thereof, contained in the Agreement is held to be unconstitutional, invalid or unenforceable by any court of competent jurisdiction, the said ruling shall negate only the applicable article, or portion thereof, and the balance of this Agreement shall stand as written and shall remain in full force and effect for the duration of the Agreement.

I. Bobadilla and City acknowledge that they each did, or had, the opportunity to consult with legal counsel of his/its their respective choices with respect to the matters that are the subject of this Agreement prior to executing it.

IN WITNESS WHEREOF, the City of Montebello has caused this Agreement to be signed and executed on its behalf by its Mayor, and Bobadilla has signed and executed this Agreement on his behalf.

CITY OF MONTEBELLO

Jack Hadjinian, Mayor

RENE BOBADILLA

Rene Bobadilla

ATTEST:

Irma Barajas, City Clerk

APPROVED AS TO FORM:

For: Arnold M. Alvarez-Glasman, City Attorney

las
no

AGREEMENT NO. 3627

THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO

This THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO ("Third Amendment") is entered into on the 10th day of August, 2022, by and between the CITY OF MONTEBELLO, a Municipal Corporation, hereinafter referred to as "City" and RENÉ BOBADILLA, hereinafter referred to as "Bobadilla," amending certain terms of employment as provided in the EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO ("Agreement") effective July 29, 2019, as amended by the FIRST AMENDMENT ("First Amendment"), effective June 24, 2020 and SECOND AMENDMENT ("Second Amendment"), effective June 9, 2021.

I. RECITALS

A. Effective July 29, 2019, City and Bobadilla entered into an Employment Agreement whereby Bobadilla was appointed to the position of City Manager and to exercise the powers and duties set forth in Chapter 2.04 of the Montebello Municipal Code. The Agreement was amended by the First Amendment, effective June 24, 2020, and the Second Amendment, effective June 9, 2021.

B. Effective August 10, 2022, City and Bobadilla agree to the terms of this Third Amendment to the Agreement which modifies essential terms of employment.

C. All terms and conditions of employment contained in the Agreement, the First Amendment and Second Amendment, not specifically amended by this Third Amendment shall remain in full force and effect.

NOW, THEREFORE, City and Bobadilla agree as follows:

II. AMENDMENTS TO AGREEMENT

The following Sections to the Agreement are amended to read as follows:

(a) Section I of the Agreement is amended as follows:

I. Term of this Agreement

This Third Agreement provides for the continued relationship of the City and Bobadilla for a term consisting of a five (5) year period ("Term"), beginning August 10, 2022, and continuing to August 9, 2027, unless Bobadilla earlier resigns his position as set forth in Section IV or is terminated as set forth in Sections V and VI. Nothing contained in this Agreement shall limit the Parties from extending the Term for additional periods ("Extended Term"), subject to terms and conditions negotiated and approved in writing by and between the Parties. The Term and any Extended Term shall be collectively be referred to as the "Term" of this Agreement.

[All other language from Section I from Agreement remains unchanged.]

(b) Section VI of the Agreement is amended as follows:

VI. At-Will Employment and Severance

Bobadilla acknowledges and accepts that he may be terminated without cause at any time and he serves as an at-will employee. Notwithstanding the language contained in Montebello Municipal Code Section 2.04.060, City agrees that in order to terminate Bobadilla pursuant to this Section VI of this Agreement. During the period of time when there are seven (7) members serving on the City Council, it will require six (6) affirmative vote of the 7 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 7 members then seated on the City Council, it will require an unanimous vote to terminate). When there are five (5) members serving on the City Council, it will require an affirmative vote of 4 members of the City Council (abstentions will not be counted as an affirmative vote for termination and if there less than 5 members then seated on the City Council, it will require an unanimous vote to terminate). In the event Bobadilla is terminated from his position by City Council before expiration of the Initial Term or if extended, the Extended Term, and he is willing and able to continue performing his duties as City Manager, then City agrees to pay Bobadilla as severance his Base Salary, including benefits, which Bobadilla is receiving as of the date of such termination, ("Severance Benefit") for a period as defined as follows:

A. If terminated as set forth in this Section VI, Bobadilla shall receive the sum equal to the Severance Benefit times eighteen (18) months.

[All other language from Section VI from Agreement remains unchanged.]

(c) Section XVI of the Agreement is amended to add paragraph D as follows:

D. In addition to such other operational terms and conditions of employment or other ordinances or resolutions adopted by the City, the parties agree to adhere the commitments defined in Attachment "A" to the Third Amendment. Such operational commitments are incorporated herein as other terms and conditions of employment to this Agreement.

IN WITNESS WHEREOF, the City of Montebello (CITY) has caused this Third Amendment to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, and René Bobadilla (BOBADILLA) has signed and executed this THIRD AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN RENÉ BOBADILLA AND THE CITY OF MONTEBELLO, in triplicate, the day and year first written above.

RENÉ BOBADILLA	CITY OF MONTEBELLO
_____	_____
René Bobadilla	Kimberly Cobos-Cawthorne, Mayor
ATTEST	APPROVED AS TO FORM
_____	_____
Christopher Jimenez, City Clerk	Arnold M. Alvarez-Glasman, City Attorney

CITY COUNCIL AND CITY MANAGER COMMITMENTS

City Council Commitments

1. The City Council sets policy for the governance and administration of the City, and it implements its policies through the City Manager.

2. Except for the purpose of inquiry, the City Council and its members shall deal with all subordinate City employees and officers solely through the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.

3. Except for the purpose of inquiry, the City Council and its members shall deal with all contractors and consultants solely through the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any contracted third party of the City, either publicly or privately.

4. The City Council agrees none of its individual members will order the appointment or removal of any person to any office or employment under the supervision and control of the City Manager.

5. The City Council agrees to proactively create and maintain a respectful, safe and comfortable workplace, free of harassment, retaliation or discrimination, where individual differences are welcomed and valued.

6. The City Council agrees that any criticism of a City staff member, including the City Manager, shall not be done publicly through any communication medium, both virtually and physically, but shall be done privately through the City Manager.

7. The City Council agrees that all communication, both written and oral, with the City Manager and all subordinate employees, shall be done with respect and dignity to promote an environment of civility and professionalism.

8. Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of the City Manager. The City Manager shall take orders and instructions from the City Council in accordance with the Montebello Municipal Code 2.04.

Mutual Commitments

1. ICMA Code of Ethics
   a. The Parties acknowledge that the City Manager is committed to the ideals of the International City/County Management Association ("ICMA"). The

Parties mutually desire that the City Manager be subject to and comply with the ICMA Code of Ethics.

b. The City Manager commits to comply with the ICMA Code of Ethics.

c. The City and the City Council agree that neither the City Council nor any of its members will give the City Manager any order, direction, or request that would require the City Manager to violate the ICMA Code of Ethics.

CITY OF MONTEBELLO
SPECIAL CITY COUNCIL MEETING AGENDA

MINUTES

WEDNESDAY, DECEMBER 21, 2022 AT 6:00 PM

CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

DRAFT

OPENING CEREMONIES

CALL TO ORDER

Mayor Torres called the Special Meeting to order at 6:06 p.m. concurrently with the City Council and Public Financing Authority Adjourned Regular Meeting.

ROLL CALL

Members present were Mayor Torres, Mayor Pro Tem Peralta, Councilmember Melendez, and Councilmember Tamayo. Councilmember Jimenez arrived at 6:11 p.m. City Clerk Jimenez and Treasurer Matanga were also present.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY (30 MINUTES)

At this time, the general public may ***only*** address the City Council during this Special Meeting on items which have been described in the notice of this Special meeting in accordance with Government Code Section 54954.3(a). Please be aware that the maximum time allotted for members of the public to speak on shall not exceed three (3) minutes per person. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged thirteen(13) members of the public wishing to address the City Council. Speakers were provided three minutes to address the City Council and said speaker cards are on file at the City Clerk's office.

The City Clerk's Office acknowledged three(3) written public comments submitted to the City's public comment email address; said comments are on file at the City Clerk's office.

REGULAR SESSION – 6:00 PM

CORRECTIONS TO THE AGENDA CITY MANAGER

None

COUNCIL ORALS

1. Scarlet Peralta, Mayor Pro Tem

- **Adoption of policy regarding internal hiring of Public Safety Chief and Assistant Chief Positions.**
  - **Adoption of Interview Hiring Panel.**

- **Resolution reinstating Mayor Torres' Council rights and privileges.**

Mayor Pro Tem Peralta requested Council consensus to establish an Interview Hiring Panel made up of residents and stakeholders for positions that are directly working with the public. She further stated that she is not looking to breach the City Manager's contract as she understands that he is the hiring authority but believes that the Council has the authority to set policies to create an inclusive recruitment process. Her vision is to engage the community through a community survey and community forum to receive feedback from residents and stakeholders about desired qualities, experience, and leadership characteristics. The process would be similar to the City of Pasadena and other charted cities. She further stated that the panel is only for engagement but does not have any authority to hire. This process would be selected by an Ad Hoc and City Staff. She wants this process to be developed prior to the hiring of the two Deputy Chief positions.

City Manager Bobadilla stated that the City had recently posted two job recruits for the hiring of the Assistant Chief positions. It would be crucial for the City to stop the recruitment because it was not stated in the job posting that the candidates would be required to go through this process.

Director Razo surveyed eleven cities and ten of those cities followed the same process as the City. He further stated that the process is consistent with industry standards.

Mayor Pro Tem Peralta stated that she wants to prioritize the community and stakeholders by adding them to the recruitment process for positions that work directly with the community. She requested Council consensus to create an Ad Hoc to define the recruitment process and temporarily pause the recruitment for the two positions to include the new hiring process. Consensus was received; Councilmember Jimenez and Councilmember Melendez were in opposition.

Mayor Pro Tem Peralta requested Council consensus to draft a Resolution to reinstate Mayor Torres' rights and privileges. Consensus was received; Councilmember Melendez was in opposition and Councilmember Jimenez was absent.

2. Angie M. Jimenez, Councilmember

3. Salvador Melendez, Councilmember

4. Georgina Tamayo, Councilmember

- **Requesting Council consensus to calendar Strategic Plan 2023 Study Sessions.**
- **Request Council Consensus to direct staff to conduct first hearing reimplementing financial reporting requirements at the first meeting in January.**

Councilmember Tamayo requested Council consensus to calendar the Strategic Plan 2023 Study Session to discuss economic development opportunities and identify underutilized sites for options of expanding shopping opportunities for the community; consensus was received.

City Manager Bobadilla informed the Council that staff would bring back a staff report in January to schedule the 2023 City Council Study Sessions and hire a consultant for the study session.

Councilmember Tamayo requested consensus to direct staff to conduct a first hearing reimplementing financial reporting requirements in January. She requested monthly statements of receipts of all payments and disbursements showing all the transactions and the balance of each account.

City Manager Bobadilla stated that what is being requested has never been produced and suggested creating Ad Hoc to understand the report she is requesting.

Council recessed into a break at 8:01 p.m. and returned at 8:06 p.m.

Consensus was received to create a Council Ad Hoc for staff to discuss the requested financial reporting. Councilmember Jimenez was in opposition and Councilmember Jimenez was absent.

5. David N. Torres, Mayor

DRAFT

- **Request for Council consensus to work with staff to: a) repeal Montebello Municipal Code Chapter 2.14 - Council Procedures in light of ACLU demands; b) enter a Resolution for date, time, order of business, etc.; c) develop a policy guiding standards for conduct and order (to be further reviewed and considered by council); and d) calendar these actions to begin January 11, 2023.**
- **Request for Council consensus to calendar repeal of certain exemptions to competitive bidding for January 11, 2023.**
- **Request for Council consensus to immediately transmit letters to businesses in the Brownfield Overlay District staying eviction and enforcement of penalties due to sunset of said district pending further discussion and review through Study Session, date TBD.**

Mayor Torres requested Council consensus to repeal the Montebello Municipal Code Chapter 2.14, enter a Resolution for date, time order of business, etc. and develop a policy guiding standards for conduct and order for further review. Consensus was received to repeal the Ordinance and bring back a discussion to begin developing standards of conduct. Councilmember Jimenez was absent.

Mayor Torres requested consensus to repeal Municipal Code Section 3.20.050 for Standardization and Professional Services Exemptions to Competitive Bidding. He further requested to add a requirement to the Municipal Code directing staff to describe if and why an exemption is necessary in the Council Staff Report. Additionally, requested an introduction at the January 25th City Council Meeting. Consensus was received; Councilmember Melendez and Councilmember Jimenez were in opposition.

Mayor Torres requested consensus to transmit letters to businesses in the Brownfield Overlay District staying eviction and enforcement of penalties due to sunset of said district pending further discussion and review through Study Session; the City Attorney's Office will be signing the letter with the Mayor's signature; consensus was received.

ADJOURNMENTThe City of Montebello will adjourn to the next **Regular Meeting on December 21, 2022 at 6:00 p.m.** which can be live streamed at https://www.montebelloca.gov (Click on Live Stream).
Date and Posted: December 21, 2022 at 6:00 p.m.

I, Alicia Fernandez, Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda and Notice of a Special Meeting has been posted at City Hall and the City's website no less than 24-hours before the start of the Special Meeting, and delivered to each member of the City of Montebello City Council on or before December 20, 2022 at 6:00 p.m.



Alicia Fernandez, Sr. Deputy City Clerk

Mayor Torres congratulated the Council on their successful election campaign.

Councilmember Melendez motioned, seconded by Mayor Pro Tem Peralta to adjourn the Special Meeting at 8:36 p.m.

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Adjourned Mtg.

CITY OF MONTEBELLO

Request No. 1

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** #5

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Cindy Farber **PHONE:** 213·369·7742 (Optional)

ADDRESS: 856 S. 5th St. Montebello, CA 90640 (Optional)

ORGANIZATION REPRESENTED: Boy Scouts, Girl Scouts, Cub Scouts, Leos using the Bicknell Park Scout Hut

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: Operation Save the Scout Hut

ACCOMMODATIONS: _____

Translation Needed: No ☒ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Adjourned Mtg

CITY OF MONTEBELLO Request No. 2

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: _____ **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: MARGOT GISER **PHONE:** _____ *(Optional)*

ADDRESS: Vista Delarosa, Montebello *(Optional)*

ORGANIZATION REPRESENTED: —

Opposed ☐ In Support ☐ Neutral ☒ **TOPIC:** Some Agenda items & Public comment

NOTES: Public comment #2 Consent Calendar #5 Must have public participation

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Approved

CITY OF MONTEBELLO

Request No. 3

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-21-2022 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Rosa Tamayo **PHONE:** 323-724-6699 (Optional)

ADDRESS: 500 S. Montebello Blvd #4c (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Adjourned

CITY OF MONTEBELLO Request No. 4

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: _____ **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Linda Nicklas **PHONE:** _____ (Optional)

ADDRESS: In file (Optional) MATCH 90640

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO Adjourned Request No. 5

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** 16

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Alexandra Briseno **PHONE:** _____ (Optional)

ADDRESS: 847 N. Vail Ave (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☑ In Support ☐ Neutral ☐ **TOPIC:** ITEM 16

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☑ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

Adjourned

CITY OF MONTEBELLO

Request No. 6

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12/21/22 **Time Received:** _____ **Date Received:** 12/21/22

SPEAKER'S FULL NAME: Tila Gregoriar **PHONE:** _____ *(Optional)*

ADDRESS: no data *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

General Public Comments

(Comments emailed on 12/21/2022)

CAPITOL OFFICE
STATE CAPITOL
ROOM 5066
SACRAMENTO, CA 95814
TEL (916) 651-4032

DISTRICT OFFICE
12501 IMPERIAL HWY.
SUITE 110
NORWALK, CA 90650
TEL (562) 406-1001

California State Senate

SENATOR
BOB ARCHULETA
THIRTY-SECOND SENATE DISTRICT

STANDING COMMITTEES
MILITARY & VETERANS AFFAIRS
CHAIR
BUSINESS, PROFESSIONS
& ECONOMIC DEVELOPMENT
GOVERNMENTAL
ORGANIZATION
INSURANCE
TRANSPORTATION

December 16, 2022

Re: Montebello City Council Meeting – Item No. 5 – December 21, 2022

Dear Honorable Mayor Torres and Councilmembers:

Congratulations on your recent certification of the 6th Cycle Housing Element! As you know, this plan drives the City's vision for critically needed housing development, and I am proud to represent the City that is among a select few to have its Housing Element certified.

Given this important opportunity, I wish to express my support for Item No. 5 on today's agenda which calls for the authorization of the solicitation of proposals for a Specific Plan for the City of Montebello Golf Course Complex.

We understand that this process is the beginning of a robust and transparent public participation process to explore the development opportunities within the complex which could include mixed-use and mixed-income housing opportunities, consistent with the City's Housing Element. I believe that this opportunity will elevate the City's presence within the regional economic development community which could result in additional investment from the residential and retail sectors.

I share your goals of bringing economic vitality, affordable housing opportunities, more employment options, especially for our local residents, and strong quality of life to the City of Montebello and recognize this as the first step in a longer process of community engagement.

I would therefore, encourage your affirmative support for this agenda item and together we will move Montebello forward. As always, I stand ready to work with you to bring resources to Montebello.

Sincerely,

Senator Bob Archuleta
California State Senate, District 30

Rodarte, Alejandro

From: Irene A. <irenenaj@yahoo.com>
Sent: Wednesday, December 21, 2022 11:25 AM
To: Comment, ccpublic
Subject: Re: [External Email] Golf course meeting 12/21

To whom it may concern,

As a resident of the city of Montebello, I represent many voices in my community. The city of Montebello has many residents who have lived here for decades. In addition, many newer residents would also like to see this city preserve its natural beauty. In addition to maintaining our trees throughout the city, we also want to see historic locations respected and preserved. I am specifically referring to the Montebello Golf Course. This golf course has served Montebello residents as well as visitors many years of joy and entertainment. There is no reason to tear down, sell, or destroy this beautiful, historic landmark of the city of Montebello.

- To destroy this location for commercial purposes is unnecessary and a let down for the city residents. Many people in Montebello grew up with the golf course as a source of pride. Residents have created and shared memories at this site and would not want to see it destroyed for outside commercial exploitation. We deserve to have historic locations-such as The Boy Scout's clubhouse at the golf course- preserved and enjoyed by the people of this city.

Thank you,
Irene A.

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY
JOINT REGULAR MEETING

MINUTES

WEDNESDAY, DECEMBER 14, 2022 AT 5:00 PM

QUIET CANNON, BALL ROOM (CRYSTAL ROOM 1 AND 3)
901 VIA SAN CLEMENTE
MONTEBELLO, CALIFORNIA

DRAFT

OPENING CEREMONIES

CALL TO ORDER
Mayor Cobos-Cawthorne called the meeting to order at 5:12 p.m.

ROLL CALL
Members present were Mayor/Chairperson Cobos-Cawthorne, Councilmember/Member Melendez, Councilmember/Member Torres, and Councilmember/Member Peralta; Councilmember/Member Jimenez was absent. City Clerk/Board Secretary Jimenez and Treasurer Matanga were also present.

City Manager René Bobadilla, Assistant City Manager Arlene Salazar, Senior Deputy City Clerk Alicia Fernandez, Deputy City Clerk Kimberly Guillen, and all Department Directors were present; City Attorney Alvarez-Glasman attended telephonically.

PUBLIC COMMENTS FOR CLOSED SESSION ITEMS
At this time, the general public may address the City Council/PFA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged two (2) speaker card(s) and no written public comment(s) were submitted to the City's public comment email address. Said speaker card(s) are on file at the City Clerk's office.

CLOSED SESSION 5:00 P.M.
The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

Mayor Cobos-Cawthorne recessed the meeting into Closed Session at 5:22 p.m. to consider the following Closed Session items:

1. **THREAT TO PUBLIC SERVICES OR FACILITIES**
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Government Code Section 54956.9(d)(1)
One matter related to Maria Chavez vs. City of Montebello

3. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Government Code Section 54956.8
Property 901 Via San Clemente, Montebello CA
Agency's Negotiator René Bobadilla, City Manager
Negotiating Party Topgolf
Under Negotiation Price and Terms

REGULAR SESSION NO LATER THAN 6:00 P.M.

CLOSED SESSION REPORT
Mayor Cobos-Cawthorne reconvened the meeting at 6:17 p.m.

All four members were present to discuss all Closed Session items. City Attorney Arnold Alvarez-Glasman provided the following report to City Council: a briefing was provided on Item No. 1-3; no action was taken and there was nothing to report on all three items.

INVOCATION
Pastor Eric and Pastor Fernando led the City Council in the Invocation.

PLEDGE OF ALLEGIANCE
Mayor Cobos-Cawthorne led the City Council in the Pledge of Allegiance.

CORRECTIONS TO THE AGENDA CITY MANAGER
City Manager Bobadilla pulled Item No. 7 from the agenda.

PRESENTATION

4. **CEREMONIAL CHECK PRESENTATION FROM SAN GABRIEL VALLEY WATER COMPANY**

Presented by Mayor Cobos-Cawthorne.

PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)
At this time, the general public may address the City Council/PFA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged seven (7) members of the public wishing to address the City Council; two written comments were read aloud. Speakers were provided three minutes to address the City Council and said speaker

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cards/written comments are on file at the City Clerk's office.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

PUBLIC HEARING

5. PUBLIC HEARING TO APPROVE AN ENERGY SERVICES CONTRACT WITH ALLIANCE BUILDING SOLUTIONS, INC.

RECOMMENDATION: It is recommended that the City Council:

1. Conduct a Public Hearing and consider approving an Energy Services Contract with Alliance Building Solutions, Inc. (ABS), a Finance Agreement and related documents with Alliance Funding Solutions, Inc. (AFS) for the construction of energy conservation measures at various City facilities; and
2. Adopt Resolution No. 22-93 approving certain findings for energy related improvements to various city facilities in accordance with California Government Code Section 4217; and
3. Adopt Resolution No. 22-96 authorizing the execution of a Lease Purchase Agreement, Escrow Agreement and Equipment Schedule with Alliance Funding Solutions, Inc.; and
4. Authorize the City Manager to execute the agreements and any other related documents in a final form approved by the City Attorney; and
5. Take such additional, related, action that may be desirable.

City Attorney Alvarez-Glasman clarified that this Public Hearing would be opened and closed solely for the purpose of continuing it to the City Council meeting scheduled for January 25, 2023. It was motioned by Councilmember Torres, seconded by Councilmember Peralta, that the motion be continued; the motion passed unanimously.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

City Attorney Alvarez-Glasman confirmed that Item No. 7 was pulled off of this agenda. Councilmember Melendez motioned to continue Item No' s 6, 8-20 for a future meeting to be held as an Adjourned Meeting on December 21, 2022, seconded by Councilmember Peralta; the motion passed unanimously.

6. WAIVE SECOND READING AND ADOPT ORDINANCE NO. 2457 AMENDING CHAPTER 2.14 OF THE MONTEBELLO MUNICIPAL CODE TO UPDATE THE RULES OF ORDER AND PROCEDURE FOR THE CONDUCT OF ALL CITY COUNCIL AND SUCCESSOR AGENCY MEETINGS, PROCEEDINGS, AND BUSINESS

RECOMMENDATION: It is recommended that the City Council:

1. Waive Second Reading and adopt Ordinance No. 2457 Amending Chapter 2.14 of the Montebello Municipal Code Updating the Rules of Order and Procedure for the Conduct of all City Council and Successor Agency Meetings, Proceedings, and Business; and
2. Take such additional related action that may be desirable.

The matter was continued to December 21, 2022.

7. AMENDMENT OF AGREEMENT NO'S. 893, 3213, AND 3323 RELATED TO QUIET CANNON MANAGEMENT AND ASSOCIATED BUSINESS ENTITIES

RECOMMENDATION: It is recommended that the City Council:

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1. Approve the amended Agreements related to the Quiet Cannon Management (QMC) and associated hotel business entities in substantially the form as presented; and
2. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

8. APPROVE PROFESSIONAL SERVICES AGREEMENT, NO. 4062, WITH ADVOCATE, INC. DBA NAVA PARTNERS INSURANCE SOLUTIONS, FOR THE EMPLOYEE BENEFITS INSURANCE BROKER SERVICES REQUEST FOR PROPOSAL, NO. 23-3

RECOMMENDATION: It is recommended that the City Council:

1. Approve a Professional Services Agreement, No. 4062 with Advocate, Inc. dba Nava Partners Insurance Solutions to provide Employee Benefits Insurance Broker Services, for a three-year (3-year) term with the option for renewal of up to two (2) additional one-year (1-year) terms, for an initial total not-to-exceed amount of One Hundred and Fifty Thousand Dollars ($150,000) for the three-year term; and
2. Authorize the City Manager and/or his designee to take actions necessary to execute and finalize an agreement on behalf of the City of Montebello (City); and
3. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

9. APPROVAL OF TASK ORDER NO. 2 AND NO. 3, UNDER MASTER RETAINER AGREEMENT NO. 3921, WITH TRANSTECH ENGINEER'S, INC. FOR BUILDING PLAN CHECK AND INSPECTION SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Award Task Order No. 2 via an Engagement Letter Under Master Retainer Agreement No. 3921 with Transtech Engineers, Inc. for General Building Plan Check and Inspection Services for a not-to-exceed fee of $185,380 per year for staff augmentation and $352,000 per year for Plan Check services for a term of Two (2) years; and
2. Award Task Order No. 3 via an Engagement Letter Under Master Retainer Agreement No. 3921 with Transtech Engineers, Inc. for Building Inspection Services for the Metro Heights and Other Large Projects for a not-to-exceed fee of $210,000 for One (1) year; and
3. Authorize the City Manager to execute the agreements, on behalf of the City; and
4. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

10. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-6) FOR A MASTER DEVELOPER TO PREPARE AND IMPLEMENT A STRATEGIC MASTER PLAN FOR THE MONTEBELLO GOLF COURSE COMPLEX

RECOMMENDATION: It is recommended that the City Council:

1. Approve Issuing a Request for Proposals ("RFP") for a qualified Master Developer to prepare and implement a strategic master plan for the Montebello Golf Course Complex and authorize solicitation of proposals; and
2. Take such additional, related action that may be desirable.

The matter was continued to December 21, 2022.

11. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-5) FOR RECREATION GUIDE PRODUCTION

RECOMMENDATION: It is recommended that the City Council:

DRAFT

1. Authorize staff to issue a Request for Proposals No. 23-5 (RFP) for the production, digital hosting, and printing of a Montebello Recreation Guide; and
2. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

12. AMENDMENT TO FISCAL YEAR 2022-23 RECREATION AND COMMUNITY SERVICES DEPARTMENT GRANT BUDGET

RECOMMENDATION: It is recommended that the City Council:

1. Amend the Fiscal Year 2022-23 Recreation and Community Services Grant Budget by increasing appropriations by $27,916 in Account No. 265-70-740-6040.10 (Grants, Parks and Recreation, Prop 68 Per Capita Fund, Other Contract Services); by $107,166 in Account No. 265-7000-2013-025-6040.60 (Grants, City Parks, City Park Facilities, Building Maintenance/Repairs); and by $261,261 in Account No. 221-70-720-6040.60 (Measure A, Parks Maintenance, Building Maintenance/Repairs); and
2. Take such additional, related actions that may be desirable.

The matter was continued to December 21, 2022.

13. APPROVE PROFESSIONAL SERVICES AGREEMENT NO. 4056 WITH ORANGE COAST PETROLEUM EQUIPMENT, INC. FOR THE MAINTENANCE HOSE REELS REPLACEMENT, REQUEST FOR PROPOSAL NO. 23-2

RECOMMENDATION: It is recommended that the City Council:

1. Approve a Professional Services Agreement, No. 4056 with Orange Coast Petroleum Equipment, Inc. (Orange Coast Petroleum), for a total not-to-exceed amount of $90,011, for Maintenance Hose Reels Replacement (response to Request for Proposal No. 23-2); and
2. Authorize the City Manager to take actions necessary to execute and finalize an agreement on behalf of the City of Montebello; and
3. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

14. APPROVE REVISIONS TO THE CITY OF MONTEBELLO ADMINISTRATIVE POLICY V-B-38.02 – FEDERAL DRUG AND ALCOHOL REGULATIONS (FTA), TO UPDATE ADMINISTRATIVE PERSONNEL, TITLES, AND FUNCTIONS

RECOMMENDATION: It is recommended that the City Council:

1. Approve revisions to the City of Montebello Administrative Policy V-B-38.02 – Federal Drug and Alcohol Regulations (FTA) (Administrative Policy V-B-38.02), to update administrative personnel, titles, and functions; and
2. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

15. APPROVAL OF PROFESSIONAL SERVICES AGREEMENT NOS. 4057 AND 4058 WITH OFFICE SOLUTIONS BUSINESS PRODUCTS & SERVICES LLC, AND MOHAWK COMMERCIAL, INC., TO PURCHASE AND INSTALL UPGRADED WORKSTATIONS AND FLOORING FOR THE TRANSPORTATION DEPARTMENT

RECOMMENDATION: It is recommended that the City Council:

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1. Approve a Professional Services Agreement, No. 4057, with Office Solutions Business Products & Services, LLC (dba Bluespace Interiors), utilizing the Sourcewell Cooperative Purchasing Program (Sourcewell) Contract No. 121919-TKN, to purchase and install upgraded workstations for the Transportation Department for a total not-to-exceed amount of $128,824; and
2. Approve a Professional Services Agreement, No. 4058, with Mohawk Commercial, Inc. (Mohawk), utilizing the California Multiple Award Schedules (CMAS) Contract No. 4-20-00-0085C, to purchase and install flooring for Transportation, for a total not-to-exceed amount of $49,099; and
3. Authorize the City Manager and/or their designee to approve change orders for up to ten percent (10%) of the total compensation amount for each proposed agreement; and
4. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

16. ADOPT RESOLUTION NO. 22-92 APPROVING MONTEBELLO BUS LINES' 2022 TITLE VI PROGRAM INCLUDING THE LANGUAGE ASSISTANCE PLAN AND PUBLIC PARTICIPATION PLAN, THE DISPARATE IMPACT POLICY AND DISPROPORTIONATE BURDEN POLICY, AND THE TRANSIT SERVICE MONITORING RESULTS

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 22-92 approving Montebello Bus Lines' 2022 Title VI Program, including the Language Assistance Plan and the Public Participation Plan; and
2. Approve the Disparate Impact Policy and Disproportionate Burden Policy, as defined within the 2022 Title VI Program; and
3. Approve the Transit Service Monitoring Results, included within the 2022 Title VI Program; and
4. Take such additional, related, action that may be desirable.

The matter was continued to December 21, 2022.

17. APPROVE RECEIPT OF AN AWARD FROM THE CALIFORNIA HOMELESS COORDINATING AND FINANCING COUNCIL (HCFC) ENCAMPMENT RESOLUTION GRANT PROGRAM FISCAL YEAR 2022-23 AND 2023-2024 AND APPROPRIATE GRANT FUNDING

RECOMMENDATION: It is recommended that the City Council:

1. Approve the appropriation of $1,168,774 awarded to the City by the California Interagency Council on Homelessness (Cal ICH) Encampment Resolution Funding Grant Program; and
2. Amend the Fiscal Year 2022-23 budget by increasing appropriations by $1,168,774 in Expense Account No. 267-85-859-6040.10 and $1,168,774 in Revenue Account No. 267-99-4198.40 (Cal-ICH) - Encampment Resolution Funding Grant Fund, Fire, Cal-ICH - Encampment Resolution Funding, Other Contract Services and Miscellaneous Grants - Cal-ICH Encampment Resolution Funding; and
3. Authorize the City Manager to execute a Memorandum of Agreement between the City of Montebello and State of California Business, Consumer Services and Housing Agency (BCSH) to receive $1,168,774 in funding for the Encampment Resolution Funding Program; and
4. Authorize the City Manager to enter into a sole-source contract with Beverly Hospital for the purpose of the demonstration project to provide emergency room case management homeless services in an amount not-to-exceed $150,000 for the grant term of two years; and
5. Take such additional, related action that may be desirable.

The matter was continued to December 21, 2022.

18. APPROVE PROFESSIONAL SERVICES AGREEMENT NO. 4055 WITH URBAN FUTURES, INC. TO PROVIDE CONTINUING DISCLOSURE SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Approve Professional Services Agreement No. 4055 with Urban Futures, Inc. (Urban Futures, Inc.) in an amount not to exceed $99,600 ($33,200 annually) over an initial three (3) year term; and
2. Take any additional actions necessary to effectuate the procurement of services.

DRAFT

The matter was continued to December 21, 2022.

19. UPDATE ON SALE OF CITY'S WATER SYSTEM TO SAN GABRIEL VALLEY WATER COMPANY

RECOMMENDATION: It is recommended that the City Council:

1. Receive and file this update on the sale of the City's water system to San Gabriel Valley Water Company (SGVWC).

The matter was continued to December 21, 2022.

20. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 22-95 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED DECEMBER 14, 2022

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 22-95 approving the Warrant Register dated December 14, 2022.

The matter was continued to December 21, 2022.

AB 1234 TRAVEL REPORTS

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

Mayor Cobos-Cawthorne announced an event she attended in Sacramento.

COUNCIL ORALS

Council member announcements; requests for future agenda items; conference/meetings reports.

None.

- **Salvador Melendez, Councilmember**
- **Scarlet Peralta, Councilmember**
- **Angie M. Jimenez, Mayor Pro Tem**
- **David N. Torres, Councilmember**
- **Kimberly A. Cobos-Cawthorne, Mayor**

CEREMONIAL/PRESENTATIONS

21. PRESENTATION TO AND COMMENTS BY OUTGOING MAYOR COBOS-CAWTHORNE AND CITY TREASURER GUTIERREZ

Mayor Cobos-Cawthorne provided outgoing comments stating that it was an honor to serve as Mayor for two consecutive terms. Mayor Cobos-Cawthorne thanked the residents and staff for putting their trust in her, and commended the City Administration and City Directors for their work. Additionally, she thanked the community, her family, her adopted family, mother, and husband. On behalf of the City of Montebello, City Manager Bobadilla presented Mayor Cobos-Cawthorne with a shadow box of memorabilia and presented a video of the Mayor's journey. The following presented Certificates of Recognitions to Mayor Cobos-Cawthorne:

DRAFT

- *Representative Griselda Ortiz, from Congresswoman Sanchez' office, presented a Congressional Christmas Ornament for the City tree and a Certificate of Recognition*
- *California State Senator, Bob Archuleta, presented a Certificate of Recognition*
- *City of El Monte Mayor, Jessica Ancona, presented a Certificate of Recognition*
- *Assemblymember Miguel Santiago's representative presented a Certificate of Recognition*
- *City of Montebello Chamber of Commerce, Adriana Dugan, presented a Certificate of Recognition*
- *City of Monterey Park Mayor, Yvonne Yu, presented a Certificate of Recognition*
- *On behalf of the Montebello Unified School District Board of Education, City Clerk Christopher Jimenez, presented a Certificate of Recognition*
- *On behalf of the City of Whittier Mayor, City Clerk Christopher Jimenez, presented a Certificate of Commendation*

City Treasurer, Rafael Guttierez, provided outgoing comments thanking the residents and commending City staff. City Manager Bobabdilla presented Treasurer Gutierrez with a City of Montebello Tile.

NEW BUSINESS

22. ADOPT RESOLUTION NO. 22-94, CERTIFICATION OF THE NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION

RECOMMENDATION: It is recommended that the City Council:

1. Receive and file the Certification of the Canvass of the Election Returns from the Los Angeles County Registrar-Recorder/County Clerk; and
2. Adopt Resolution No. 22-94 reciting the facts of the General Municipal Election held on November 8, 2022, declaring the results and such other matters as required by law.

It was motioned by Councilmember Melendez, seconded by Councilmember Torres, that the item be approved as recommended by staff; the motion passed unanimously. Mayor Cobos-Cawthorne was not present to vote for this item.

23. ADMINISTRATION OF OATH OF OFFICE FOR DISTRICTS 1-5 NEWLY ELECTED COUNCIL MEMBERS AND CITY TREASURER

RECOMMENDATION: It is recommended that the City Council:

1. Receive and File Oath of Office for newly elected officials.

Assemblymember Miguel Santiago performed the Oath of Office for the following Councilmembers:

- *Councilmember Salvador Melendez*
- *Councilmember Scarlet Peralta*
- *Councilmember Georgina Tamayo*

Councilmember Torres was sworn in by his uncle Fernie.

Senator Bob Archuleta performed the Oath of Office for City Treasurer David Matanga.

24. CITY COUNCIL SELECTION OF MAYOR AND MAYOR PRO TEMPORE POSITIONS UNDER MONTEBELLO MUNICIPAL CODE SECTION 2.08.010, "REORGANIZATION"

RECOMMENDATION: It is recommended that the City Council:

DRAFT

1. Move to designate one of its members as Mayor and Mayor Pro Tempore as called for in Section 2.08.010 of the Montebello Municipal Code.

Councilmember Peralta motioned to nominate Councilmember David Torres for Mayor; the motion was seconded by Councilmember Tamayo.

Prior to voting, Councilmember Melendez made a few comments and stated that he would be abstaining from voting on this item; the motion passed by the following vote:

MOVED: Torres	**SECONDED: Tamayo**	**APPROVED: 3-0-1-1**
AYES: Peralta, Tamayo, Torres		
NOES: None		
ABSTAIN: Melendez		
ABSENT: Jimenez		

Mayor Torres nominated Councilmember Peralta for the position of Mayor Pro Tem; the motion was seconded by Councilmember Tamayo and passed unanimously.

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on January 11, 2023 at 5:00 p.m.** which can be live streamed at www.cityofmontebello.com (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, December 11, 2022 at 5:00 p.m.**

Alicia Fernandez, Senior Deputy City Clerk

Mayor Pro Tem Peralta motioned to adjourn the meeting to Wednesday, December 21, 2022 at 5:00 p.m. seconded by Councilmember Melendez; the motion was approved unanimously.

THE MINUTES OF DECEMBER 14, 2022 ARE HEREBY APPROVED AND ADOPTED ON THIS 22ND DAY OF FEBRUARY 22, 2023.

DRAFT

PUBLIC COMMENTS - 12/14/22

From: Karl Oshima <ookko@juno.com>
To: Mayor Kimberly Cobos-Cawthorne
Sent: Tuesday, December 13, 2022 2:49 PM EST
Subject: I am writing to you today regarding a very important issue

Dear Mayor Kimberly Ann Cobos-Cawthorne,

As your constituent, I am writing to ask for your support to stand on the side of welcome and reject cruelty as governors like Greg Abbott and Ron DeSantis act as if busing and flying people seeking safety is a game.

Specifically I'm asking if you will add a public pledge to the #ChooseWelcome campaign and website to show that you are a compassionate, resourceful leader who will #ChooseWelcome and receive people seeking safety with dignity and compassion. Elected official pledges will be displayed on the campaign's website at www.choosewelcome.org.

You or your team can submit your ChooseWelcome pledge at:
https://act.domesticworkers.org/a/elected-choose-welcome-pledge

I hope that you will consider my request and take action to support a more humane immigration system by adding your voice to welcome families with compassion not cruelty.

Thank you for your time and attention.

Sincerely,
Mr. Karl Oshima
304 E Eula Dr Montebello, CA 90640-2660
ookko@juno.com

From: Julian Cepeda
To: comment, ccpublic
Subject: [External Email] Public Comment
Date: Wednesday, December 14, 2022 3:01:21 PM

Good evening,

I would like to both congratulate Georgina Tamayo, Scarlet Peralta, and David Torres on their elections, and thank you all for your service. It is difficult to run for office, and you all have acted with the highest degree of integrity during this time.

David and Scarlet, you have proven to be amazing leaders and people, and your reelections are wholeheartedly deserved. The residents have seen all you have done.

Georgina, you have already shown you are a great leader and will do great things on the City Council.

The residents of Montebello are lucky to have you, just as you have a great honor in being trusted to lead. It is with great excitement, optimism, and trust that I wish you all the very best. Congratulations, councilmembers.

Sincerely,
Julian Cepeda

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

CITY OF MONTEBELLO ■ ■ ■ ■ Request No. 1

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☒ Non-Agenda Item ☐ Public Comment **AGENDA ITEM NO.** #3, #6, #10

Meeting Date: _____ **Time Received:** 5pm **Date Received:** 12/14/2022

SPEAKER'S FULL NAME: MARGOT EISER **PHONE:** ? (Optional)

ADDRESS: On file - Will Submit Written Statement (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☒

CITY OF MONTEBELLO ■ ■ ■ ■ Request No. 2

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** #7 & #10

Meeting Date: 12-14-22 **Time Received:** 5:10 **Date Received:** 12-14-22

SPEAKER'S FULL NAME: Will Cervera **PHONE:** _____ (Optional)

ADDRESS: _____ (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** # 7 # 10 agenda items

NOTES: and non-agenda item of

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO

Request No. 2

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☑ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: 12-14-2022 **Time Received:** 5:10 **Date Received:** 12-14-22

SPEAKER'S FULL NAME: Will Cervera **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** Closed Session

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO ■ ■ ■ ■ Request No. 9

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☑ **AGENDA ITEM NO.** _____

Meeting Date: 12/14/2022 **Time Received:** 5:21 **Date Received:** 12-14-22

SPEAKER'S FULL NAME: Olaf Lueram **PHONE:** 323 485-7487 (Optional)

ADDRESS: 1700 W. Victoria Ave Apt #3 (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** development of programs for adults with disabilities.

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO

Request No. 4

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☒ **AGENDA ITEM NO.** _____

Meeting Date: 12-14-2022 **Time Received:** 5 ~~4~~:28 **Date Received:** 12-14-2022

SPEAKER'S FULL NAME: Edward Franco **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO ■ ■ ■ ■ Request No. 5

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☒ **AGENDA ITEM NO.** _____

Meeting Date: 12/14/22 **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Gabriel Hill **PHONE:** 424.258.2446 (Optional)

ADDRESS: _____ (Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO

Request No. 6

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☑ **AGENDA ITEM NO.** _____

Meeting Date: _____ **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Vincent La Rocca **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐

CITY OF MONTEBELLO

Request No. 7

SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment: Closed Session ☐ Non-Agenda Item ☐ **AGENDA ITEM NO.** _____

Meeting Date: _____ **Time Received:** _____ **Date Received:** _____

SPEAKER'S FULL NAME: Rosemary Torres **PHONE:** _____ *(Optional)*

ADDRESS: _____ *(Optional)*

ORGANIZATION REPRESENTED: M+b Gang Diversion Task Force

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐